

Agenda

Meeting: Audit Committee

**Venue: The Brierley Room, County Hall,
Northallerton DL7 8AD**

**Date: Thursday, 30 November 2017 at
13:30**

**Members are invited to a seminar to be held at 13:00
in the Brierley Room concerning an Update on Health
Issues in North Yorkshire**

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Business

Enquiries relating to this agenda please contact **Ruth Gladstone** Tel: **01609 532555** or e-mail Ruth.Gladstone@northyorks.gov.uk Website: www.northyorks.gov.uk

1 **Minutes of the Meeting held on 7 September 2017**

Document Attached:

[Minutes of the Meeting held on 7 September 2017.pdf](#) - (Page 7 to 12)

2 **Declarations of Interest**

3 **Public Questions or Statements**

Members of the public may ask questions or make statements at this meeting if they have delivered notice (to include the text of the question/statement) to the officer whose contact details are at the foot of the first page of this Agenda **by midday on Monday 27**

November 2017. Each speaker should limit themselves to 3 minutes on any item. Members of the public who have given notice will be invited to speak:-

- at this point in the meeting if their questions/statements relate to matters which are not otherwise on the Agenda (subject to an overall time limit of 30 minutes);
- when the relevant Agenda item is being considered if they wish to speak on a matter which is on the Agenda for this meeting.

If you are exercising your right to speak at this meeting, but do not wish to be recorded, please inform the Chairman who will instruct those taking a recording to cease while you speak.

4 (a) **Health and Adult Services Directorate Internal Audit Work**

Report of the Head of Internal Audit

Document Attached:

[Health and Adult Services Directorate Internal Audit Work.pdf](#) - (Page 13 to 22)

4 (b) **Health and Adult Services Directorate Internal Control Matters**

Report of the Corporate Director Health and Adult Services

Document Attached:

[Health and Adult Services Directorate Internal Control Matters.pdf](#) - (Page 23 to 47)

5 (a) **Business and Environmental Services Directorate Internal Audit Work**

Report of the Head of Internal Audit

Document Attached:

[Business and Environmental Services Directorate - Internal Audit Work.pdf](#) - (Page 48 to 55)

5 (b) **Business and Environmental Services Directorate Internal Control Matters**

Report of the Corporate Director Business and Environmental Services

Document Attached:

[Business and Environmental Services Directorate Internal Control Matters.pdf](#) - (Page 56 to 75)

6 **Progress on Issues Raised by the Committee**

Joint report of the Corporate Director Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services)

Document Attached:

[Progress on Issues Raised by the Committee.pdf](#) - (Page 76 to 79)

7 **External Auditor's Annual Audit Letter 2016-17**

Letter from the External Auditor

Document Attached:

[External Auditor's Annual Audit Letter 2016-17.pdf](#) - (Page 80 to 86)

8 **Governance of External Companies**

Report of the Corporate Director Strategic Resources

Document Attached:

[Governance of External Companies.pdf](#) - (Page 87 to 113)

9 **Audit Committee Terms of Reference / Review of Effectiveness**

Report of the Corporate Director Strategic Resources

Document Attached:

[Audit Committee Review of Terms of Reference and Review of Effectiveness.pdf](#) - (Page 114 to 118)

10 **Risk Management - Progress**

Report of the Corporate Director Strategic Resources

Document Attached:

[Risk Management - Progress.pdf](#) - (Page 119 to 144)

11 **Audit Committee - Programme of Work**

Document Attached:

[Audit Committee - Programme of Work.pdf](#) - (Page 145 to 145)

12 **Other business which the Chairman agrees should be considered as a matter of urgency because of special circumstances**

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)

County Hall
Northallerton

Note: Emergency Procedures for Meetings in the Brierley Building at County Hall

Fire

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An intermittent alarm indicates an emergency in nearby building. It is not necessary to evacuate the building but you should be ready for instructions from the Fire Warden.

Accident or Illness

First Aid treatment can be obtained by telephoning Extension 7575.

Audit Committee

Membership

County Councillors (8)

Councillors Name	Chairman/Vice Chairman	Political Group	Electoral Division
ARTHUR, Karl		Conservative	Selby Barlby division
ATKINSON, Margaret	Vice Chairman	Conservative	Masham and Fountains division
BAKER, Robert		Conservative	Sowerby division
CLARK, Jim		Conservative	Harrogate Harlow division
HUGILL, David		Conservative	North Hambleton division
LUNN, Clifford	Chairman	Conservative	Selby Brayton division
MACKAY, Don		NY Independent	Tadcaster division
WEBBER, Geoff		Liberal Democrat	Harrogate Bilton and Nidd Gorge division

Members other than County Councillors – (3) Non Voting

Name of Member	Representation
MARSH, David	Independent Member
PORTLOCK, David	Independent Member
VACANCY, Vacancy	

Total Membership – (11)

Substitute Members

Name of Member	Group
PARASKOS, Andy	Conservative
PATMORE, Caroline	Conservative
BACKHOUSE, Andrew	Conservative
COOPER, Richard	Conservative
THOMPSON, Angus	Conservative
BROADBANK, Philip	Liberal Democrat

North Yorkshire County Council

Audit Committee

Minutes of the meeting held on Thursday 7 September 2017 at 1.30 pm at County Hall, Northallerton.

Present:-

County Councillor Members of the Committee:-

County Councillor Cliff Lunn (in the Chair), County Councillors Karl Arthur, Margaret Atkinson, Robert Baker, Jim Clark, David Hugill, Don Mackay and Geoff Webber

External Members of the Committee:-

Mr David Marsh and Mr David Portlock

In Attendance:-

KPMG Officers: Rashpal Khangura and Alastair Newall

Veritau Ltd Officer: Ian Morton

County Council Officers: Amanda Alderson (Senior Accountant), Howard Emmett (Assistant Director – Strategic Resources, Children and Young People’s Services Directorate), Gary Fielding (Corporate Director – Strategic Resources), Ruth Gladstone (Principal Democratic Services Officer), Robert Ling (Technology and Change Managing Assistant Director), Sally Mitchell (Principal Democratic Services Officer) and John Raine (Head of Technical Finance)

Apologies for absence:-

Apologies for absence were presented from County Councillor Janet Sanderson (Executive Member) and Stuart Carlton (Corporate Director – Children and Young People’s Services)

Copies of all documents considered are in the Minute Book

19. Minutes

Resolved –

That the Minutes of the meeting held on 22 June 2017, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

20. Declarations of Interest

There were no declarations of interest.

21. Public Questions or Statements

There were no questions or statements from members of the public.

22. Internal Audit Report on Information Technology, Corporate Themes and Contracts

Considered -

The report of the Head of Internal Audit which advised of the internal audit work completed during the year to 31 August 2017 in respect of information technology, corporate themes and contracts, and reported that the overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating across the three functional areas was that it provided "Substantial Assurance".

During discussion, officers provided further information regarding the following:-

- The difference between cashable and non-cashable benefits.
- The four Priority 4 actions which had been taken in respect of the Liquid Logic system.
- That no fraud had been identified during the audit of the Payroll/HR system during which a small numbers of errors had been found in relation to National Insurance Numbers and multiple Payroll Numbers.
- Follow-up audits were undertaken when breaches of information security had been identified and appropriate action was taken against employees.

In response to Members' questions, the Technology and Change Managing Assistant Director undertook to report to a future meeting of the Committee concerning the intention of the agreed action, which had not been fully implemented, arising from the Wireless Network follow-up audit. It was noted, however, that the audit opinion on Wireless Network Security was "Substantial Assurance".

Resolved -

- (a) That the information provided in the report be noted.
- (b) That it be recorded that the Committee is satisfied that the overall control environment operating in respect of information technology, corporate and contract arrangements is both adequate and effective.
- (c) That the Technology and Change Managing Assistant Director report to a future meeting of the Committee concerning the intention of the agreed action, which has not been fully implemented, arising from the Wireless Network follow-up audit.

23. Progress on Issues Raised by the Committee

Considered -

The joint report of the Corporate Director - Strategic Resources and the Assistant Chief Executive (Legal and Democratic Services) which advised of progress on issues which the Committee had raised at previous meetings, together with Treasury Management issues that had arisen since the previous meeting including a CIPFA consultation on proposed changes to the Code of Practice on Treasury Management and the Prudential Code.

During debate, officers confirmed that new protocols were in place to ensure that contracts could only be rolled forward with approval of the Council's Procurement and Contract Management Services and that the establishment of Procurement and

Contract Management Services, with its role in contract management, should reduce any future breaches of Contract Procurement Rules.

The Corporate Director – Strategic Resources provided confirmation that he would circulate to Members, once the relevant information had been collated, the comments which Members had made within their completed questionnaires concerning the Effectiveness of the Audit Committee.

Members noted that a verbal update was not yet available, arising from the Committee's previous consideration of the Corporate Procurement Strategy, about the increase in the number of local businesses which were now supplying the County Council.

Resolved -

- (a) That the contents of the report be noted.
- (b) That, once the relevant information has been collated, the Corporate Director – Strategic Resources circulate to Members the comments which Members made within their completed questionnaires concerning the Effectiveness of the Audit Committee.

24. External Audit Report 2016/17 on North Yorkshire County Council and North Yorkshire Pension Fund

Considered -

The report of KPMG (the County Council's External Auditors) which summarised the key issues identified during KPMG's audit of the financial statements for the year ended 31 March 2017 for both the County Council and North Yorkshire Pension Fund and set out KPMG's assessment of the County Council's arrangements to secure value for money.

Rashpal Khangura and Alastair Newall of KPMG introduced the report and highlighted the following:-

- Subject to all outstanding queries being resolved to KPMG's satisfaction, KPMG anticipated issuing an unqualified audit opinion on the Council's financial statements following this meeting of the Audit Committee.
- KPMG anticipated issuing an unqualified audit opinion in relation to the Pension Fund's financial statements following this meeting of the Audit Committee.
- KPMG anticipated issuing an unqualified value for money conclusion when it issued its audit opinion on the financial statements.
- County Council Financial Services staff had been very responsive to KPMG during the external audit and the work of Financial Services staff had been very good. The quality of working papers had improved.

Members questioned KPMG's representatives and County Council officers concerning the work involved in, and the findings arising from, the 2016/17 external audit of the County Council and the North Yorkshire Pension Fund.

Members discussed, with KPMG's representatives, how KPMG would complete the 2017/18 external audit in a shorter time scale, whilst maintaining the same volume and quality of work, compared to 2016/17.

Resolved -

That the report be noted.

25. Report following the Detailed Review of the Draft Statement of Final Accounts (incorporating Annual Governance Statement) for 2016/17

Considered -

The report of Mr David Portlock (External Member of the Audit Committee) advising of issues identified during the detailed review of the draft Statements of Final Accounts and the draft Annual Governance Statement for 2016/17, actions taken as a result of issues being identified, and offering an opinion on the draft Statement of Final Accounts and draft Annual Governance Statement for 2016/17 in advance of the Audit Committee being asked to approve them.

Mr David Portlock introduced his report, confirming that all appropriate actions had been taken and satisfactory explanations had been provided where necessary. He recommended, to the Audit Committee, that the Statement of Final Accounts and the Annual Governance Statement for 2016/17 be approved.

Mr David Portlock asked that the Minutes record his thanks to John Raine (Head of Technical Finance), Anne Simpson (Accountant), Amanda Alderson (Senior Accountant), and Fiona Sowerby (Corporate Risk and Insurance Manager) for the prompt and professional way in which they had responded to his requests for information.

Resolved -

- (a) That the report be noted.
- (b) That it be placed on record that County Councillor Members of the Audit Committee acknowledge the work undertaken by, and thank, Mr David Portlock for his work in reviewing the draft Statement of Final Accounts and the draft Annual Governance Statement for 2016/17.

26. Statement of Final Accounts for 2016/17 including Letter of Representation

Considered -

The report of the Corporate Director - Strategic Resources which sought the Committee's approval of a Letter of Representation for submission to the External Auditor, a Statement of Final Accounts for 2016/17 following completion of the external audit of those accounts, and the Annual Governance Statement for 2016/17.

In response to a question, the Corporate Director – Strategic Resources confirmed that he was happy for the Committee to authorise the Chairman to sign the Letter of Representation which was set out at Appendix A.

