



OVERVIEW AND SCRUTINY COMMITTEE

Thursday 2 November 2017 at 6.30 pm

Council Chamber, Ryedale House, Malton

Agenda

1 Emergency Evacuation Procedure

The Chairman to inform Members of the Public of the emergency evacuation procedure.

2 Apologies for absence

3 Minutes of the Meeting held on the 20 September 2017 (Pages 3 - 4)

4 Urgent Business

To receive notice of any urgent business which the Chairman considers should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

5 Declarations of Interest

Members to indicate whether they will be declaring any interests under the Code of Conduct.

Members making a declaration of interest at a meeting of a Committee or Council are required to disclose the existence and nature of that interest. This requirement is not discharged by merely declaring a personal interest without further explanation.

6 Treasury Management Mid-Year Review (Pages 5 - 14)

7 Annual Audit Letter 2016/17 (Pages 15 - 22)

8 Internal Audit and Counter Fraud First Progress Report 2017/18 (Pages 23 - 34)

9 **Corporate Risk Register**

(Pages 35 - 48)

10 **Any other business that the Chairman decides is urgent.**

Overview and Scrutiny Committee

Held at Council Chamber, Ryedale House, Malton
on Wednesday 20 September 2017

Present

Councillors Acomb (Vice-Chairman), Clark (Chairman), Cussons MBE, Duncan, Frank, Gardiner, Sanderson and Thornton

In Attendance

Mandy Burchell, Fiona Casson, Simon Copley, Peter Johnson, Rashpal Khangura and Matthew Moore (KPMG)

Minutes

32 **Apologies for absence**

Apologies for absence were received from Councillor Mrs Keal.

33 **Minutes of the meeting held on 27 July 2017**

The minutes of the meeting held on 27 July 2017 were presented.

Resolved

That the minutes of the meeting held on 27 July 2017 be approved and signed by the Chairman as a correct record, with an amendment to clearly separate out scrutiny business from audit business.

34 **Urgent Business**

There were no items of urgent business which the Chairman considered should be dealt with as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972 (as amended).

35 **Declarations of Interest**

There were no declarations of interest.

36 **Update of Internal Audit Charter**

Considered – Report of the Resources and Enabling Services Lead (s151).

Decision

That the Committee approve the changes to the Council's internal audit charter.

Voting Record

8 For

0 Against

0 Abstentions

37 **External Audit report 2016/17**

Considered – Report of the External Auditors.

The External Auditors thanked the Resources and Enabling Services Lead (s151), the Senior Resources Officer and their staff for their support and cooperation during the audit of the accounts.

On behalf of the Committee, the Chairman thanked both the staff and the auditors for their hard work and wished them good luck for next year when the deadlines for completion of work would be earlier.

38 **Statement of Accounts 2016/17**

Considered – Report of the Resources and Enabling Services Lead (s151).

39 **Any other business that the Chairman decides is urgent.**

There being no other business, the meeting closed at 7.15pm.

OVERVIEW AND SCRUTINY ITEM, FOR CONSIDERATION PRIOR TO FULL COUNCIL

**RYEDALE
DISTRICT
COUNCIL**



REPORT TO:	COUNCIL
DATE:	14 DECEMBER 2017
REPORT OF THE:	FINANCE MANAGER (s151) PETER JOHNSON
TITLE OF REPORT:	TREASURY MANAGEMENT MID-YEAR REVIEW
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To report on the treasury management activities to date for the financial year 2017/18 in accordance with the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code).

2.0 RECOMMENDATIONS

- 2.1 It is recommended that:
- (i) Members receive this report; and
 - (ii) The mid-year performance of the in-house managed funds to date is noted.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The Council has adopted the Code. A provision of the Code is that a mid-year review report must be made to the Full Council relating to the treasury activities of the current year.

4.0 SIGNIFICANT RISKS

- 4.1 There are significant risks when investing public funds especially with unknown institutions. However, by the adoption of the CIPFA Code and a prudent investment strategy these are minimised. The employment of Treasury Advisors also helps reduce the risk.

REPORT

5.0 BACKGROUND AND INTRODUCTION

- 5.1 The Council operates a balanced budget, which broadly means cash raised during the

year will meet its cash expenditure. Part of the treasury management operations ensures this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

5.2 The second major function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide towards whether the Council has a borrowing need, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short term loans or using longer term cash flow surpluses.

5.3 Treasury management in this context is defined as:
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

5.4 The CIPFA Code of Practice on Treasury Management 2009 was adopted by this Council on 22 February 2010 and this Council fully complies with its requirements.

5.5 The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Full Council of an annual Treasury Management Strategy Statement (including the Annual Investment Strategy and Minimum Revenue Provision Policy) for the year ahead, a Mid-Year Review Report and an Annual Report covering activities during the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body, which in this Council is the Overview and Scrutiny Committee.

5.6 This mid-year report has been prepared in compliance with CIPFA's Code of Practice and covers the following:

- An economic update for the first six months of 2017/18;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- A review of the Council's investment portfolio for 2017/18;
- A review of compliance with Treasury and Prudential Limits for 2017/18.

6.0 POLICY CONTEXT

6.1 The Council has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities and this report complies with the requirements under this Code.

7.0 CONSULTATION

7.1 The Council uses the services of Capita Asset Services (Sector Treasury Services

Limited) to provide treasury management information and advice.

8.0 REPORT DETAILS

Economic Update

- 8.1 After the UK economy surprised on the upside with strong growth in 2016, growth in 2017 has been disappointingly weak; quarter 1 came in at only +0.3% (+1.7% y/y) and quarter 2 was +0.3% (+1.5% y/y) which meant that growth in the first half of 2017 was the slowest for the first half of any year since 2012. . The main reason for this has been the sharp increase in inflation, caused by the devaluation of sterling after the referendum, feeding increases in the cost of imports into the economy. This has caused, in turn, a reduction in consumer disposable income and spending power and so the services sector of the economy, accounting for around 75% of GDP, has seen weak growth as consumers cut back on their expenditure. However, more recently there have been encouraging statistics from the manufacturing sector which is seeing strong growth, particularly as a result of increased demand for exports. It has helped that growth in the EU, our main trading partner, has improved significantly over the last year. However, this sector only accounts for around 11% of GDP so expansion in this sector will have a much more muted effect on the average total GDP growth figure for the UK economy as a whole.
- 8.2 The Monetary Policy Committee (MPC) meeting of 14 September 2017 surprised markets and forecasters by suddenly switching to a much more aggressive tone in terms of its words around warning that Bank Rate will need to rise. The Bank of England Inflation Reports during 2017 have clearly flagged up that they expected CPI inflation to peak at just under 3% in 2017, before falling back to near to its target rate of 2% in two years time. Inflation actually came in at 2.9% in August, (this data was released on 12 September), and so the Bank revised its forecast for the peak to over 3% at the 14 September meeting MPC. This marginal revision can hardly justify why the MPC became so aggressive with its wording; rather, the focus was on an emerging view that with unemployment falling to only 4.3%, the lowest level since 1975, and improvements in productivity being so weak, that the amount of spare capacity in the economy was significantly diminishing towards a point at which they now needed to take action. In addition, the MPC took a more tolerant view of low wage inflation as this now looks like a common factor in nearly all western economies as a result of increasing globalisation. This effectively means that the UK labour faces competition from overseas labour e.g. in outsourcing work to third world countries, and this therefore depresses the negotiating power of UK labour. However, the Bank was also concerned that the withdrawal of the UK from the EU would effectively lead to a decrease in such globalisation pressures in the UK, and so would be inflationary over the next few years.
- 8.3 It therefore looks very likely that the MPC will increase Bank Rate to 0.5% in November or, if not, in February 2018. The big question after that will be whether this will be a one off increase or the start of a slow, but regular, increase in Bank Rate. As at the start of October, short sterling rates are indicating that financial markets do not expect a second increase until May 2018 with a third increase in November 2019. However, some forecasters are

flagging up that they expect growth to improve significantly in 2017 and into 2018, as the fall in inflation will bring to an end the negative impact on consumer spending power while a strong export performance will compensate for weak services sector growth. If this scenario were to materialise, then the MPC would have added reason to embark on a series of slow but gradual increases in Bank Rate during 2018. While there is so much uncertainty around the Brexit negotiations, consumer confidence, and business confidence to spend on investing, it is far too early to be confident about how the next two years will pan out.

- 8.4 Economic growth in the EU, (the UK's biggest trading partner), has been lack lustre for several years after the financial crisis despite the ECB eventually cutting its main rate to -0.4% and embarking on a massive programme of QE. However, growth picked up in 2016 and now looks to have gathered ongoing substantial strength and momentum thanks to this stimulus. GDP growth was 0.5% in quarter 1 (2.0% y/y) and 0.6% in quarter 2 (2.3% y/y). However, despite providing massive monetary stimulus, the European Central Bank is still struggling to get inflation up to its 2% target and in August inflation was 1.5%. It is therefore unlikely to start on an upswing in rates until possibly 2019.
- 8.5 Growth in the American economy has been volatile in 2015 and 2016. 2017 is following that path again with quarter 1 coming in at only 1.2% but quarter 2 rebounding to 3.1%, resulting in an overall annualised figure of 2.1% for the first half year. Unemployment in the US has also fallen to the lowest level for many years, reaching 4.4%, while wage inflation pressures, and inflationary pressures in general, have been building. The Fed has started on a gradual upswing in rates with three increases since December 2016; and there could be one more rate rise in 2017 which would then lift the central rate to 1.25 – 1.50%. There could then be another four more increases in 2018. At its June meeting, the Fed strongly hinted that it would soon begin to unwind its \$4.5 trillion balance sheet holdings of bonds and mortgage backed securities by reducing its reinvestment of maturing holdings.
- 8.6 *The Council's treasury advisor, Capita Asset Services, has provided the following forecast:*

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
Bank rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.75%	0.75%
5yr PWLB rate	1.50%	1.60%	1.70%	1.70%	1.80%	1.80%	1.90%	1.90%	2.00%	2.00%
10yr PWLB rate	2.20%	2.30%	2.30%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%
25yr PWLB rate	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%
50yr PWLB rate	2.70%	2.70%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%

Capita Asset Services undertook its last review of interest rate forecasts on 9 August after the quarterly Bank of England Inflation Report. There was no change in MPC

policy at that meeting. However, the MPC meeting of 14 September revealed a sharp change in sentiment whereby a majority of MPC members said they would be voting for an increase in Bank Rate “over the coming months”. It is therefore possible that there will be an increase to 0.5% at the November MPC meeting. If that happens, the question will then be as to whether the MPC will stop at just withdrawing the emergency Bank Rate cut of 0.25% in August 2016, after the result of the EU withdrawal referendum, or whether they will embark on a series of further increases in Bank Rate during 2018.

Treasury Management Strategy Statement and Annual Investment Strategy Update.

8.7 The Treasury Management Strategy (TMSS) for 2017/18 was approved by this Council on 21 February 2017. There are no policy changes to the TMSS, the details in this report update the position in the light of the updated economic position and budgetary changes already approved. Council’s Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council’s investment priorities as follows:

- Security of capital
- Liquidity

8.8 The Council will also aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (maximum loan period of 12 months) and only invest with highly credit rated financial institutions, using Sector’s suggested creditworthiness approach, including sovereign rating and credit default swap (CDS) overlay information provided by Sector.

8.9 Investments during the first six months of the year have been in line with the strategy and there have been no deviations from the strategy.

8.10 As outlined above, there is still some uncertainty and volatility in the financial and banking market, both globally and in the UK. In this context, it is considered that the strategy approved on 21 February 2017 is still fit for purpose in the current economic climate.

Investment Portfolio 2017/18

8.11 In accordance with the Code, it is the Council’s priority to ensure security of capital and liquidity and to obtain an appropriate level of return which is consistent with the Council’s risk appetite.

8.12 As set out earlier in the report, it is a very difficult investment market in terms of earning the level of interest rate commonly seen in previous decades as rates are very low and in line with the 0.25% Bank Rate.

8.13 The Council’s investment position at the beginning of the financial year was as follows:

Type of Institution	Investments (£)
UK Clearing Banks	10,713,305
Foreign Banks	5,000,000
Building Societies	2,900,000
Total	18,613,305

8.14 A full list of investments held as at 30 September 2017, compared to Sectors

counterparty list and changes to Fitch, Moodys and S&P's credit ratings during the first six months of 2017/18 is shown in annex B and summarised below:

Type of Institution	Investments (£)
UK Clearing Banks	13,238,619
Foreign Banks	6,000,000
Building Societies	2,000,000
Total	21,238,619

8.15 As illustrated in the economic background section above, investment rates available in the market are at a historical low point. The average level of funds available for investment purposes in the first six months of 2017/18 was £20.7m. These funds were available on a temporary basis and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and the progress of the capital programme.

8.16 The table below compares the investment portfolio yield for the first six months of the year against a benchmark of the average 7 day LIBID rate of 0.11%.

	Average Investment (£)	Average Gross Rate of Return	Net Rate of Return	Benchmark Return	Interest Earned (£)
Cash Equivalents	5,591,530	0.15%	n/a	n/a	4,098
Fixed Term Deposits	1,161,538	0.38%	n/a	0.11%	32,377

8.17 The Council's budgeted investment return for 2017/18 is £65k and performance during the financial year to 30 September 2017 is £36k, **which is on target to out perform the budget.**

8.18 The current investment counterparty criteria selection approved in the TMSS is meeting the requirement of the treasury management function.

Compliance with Treasury and Prudential Limits

8.19 It is a statutory duty for the Council to determine and keep under review the "Affordable Borrowing Limits". The Council's approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement (TMSS).

8.20 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council's TMSS and in compliance with the Council's Treasury Management Practices. The Prudential and Treasury Indicators are shown in annex A.

8.21 The level of gross borrowing remains at £1.75m, full details can be found at annex B. Repayments have been made in line with the loan repayment schedule. In order to fulfil the funding requirements of the current Capital Programme the Council still has a borrowing requirement of £320k, however it is unlikely that we will look to borrow the remaining sum in the current financial year.