Resolved -

- (a) That the Letter of Representation, as set out at Appendix A to the report, be approved and the Chairman be authorised to sign that Letter on behalf of the Committee.
- (b) That, in relation to the Statement of Final Accounts 2016/17:

- (i) the changes to the final Statement of Final Accounts, as set out in paragraph 4 of the report and at Appendix B to the report, be noted;
 - (ii) the final Statement of Final Accounts for 2016/17, as set out in paragraph 5.2 of the report be approved; and
 - (iii) the Chairman sign the Statement of Responsibilities for the Statement of Accounts, as set out at Appendix C to the report.
- (c) That the Annual Governance Statement 2016/17 be approved and the Chairman be authorised to sign the Annual Governance Statement on the Committee's behalf.

27. Annual Report of the Audit Committee

Considered -

The report of the Chairman of the Audit Committee which invited the Committee to consider the Committee's draft Annual Report for the year ended 30 September 2017 prior to its submission to the County Council.

During discussion, Members highlighted that, during the year, the Committee had undertaken an internal survey of the effectiveness of the Committee and that such work should be included in the Annual Report prior to its submission to the County Council.

The Chairman thanked officers and County Councillor Mike Jordan (the former Chairman of the Committee) for their input in drafting report.

Resolved -

- (a) That the report be noted.
- (b) That the draft Annual Report of the Audit Committee, as appended to the report of the Committee's Chairman, be approved for submission to the County Council, subject to inclusion of reference to the internal survey undertaken of the effectiveness of the Audit Committee.

28. Children and Young People's Service Directorate

Note: During discussion of this item of business, Mr David Portlock (External Member) declared an interest as the Chair of Governors of a primary school in North Yorkshire.

Considered -

- The report of the Head of Internal Audit which advised of the internal audit work performed during the year ended 31 May 2017 for the Children and Young People's Services Directorate and reported that the overall opinion of the Head of Internal Audit concerning the framework of governance, risk management and control operated within that Directorate was that it provided Substantial Assurance.
- The report of the Corporate Director – Children and Young People's Services which outlined some of the key service risks and governance developments within the Directorate and provided details of the updated Risk Register for the Children and Young People's Services Directorate.

Ian Morton (Veritau) and Howard Emmett (Assistant Director – Strategic Resources, Children and Young People's Services Directorate), responded to Members' questions. In response to questions:-

- Examples were provided of the work which the County Council undertook to train and offer assistance to School Governors.
- Confirmation was provided that officers were looking into the reasons why the County Council was experiencing an increase in the number of children and young people assessed as requiring Education, Health and Care Plans. It was highlighted, however, that some of the factors were not easily identifiable.
- It was clarified that the North Yorkshire Education Trust was likely to be set up in the forthcoming year to advocate for the sector in the county at a local and national level, propose policy and influence strategy.

Resolved -

- (a) That it be noted that this Committee, having considered the report of the Head of Internal Audit, is satisfied that the internal control environment operating in the Children and Young People's Services Directorate is both adequate and effective.
- (b) That the updated Risk Register for the Children and Young People's Services Directorate be noted.

29. Progress on 2017/18 Internal Audit Plan

Considered -

The report of the Head of Internal Audit which advised of progress made in delivering the 2017/18 Internal Audit Plan and any developments likely to impact on the Plan throughout the remainder of the financial year.

Resolved -

That the progress made in delivering the 2017/18 Internal Audit programme of work and the variations agreed by the client officer be noted.

30. Programme of Work 2017/18

Considered -

The report of the Corporate Director - Strategic Resources which advised of business scheduled for meetings of the Committee to be held in 2017/18.

Resolved -

- (a) That the Programme of Work be approved subject to:-
 - (i) the meeting on 28 September 2017 being cancelled;
 - (ii) Governance of External Companies being included in the Programme for the March 2018 meeting.
- (b) That the Principal Democratic Services Officer email the dates of future Audit Committee meetings to Mr David Portlock and Mr David Marsh (External Members).

The meeting concluded at 3.20pm
SM/RAG/JR

NORTH YORKSHIRE COUNTY COUNCIL**AUDIT COMMITTEE****30 NOVEMBER 2017****INTERNAL AUDIT WORK FOR THE HEALTH AND ADULT SERVICES
DIRECTORATE****Report of the Head of Internal Audit****1.0 PURPOSE OF THE REPORT**

- 1.1 To inform Members of the **internal audit work** performed during the year ended 31 August 2017 for the Health and Adult Services (HAS) directorate and to give an opinion on the systems of internal control in respect of this area.

2.0 BACKGROUND

- 2.1 The Audit Committee is required to assess the quality and effectiveness of the corporate governance arrangements operating within the County Council. In relation to HAS, the Committee receives assurance through the work of internal audit (as provided by Veritau), as well as receiving a copy of the latest directorate risk register.
- 2.2 This agenda item is considered in two parts. This first report considers the work carried out by Veritau and is presented by the Head of Internal Audit. The second part is presented by the Corporate Director – Health and Adult Services and considers the risks relevant to the directorate and the actions being taken to manage those risks.

3.0 WORK DONE DURING THE YEAR ENDED 31 AUGUST 2017

- 3.1 Details of the internal audit work undertaken for the directorate and the outcomes of these audits are provided in **Appendix 1**.
- 3.2 Veritau has also been involved in carrying out a number of assignments which have not resulted in the completion of an audit report. This work has included special investigations that have either been communicated via the Whistleblowers' hotline or have arisen from issues and concerns referred to Veritau by HAS management. We have also led on work involving data matches received from the National Fraud Initiative (NFI). Finally, we have provided support to directorate management in respect of a number of safeguarding alerts and other matters.
- 3.3 As with previous audit reports, an overall opinion has been given for each of the specific systems or areas under review. The opinion given has been based on an assessment of the risks associated with any weaknesses in control identified. Where weaknesses are identified then remedial actions will be agreed with

management. Each agreed action has been given a priority ranking. The opinions and priority rankings used by Veritau are detailed in **Appendix 2**. Some of the audits undertaken in the period focused on value for money or the review of specific risks so did not have an audit opinion assigned to them.

3.4 It is important agreed actions are formally followed up to ensure that they have been implemented. Veritau follow up all agreed actions on a regular basis, taking account of the timescales previously agreed with management for implementation. **On the basis of the follow up work undertaken during the year, the Head of Internal Audit is satisfied with the progress that has been made by management to implement previously agreed actions necessary to address identified control weaknesses.**

3.5 All internal audit work undertaken by Veritau is based on an Audit Risk Assessment. Areas that are assessed as well controlled or low risk are reviewed less often with audit work instead focused on the areas of highest risk. Veritau's auditors work closely with directorate senior managers to address any areas of concern.

4.0 **AUDIT OPINION**

4.1 Veritau performs its work in accordance with the Public Sector Internal Audit Standards (PSIAS). In connection with reporting, the relevant standard (2450) states that the Chief Audit Executive (CAE)¹ should provide an annual report to the board². The report should include:

- (a) details of the scope of the work undertaken and the time period to which the opinion refers (together with disclosure of any restrictions in the scope of that work)
- (b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)
- (c) an opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework (i.e. the control environment)
- (d) disclosure of any qualifications to that opinion, together with the reasons for that qualification
- (e) details of any issues which the CAE judges are of particular relevance to the preparation of the Annual Governance Statement
- (f) a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme.

4.2 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Health and Adult Services directorate is that it provides **Substantial Assurance**. There are no qualifications to this opinion and no reliance was placed on the work of other assurance bodies in reaching that opinion.

¹ The PSIAS refers to the Chief Audit Executive. This is taken to be the Head of Internal Audit.

² The PSIAS refers to the board. This is taken to be the Audit Committee.

5.0 **RECOMMENDATION**

- 5.1 That Members consider the information provided in this report and determine whether they are satisfied that the internal control environment operating in the Health and Adult Services Directorate is both adequate and effective.

Max Thomas
Head of Internal Audit

Veritau Ltd
County Hall
Northallerton

16 November 2017

BACKGROUND DOCUMENTS

Relevant audit reports kept by Veritau Ltd at 50 South Parade, Northallerton.

Report prepared by Stuart Cutts, Audit Manager, Veritau and presented by Max Thomas, Head of Internal Audit.

FINAL AUDIT REPORTS ISSUED IN THE YEAR ENDED 31 AUGUST 2017

System/Area	Audit Opinion	Areas Reviewed	Date Issued	Comments	Action Taken
A	<p>Visits to care provider establishments:</p> <ul style="list-style-type: none"> • Henshaws, (Harrogate) • Wilf Ward (Winton Road and Newsham Way) • The Lodge, (Scarborough) • Mencap (Scarborough) • Moorview (Whitby) • UBU Roche Avenue (Harrogate) 	<p>Various:</p> <p>4 x Substantial Assurance</p> <p>1 x High Assurance</p> <p>1 x Limited Assurance</p> <p>1 x No opinion</p>	<p>We completed a programme of audit visits to care providers to ensure:</p> <ul style="list-style-type: none"> • financial transactions relating to service users are recorded correctly and in accordance with the care provider's policies and procedures; • all expenditure relating to service users is appropriate and properly evidenced; • financial arrangements ensure that the property of service users is protected. 	<p>Various</p> <p>Overall arrangements were found to be good with effective controls operating in most of the homes visited.</p> <p>We found one provider did not have financial risk assessments on file for residents. There were therefore no instructions available to staff on how to handle each customer's money.</p> <p>We also found several instances where providers were not fully complying with their own policies. This included where they were failing to carry out sufficient checks of the cash held by residents and were either not completing reconciliations of accounts or signing them off where receipts were missing or money did not balance.</p>	<p>One P2 and four P3 actions were agreed</p> <p>Responsible Officer: Assistant Director – Quality and Engagement</p> <p>The Quality and Engagement Team discussed the issues identified with the homes in question and worked as necessary to ensure any required improvements were made.</p>
B	Court of Protection	Reasonable Assurance	January 2017	<p>All the files tested were up to date and contained the required information. The files were also stored in a secure environment.</p> <p>The specification for the new system was not fully developed and did not identify the required outcomes / outputs from the system.</p>	<p>Two P2 findings and two P3 findings were agreed.</p> <p>Responsible Officer: Benefits, Assessments and Charging Officer</p> <p>Management expected the new system would provide a number of key improvements so the weaknesses in</p>

System/Area	Audit Opinion	Areas Reviewed	Date Issued	Comments	Action Taken
		<p>The team has recently procured a new financial system.</p> <p>The audit reviewed the extent to which:</p> <ul style="list-style-type: none"> • effective procedures were in place for processing and managing Court of Protection and Appointeeship cases • appropriate plans are in place to ensure the successful implementation of the new financial system and to maximise the opportunities for process and case management improvement. • management arrangements ensure compliance to procedures and data quality standards. 		<p>There was no service level risk register in place for Court of Protection and/or Appointeeship cases.</p> <p>There were no procedure notes in place for the administrative functions of the service. There was no independent review of monthly reconciliations. There was also no separation of duties for setting up new payments and reconciling customer accounts.</p>	<p>the specification were not significant.</p> <p>Procedures will be put into place to ensure tasks are carried out regularly. Training on the new system will cover the change areas.</p> <p>The risks affecting the service will be explored to ensure appropriate controls are in place. This will be built into management arrangements.</p> <p>Spot checks will be carried out on a sample of new payments to ensure these are accurate and correct.</p>
C	Continuing Healthcare	No Opinion Given	Continuing Healthcare (CHC) is a challenging area for the Council. The HAS directorate has recognised CHC as one of its key risks (a failure to establish and embed integrated systems for commissioning services that are jointly commissioned with Health). The directorate has also identified	<p>January 2017</p> <p>The audit work highlighted the significant nature of the challenges faced by the Council. There is scope for the NHS and NYCC to work together more effectively in this area.</p> <p>The National Framework states that the time between the checklist being received by the CCG and the funding decision should, in most cases, not</p>	<p>Seven P2 findings and eleven P3 findings were agreed.</p> <p>Responsible officers: Head of Continued Healthcare, Corporate Director HAS and Assistant Director, Care and Support.</p> <p>The Authority agreed a detailed plan</p>