9.0 IMPLICATIONS

9.1 The following implications have been identified:

- a) Financial
The results of the investment strategy affect the funding of the capital programme. The investment income return to 30 September 2017 was £36k, which is in excess of the profiled budget. The cost of borrowing affects the revenue account. Borrowing costs to 30 September 2017 were £28k, which is below the profiled budget.
- b) Legal
There are no additional legal implications within this report.
- c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
There are no additional implications within this report.

Peter Johnson
Finance Manager (s151)

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Background Papers:
None

Background Papers are available for inspection at:
N/a

PRUDENTIAL AND TREASURY INDICATORS

Prudential Indicators

	2016/17	2017/18		
	Actual	Original Estimate	Current Position	Revised Estimate
Capital Expenditure	£0.538m	£0.957m	£0.105m	£2.549m
Net borrowing requirement	-£13.731m	-£11.187m	-£19.489m	-£11.187m
Capital Financing Requirement as at 31 March (excl borrowing by finance lease)	£2.227m	£2.491m	n/a	£2.491m
Annual change in Capital Financing Requirement	-£0.124m	£0.264m	n/a	£0.264m

Treasury Management Indicators

	2017/18	
	Original Limits	Revised Estimate
Authorised Limit for external debt -		
Borrowing	£10.0m	£10.0m
Other long term liabilities	£1.0m	£1.0m
Total	£11.0m	£11.0m
Operational Boundary for external debt -		
Borrowing	£5.0m	£5.0m
Other long term liabilities	£0.6m	£0.6m
Total	£5.8m	£5.8m

ANNEX B

Investment Portfolio as at 30 September 2017

Investment by Institution	Investment £	Duration of Investment	Latest Capita Duration Band Rating	Sovereignty Rating
UK Clearing Banks				
Lloyds Bank	6,138,619	On Call	6 Months	AA
Nationwide B.S.	1,000,000	6 Months	6 Months	AA
DBS Bank Ltd	1,500,000	9 Months	12 Months	AAA
Lloyds Bank	1,000,000	6 Months	6 Months	AA
DBS Bank Ltd	1,000,000	9 Months	12 Months	AAA
Santander	1,500,000	6 Months	6 Months	AA
CIC	1,000,000	6 Months	6 Months	AA
Santander	1,500,000	6 Months	6 Months	AA
DBS Bank Ltd	1,000,000	9 Months	12 Months	AAA
Nationwide B.S.	1,000,000	6 Months	6 Months	AA
Barclays Bank	1,100,000	5 Months	6 Months	AA
Lloyds Bank	1,500,000	6 Months	6 Months	AA
CIC	1,000,000	6 Months	6 Months	AA
CIC	1,000,000	6 Months	6 Months	AA
Grand Total	21,238,619			

Fitch, Moody's and S & P's Sovereignty Rating for the UK is AA.
All the above borrowers met the required credit rating at the time of investment.

Borrowing Schedule as at 30 September 2017

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£1.00m	Maturity	3.69%	50 years
PWLB	£0.75m	EIP	2.99%	19 years

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Annual Audit Letter 2016/17

Ryedale District Council

kpmg.com/uk

October 2017

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. Public Sector Audit Appointments issued a document entitled Statement of Responsibilities of Auditors and Audited Bodies summarising where the responsibilities of auditors begin and end and what is expected from audited bodies. We draw your attention to this document which is available on Public Sector Audit Appointment’s website (www.psaa.co.uk).

External auditors do not act as a substitute for the audited body’s own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

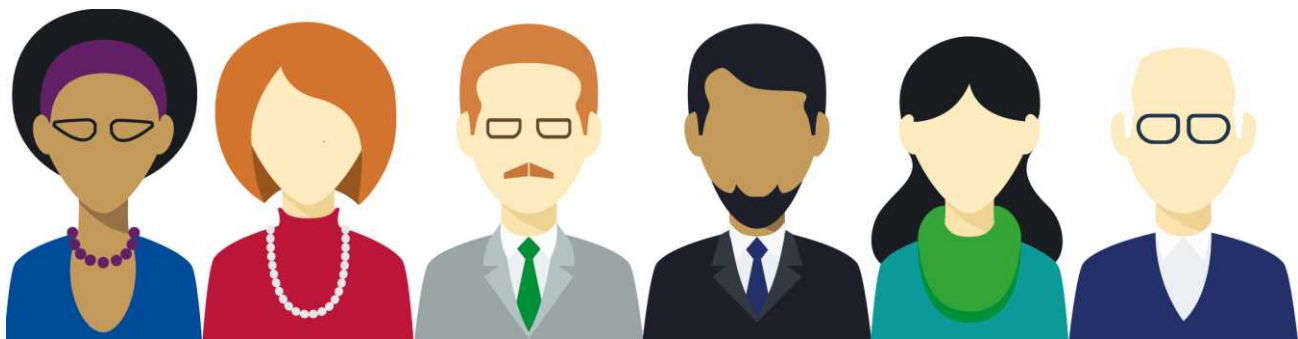
We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG’s work, in the first instance you should contact Rashpal Khangura, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG’s work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA’s complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Section one

Summary

This Annual Audit Letter summarises the outcome from our audit work at Ryedale District Council in relation to the 2016/17 audit year. Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.



VFM conclusion

We issued an unqualified conclusion on the Authority's arrangements to secure value for money (VFM conclusion) for 2016/17 on 25 September 2017. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority's arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

VFM risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified no significant matters so we concluded that the Authority has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Although we note the following comments on financial resilience and the recently completed Peer review.

Financial resilience

Like most of local government, the Authority faces a challenging future driven by funding reductions and an increase in demand for services.

The current position is that in 2016/17 the savings identified in the T2020 transformation plans had been delivered and a surplus produced. The medium term plans are showing a need to deliver further savings and these are part of the T2020 second phase of reviews.

Peer Review

The Council commissioned a Peer review of the Council from the LGA. The Peer review identified areas of improvement for the Council, although by itself these do not identify any arrangements that are failing or would result in us considering as a significant risk.

In response, an agreed action plan was drawn up and presented to Members in March 2017, however this action plan was referred to Full Council in April 2017.

At Full Council. Members decided that they needed a members working party to address the issues raised and confirm / amend the suggested action plan.

The working group has been set up and is planning to meet in November 2017.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 25 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

Section one

Financial statements audit

There were no significant findings arising from the financial statements audit. We identified no changes to the main financial statements although a number of presentational changes to the supporting notes were made by management.

We will be discussing with management action that can be taken to facilitate the earlier preparation and audit of accounts required in 2017/18.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review your pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

High priority recommendations

We raised no high priority recommendations as a result of our 2016/17 audit work. We raised one medium priority, and one low priority recommendations which are included in our report to those charged with governance which was presented to the Audit Committee in September 2017.

We will formally follow up these recommendations as part of our 2017/18 work.

Certificate

We issued our certificate on 25 September 2017. The certificate confirms that we have concluded the audit for 2016/17 in accordance with the requirements of the Local Audit & Accountability Act 2014 and the Code of Audit Practice.