System/Area	Audit Opinion	Areas Reviewed	Date Issued	Comments	Action Taken
		<p>local issues with the operation of CHC.</p> <p>A National Framework for Continuing Healthcare is in place. However, interpretation of the Framework continues to be central to many issues with both the NHS and local government tending to interpret the framework differently.</p> <p>We reviewed the Council's current arrangements for effectively managing CHC. We included a sample review of a number of cases to help assess the extent to which appropriate arrangements were in place.</p>		<p>exceed 28 days. The actual time taken is currently between 4 and 7 months.</p> <p>The assessment process was not always fully quantifying the individuals care needs. As a result a majority of cases in North Yorkshire were funded on the basis of a 50/50 split between the NHS and NYCC. Such a split is however only likely in a minority of jointly funded cases.</p> <p>The Head of Continuing Healthcare identified errors in the process which may lead to over £2m in overpayments being recovered from the CCG's.</p> <p>There are no agreements with the NHS around standard ways of working. Reliance is placed on the National Framework and associated guidance.</p> <p>More work is also required to define data requirements (for both the NHS and NYCC).</p>	<p>with a variety of actions to help improve the current arrangements.</p> <p>A joint governance group has been set up to help oversee partnership working improvements. Governance arrangements have been defined and the group is to develop areas such as a data sharing agreement.</p> <p>Joint process improvement days have been held, and a provisional agreement to reinstate ratification panels has been made.</p> <p>Quality Assurance panels have been reintroduced.</p> <p>Organisational changes within the NHS have created additional challenges when developing future joint ways of working in respect of CHC.</p> <p>More robust processes for managing joint funding cases will be determined.</p> <p>A joint training package will also be put in place.</p>
D	Public Health	Substantial Assurance	February 2017	<p>Good controls were found to be in place. Public health budget setting was in line with council procedures. Budgets were being forecasted and monitored in an effective manner using</p>	<p>Two P3 actions were agreed</p> <p>Responsible officer: Corporate Director/ AD Resources/ The Director of Public Health</p>

System/Area	Audit Opinion	Areas Reviewed	Date Issued	Comments	Action Taken
				<p>the dashboard system. The dashboard has a built in authorisation system and forecasting was signed off by a senior member of the team.</p> <p>A Public Health Financial Planning report has been produced which is (in effect) a five year financial plan. However, future financial planning for Public Health needs to be further integrated into overall HAS strategic planning.</p> <p>Our review of a sample of Public Health contracts (with external partners that involve CYPS) saw an effective contract management process in place. There was supporting documentation to show contract managers have regular communication with service providers.</p> <p>At the time of audit, the Council was agreeing memorandums of understanding with each of the CCGs. The memorandums stated each party will agree an annual written work programme. However, there were no details of how any actions in this work programme would be measured, reported and the memorandum's revisited.</p>	<p>The Public Health Financial Plan will be incorporated into HAS strategic planning to specify the recurrent funding to deliver commitments and the use of the public health reserve in keeping with grant conditions</p> <p>Memoranda of Understanding with CCGs will include agreed measures for monitoring progress and the timescale for review.</p>

	System/Area	Audit Opinion	Areas Reviewed	Date Issued	Comments	Action Taken
E	Liquid Logic and ContrOCC	Reasonable Assurance	<p>Liquid Logic is a fundamental system which holds and records information to support the care needs and support requirements of elderly persons.</p> <p>ContrOCC is an integrated finance module which incorporates contract management, provider payments, and client financial assessments and charging.</p> <p>The audit reviewed the processes and controls within the Liquid Logic system to ensure:</p> <ul style="list-style-type: none"> • appropriate and effective controls were in place to safeguard the information being processed. • records were complete, accurate and up to date • the system for recording, administering and charging for residential care is working efficiently. 	June 2017	<p>The procedures for setting up new system users was working well. All new users had been appropriately authorised. Third party access to LLA and ContrOCC is also restricted and logged.</p> <p>There is a comprehensive Confidentiality Policy in place regarding access to sensitive records. All such access requests are appropriately authorised and a log is maintained.</p> <p>Our sample testing found Liquid Logic (and ContrOCC) was not always being updated in a timely manner to reflect client changes. We also highlighted a number of instances where the LLA and ContrOCC systems are not being used as efficiently as possible.</p> <p>The Council was not recovering the correct amount of charges from client contributions leading to a loss of revenue. Clients receive an annual increase in benefits (including pension) from April each year. Prior to the introduction of LLA and ContrOCC, uplift calculations were performed manually in time for the changes from April. However, since LLA and ContrOCC were introduced the annual uplift has not been applied until later in the year.</p>	<p>Three P2 and one P3 finding were agreed as a result of the audit</p> <p>Responsible Officer: Assistant Director Strategic Resources HAS</p> <p>A process between brokerage and operational staff is now in place which seeks to address some of the delays in updating Liquid Logic. Manual adjustments outside of the system will also be made.</p> <p>Future development of Liquid Logic and ContrOCC through the Assessments Billing and Contracts (ABC) project will help to improve efficiency and reduce workarounds.</p> <p>From 2018/19, the approval process for benefits uplift will be brought forward to December /January preceding the financial year. This process will ensure there is sufficient time to process the uplift by 1 April and minimise the time / potential loss of income due to not having to retrospectively collect monies owed.</p>

	System/Area	Audit Opinion	Areas Reviewed	Date Issued	Comments	Action Taken
F	HAS Assessment, Billing and Contracts Project (ABC)	No Opinion	<p>Officers have recently undertaken a review of many of the financial and contracting processes within the directorate (Assessment, Billing and Contracts Project - ABC). It is currently envisaged the new processes and procedures will be introduced in 2018.</p> <p>Prior to introducing the new 'To-Be' processes Internal Audit were asked to review the changes and planned new processes in six areas (Baseline Assessments, Care Assessments and Brokerage, Contract Monitoring, Financial Assessments, Market Mapping and Provider Lists).</p> <p>We compared and contrasted key procedures and controls in the 'As-Is' Process Maps to the 'To-Be' Process Maps. We also considered the new 'To-Be' systems for under, over and inappropriate control.</p>	July 2017	We provided a small number of comments and potential improvement points for officers to consider. We will continue to work with officers during 2017/18 to help support the development and implementation of the new processes.	Officers have agreed actions for all of the points raised which will be taken into account as the ABC project progresses.

Audit Opinions and Priorities for Actions

Audit Opinions	
<p>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.</p> <p>Our overall audit opinion is based on 5 grades of opinion, as set out below.</p>	
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.

**NORTH YORKSHIRE COUNTY COUNCIL
AUDIT COMMITTEE**

24 NOVEMBER 2017

**INTERNAL CONTROL MATTERS FOR THE HEALTH & ADULT SERVICES
DIRECTORATE**

**Report of the
Corporate Director – Health & Adult Services**

1.0 PURPOSE OF THE REPORT

- 1.1 To outline some of the key service risks and governance developments within the Directorate
- 1.2 To provide details of the **Risk Register** for the HAS Directorate.

2.0 BACKGROUND

- 2.1 The Audit Committee is required to assess the quality and effectiveness of the corporate governance arrangements operating within the County Council. In relation to the HAS Directorate the Committee receives assurance through the work of internal audit (detailed in a separate report to the Committee), details of the Statement of Assurance provided by the Corporate Director, together with the Directorate Risk Register.

3.0 KEY GOVERNANCE DEVELOPMENT AND RISK ISSUES

- 3.1 There are a number of key governance developments in the forthcoming year which may impact on the Directorate. Several of these are set out in more detail below, with a summary of progress to date:

Commissioning and the Market

Whilst we have an extensive and varied market for care and support, in line with national trends, we have seen increasing fragility over the last few years, with workforce a key pressure as providers find it harder to recruit and retain quality staff. The downside of near full employment in much of the County is the challenge of attracting people into the care sector.

The geographic scale and diversity of North Yorkshire also creates unique challenges for Market Development. Care Homes do not rely solely on Council placements, with only a third of beds funded by the Council; a further third occupied by people who are self-funders; and the rest by people who are funded by Continuing Health Care or other Councils. The council has looked to

develop the home care market and Extra Care as alternatives and the latter has been largely successful. Home Care, particularly in rural areas, presents significant challenges in availability of supply.

We maintain approved provider lists for residential and nursing care homes, regulated and non-regulated community support services, and have framework contracts for domiciliary care in two areas of the county. There are areas of the county where we are struggling to secure care at home for people, mostly but not exclusively in very rural areas.

We use a variety of channels to work with the providers, including through the Independent Care Group (ICG), which we grant fund to support their costs, as well as provider forums and regular provider bulletins. Providers are keen to work collaboratively on wider issues than funding but fee levels continue to be a concern to all our providers. We undertook a second cost of care exercise for residential and nursing care homes last year, jointly commissioned with the ICG, and our fee levels are relatively high within the region. However providers still feel that our fees are low.

Our Workforce Heatmap project confirms what providers tell us: that there are issues about wage levels, as well as the demands of care workers' roles, with an increasing complexity of the needs that staff are being asked to support. We know a number of providers are already paying above National Minimum Wage, but still struggle to recruit. Competition with other sectors, including retail and tourism, offer attractive alternatives for our traditional workforce. We are working with staff in the sector, with colleges and schools to explore ways to attract more people in to the care sector. Our www.makecarematter.co.uk website is working across sectors to target potential new recruits to social care.

Our domiciliary care providers and care home providers are above the national average for good and outstanding CQC ratings, but we want to do more to support improvement and will use some of the additional social care funding, announced by the Chancellor in March 2017, to work with the ICG to support the development of more sector led improvement capacity. We have lost providers from the market because of quality issues, many impacted by failings around leadership and retention of nursing staff. We do still see new homes being developed, although most at fee levels far in excess of our standard fees. As a consequence, we are also about to commission a feasibility study into the options around the Council and the NHS building and/or running nursing homes in particular – currently Councils cannot provide nursing home services.

We are in the early stages of piloting the use of our brokerage teams to support NHS placements for CHC, in an effort to better coordinate the use of care placements and to achieve better value for money.

Working with Health, including Delayed Transfers of Care (DTOC)

Following the publication of Improved Better Care Fund (IBCF) guidance and further work with NHS partners, the IBCF proposals have been agreed with CCGs and endorsed by the Health & Wellbeing Board, and plans now

articulated for schemes and activity commenced on key projects. These projects relate to the £2bn national grant over three years that the Chancellor announced in March 2017. NYCC's Executive has agreed to take a risk of up to £3.8m on recurrent schemes if this funding does not become permanent after 2019/20.

NYCC has had to agree to a nationally mandated target for reducing DTOCs and, accordingly, has made NHS England aware that this target will be difficult to achieve given the market development and workforce issues set out above. As with other Councils, there remains a potential risk that Government funding will be clawed back from NYCC if the national target is not met.

Local procedures for managing DTOCs with the NHS have been strengthened, in line with national Care Act requirements.

Elsewhere, work continues on integration with the NHS. A joint bid with GPs and other partners was made recently to run the first NHS Multi-Specialty Community Provider (MCP) in the Scarborough and Ryedale CCG and the outcome of this tender will be public by the time that the Committee meets.

S75 Integrated Planning and Commissioning Boards are being established with HRW CCG and SRCCG and work continues to look at integrated commissioning and service delivery models in the Harrogate and Rural District CCG area. Executive approval for these arrangements continues to vest sovereignty around budgets and policy within the County Council, thereby mitigating any potential risk.

A joint Continuing Health Care Board has been established between the CCGs and NYCC to try and find a positive way forward on this issue which is of significant public interest and which carries high risk in terms of cost and quality.

At a corporate level, a 2020 Health and Integration Programme has been established to oversee joint working with the NHS and this programme reports directly into Management Board. It comprises three main areas of activity: integrated commissioning, integrated community services and shared business functions.

MTFS: 2020 Savings and Budget Pressures

As part of the Council's 2020 programme, HAS has a current savings programme adding up to £17m over the period 2016-2020. The current financial year has a target of over £8m. While overall this programme remains on target, the Directorate continues to face budget pressures relating to increasing demand, issues within the care market and the need to play a part in reducing Delayed Transfers of Care. Temporary (and reducing) funding has been allocated through the IBCF (see above) to assist with some of these pressures but there is currently no guarantee of it continuing beyond 2020 and this limits the step changes we would wish to make on care worker pay and

structural reform of the market. The added conditions around DTOC also provide uncertainty.

A significant element of the 2020 savings is predicated around the biggest changes to social care practice (Living Well, Customer Centre Care and Support triage, Strength Based Assessment) since 1993. All the key components of the Council's prevention strategy are now in place and appear to be managing demand at current levels. However, contacts with the Council have increased significantly and market pressures are converting into cost drivers.

April 2017's major restructure of 2000 frontline staff in the directorate is beginning to bed down, following transitional issues but it will take approximately 12 months to settle into a new form.