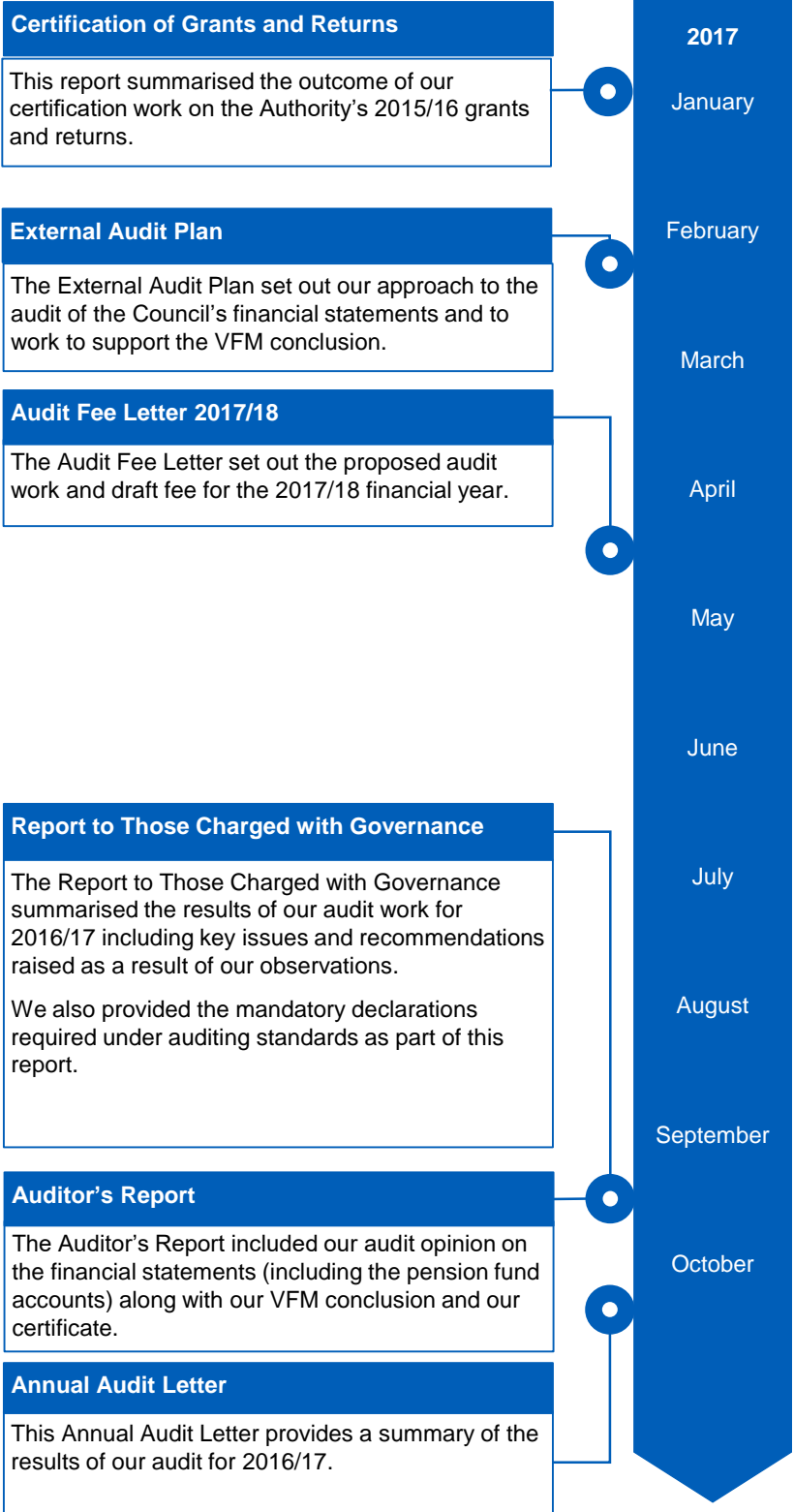
Audit fee

Our final fee for the 2016/17 audit was £41,826, which is in line with the planned fee. Further detail is contained in Appendix 2.

Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter.

These reports can be accessed via the Audit Committee agendas on the Council’s website at www.ryedale.gov.uk.



Appendix 2

Audit fees

This appendix provides information on our final fees for the 2016/17 audit.

To ensure transparency about the extent of our fee relationship with the Authority we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fee for the 2016/17 audit was £41,826 which is in line with the planned fee.

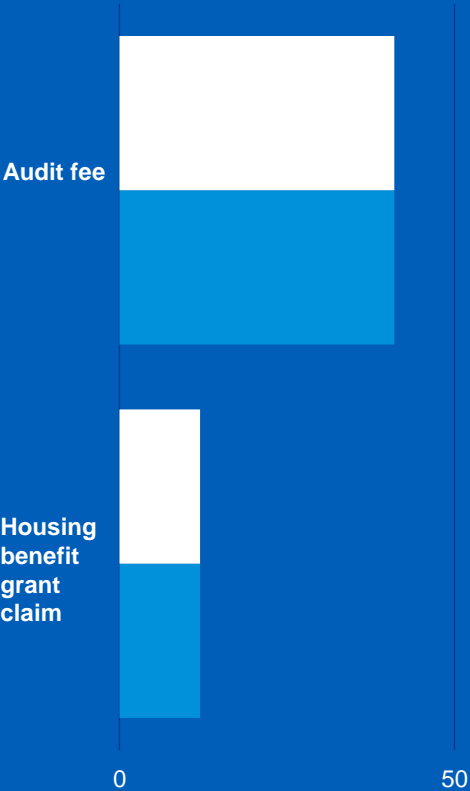
Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority’s housing benefit grant claim. This certification work is still ongoing. The planned audit fee is £12,150. The final fee will be confirmed through our reporting on the outcome of that work in December 2017.

Other services

We have carried out no additional services.

External audit fees 2016/17 (£'000)



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REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	2 November 2017
REPORT OF THE:	RESOURCES AND ENABLING SERVICES LEAD (s151) PETER JOHNSON
TITLE OF REPORT:	INTERNAL AUDIT AND COUNTER FRAUD FIRST PROGRESS REPORT 2017/18
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report summarises the outcome of internal audit and counter fraud work undertaken between 1 April 2017 and 10 October 2017, inclusive.

2.0 RECOMMENDATION(S)

- 2.1 It is recommended the Committee note the results of the work undertaken as part of 2017/18 internal audit and counter fraud plan.

3.0 REASON FOR RECOMMENDATION(S)

- 3.1 To enable the Committee to fulfil its responsibility for considering the outcome of internal audit and counter fraud work.

4.0 SIGNIFICANT RISKS

- 4.1 The Council will fail to comply with proper practice requirements for internal audit and the Council's Audit Charter if the results of audit work are not considered by an appropriate Committee.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 The work on internal audit and counter fraud supports the council's overall aims and priorities by promoting probity, integrity and honesty and by helping support the council to become a more effective organisation.
- 5.2 The work of internal audit is governed by the Accounts and Audit (England) Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS) and CIPFA guidance on the application of those standards in Local Government. In accordance with the standards, the Head of Internal Audit is required to report on the results of audit work undertaken.

6.0 REPORT DETAILS

- 6.1 The progress report included at Appendix 1 summarises the progress made against the 2017/18 internal audit plan. In the period from 1 April 2017 to 10 October 2017 one internal audit draft report has been issued. Work is ongoing in three other areas and planning for five audits has started. Planned timings for all work not yet started have been agreed with officers. It is expected all audits will have draft reports issued by the end of April 2018. Further information is contained in Annex A.
- 6.2 A key aspect of our work since the last Committee has been to review the progress made implementing previously agreed actions. It is important agreed actions are formally followed-up to ensure they have been implemented by managers. We followed up the progress made in respect of 44 findings which had a date for implementation of 30 September 2017 or earlier. Just over half of the planned findings (23) have been completed. Updated deadlines for completion have been set by officers; the majority of which (17/21) are planned to be completed by 31 December 2017. Further information is included in Annex B.
- 6.3 Counter fraud work has been undertaken in accordance with the approved plan. Annex D to the enclosed report provides a summary of the work undertaken in the period.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

Peter Johnson
Resources and Enabling Services Lead (s151)

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Author: Jonathan Dodsworth Counter Fraud Manager.
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Background Papers:
2017/18 Internal Audit and Counter Fraud Plan



Ryedale District Council

Internal Audit and Counter Fraud Progress Report 2017/18

Audit Manager: Stuart Cutts
Counter Fraud Manager: Jonathan Dodsworth
Head of Internal Audit: Max Thomas

Circulation List: Members of the Overview and Scrutiny Committee
Chief Executive
Resources and Enabling Services Lead (s151)

Date: October 2017



Background

- 1 The work of internal audit is governed by the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards (PSIAS). In accordance with the PSIAS, the Head of Internal Audit is required to report progress against the internal audit plan and to identify any emerging issues which need to be brought to the attention of the Committee.
- 2 Members of this Committee approved the 2017/18 Internal Audit and Counter Fraud Plan at their meeting on the 20 April 2017. The total number of planned days for 2016/17 was 345. This report summarises the progress made in delivering the agreed plan.
- 3 This is the first Internal Audit progress report to be received by the Overview and Scrutiny Committee in 2017/18. This report therefore updates the Committee on the work completed between 1 April 2017 and 10 October 2017.

Internal Audit work completed

- 4 In the period between 1 April and 10 October 2017 we have completed one internal audit review to draft report stage; Taxi Licensing. Work is in progress on three audits and work planning five audits has started.
- 5 We have agreed timings with management for all 2017/18 audits. For those audits we have yet to start we have provided proposed start dates in this report. We are on target to deliver the agreed Audit Plan by the end of April 2018. Further information is included in Annex A.

Follow up of previous audit recommendations

- 6 A key part of our work since the last Committee has been to review the progress officers have made in completing actions agreed as a result of internal audit work. It is important that agreed actions are regularly and formally followed up. This helps to provide assurance to management and members that control weaknesses have been properly addressed.
- 7 A total of 44 agreed actions relating to ten of the 2016/17 audit reports have been followed up with the responsible officers. These actions had an agreed date for completion of 30 September 2017 (or earlier).
- 8 In total just more than half of the actions (23 of 44) have been fully completed. In addition, evidence has been seen that work is in progress to address the remaining actions that are not yet fully complete. For 17 of these remaining 21 actions, the Council has revised planned implementation dates which show they expect these 17 to be fully completed by 31 December 2017. In some instances it has taken officers longer than originally envisaged to fully address the issues raised. We feel the delays (where happening) are not causing significant increased risks to the control environment.
- 9 Further information on the follow up findings is included in Annex B.

Wider Internal Audit work

- 10 In addition to undertaking assurance reviews, Veritau officers are involved in a number of other areas relevant to corporate matters:
- **Support to the Overview and Scrutiny Committee;** this is mainly ongoing through our attendance at meetings of the Committee and the provision of advice, guidance and training to members as required.
 - **Ongoing support to management and officers;** we meet regularly with management to identify emerging issues and provide advice on a range of specific business and internal control issues. These relationships help to provide 'real time' feedback on areas of importance to the Council. We have been working with senior management as part of the ongoing 'Towards 2020 Programme', providing support, advice and challenge.
 - **Risk Management;** Veritau provides support and advice on the Council's risk management arrangements and processes.
 - **Investigations;** We perform special or ad-hoc reviews or investigations into specific issues.

Audit Opinions

- 11 For most reports we provide an overall opinion on the adequacy and effectiveness of the controls under review. The opinion given is based on an assessment of the risks associated with any weaknesses in controls identified. We also apply a priority to all actions agreed with management. Details of the opinion and priority rankings are included in Annex C.

Counter Fraud

- 12 Veritau provides the council's counter fraud service. The counter fraud team investigate a range of fraud against the authority, including council tax fraud, council tax support fraud, and internal fraud issues.
- 13 Up to 30 September 2017 the fraud team has achieved £38k in savings for the council as a result of investigative work. There are currently 16 ongoing investigations. A full summary of fraud activity is included in Annex D.

Stuart Cutts
Audit Manager
Veritau Ltd

Jonathan Dodsworth
Counter Fraud Manager
Veritau Ltd

October 2017

Table of 2017/18 audit assignments to 10 October 2017

Audit	Status	Assurance Level (if Completed) / Planned Start date (if Not Started)	Audit Committee
Strategic Risk Register			
Business Continuity and Disaster Recovery	Not started	Quarter 4	
HR Performance Management and Training	Not started	Quarter 4	
Data Protection and Security	Planning	-	
IT Information Security	Not started	Quarter 4	
Partnership Arrangements	Not started	Quarter 3	
Fundamental/Material Systems			
Housing Benefits	Planning	-	
Payroll	Not started	Quarter 4	
Council Tax / NNDR	In Progress	-	
Sundry Debtors	Not started	Quarter 3	
Creditors	Planning	-	
Income	Planning		
General Ledger	Not started	Quarter 3	
Regularity Audits			
Procurement	Planning		
Risk Management	Not started	Quarter 4	
Lettings Income	In Progress		
Taxi Licensing	Draft Report		
Development Management	Not started	Quarter 3	
Technical/Project Audits			
Transformation Programme	In Progress		
Project and Programme Management	Not started	Quarter 4	
Follow-Ups			
	In Progress		

Annex B**An overview of progress made implementing agreed actions with 30 September 2017 deadline (or earlier)**

Audit	Assurance Rating	Total	Completed	Comments
Payroll	Limited Assurance	4	1	In addressing one action (to use GCSX accounts for extra security) officers have found some issues with external supplier systems which require additional work and which impact on other findings. Revised deadlines of 30/11/17 (for 2 findings) and 31/12/17 have now been set.
Asset Management - Investment properties	Reasonable Assurance	5	1	To fully complete all actions is taking a little more time than originally envisaged. A detailed conditions survey is planned to be completed by the end of November. Work is ongoing for the remaining 3 findings which are envisaged to be completed by March 2018.
Contracts Register	Reasonable Assurance	4	1	There is a clear plan to improve the register and contract management. A number of actions have been taken. One spreadsheet based register is to be maintained. It is expected all actions will be completed in 2017. The senior commissioning officer is awaiting some information from departments to progress planned improvements. Training is planned by the end of 2017.
Business Continuity and Disaster Recovery	Reasonable Assurance	3	0	The Council is very close to completing all findings (having a finalised corporate business continuity plan, service business continuity plan and disaster recovery plan). Final meetings were taking place in October so all findings have a revised deadline of the end of October 2017.
Creditors	Reasonable Assurance	4	3	One action to review all late payments has been delayed due to a person not being in the creditors post. No late payment reports have been run. An updated deadline of 31 March 2018 to complete this action has been set.
Housing Benefits	Substantial Assurance	3	3	All agreed actions have been implemented
Income	Substantial Assurance	6	5	One finding in respect of a supervisory check on transfers and reversals being carried out monthly has yet to be undertaken in 2017/18.
Sundry Debtors	High Assurance	2	2	All agreed actions have been implemented
General Network Controls	No opinion	1	1	Agreed action implemented
Risk Management	No opinion	12	6	Some progress has been made in implementing the key agreed actions. However, revised dates have been required for six actions with full completion expected by 31 December 2017.
Total		44	23	

Audit Opinions and Priorities for Actions

Audit Opinions

Audit work is based on sampling transactions to test the operation of systems. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks we identify at the time of the audit.