Good progress continues to be made with Extra Care and the Government's recent announcement on housing funding and welfare reform will, it is hoped, stabilise some national issues around investor confidence.

A fundamental budget review of all resources in the Directorate is currently taking place to ensure limited resources are targeted where they can best help mitigate against these pressures. Oversight of the budget will be a key strategic priority for the directorate and the council in the coming years.

4.0 **DIRECTORATE RISK REGISTER**

4.1 The **Directorate Risk Register** (DRR) is the end product of a systematic process that initially identifies risks at Service Unit level and then aggregates these via a sieving process to Directorate level. A similar process sieves Directorate level risks into the Corporate Risk Register.

4.2 The Risk Prioritisation System used to derive all Risk Registers across the County Council categorises risks as follows:

Category 1 and 2 are high risk (RED)
Category 3 and 4 are medium risk (AMBER)
Category 5 is low risk (GREEN)

These categories are of course relative not absolute assessments - equally the Risk Register at Directorate level is designed to identify the dozen or so principal risks that may impact on the achievement of performance targets etc. for the Directorate as a whole in the year – it is not a full Register of all the risks that are managed in the Directorate.

4.3 The detailed DRR is shown at **Appendix A**. This shows a range of key risks and the risk reduction actions designed to minimise them together with a ranking of the risks both at the present time and after mitigating action.

4.4 A summary of the DRR is also attached at **Appendix B**. As well as providing a quick overview of the risks and their ranking, it also provides details of the

change or movement in the ranking of the risk since the last review in the left hand column.

- 4.5 A six month update review of the register will take place in February 2018
- 4.6 There have been no new risks added to the risk register since September 2016 (date of last progress report to the Committee).
- 4.7 No risks have been deleted from the Directorate risk register since September 2016.
- 4.8 The significant actions that were achieved include the following:
- Financial Pressures/Transformation – a review of all HAS 2020 projects has taken place and there have been Deep Dive sessions with the Chief Executive and Corporate Director – Resources, Benefits profiles for all savings lines have been completed
 - Major Failure due to Quality and/or Economic Issues in the Care Market – Recommendations from the cost of care exercise have been implemented and additional funding for a market improvement team has been allocated from the Improved Better Care Fund (IBCF) grant
 - Workforce Planning and Development – Care and Support Restructure implemented 1 April 2017. A Practice Team has been established.
 - Deprivation of Liberty (DoLs) Supreme Court Ruling – briefing to CMB with ongoing quarterly reports. A review of backlog and risks carried out
 - Managing effective outcomes for individuals – Care and Support pathway developed and implemented. Management of delivery of social care mental health services implemented (phase 1).
 - Safeguarding Arrangements – Information framework for serious incident data in place
 - Extra Care Housing – impact of housing benefit changes reviewed
 - Cultural Change – Locality Leadership model implemented. Targeted prevention used to maximise access to community assets and delay use of mainstream services
- 4.9 Any ranking changes of the risks are shown on the left hand side of the Summary report **Appendix B**.

5.0 **RECOMMENDATION**

- 5.1 That the Committee note the Risk Register for the Health and Adult Services Directorate and provide feedback or comments thereon.

RICHARD WEBB
Corporate Director – Health & Adult Services
November 2017

Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – summary**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre					RR		Post					FBPlan	Action Manager		
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv			Rep	Cat
◀▶	3/229 - Financial Pressures	Financial pressures arising from difficulties in delivering HAS2020 Savings requirements, managing in year financial overspends, Better Care Fund contributions, market pressure and complexity of client needs leading to service impact or additional savings needing to be identified within HAS or corporately.	CD HAS	CSD AD SR (AH)	H	H	M	M	M	1	9	31/10/2017	M	H	H	M	M	2	N	
◀▶	3/162 - Major Failure due to Quality and/or Economic Issues in the Care Market	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.	CD HAS	HAS AD Com	H	M	M	M	H	1	14	30/09/2017	H	M	M	M	M	2	Y	HAS AD Com
▲	3/184 - Workforce Planning and Development	Failure to appropriately plan and fulfil workforce requirements and / or develop staff in line with transformation agenda resulting in reduction in quality of service and transformation objectives not achieved	CD HAS	HAS HoHR	H	M	H	H	M	1	11	30/09/2017	M	M	M	H	L	2	Y	CD HAS
◀▶	3/217 - Deprivation of Liberty (DoLs) Supreme Court Ruling	Failure to manage increase in workload (and manage the existing backlog) as a result of the DoLs Supreme Court judgment resulting in financial and reputational issues including potential legal action	CD HAS	HAS AD C&S	M	H	H	H	H	2	7	30/09/2017	M	H	H	H	H	2	Y	HAS AD C&S
◀▶	3/164 - Information Governance and Health and Safety	Failure to ensure that good and safe governance arrangements in respect of data security and health and safety are in place throughout the Directorate	CD HAS	CSD AD SR (AH)	M	L	M	L	H	2	10	30/09/2017	M	L	M	L	H	2	Y	CSD AD SR (AH)
◀▶	3/180 - Partnership and Integration with the NHS	Failure to deliver the full integration plans by 2020 with the NHS, and in the context of managing 3 ST Plans. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements and inconsistency in service delivery to local people	CD HAS	HAS AD H&I HAS AD C&S Dir Public Health HAS AD Com	M	M	H	M	H	2	14	31/08/2017	M	M	H	M	H	2	Y	CD HAS

Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – summary**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**




Identity			Person		Classification											Fallback Plan				
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre					RR		Post					FBPlan	Action Manager		
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv			Rep	Cat
◀▶	3/218 - Managing effective outcomes for individuals	Failure to meet targets in line with the Care Act resulting in poor outcomes for individuals and internal and external criticism, reputational issues.	CD HAS	HAS AD C&S	M	H	H	H	H	2	10	31/03/2018	L	H	M	M	H	3	Y	HAS AD C&S
◀▶	3/27 - Safeguarding Arrangements	Failure to have an effectively monitored, robust, Safeguarding regime and partnership arrangements in place and ensure that we fulfil our wider lead authority role (under the Care Act) results in risk to service users, inability to reach required standard on CQC and adverse effect on Directorate reputation.	CD HAS	HAS AD C&S HAS AD H&I	M	H	H	M	H	2	14	31/03/2018	L	H	H	M	H	3	Y	HAS AD C&S
◀▶	3/226 - Transformation	Failure to carry out transformation of the care and support offer in a timely way such that savings are made, significant change and improvement is implemented and personal independence is maximised	CD HAS	HAS AD C&S	M	H	H	H	H	2	6	31/12/2017	L	M	H	M	M	3	Y	HAS AD C&S
◀▶	3/228 - Extra Care Housing	Failure to effectively deliver the Extra Care Programme and EPH reprovision resulting in suboptimal financial savings, potential challenge to EPH reprovision proposals, poor project management of Extra Care Scheme Development	CD HAS	HAS AD Com	M	M	H	M	H	2	8	31/03/2018	L	L	H	L	M	3	Y	HAS AD Com
▲	3/220 - Cultural Change	Failure to change the Directorate culture at the same time as implementing the HAS Vision and the 2020 Transformation Programme for HAS by 2020 resulting in financial challenges and unmet savings, staff unclear about their roles and an inability to implement new ways of working	CD HAS	HAS HoHR	M	M	H	M	M	2	8	31/03/2018	M	M	M	M	M	4	Y	CD HAS
◀▶	3/167 - Public Health	Failure to deliver a distinctive public health agenda for North Yorkshire and carry out the statutory public health functions resulting in failure to maximise health gain in the County, inability to effectively commission public health services, develop and implement strategies and manage the Public Health grant	CD HAS	Dir Public Health	L	M	H	M	M	3	8	31/10/2017	L	M	M	M	M	5	Y	Dir Public Health

Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – summary**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

Key	
	Risk Ranking has worsened since last review.
	Risk Ranking has improved since last review
	Risk Ranking is same as last review
- new -	New or significantly altered risk



Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

Phase 1 - Identification											
Risk Number	3/229	Risk Title	3/229 - Financial Pressures				Risk Owner	CD HAS	Manager	CSD AD SR (AH)	
Description	Financial pressures arising from difficulties in delivering HAS2020 Savings requirements, managing in year financial overspends, Better Care Fund contributions, market pressure and complexity of client needs leading to service impact or additional savings needing to be identified within HAS or corporately.					Risk Group	Financial	Risk Type	C&S 1/252		
Phase 2 - Current Assessment											
Current Control Measures			Fortnightly performance and governance HAS LT meetings; Corp PMO resources applied to projects and programme management; regular monitoring of in year financial performance and reporting to portfolio Members; corp provision for financial pressures in HAS available for drawdown; reviewed HAS 2020 including completion of benefits profiles for all savings lines; phase 2 of HAS data model rolled out; heat map action plan completed; recommendations from the actual cost of care exercise implemented; tracking of paper records in place for performance;								
Probability	H	Objectives	H	Financial	H	Services	M	Reputation	M	Category	1
Phase 3 - Risk Reduction Actions											
Reduction	1/501 - Carry out review of revised practice within the care pathway					Action Manager	HAS AD C&S	Action by	Wed-31-Jan-18	Completed	
Reduction	3/153 - Test innovations around new models for personal care and support at home					Action Manager	HAS AD Com	Action by	Sat-31-Mar-18	Completed	
Reduction	3/247 - Continue to revise and update a market position statement					Action Manager	HAS AD Com	Action by	Fri-31-Aug-18	Completed	
Reduction	3/379 - Carry out fundamental budget review which models cost drivers, demand and complexity of cases					Action Manager	CSD AD SR (AH)	Action by	Tue-31-Oct-17	Completed	
Reduction	3/421 - Complete separate review of complexity of client needs; will be addressed as part of the strength based review					Action Manager	HAS AD C&S	Action by	Sat-31-Mar-18	Completed	
Reduction	3/423 - Complete the Financial assessments, billing and contracts (ABC) project to improve market and cost information, service standards and information security					Action Manager	CSD AD SR (AH)	Action by	Wed-31-Oct-18	Completed	
Reduction	3/460 - Ensure that we account for the BCF funding as per the Regulations on a quarterly basis					Action Manager	CSD AD SR (AH)	Action by	Fri-31-Aug-18	Completed	
Reduction	3/472 - Implement action plan following outcome of heat map exercise and ensure inclusion of NHS and Partners - ongoing					Action Manager	HAS HoHR	Action by	Fri-31-Aug-18	Completed	
Reduction	3/477 - Carry out 2020 Benefits deep dive and review of 4% savings business cases					Action Manager	CD HAS	Action by	Tue-31-Oct-17	Completed	
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	H	Financial	H	Services	M	Reputation	M	Category	2
Phase 5 - Fallback Plan											



Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

		Action Manager
Fallback Plan		



Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

Phase 1 - Identification											
Risk Number	3/162	Risk Title	3/162 - Major Failure due to Quality and/or Economic Issues in the Care Market				Risk Owner	CD HAS	Manager	HAS AD Com	
Description	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.					Risk Group	Legislative	Risk Type	Corp 20/194		
Phase 2 - Current Assessment											
Current Control Measures			Regular review and monitoring contracts; standard contract terms; approvals process; regular meetings to share best practice; experienced staff; regular communication with providers; bulletins; customer feedback; Engagement Group; legal services; CQC; Financial Services & insurance consultation; market analysis; capacity planning; alerts system including brokerage; Service Unit & provider BCPs; QA Framework developed; guidance and ongoing training for purchasing staff; engage with AD ASS; reg meetings with Q&M, Health Commissioner and police; robust comms with CCGs; quality monitoring embedded in Dir perf monitoring; market position statement; heat map action plan; recommendations from the actual cost of care exercise implemented; funding for market improvement team agreed through BCF;								
Probability	H	Objectives	M	Financial	M	Services	M	Reputation	H	Category	I
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	2/434 - 2020 Market shaping/development project work						HAS AD Com	Sat-31-Mar-18			
Reduction	2/435 - Workforce group to develop and support workforce across the sector						HAS HoHR	Sat-31-Mar-18			
Reduction	2/436 - Begin scoping a market improvement team						HAS AD Com	Thu-31-Aug-17	Mon-31Jul-17		
Reduction	2/486 - Monitor issues caused by the complex partner relationships, meetings and structures and raise at HASLT where appropriate						HAS AD Com	Mon-30-Apr-18			
Reduction	3/23 - Carry out recruitment for market improvement team						HAS AD Com	Thu-30-Nov-17			
Reduction	3/153 - Test innovations around new models for personal care and support at home						HAS AD Com	Sat-31-Mar-18			
Reduction	3/247 - Continue to revise and update a market position statement						HAS AD Com	Fri-31-Aug-18			
Reduction	3/253 - Re-establish quarterly Partnership and Partner Liaison meetings (market development board), market analysis and mapping and information sharing (Locality Provider Group in place); engagement processes being reviewed						HAS AD Com	Mon-30-Apr-18			
Reduction	3/254 - Jointly with Health continue to monitor baseline assessments QA framework and risk profiles of providers; targets are reviewed at quarterly officer meetings and info fed into engagement group; pursue opportunities for joint working between HAS and NHS						HAS AD Com	Mon-30-Apr-18			
Reduction	3/371 - Continue with regular engagement meetings with CQC locally and engage with CQCs national programme of identifying providers where there is significant risk of failure; being reviewed						HAS Ho Q&M	Mon-30-Apr-18			

Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

Reduction	3/472 - Implement action plan following outcome of heat map exercise and ensure inclusion of NHS and Partners - ongoing	HAS HoHR	Fri-31-Aug-18								
Reduction	3/1963 - Continue to engage in ADASS work to manage major problems occurring, such as financial issues in the care provider market and ensure robust contingency planning and to learn lessons from serious case reviews at a national level; more work being done to enhance regional ways of working	HAS AD Com	Mon-30-Apr-18								
Reduction	47/186 - Introduction of the Q&M database and planning for electronic solutions; awaiting provider list renewal (provider list in place); now part of a corporate system change	CSD AD SR (AH)	Sat-30-Sep-17								
Reduction	47/221 - Work with Veritau on audits of individual suppliers (ongoing)	HAS Ho Q&M	Mon-30-Apr-18								
Phase 4 - Post Risk Reduction Assessment											
Probability	H	Objectives	M	Financial	M	Services	M	Reputation	M	Category	2
Phase 5 - Fallback Plan											
Fallback Plan	3/523 - Make client safe, crisis meeting, implement relevant steps, consultation with senior staff and relevant organisations (e.g. Police CQC). Effective communication to relevant parties, utilise established failure plan.									Action Manager	HAS AD Com



Health and Adult Services Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review Due: **February 2018**

Report Date: **4th August 2017 (cpc)**

Phase 1 - Identification											
Risk Number	3/184	Risk Title	3/184 - Workforce Planning and Development				Risk Owner	CD HAS		Manager	HAS HoHR
Description	Failure to appropriately plan and fulfil workforce requirements and / or develop staff in line with transformation agenda resulting in reduction in quality of service and transformation objectives not achieved					Risk Group	Personnel		Risk Type	Dir Only	
Phase 2 - Current Assessment											
Current Control Measures			Workforce Strategy and OD Plan refreshed and agreed by HAS LT; HR representation on each 2020 programme board; staff engagement and communication plan; Care Act training delivered; Directorate restructure complete; Directorate Vision launched via Powerpoint communication; HAS Transformation Board; regular DJCC meetings with Unison; training plan in place; ASYE implemented; assessment pathway programme and specifically the Care and Support restructure completed; Practice team established; Practice development sessions for practitioners rolled out;								
Probability	H	Objectives	M	Financial	H	Services	H	Reputation	M	Category	I
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	3/164 - Develop an offer to provide a training academy and a recruitment excellence centre to support the independent and voluntary sector						HAS HoHR	Sat-30-Sep-17			
Reduction	3/218 - Continue to implement the Directorate Training Plan which encompasses all the key changes facing Operational Staff and equips Heads of Service and CSMs to ensure delivery (ongoing)						HAS AD C&S HAS HoHR	Fri-31-Aug-18			
Reduction	3/231 - Ensure Directorate Managers are provided with training in people management processes, reorganisation and redundancy processes and change management. (ongoing)						HAS HoHR	Fri-31-Aug-18			
Reduction	3/263 - Ensure use of Insight is embedded with Directorate managers and exceptions and performance issues are identified through quarterly reports to HAS LT and SHRA input to management teams and ensure appropriate action is taken (ongoing)						HAS LT	Fri-31-Aug-18			
Reduction	3/324 - Implement and embed recruitment standards and report on vacancy positions on a monthly basis (ongoing)						HAS AD C&S HAS HoHR	Fri-31-Aug-18			
Reduction	3/325 - Implement the offer to provide a training academy and a recruitment excellence centre to support the independent and voluntary sector						HAS HoHR	Mon-30-Apr-18			
Reduction	3/340 - Provide HR and WD advice and support to Managers leading Transformation Projects (ongoing)						HAS HoHR	Fri-31-Aug-18			
Reduction	3/463 - Implement a coordinated campaign to fulfil the vacancy requirement for Care and Support following the restructure						HAS AD C&S HAS HoHR	Wed-31-Jan-18			
Reduction	3/1952 - Develop proposals and implement Directorate management structure phase 2						CD HAS	Sat-31-Mar-18			
Reduction	3/1953 - Carry out the post implementation review of the Care and Support restructure						HAS AD C&S	Sun-31-Dec-17			
Reduction	3/1964 - Continue to engage with and contribute to all 2020 North Yorkshire workstreams (ongoing)						HAS LT	Fri-31-Aug-18			
Phase 4 - Post Risk Reduction Assessment											

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Probability	M	Objectives	M	Financial	M	Services	H	Reputation	L	Category	2
Phase 5 - Fallback Plan											
										Action Manager	
Fallback Plan	3/531 - Continue to prioritise resources to ensure continuity of service for front line service users										CD HAS



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Phase 1 - Identification											
Risk Number	3/217	Risk Title	3/217 - Deprivation of Liberty (DoLs) Supreme Court Ruling				Risk Owner	CD HAS		Manager	HAS AD C&S
Description	Failure to manage increase in workload (and manage the existing backlog) as a result of the DoLs Supreme Court judgment resulting in financial and reputational issues including potential legal action					Risk Group	Legislative		Risk Type	C&S 1/219	
Phase 2 - Current Assessment											
Current Control Measures			Resources and capacity have been increased; action plan in place in line with ADASS recommendations; regular report on activity, performance and finance provided to Leadership Team; statutory process implemented; action plan reviewed following external review; Corporate funding draw down; briefing report to CMB with ongoing quarterly reports; training reviewed; review of backlog and risks carried out;								
Probability	M	Objectives	H	Financial	H	Services	H	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	1/100 - Ensure the In-House registered providers adhere to the DoLS supreme court judgement						HAS AD C&S	Thu-31-May-18			
Reduction	1/502 - Work through backlog management plan for the lower risk (as defined by ADASS) people including proposal for extra resource to assist in this area						HAS AD C&S	Thu-31-May-18			
Reduction	1/503 - Carry out business change LEAN review to maximise process efficiency						HAS AD C&S	Sat-30-Sep-17			
Reduction	3/191 - Continue to monitor and appropriately manage resources and capacity issues						HAS AD C&S	Thu-31-May-18			
Reduction	3/193 - Continue to provide regular briefings to HASLT, staff and providers						HAS AD C&S	Thu-31-May-18			
Reduction	3/255 - Maintain horizon scanning for future developments						HAS AD C&S	Thu-31-May-18			
Reduction	3/320 - Maintain communication with key partners						HAS AD C&S	Thu-31-May-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	H	Financial	H	Services	H	Reputation	H	Category	2
Phase 5 - Fallback Plan											
Fallback Plan	3/556 - A further review of the action plan, with external support may be sought. Escalation to senior management with potential options for mitigation.									Action Manager	HAS AD C&S

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Phase 1 - Identification											
Risk Number	3/164	Risk Title	3/164 - Information Governance and Health and Safety				Risk Owner	CD HAS		Manager	CSD AD SR (AH)
Description	Failure to ensure that good and safe governance arrangements in respect of data security and health and safety are in place throughout the Directorate					Risk Group	Legislative		Risk Type	Dir Only	
Phase 2 - Current Assessment											
Current Control Measures			Info Gov - Monitoring of mandatory eLearning for all staff; information management through key messages and intranet; application of Caldicott principles; information governance procedures; Corporate laptop and security encryption; continued use of information asset register; implementation of process if/when data breaches occur including cascading lessons learnt; implementation of secure data transfer methods; developing robust information sharing protocols; Corporate Information Governance Group and Directorate Group (DIGG); Periodic update at HASLT performance board; regular security sweeps, asset owner training completed H & S - Corporate H & S policy, and action plan; wider HAS leadership team H&S training completed;								
Probability	M	Objectives	L	Financial	M	Services	L	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	3/147 - Continue to implement Caldicott 2 where possible						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	3/148 - Continue to implement awareness raising campaign for information governance						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	3/227 - Continue to ensure and promote use of secure methods of data transfer						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	3/364 - Review disposal arrangements of documents following issue of refreshed corporate policy and guidance						CSD AD SR (AH)	Thu-31-May-18			
Reduction	3/365 - Ensure 'lessons learned' reports are reviewed following any breach						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	3/366 - Review H&S management including membership and content of Directorate RMG						CSD AD SR (AH)	Sat-30-Sep-17			
Reduction	3/373 - Work closely with the new Data Governance team in Strategic Support (and carry out review of local Info gov arrangements)						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	3/423 - Complete the Financial assessments, billing and contracts (ABC) project to improve market and cost information, service standards and information security						CSD AD SR (AH)	Wed-31-Oct-18			
Reduction	3/431 - Carry out review of current wheelchair and fire safety guidance						CSD AD SR (AH)	Sat-30-Sep-17			
Reduction	6/124 - Progress data sharing issues with Health colleagues to ensure the benefits of this are realised						CSD AD SR (AH)	Fri-31-Aug-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	L	Financial	M	Services	L	Reputation	H	Category	2
Phase 5 - Fallback Plan											
Fallback Plan	3/36 - Media management, staff disciplinary, work with Information Commissioner's Office and HSE when necessary								Action Manager		
									CSD AD SR (AH)		



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Phase 1 - Identification											
Risk Number	3/180	Risk Title	3/180 - Partnership and Integration with the NHS				Risk Owner	CD HAS	Manager	HAS AD H&I HAS AD C&S Dir Public Health HAS AD Com	
Description	Failure to deliver the full integration plans by 2020 with the NHS, and in the context of managing 3 ST Plans. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements and inconsistency in service delivery to local people					Risk Group	Partnerships	Risk Type	Corp 20/47		
Phase 2 - Current Assessment											
Current Control Measures			Effective HWB partnership with clear governance providing strategic leadership with a shared performance dashboard; chief Officer representation influencing the development of STPs; HASLT locality delivery model in place actively shaping local integration plans; Joint leadership in Harrogate delivering a new model of care through Vanguard, and further developing and implementing joint commissioning and potentially delivery in Scarborough; agreement in 2016/17 to protect social care through the Better Care Fund; agreement with NY Commissioner Forum to develop joint commissioning arrangements that will include CHC and other areas; Health and Well-being Strategy in place; corporate task and finish group for DToC in place; HWB development sessions;								
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	3/208 - Ensure NHS partners are fully aware of the democratic and political environment they are operating within and liaise with Scrutiny colleagues to ensure a positive outcome (ongoing)						CD HAS	Thu-31-May-18			
Reduction	3/209 - Actively monitor relationships, priorities and communications and ensure that HAS managers are fully engaged at appropriate level and review at HAS WLT on a regular basis (ongoing)						CD HAS	Thu-31-May-18			
Reduction	3/384 - Agree and implement new models of care in all CCG localities (2 localities Harrogate and Scarborough by Sept 2017 identified and progressing, and remaining 3 localities by Sept 2018)						CD HAS	Sun-30-Sep-18			
Reduction	3/385 - Engage wider HASLT in testing the implications of different integration models (ongoing)						HAS AD Com HAS AD H&I	Thu-31-May-18			
Reduction	3/420 - Develop and implement outline integration plans with CCGs						HAS AD H&I	Tue-31-Oct-17			
Reduction	3/428 - Improve the DToC (Delayed Transfer of Care) performance to avoid financial penalties and reputational issues. Put in place affordable DToC (Delayed Transfer of Care) plans that avoid financial penalties – H&I overview with C&S delivery						HAS AD C&S HAS AD H&I	Thu-31-May-18			
Reduction	3/429 - Consider the viability of local Risk Management Agreements with NHS Partners for integration plan(s), locality plan(s) and joint commissioning arrangements (ongoing)						CSD AD SR (AH) HAS AD Com	Fri-31-Aug-18			
Reduction	3/430 - Review governance arrangements for the Health and Wellbeing Board to ensure delivery of the joint H & W Strategy						HAS AD H&I	Sat-31-Mar-18			
Reduction	3/460 - Ensure that we account for the BCF funding as per the Regulations on a quarterly basis						CSD AD SR (AH)	Fri-31-Aug-18			