Our overall audit opinion is based on 5 grades of opinion, as set out below.

Opinion	Assessment of internal control
High Assurance	Overall, very good management of risk. An effective control environment appears to be in operation.
Substantial Assurance	Overall, good management of risk with few weaknesses identified. An effective control environment is in operation but there is scope for further improvement in the areas identified.
Reasonable Assurance	Overall, satisfactory management of risk with a number of weaknesses identified. An acceptable control environment is in operation but there are a number of improvements that could be made.
Limited Assurance	Overall, poor management of risk with significant control weaknesses in key areas and major improvements required before an effective control environment will be in operation.
No Assurance	Overall, there is a fundamental failure in control and risks are not being effectively managed. A number of key areas require substantial improvement to protect the system from error and abuse.

Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Counter Fraud Activity 2017/18

The table below shows the total number of fraud referrals received and summarises the outcomes of investigations completed during the year.

	2017/18 (As at 30/9/17)	2016/17 (Full Year)
% of investigations completed which result in a successful outcome (for example benefit stopped or amended, sanctions, prosecutions, properties recovered, and housing allocations blocked).	31%	53%
Amount of actual savings (quantifiable savings - e.g. CTS) identified through fraud investigation.	£38,314	£38,642

Caseload figures for the period are:

	2017/18 (As at 30/09/17)	2016/17 (Full Year)
Referrals received	50	70
Referrals rejected	10	15
Number of cases under investigation	16	25 ¹
Number of investigations completed	16	30

¹ As at 31/3/17

Summary of counter fraud activity:

Activity	Work completed or in progress
Data matching	<p>Results from the 2016/17 National Fraud Initiative data matching exercise were returned earlier this year. There are 91 recommended matches to investigate covering a range of council services. Work on investigating these matches is underway.</p> <p>A new NFI Council Tax Single Person Discount data matching exercise will be run later this year with results expected in early 2018. Veritau is gathering the necessary information ahead of securely sending it.</p>
Fraud detection and investigation	<p>The service continues to promote the use of criminal investigation techniques and standards to respond to any fraud perpetrated against the council. Activity to date includes the following:</p> <ul style="list-style-type: none">• Council Tax Support fraud – To date the team has received 12 referrals for possible CTS fraud. Over £15,000 in overpayments have been identified in the current financial year. There are currently 8 cases under investigation. One CTS case has been approved for prosecution and is due in court at the end of October.• Council Tax/Non Domestic Rates fraud – 37 referrals for council tax or business rates fraud have been received in 2017/18. There are currently 7 cases under investigation.
Fraud liaison	<p>The counter fraud team acts as a single point of contact for the Department for Work and Pensions (DWP) and is responsible for providing data to support their housing benefit investigations. The team has dealt with 41 requests to date in 2017/18.</p> <p>In addition housing benefit fraud concerns from within the council as well as from members of the public have been referred to the DWP for investigation. These referrals are tracked to ensure that the Council is aware of the results of any DWP investigations. Where financial penalties are recommended by the DWP the circumstances of each case is reviewed and advice is given to the Council to assist decision making.</p>


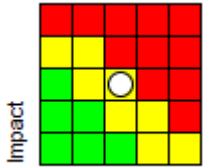
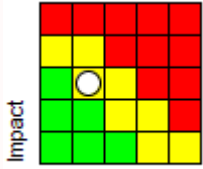

Activity	Work completed or in progress
Fraud Management	<p>In 2017/18 a range of activity has been undertaken to support the Council's counter fraud framework.</p> <ul style="list-style-type: none"> • In July an annual counter fraud report was brought to the Audit and Governance Committee. As part of the annual report the counter fraud and corruption policy and counter fraud strategy were both reviewed. No updates were required to the policy and strategy however a counter fraud risk assessment and associated action plan were updated to reflect current fraud threats facing the council. • The counter fraud team continues to alert council departments to emerging local and national threats through a monthly bulletin and specific alerts.

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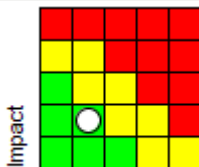


Corporate Risk Register

Generated on: 23 October 2017

Status	Code	Title
	CRR 01	Significant Partnerships
	CRR 02a	Corporate Fraud and Corruption (Delivering the Financial Strategy)
	CRR 02b	Data Quality (Delivering the Financial Strategy)
	CRR 02c	Delivering Efficiencies (Delivering the Financial Strategy)
	CRR 03	Staff Management
	CRR 04	External Funding
	CRR 05	Affordable Housing
	CRR 06	Contract Management
	CRR 07	Health and Safety
	CRR 08	Business Continuity Planning
	CRR 09	Management of Council Assets
	CRR 10	Information Security


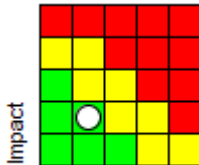
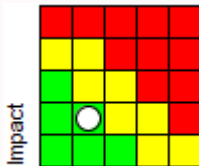

CRR 01 Significant Partnerships					
Risk Code	Risk Title	Description			Status
CRR 01	Significant Partnerships	That the Council fails to manage its partnerships effectively and achieves value for money			
Consequences		Financial cost to the Council through partnership failure, breach of legislation by partnership with consequences for Council and its reputation, levels of service satisfaction and quality fall below acceptable levels.			
Original Matrix		Original Rating Description			
	Original Impact	C	Original Likelihood	3	
		Medium		Likely	
Current Risk Matrix		Current Rating Description			
	Current Impact	C	Current Likelihood	2	
		Medium		Not Likely	
Target Risk Matrix		Target Rating Description			
	Target Impact	B	Target Likelihood	2	
		Minor		Not Likely	
Latest Progress			Last Review Date	SMT Lead	
Partnerships risk register updated and internal audit of partnerships to take place in 2018/19. Recent moves towards a One Yorkshire devolution proposal (excluding Sheffield and Rotherham) have been rejected by Government and the way forward is not currently clear. Current consideration to establishing a growth delivery team to work across North Yorkshire to bring forward housing and economic projects, using the Business Rates 100% pilot.			19-Oct-2017	Julian Rudd	

CRR 02a Corporate Fraud and Corruption (Delivering the Financial Strategy)