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Reduction	3/466 - Continue to monitor the impact of the challenge of having 3 STPs including through health scrutiny,	CD HAS	Thu-31-May-18								
Reduction	3/467 - Develop and agree the scope for joint commissioning arrangements	HAS AD Com HAS AD H&I	Sat-31-Mar-18								
Reduction	3/473 - Establish an Integrated Planning and Commissioning Board with Scarborough CCG	CSD AD SR (AH) HAS AD H&I	Thu-31-Aug-17								
Reduction	324/491 - Ensure that additional social care funding is used in a sustainable way (ie non recurrent). Further lobbying required with Govt to establish how this dovetails with improved BCF and additional funding post green paper.	CD HASCD SR	Sat-31-Mar-18								
Reduction	324/492 - Carry out preparations for potential CQC area review regarding integration	HAS LT	Sun-31-Dec-17								
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	H	Category	2
Phase 5 - Fallback Plan											
											Action Manager
Fallback Plan	3/532 - Escalation to CMB and Executive Members, further engagement with senior tiers in NHS locally, regionally and nationally.										CD HAS

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Phase 1 - Identification											
Risk Number	3/218	Risk Title	3/218 - Managing effective outcomes for individuals				Risk Owner	CD HAS		Manager	HAS AD C&S
Description	Failure to meet targets in line with the Care Act resulting in poor outcomes for individuals and internal and external criticism, reputational issues.					Risk Group	Performance		Risk Type	C&S 1/17	
Phase 2 - Current Assessment											
Current Control Measures		HASLT; C&SLT; embedded performance management; budgetary management; needs assessment questionnaire; individual targets for workers; more direct intervention planned on testing out assessment pathway plan targets and savings; care and support pathway developed and implemented; demand modelled using census information; bi-monthly CSM forums; management of delivery of social care mental health services implemented (phase 1)									
Probability	M	Objectives	H	Financial	H	Services	H	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	1/78 - Continue to set targets through robust service planning aligned to Directorate Vision					HAS AD C&S		Thu-31-May-18			
Reduction	1/79 - Hold bi-monthly CSM forums					HAS AD C&S		Wed-31-May-17	Tue-31-Jan-17		
Reduction	1/107 - Continue to embed the Dignity and Respect agenda					HAS AD C&S		Thu-31-May-18			
Reduction	1/317 - Ensure effective assessment and review processes are maintained throughout the transformation programme					HAS AD C&S		Thu-31-May-18			
Reduction	1/331 - Continue with awareness raising of care act responsibilities and engagement with NHS and other partners, including sign posting to National training					HAS AD C&S		Thu-31-May-18			
Reduction	1/333 - Maintain strong links to 2020 projects to ensure duties and requirements are taken into account					HAS AD C&S		Thu-31-May-18			
Reduction	3/206 - Maintain robust DToC approach with a view to minimising numbers and impact					HAS AD C&S		Thu-31-May-18			
Reduction	3/457 - Embed the care and support pathway service redesign					HAS AD C&S		Sat-31-Mar-18			
Reduction	3/458 - Implement the agreed management of delivery of social care mental health services (phase 1);					HAS AD C&S		Sat-30-Sep-17	Fri-30-Jun-17		
Reduction	3/475 - Develop a business case for and implement the operational delivery of social care mental health services (phase 2)					HAS AD C&S		Thu-28-Feb-19			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	H	Financial	M	Services	M	Reputation	H	Category	3
Phase 5 - Fallback Plan											
										Action Manager	
Fallback Plan	1/15 - Review performance and capacity including access to additional funding								HAS AD C&S		



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Phase 1 - Identification											
Risk Number	3/27	Risk Title	3/27 - Safeguarding Arrangements				Risk Owner	CD HAS	Manager	HAS AD C&S HAS AD H&I	
Description	Failure to have an effectively monitored, robust, Safeguarding regime and partnership arrangements in place and ensure that we fulfill our wider lead authority role (under the Care Act) results in risk to service users, inability to reach required standard on CQC and adverse effect on Directorate reputation.					Risk Group	Partnerships	Risk Type	C&S 1/14		
Phase 2 - Current Assessment											
Current Control Measures			Detailed action plan; Safeguarding general manager and team; strengthening of Safeguarding policy team; case file audit and review; independent chair to Safeguarding Board in place; risk enablement panel in place and being reviewed; countywide safeguarding general manager in place; testing of initial performance metrics for Safeguarding Board has taken place further developing performance activity; initial safeguarding procedures reviewed linked to consultation in light of the Care Act and are being reviewed again; safeguarding board performance framework; Q&E [protocol for the relationship between Adults Social Care (and Children's Trust) and the Health and Wellbeing Board agreed and implemented;] information framework for serious incident data, eg drug death etc in place								
Probability	M	Objectives	H	Financial	H	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	1/357 - Bringing in further experienced staff whenever possible to address significant vacancies in the structure						HAS AD C&S	Thu-31-May-18			
Reduction	1/514 - Ensure in house provider workforce have appropriate training and development in this area						HAS C&S Ho PS	Thu-31-May-18			
Reduction	1/515 - Ensure we have the ability to embed the lessons learned from serious case reviews including identification of authors of independent reports						HAS AD C&S	Thu-31-May-18			
Reduction	1/516 - External audit (ADASS review) of safeguarding activities to assist with benchmarking and identifying areas of improvement						HAS AD C&S	Thu-31-May-18			
Reduction	2/161 - Continued vigilance to ensure our supervisory body role adheres to good practice and national guidance, evidenced by regular reports to HASLT and members						HAS AD H&I	Mon-30-Apr-18			
Reduction	2/336 - Carry out the supervisory body role for DoLS to ensure the system is as effective as possible within existing resources						HAS AD H&I	Mon-30-Apr-18			
Reduction	2/343 - Scoping work in preparation of implementing Law Commission proposals						HAS AD C&S HAS AD H&I	Mon-30-Apr-18			
Reduction	3/145 - Continue to ensure partners are fully engaged with Safeguarding boards centrally and locally, particularly new health partners (CCGs) - ongoing, two board development days held						HAS AD C&S HAS AD H&I	Thu-31-May-18			
Reduction	3/187 - Continue to work with Quality and Engagement team to improve quality assurance; including work with CQC, Health and Healthwatch						HAS AD C&S HAS AD H&I	Thu-31-May-18			



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Reduction	3/217 - Complete training in respect of safeguarding policies and procedures and wider awareness training for groups such as elected Members; Member awareness training still to consider; new policies and procedures now in place and to be worked through in the coming year	HAS AD C&S	Thu-31-May-18								
Reduction	3/321 - Ongoing joint work with CYPs to carry out review of approach to domestic abuse and Prevent	HAS AD H&I	Sat-31-Mar-18								
Reduction	3/464 - Revise existing safeguarding policies and procedures in light of operational experience; new pols and procs to be embedded	HAS AD C&S	Fri-31-Mar-17	Fri-31-Mar-17							
Reduction	3/1959 - Develop an information framework for serious incident data, eg drug death etc; operational implementation being discussed	CSD AD SR (AH) HAS AD H&I	Mon-31-Jul-17	Mon-31-Jul-17							
Reduction	3/1961 - Embedding safeguarding work to deliver the Transforming Care programme incl. embedding the care act role of Principal Social Worker and Safeguarding Board Manager	HAS AD C&S	Thu-31-May-18								
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	H	Financial	H	Services	M	Reputation	H	Category	3
Phase 5 - Fallback Plan											
Fallback Plan	3/33 - Escalate to Safeguarding Board / Mgt Board and carry out necessary review and action improvement plans, lessons learned from any serious case reviews									Action Manager	HAS AD C&S



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Phase 1 - Identification											
Risk Number	3/226	Risk Title	3/226 - Transformation				Risk Owner	CD HAS		Manager	HAS AD C&S
Description	Failure to carry out transformation of the care and support offer in a timely way such that savings are made, significant change and improvement is implemented and personal independence is maximised					Risk Group	Change Mgt		Risk Type	C&S 1/222	
Phase 2 - Current Assessment											
Current Control Measures			Corporate and HAS 2020 Governance arrangements including reporting to & monitoring by Directorate & Corp Programme Board; dedicated staff; Transformation Board; HAS Programme Briefs Produced; EIAs being developed; Exec members involved in programme development; HAS LT members assigned to specific programme activity; HAS Vision; engagement with NHS commissioners and providers over assessment pathway process; prevention framework and action plan designed; workforce development plan in place; detailed review of 2020 transformation savings;								
Probability	M	Objectives	H	Financial	H	Services	H	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	1/360 - Continue to deliver the customer service centre aspects of new ways of working					HAS AD C&S		Thu-31-May-18			
Reduction	1/444 - Continue to engage with customers and staff around new practice and ways of working and respond to issues raised					HAS AD C&S		Thu-31-May-18			
Reduction	1/446 - Develop a performance and trend dashboard to monitor activity and savings; revisit performance reports with strategic support service					HAS AD C&S		Thu-31-May-18			
Reduction	1/511 - Embed the new pathways and ensure that a strength based approach applies across the piece including with health					HAS AD C&S		Thu-31-May-18			
Reduction	1/512 - Carry out a formal nine month review of new ways of working, and take earlier intervention if required					HAS AD C&S		Sun-31-Dec-17			
Reduction	3/157 - Develop a new enablement and reablement pathway, agreed in principle with NHS partners consultation to commence in April 2017 and also make provision for management of existing cases					HAS AD C&S		Thu-31-Aug-17	Mon-3-Apr-17		
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	H	Services	M	Reputation	M	Category	3
Phase 5 - Fallback Plan											
										Action Manager	
Fallback Plan	1/15 - Review performance and capacity including access to additional funding								HAS AD C&S		



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Phase 1 - Identification											
Risk Number	3/228	Risk Title	3/228 - Extra Care Housing				Risk Owner	CD HAS	Manager	HAS AD Com	
Description	Failure to effectively deliver the Extra Care Programme and EPH reprovision resulting in suboptimal financial savings, potential challenge to EPH reprovision proposals, poor project management of Extra Care Scheme Development					Risk Group	Strategic	Risk Type	Comm 47/248		
Phase 2 - Current Assessment											
Current Control Measures			Robust needs assessment (independently tested), Programme management structure, use of experienced external advisors in respect of legal, finance and procurement services, governance arrangements, member support, programme manager recruited, procurement of Framework partners outcome completed; call off contract timetable developed and aligned with necessary consultations; reviewed process for EPH reprovision to ensure fit for purpose; process for mini procurements agreed; financial investment and VfM for existing developments reviewed; impact of benefit (housing) changes reviewed								
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	3/377 - Identify specific issues and requirements for each Scheme						HAS AD Com	Tue-31-Mar-20			
Reduction	3/378 - Develop bespoke programme for each Scheme						HAS AD Com	Tue-31-Mar-20			
Reduction	3/380 - Finance - ongoing close monitoring of financial model to ensure savings are achieved; savings profile reviewed and still on track						HAS AD Com	Mon-30-Sep-19			
Reduction	3/426 - Carry out implementation reviews and consider lessons learned for future schemes						HAS AD Com	Mon-30-Sep-19			
Reduction	3/427 - Respond to outcome of government consultation and plans for housing benefit going forward						HAS AD Com	Sat-31-Mar-18			
Reduction	3/459 - Regular review of Schemes within the timetable for the delivery of Extra Care and adjust where necessary to deliver savings						HAS AD Com	Tue-31-Mar-20			
Reduction	47/81 - Look at new and innovative approaches for smaller schemes						HAS AD Com	Tue-31-Mar-20			
Reduction	47/82 - Ensure effective utilisation of an agreed consultation process for procurement in respect of EPHs (ongoing)						HAS AD Com	Tue-31-Mar-20			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	L	Financial	H	Services	L	Reputation	M	Category	3
Phase 5 - Fallback Plan											
Fallback Plan	557 - Continually review progress and changes in market conditions and Partner circumstances and make appropriate adjustments to the Programme							Action Manager			
								HAS AD Com			



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Phase 1 - Identification											
Risk Number	3/220	Risk Title	3/220 - Cultural Change				Risk Owner	CD HAS	Manager	HAS HoHR	
Description	Failure to change the Directorate culture at the same time as implementing the HAS Vision and the 2020 Transformation Programme for HAS by 2020 resulting in financial challenges and unmet savings, staff unclear about their roles and an inability to implement new ways of working					Risk Group	Personnel	Risk Type	Dir Only		
Phase 2 - Current Assessment											
Current Control Measures			Leadership Forum, Wider Leadership team, Workforce strategy and OD Plan; Care Act training delivered; Directorate restructure complete and associated development plan delivered; Directorate Vision developed and being implemented; business cases developed and programmes being implemented for assessment pathway and targeted prevention; Make Every Contact Count training carried out; comprehensive staff engagement and communication plan developed; activity dashboards developed providing evidence of progress; locality leadership model embedded; targeted prevention used to maximise access to community assets and delay use of mainstream services; management arrangements for Mental Health services in place								
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	M	Category	2
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	3/201 - Leadership to communicate and consult on the transformation programme - ongoing					HAS AD C&S	Sat-31-Mar-18				
Reduction	3/233 - Ensure effective liaison with the Stronger Communities team and referral to Living Well to maximise access to community assets and delay use of mainstream services (ongoing)					HAS LT	Fri-31-Aug-18				
Reduction	3/323 - Roll out Make Every Contact Count training to the Directorate workforce					Dir Public Health HAS HoHR	Sat-30-Sep-17	Fri-30-Jun-17			
Reduction	3/341 - Implement a comprehensive staff engagement and communication plan (ongoing)					HAS LT	Fri-31-Aug-18				
Reduction	3/343 - Ensure development and delivery of staff training programmes to support culture change including identification of appropriate resource					Principal Workforce Development Advisor	Fri-31-Aug-18				
Reduction	3/372 - Ensure leadership and management continue to evolve methods of effective communication to enable involvement and feedback from staff and co-production with service users and partners (ongoing)					HAS LT	Fri-31-Aug-18				
Reduction	3/465 - Review and implement wider Mental Health team structures					HAS AD C&S HAS HoHR	Tue-30-Apr-19				
Reduction	3/476 - Support staff to operate into integrated teams and arrangements (ongoing)					HAS AD C&S HAS HoHR	Fri-31-Aug-18				
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	M	Category	4
Phase 5 - Fallback Plan											
Fallback Plan	3/531 - Continue to prioritise resources to ensure continuity of service for front line service users							Action Manager			
								CD HAS			



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Phase 1 - Identification											
Risk Number	3/167	Risk Title	3/167 - Public Health			Risk Owner	CD HAS	Manager	Dir Public Health		
Description	Failure to deliver a distinctive public health agenda for North Yorkshire and carry out the statutory public health functions resulting in failure to maximise health gain in the County, inability to effectively commission public health services, develop and implement strategies and manage the Public Health grant					Risk Group	Partnerships	Risk Type	PH 5/196		
Phase 2 - Current Assessment											
Current Control Measures			Regular Public Health business and team meetings; Consultant link roles with NYCC Directorates, CCGs and Districts; Public Health service plan in place; Consultation on public health commissioning intentions; MOU for Advice Service with CCGs in place; Joint Contracts group with CYC; Health and Wellbeing Board; H & W Strategy; Link to relevant Em Planning/Health Protection structures in place; Leading work on the Prevention Framework; PH team performance monitoring mechanism in place; updated JSNA in place; development of financial framework; Major contracts and service are procured; dealing with letting new contracts; quarterly reports to HASLT and PH Business team; consultant post filled								
Probability	L	Objectives	M	Financial	H	Services	M	Reputation	M	Category	3
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	5/246 - Continue to ensure Public Health statutory functions are met					Dir Public Health	Thu-31-May-18				
Reduction	5/247 - Develop the Public Health Advisory Service for CCGs					Dir Public Health	Sun-31-Dec-17				
Reduction	5/248 - Ensure 2020 Finance continues to consider Public Health needs and that Public Health team are aware of impact on resource and finance risk (development of 5 year indicative framework)					Int Fin Acc	Thu-31-May-18				
Reduction	5/249 - Explicitly embed Public Health in the Councils mainstream strategies and policies eg. trading standards, education, children social care, LEP (ongoing) and embed within the HAS locality model					Dir Public Health	Thu-31-May-18				
Reduction	5/251 - Continue to ensure sufficient capacity and skills in the Public Health team and in the interim, explore alternative solutions to release more time for consultant level work					Dir Public Health	Thu-31-May-18				
Reduction	5/252 - Continue to work closely with CoY Council around professional networks					Dir Public Health	Thu-31-May-18				
Reduction	5/254 - Finalise new financial framework for the PH budget including the 2017-2020 plan and the public health grants review					CSD AD SR (AH) Dir Public Health	Tue-31-Oct-17				
Reduction	5/313 - Continue to ensure good systems are in place for monitoring our performance against the PHOF by reporting as part of the Council's performance framework					Dir Public Health	Thu-31-May-18				
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	M	Services	M	Reputation	M	Category	5
Phase 5 - Fallback Plan											
Fallback Plan	3/526 - Further develop and implement alternative delivery models taking into account good practice elsewhere								Action Manager		Dir Public Health



NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

30 NOVEMBER 2017

**INTERNAL AUDIT WORK FOR THE BUSINESS AND ENVIRONMENTAL SERVICES
DIRECTORATE**

Report of the Head of Internal Audit

1.0 PURPOSE OF THE REPORT

1.1 To inform Members of the **internal audit work** performed during the year ended 30 November 2017 for the Business and Environmental Services (BES) directorate and to give an opinion on the systems of internal control in respect of this area.

2.0 BACKGROUND

2.1 The Audit Committee is required to assess the quality and effectiveness of the corporate governance arrangements operating within the County Council. In relation to the BES directorate, the Committee receives assurance through the work of internal audit (as provided by Veritau) as well as receiving a copy of the latest directorate risk register.

2.2 This agenda item is considered in two parts. This first report considers the work carried out by Veritau and is presented by the Head of Internal Audit. The second part is presented by the Corporate Director and considers the risks relevant to the directorate and the actions being taken to manage those risks.

3.0 WORK DONE DURING THE YEAR ENDED 30 NOVEMBER 2017

3.1 Details of the work undertaken for the directorate and the outcomes of these audits are provided in **Appendix 1**.

3.2 Veritau has also been involved in carrying out a number of other assignments for the directorate. This work has included;

- Providing ad-hoc advice on various control issues; for example on proposed changes to Concessionary Fares processes
- Auditing and certifying a number of grant returns such as the Local Transport Plan, the Local Growth Fund, the LEP Growth Hub and the Local Authority Bus Subsidy Grant. We review relevant supporting information to ensure expenditure has been incurred in accordance with the grant conditions;
- Meeting with BES management and maintaining ongoing awareness and understanding of key risk areas such as the long term waste service and the highways maintenance contract

- Considering matters raised via ‘whistleblowing’ communications
- 3.3 As with previous audit reports, an overall opinion has been given for each of the specific systems or areas under review. The opinion given has been based on an assessment of the risks associated with any weaknesses in control identified. Where weaknesses are identified then remedial actions will be agreed with management. Each agreed action has been given a priority ranking. The opinions and priority rankings used by Veritau are detailed in **Appendix 2**. Where the audits undertaken focused on value for money or the review of specific risks as requested by management then no audit opinion will be given.
- 3.4 It is important that agreed actions are formally followed up to ensure that they have been implemented. Veritau follow up all agreed actions on a regular basis, taking account of the timescales previously agreed with management for implementation. **On the basis of the follow up work undertaken during the year, the Head of Internal Audit is satisfied with the progress that has been made by management to implement previously agreed actions necessary to address identified control weaknesses.**
- 3.5 The annual internal audit plan is based on an assessment of risk. Areas that are assessed as well controlled or low risk are reviewed less often with audit work instead focused on the areas of highest risk. Veritau’s auditors work closely with directorate senior managers to address any areas of known concern.
- 4.0 **AUDIT OPINION**
- 4.1 Veritau performs its work in accordance with the Public Sector Internal Audit Standards (PSIAS). In connection with reporting, the relevant standard (2450) states that the chief audit executive (CAE)¹ should provide an annual report to the board². The report should include:
- (a) details of the scope of the work undertaken and the time period to which the opinion refers (together with disclosure of any restrictions in the scope of that work)
 - (b) a summary of the audit work from which the opinion is derived (including details of the reliance placed on the work of other assurance bodies)
 - (c) an opinion on the overall adequacy and effectiveness of the organisation’s governance, risk and control framework (i.e. the control environment)
 - (d) disclosure of any qualifications to that opinion, together with the reasons for that qualification
 - (e) details of any issues which the CAE judges are of particular relevance to the preparation of the Annual Governance Statement
 - (f) a statement on conformance with the PSIAS and the results of the internal audit Quality Assurance and Improvement Programme.
- 4.2 The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating in the Business and Environmental

¹ The PSIAS refers to the chief audit executive. This is taken to be the Head of Internal Audit.

² The PSIAS refers to the board. This is taken to be the Audit Committee.

Services directorate is that it provides **substantial assurance**. There are no qualifications to this opinion and no reliance was placed on the work of other assurance bodies in reaching that opinion.

5.0 **RECOMMENDATION**

5.1 That Members consider the information provided in this report and determine whether they are satisfied that the internal control environment operating in the Business and Environment Services Directorate is both adequate and effective.

MAX THOMAS
Head of Internal Audit

Veritau Ltd
County Hall
Northallerton

15 November 2017

BACKGROUND DOCUMENTS

Relevant audit reports kept by Veritau Ltd at 50 South Parade, Northallerton.

Report prepared by Stuart Cutts, Internal Audit Manager, Veritau and presented by Max Thomas, Head of Internal Audit.

FINAL AUDIT REPORTS ISSUED IN THE YEAR ENDED 30 NOVEMBER 2017

System/Area	Audit Opinion	Areas Reviewed	Date Finalised	Comments	Action Taken	
A	Allerton Waste Recovery Park	No opinion	May 2017	<p>We reviewed the progress made by the Council to address the key actions raised in our March 2016 audit report.</p> <p>We also considered whether the risks of the project are being managed and effective risk reduction actions were being taken.</p>	<p>Good progress had been made at this important stage of the project lifecycle. Additional specialist project management and finance resources have been put in place to ensure risks are managed.</p> <p>The construction and commissioning chapters of the contract manual have been completed.</p> <p>The Management Information System (MIS) needs to be completed before the plant is commissioned and operations start in 2018. At the time of the audit, a working group had been established involving all relevant parties. Timescales for the completion of the MIS had been agreed and the work was on track to be completed in 2017.</p> <p>The latest risk registers highlighted all relevant risks and were consistent with our knowledge of the project. The registers contained a number of appropriate risk reduction actions.</p>	No actions were reported that require further action.
B	Integrated Passenger Transport (IPT)	No opinion	May 2017	<p>The purpose of this audit was to:</p> <ul style="list-style-type: none"> follow up the findings from the 2015/16 IPT audit and to review the extent to which the matters identified in the 	<p>Progress has been made to develop improved ways of working. This has included changing working practices to help increase capacity and allow managers more time to develop further strategic improvements. Good progress has also been made to</p>	No new actions were reported that require further action.

System/Area	Audit Opinion	Areas Reviewed	Date Finalised	Comments	Action Taken	
		<p>original report had been addressed</p> <ul style="list-style-type: none"> gain an understanding of the current issues facing the IPT team 		<p>address the issues identified in the previous audit. Ten of the fifteen findings have been completed. We found that, for example:</p> <ul style="list-style-type: none"> There is now a process for recording and following up non-compliance with DBS badge requirements Tablet computers and improved ICT connectivity will ensure inspection visits can be undertaken more efficiently Defaults are being considered proportionately. Financial penalties are considered but a balance is made between managing relations with operators and issuing defaults. <p>For those five 'in-progress' findings the common theme is the need to use technology to help automate and support future ways of working. It will take time to fully introduce automated systems and processes for insurance, compliance risk assessments and performance management. Plans to replace the PARIS IPT database are currently at an early stage of development.</p>		
C	Highways Maintenance Contract	High Assurance	The Highways Maintenance Contract (HMC) covers the provision of all aspects of the highways service. This audit focused on the following areas of the HMC to assess whether:	May 2017	<p>The recently developed BES Project Board is examining relevant strategic issues as well as the contract for engineering consultancy services. The Board has an approved governance structure and risk management system established. All relevant contract options are being considered in accordance</p>	No actions were reported that require further action.