Risk Code	Risk Title	Description			Status
CRR 02a	Corporate Fraud and Corruption	Failure to ensure Council has proper procedures and policies for the prevention and detection of fraud.			
Consequences		Financial loss to the Council, damage to our reputation and credibility			
Original Matrix		Original Rating Description			
		Original Impact	B	Original Likelihood	2
			Minor		Not Likely
Current Risk Matrix		Current Rating Description			
		Current Impact	B	Current Likelihood	2
			Minor		Not Likely
Target Risk Matrix		Target Rating Description			
		Target Impact	B	Target Likelihood	1
			Minor		Very Low
Latest Progress			Last Review Date	SMT Lead	
Counter Fraud and Corruption strategy update approved at Audit Committee in July 2017. Current fraud risks facing the Council were also considered and a number of specific actions were included in the risk assessment.			10-Oct-2017	Peter Johnson	



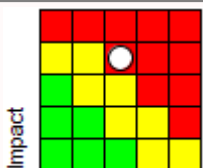

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CRR 02b Data Quality (Delivering the Financial Strategy)


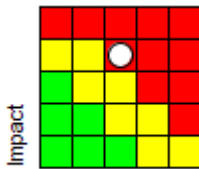
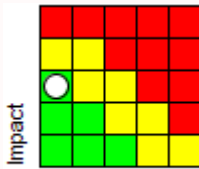
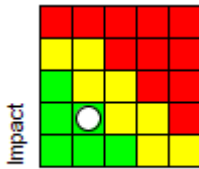
Risk Code	Risk Title	Description			Status
CRR 02b	Data Quality	The Council recognises the importance of data quality as we need reliable, accurate and timely performance information with which to manage services, inform users and account for our performance			
Consequences		Damage to councils reputation through dissemination of inaccurate information, lack of robustness of performance management arrangements			
Original Matrix		Original Rating Description			
	Original Impact	B	Original Likelihood	2	
		Minor		Not Likely	
Current Risk Matrix		Current Rating Description			
	Current Impact	B	Current Likelihood	2	
		Minor		Not Likely	
Target Risk Matrix		Target Rating Description			
	Target Impact	A	Target Likelihood	1	
		Low		Very Low	
Latest Progress			Last Review Date	SMT Lead	
Revised KPI's have been produced for Scrutiny Committee, the Committee continues to work to ensure that the indicators are fit for purpose, meaningful and align with the revised corporate aims			20-Oct-2017	Clare Slater	

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CRR 02c Delivering Efficiencies (Delivering the Financial Strategy)


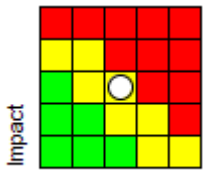
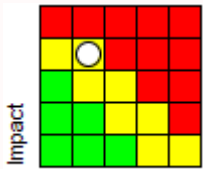
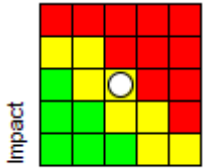
Risk Code	Risk Title	Description			Status
CRR 02c	Delivering Efficiencies	Council fails to meet efficiency targets which necessitates cuts to other services			
Consequences		Cuts to frontline services, reputational damage to the Council, possible poor outcome of external inspection.			
Original Matrix		Original Rating Description			
 Likelihood	Original Impact	D	Original Likelihood	3	
		Major		Likely	
Current Risk Matrix		Current Rating Description			
 Likelihood	Current Impact	D	Current Likelihood	3	
		Major		Likely	
Target Risk Matrix		Target Rating Description			
 Likelihood	Target Impact	D	Target Likelihood	2	
		Major		Not Likely	
Latest Progress			Last Review Date	SMT Lead	
NYCC consulting on the removal of recycling credits, the impact will increase the efficiency saving target by c£150k			20-Oct-2017	Peter Johnson	

CRR 03 Staff Management

Risk Code	Risk Title	Description			Status
CRR 03	Staff Management	Failure to effectively manage and develop our workforce assets			
Consequences		Decline in employee performance and delivery			
Original Matrix		Original Rating Description			
	Original Impact	D	Original Likelihood	3	
		Major		Likely	
Current Risk Matrix		Current Rating Description			
	Current Impact	C	Current Likelihood	1	
		Medium		Very Low	
Target Risk Matrix		Target Rating Description			
	Target Impact	B	Target Likelihood	2	
		Minor		Not Likely	
Latest Progress				Last Review Date	SMT Lead
Workpal is being introduced across the organisation which is a new staff development and appraisal system. The outcomes of the initial assessment process will feed into future training plans. Leadership Team are focusing on performance management to ensure a corporate approach to reporting and follow up actions.				20-Oct-2017	Beckie Bennett





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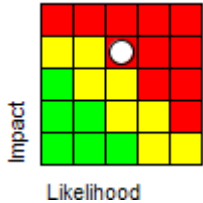
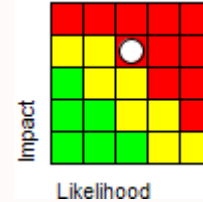
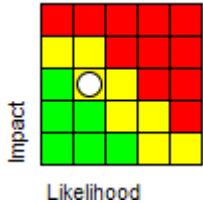
CRR 04 External Funding


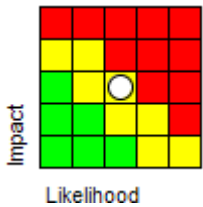
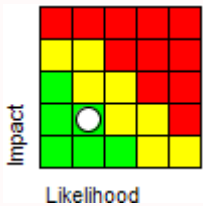
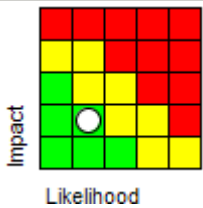
Risk Code	Risk Title	Description			Status
CRR 04	External Funding	Failure to attract external funding to support the priorities of the Council			
Consequences		Failure to deliver Council priorities requiring major financial investment. Increased costs to RDC. Failure to regenerate the local economy. Uncompetitive service delivery. Withdrawal or failure of a service. Inability to deliver new services			
Original Matrix		Original Rating Description			
	Original Impact	C	Original Likelihood	3	
		Medium		Likely	
Current Risk Matrix		Current Rating Description			
	Current Impact	D	Current Likelihood	2	
		Major		Not Likely	
Target Risk Matrix		Target Rating Description			
	Target Impact	C	Target Likelihood	3	
		Medium		Likely	
Latest Progress			Last Review Date	SMT Lead	
The most significant potential investment in Ryedale is major improvement of the A64 between Hopgrove and Barton Le Willows. Route options are yet to be published but Highways England's July 2017 Hopgrove report concluded that dualling was a more beneficial option than junction improvements. A64 Growth Partnership are meeting Highways England on 20 October to understand the latest situation and press for full dualling of this section, together with a business case developed for dualling the Crambeck to Malton section during RIS3 (2025-30).			19-Oct-2017	Julian Rudd	
The provisional allocation of £1m of LGF for the Thornton Road employment projects has been flagged as a risk					

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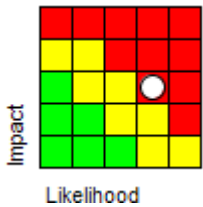
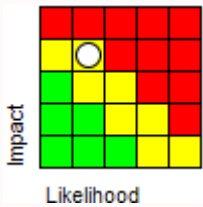
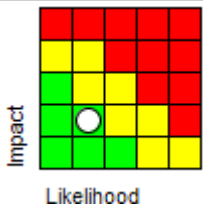
<p>by the LEP due to state aid and deliverability issues. A review of the business case is underway with the applicant. Report to P&R likely to result.</p> <p>Malton and Norton Flood scheme invited to submit full business case for LGF towards some of the funding gap. NYCC advancing this.</p> <p>RDC has agreed to spend up to £75k to work up designs for Malton to Pickering cycle route after a positive response to EOI by RDPE. Up to £700k will be sought.</p> <p>Considerable uncertainty over Brexit approach and outcomes. Future Government funding likely to be tied to Industrial Strategy, with associated funding opportunities.</p> <p>Delays from NYCC on progressing joint study on Malton and Norton Rail Improvements mean that consultants have only just been appointed, with the study likely to conclude in Spring 2018. Funding bids will then be prepared to early stage projects</p>		
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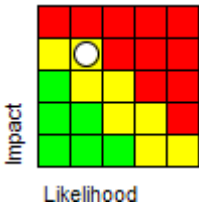
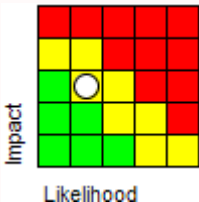
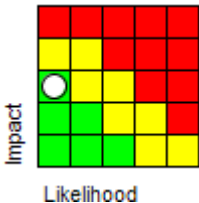
CRR 05 Affordable Housing					
Risk Code	Risk Title	Description			Status
CRR 05	Affordable Housing	Failure to meet identified housing need in Ryedale			
Consequences		Homelessness increases with resultant service costs. Unbalanced housing market. Negative impact on the local economy. Lack of key workers to support the needs of the community. Local people forced to move away from Ryedale.			
Original Matrix		Original Rating Description			
	Original Impact	C	Original Likelihood	2	
		Medium		Not Likely	
Current Risk Matrix		Current Rating Description			
	Current Impact	D	Current Likelihood	3	
		Major		Likely	
Target Risk Matrix		Target Rating Description			
	Target Impact	C	Target Likelihood	2	
		Medium		Not Likely	
Latest Progress				Last Review Date	SMT Lead
Approximately 50 affordable homes will be delivered in 2017/18 which is expected to be similar to the outturn for 2016/17. It is however still below the current target. Officers are analysing how and from which sites affordable housing is being delivered as part of a review of this target.			20-Oct-2017	Gary Housden	

CRR 06 Contract Management					
Risk Code	Risk Title	Description			Status
CRR 06	Contract Management	Failure to manage contractual arrangements in line with council policy			
Consequences		Breach of legislation eg. equalities or health and safety. Breach of contractual arrangements. Damage to RDC reputation. Failure to ensure Value for Money. Adverse external inspection.			
Original Matrix		Original Rating Description			
<div><div>Impact</div><div>Likelihood</div></div>	Original Impact	D	Original Likelihood	3	
		Major		Likely	
Page 44	Current Risk Matrix	Current Rating Description			
	<div><div>Impact</div><div>Likelihood</div></div>	Current Impact	D	Current Likelihood	3
		Major	Likely		
Target Risk Matrix		Target Rating Description			
<div><div>Impact</div><div>Likelihood</div></div>	Target Impact	C	Target Likelihood	2	
		Major		Not likely	
Latest Progress				Last Review Date	SMT Lead
Post of Commissioning Officer created within new structure. Work continues to fully populate Contract Register and training scheduled for November/December.				20-Oct-2017	Peter Johnson

CRR 07 Health and Safety					
Risk Code	Risk Title	Description			Status
CRR 07	Health and Safety	Failure to ensure appropriate systems are in place to manage Health and safety			
Consequences		Failure to meet legislative requirements, prosecution and financial penalties incurred as a result of incident.			
Original Matrix		Original Rating Description			
<div></div>		Original Impact	C	Original Likelihood	3
			Medium		Likely
Current Risk Matrix		Current Rating Description			
<div></div>		Current Impact	B	Current Likelihood	2
			Minor		Not Likely
Target Risk Matrix		Target Rating Description			
<div></div>		Target Impact	B	Target Likelihood	2
			Minor		Not Likely
Latest Progress			Last Review Date		SMT Lead
Health and safety is a top priority in the workplace and a programme of "Your Safety" improvements are being implemented at Malton Depot.			20-Oct-2017		Beckie Bennett

CRR 08 Business Continuity Planning						
Risk Code	Risk Title	Description		Status		
CRR 08	Business Continuity Planning	Failure to produce effective, comprehensive and tested plan.				
Consequences		Failure in continuity of service delivery. Negative impact on the most vulnerable on our communities. Damage to RDC reputation. Financial penalties and litigation				
Original Matrix		Original Rating Description				
<div><div>Impact</div><div></div><div>Likelihood</div></div>		Original Impact	C	Original Likelihood	3	
			Medium			Likely
Page 46	Current Risk Matrix		Current Rating Description			
	<div><div>Impact</div><div></div><div>Likelihood</div></div>		Current Impact	B	Current Likelihood	2
				Minor		
	Target Risk Matrix		Target Rating Description			
<div><div>Impact</div><div></div><div>Likelihood</div></div>		Target Impact	B	Target Likelihood	2	
			Minor			Not Likely
Latest Progress			Last Review Date	SMT Lead		
Following the workshop in July, all Lead Officers are working on streamlining their BCPs by the end of October.			20-Oct-2017	Beckie Bennett		

CRR 09 Management of Council Assets				
Risk Code	Risk Title	Description		Status
CRR 09	Management of Council Assets	Ensure the Council has proper plans to ensure maintenance and fitness for purpose of the Council assets		
Consequences		Potential breach of Health & Safety regulations, failure to deliver value for money, failure to deliver a balanced budget.		
Original Matrix		Original Rating Description		
		C	Original Likelihood	4
		Medium		Very Likely
Page 47	Current Risk Matrix		Current Rating Description	
			D	2
			Major	Not Likely
	Target Risk Matrix		Target Rating Description	
			B	2
Minor			Not Likely	
Latest Progress			Last Review Date	SMT Lead
Council agreed a policy for the future management of the council property portfolio in October 2016.			10-Oct-2017	Beckie Bennett
In September 2017 P&R agreed to progress the work with One Public Estate and HCA Minutes				

Risk Code	Risk Title	Description	Status
CRR 10	Information Security	To ensure the Council meets all of its statutory obligations relating to the protection of personal and confidential data.	
Consequences		Legal action resulting in large fines (£100k-£500k). Reputational damage and adverse publicity.	
Original Matrix		Original Rating Description	
		D	2
		Major	Not Likely
Current Risk Matrix		Current Rating Description	
		C	2
		Medium	Not Likely
Target Risk Matrix		Target Rating Description	
		C	1
		Medium	Very Low
Latest Progress		Last Review Date	SMT Lead
<ul style="list-style-type: none"> All access changes to ICT systems need to complete a form & have it authorised Working on GDPR Paperless by Christmas and 3 Fridays on run up Christmas to review all paper held and either dispose or store appropriately Some more printers removed to reduce risk of paper not being handled appropriately 		04-Oct-2017	Peter Johnson