System/Area	Audit Opinion	Areas Reviewed	Date Finalised	Comments	Action Taken	
		<ul style="list-style-type: none"> strategic plans are in place to manage the value of work given to RIS under the current contract, and for deciding future delivery model options. Effective contract management processes are in place for work awarded by tender to other contractors the Fleet Management service is meeting agreed outputs and Primary Contract Performance Indicators. 		<p>with the Highway Maintenance Efficiency Programme.</p> <p>Officers were also visiting other similar highway authorities to help understand how they are providing their services and their future plans. It is expected the Board will identify a preferred option for the future provision of highways services well in advance of the required procurement timescales.</p> <p>We found the work tendered to other contractors was delivering savings and also was being appropriately managed. A progress report covering work awarded outside of the HMC was planned to be presented to the next Board.</p> <p>We tested the two primary performance indicators for the Fleet Management service. No issues were found. The service was meeting agreed outputs under the contract. New indicators are also currently being considered by management to help monitor service delivery.</p>		
D	Concessionary Fares	Substantial Assurance	North Yorkshire County Council reimburses bus operators with the monthly value of concessionary journeys. NYCC is also part of a joint concessionary fares scheme with City of York Council (CYC). NYCC is responsible for processing and administering	November 2017	<p>Appropriate controls are in place for the issuing of bus passes. Relevant supporting information was being requested to verify customer eligibility.</p> <p>The Council has introduced the HOPS system which is used by some operators to capture user data from bus services while on</p>	<p>Two P2 actions and one P3 action was agreed.</p> <p>Reconciliations in respect of the HOPS to bus operator activity data and the payment information contained in the monitoring spreadsheet to</p>

System/Area	Audit Opinion	Areas Reviewed	Date Finalised	Comments	Action Taken
		<p>reimbursements on behalf of CYC.</p> <p>We reviewed the Concessionary Fare arrangements to ensure:</p> <ul style="list-style-type: none"> • bus passes are issued and renewed in line with Council policy • Reimbursements to bus operators are accurate, timely and made in line with guidelines • An appropriate contract is in place with CYC, and this is managed effectively for the joint concessionary fares scheme 		<p>route. Once a ticket or fare is issued the transaction is logged in the HOPS system. However, information to support payments to the bus operators is provided separately. No reconciliation checks are currently undertaken between the two data sets.</p> <p>The process of reimbursing operators currently involves a significant amount of manual data processing. This work includes the use of spreadsheets and data input to the PARIS IPT database (which interfaces to the Oracle finance system). Currently there are no reconciliation checks performed between the activity data and the Oracle finance system to ensure payments are accurate and complete.</p> <p>An up to date contract for the work undertaken on behalf of CYC has been written but has not yet been signed. Currently the contract has no clear allocation of responsibilities and some specific duties are not defined. Some areas such as accuracy checks of operator submissions for York journeys are not currently being carried out.</p>	<p>the actual payments made are to be introduced by the end of March 2018.</p> <p>NYCC officers are meeting with CYC in 2018 and will discuss the items raised in the audit.</p>

Audit Opinions and Priorities for Actions

Audit Opinions	
<p>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.</p> <p>Our overall audit opinion is based on 5 grades of opinion, as set out below.</p>	
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.

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

30 NOVEMBER 2017

INTERNAL CONTROL MATTERS FOR THE BUSINESS AND ENVIRONMENTAL SERVICES DIRECTORATE

Report of the Corporate Director – Business & Environmental Services

1.0 PURPOSE OF THE REPORT

- 1.1 To provide an update to members of progress against the areas for improvement identified through internal procedures.
- 1.2 To provide details of the latest Risk Register for the BES Directorate.

2.0 BACKGROUND

- 2.1 The Audit Committee is required to assess the quality and effectiveness of the corporate governance arrangements operating within the County Council. In relation to the BES Directorate, the Committee receives assurance through the work of internal audit (detailed in a separate report to the Committee) and the Directorate Risk Register.
- 2.2 To ensure governance and internal control matters are monitored on an on-going basis the BES Management Team receives and considers a report on a quarterly basis.

3.0 DIRECTORATE UPDATE

- 3.1 The main areas of note for the Directorate are:
 - I. Governance for all Local Enterprise Partnerships is currently under review by BEIS and it is anticipated that a standard model across the country will be adopted. It is likely this model will be different to the current one for the York, North Yorkshire & East Riding LEP and so NYCC, as the accountable body, is working closely with them and BEIS. It is expected this will be confirmed by April 2018.
 - II. 2020 Programme, whilst this is identified separately within the Directorate Risk Register it is worth commenting on a number of key items being worked on.
 - a. The LED street lighting project is well under way utilising the existing Highway contractor Ringway to install the lanterns; the plan is to conduct a full procurement exercise by March 2018 and compare against Ringway performance. Given the values of investment the project has its own governance arrangements within 2020 to make sure it is progressing well.

- b. Street works permitting, after public consultation the project has now had Executive approval. Similar to the LED project, this project has its own governance arrangements which focus on all aspects of change delivery: people, technology, partner engagement, communication, etc... The project is due to go live on 7 February 2018 with the new permitting model.
- III. Capital Programme, again whilst this is identified separately within the Directorate Risk Register there are key items of note:
 - a. Kex Gill development – the local contribution for the scheme has now been agreed and the project will move for scheme to design into capital delivery. The exact governance arrangements are yet to be confirmed but will be part of the overall Capital Programme.
 - b. A1 Junction 47 – the LEP has confirmed funding to support improvement to the A1 Junction 47. It is early stages of the project and therefore spend risk needs to be monitored closely within the Major Schemes team in BES.
- IV. Community transport (Section 19 and Section 22 permits) has come under increased focus recently and BES have briefed Executive Members (and are due to brief TEEOSC Chair and lead Members in December) in response to recent letters from the Department for Transport. The letters draw attention to recent case law concerning limitations on the work that can be carried out by community transport operators and other organisations who operate under certain exemptions. The letters specifically concern the use of exemptions in the provision of services that have been subject to tender or acquired through competition, and have been provided to the Council in its capacity as a permit issuing authority. We are now seeking to understand the potential implications both for our contracted services and for community transport operators in the County to ensure compliance and continuity of services.

4.0 DIRECTORATE RISK REGISTER

- 4.1 The Directorate Risk Register (DRR) is produced initially from a review of risks at Service level, which are then aggregated via a sieving process to Directorate level. This end product similarly aggregates these Directorate level risks into the Corporate Risk Register.
- 4.2 The Risk Prioritisation System adopted to derive risk registers categorises risks as follows:
 - Category 1 and 2 are high risk (RED)
 - Category 3 and 4 are medium risk (AMBER)
 - Category 5 is low risk (GREEN)

These categories are relative and not absolute assessments. The DRR represents the principal risks being managed in BES that may materially impact on the performance, financial and reputational outcomes of the Directorate.

- 4.3 The latest detailed DRR is shown at **Appendix A**. This shows a range of key risks and the risk reduction actions designed to minimise them together with a ranking of the risks both at the present time and after mitigating action.

- 4.4 A summary of the DRR is also attached at **Appendix B**. As well as providing a quick overview of the risks and their ranking, it also provides details of the change or movement in the ranking of the risk since the last review in the left hand column.
- 4.5 A review of the BES DRR took place at the end of September and was signed off by the Directorate Management Team. A further formal update review of the register will take place in Q4 of 2017/18.
- 4.6 No new risks have been identified to the DRR since December 2016 (date of last progress report to the Committee).
- 4.7 All other risks have been updated from Service risk registers. The individual assessment of the probability and impacts for these risks may have altered but the overall ranking of the risks has remained the same, apart from two of them:
- I. Capital Programme – the completion of Bedale, Aiskew & Leeming Bar Bypass and improvements in asset management through HMEP (Highways Maintenance Efficiency Programme) best practice, the pre risk reduction actions rating has improved. This is reflected having considered the items noted above, namely Kex Gill and Junction 47 as those two schemes are still early in the development process.
 - II. Long Term Waste Service Strategy – as the plant has progressed to commissioning phase the post risk reduction actions have advanced and are now more focused on service commencement. This has resulted in an improved level of confidence in the waste strategy.

5.0 RECOMMENDATIONS

5.1 That the Committee:

- i) Note the Directorate update salient points; and
- ii) Note the Directorate Risk Register for the Business & Environmental Services Directorate; and
- iii) Provide feedback and comments on the Directorate Risk Register and any other related internal control issues.

DAVID BOWE
Corporate Director – Business & Environmental Services
November 2017

Report prepared by Michael Leah

BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**
 Next Review due: **February 2018**
 Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/173	Risk Title	7/173 - Minerals and Waste Development Framework					Risk Owner	CD BES	Manager	BES AD GP&TS
Description	Failure to submit a Minerals and Waste Development Framework by end of December 2017 (then have examination in public by March 2018) as the basis for development control decision-making resulting in risk of legal challenge through judicial review, appeals with resulting financial and workload implications, adverse implications for the local economy, risk of National Government passing on European fines						Risk Group	Performance	Risk Type	GP&TS 13/31	
Phase 2 - Current Assessment											
Current Control Measures			Performance monitoring; awareness of new developments; resource monitoring; briefing of BESMT; delivery of in house sustainability appraisal work and appointment of consultants to support the work; memorandum of understanding to govern principles of joint working; Exec approval to move date; preferred options consultation completed; publication version of plan launched								
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	7/267 - Work closely with City of York Council and the North Yorks Moors National Park Authority on joint Minerals and Waste Development Strategy						BES AD GP&TS	Sat-31-Mar-18			
Reduction	7/319 - Manage plan to address loss of key member of staff; currently managing the loss and keeping staffing capacity under review						BES AD GP&TS	Sat-31-Mar-18			
Reduction	13/54 - Continue to review progress against LDF milestones, review and update milestones as necessary, particularly in light of Duty to Co-operate						BES AD GP&TS	Sat-31-Mar-18			
Reduction	13/519 - Continue to keep budget priorities under review						BES AD GP&TS	Sat-31-Mar-18			
Reduction	13/523 - Continue to monitor new developments eg fracking, using planning officers society and peer groups in particular the Duty to Co-operate						BES AD GP&TS	Sat-31-Mar-18			
Reduction	13/528 - Have framework ready to proceed to Examination In Public						BES AD GP&TS	Sun-31-Dec-17			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	M	Services	M	Reputation	H	Category	3
Phase 5 - Fallback Plan											
Fallback Plan										Action Manager	

BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification												
Risk Number	7/189	Risk Title	7/189 - Delivery of transport schemes within the LEP's Strategic Economic Plan						Risk Owner	CD BES	Manager	BES AD H&T
Description	Failure to deliver the programme of transport schemes within the LEP's Strategic Economic Plan results in reputational damage to the County Council and impacts upon the potential to secure funding for transport schemes in future rounds of the Local Growth Fund. There is a direct role for H&T to deliver the schemes promoted by the County Council and support the LEP in the Transport role, but also a supporting role to assist third party scheme promoters specifically the district councils.						Risk Group	Performance	Risk Type	Dir Only		
Phase 2 - Current Assessment												
Current Control Measures		Programme in place for delivery of County Council promoted schemes; support being provided to the third party scheme promoters; risk analysis for each scheme undertaken; effective engagement with LEP; Senior Transport Planning Officer (Transport projects) now in post to support the LEP and NYCC in delivery of SEP funded schemes;										
Probability	M	Objectives	M	Financial	H	Services	L	Reputation	H	Category	2	
Phase 3 - Risk Reduction Actions												
							Action Manager	Action by	Completed			
Reduction	7/318 - Continue to engage with the LEP and support them to manage risks associated with specific scheme programmes (ongoing)						CD BES	Sun-30-Sep-18				
Reduction	7/436 - Continue to ensure sufficient resource in H&T to effectively promote County Council schemes (ongoing)						BES AD H&T	Sun-30-Sep-18				
Reduction	9/580 - Ensure annual budget for advanced design of major schemes						BES AD H&T	Fri-31-Mar-17	Fri-31-Mar-17			
Reduction	9/583 - Ensure NYCC identify appropriate sources of funding to provide at least a minimum of 10% local capital contribution to the scheme implementation costs						BES AD H&T BES H&T NSM	Sat-31-Mar-18				
Reduction	9/585 - Ensure framework consultant has sufficient and appropriate resources available to undertake the necessary advanced design of major schemes						BES AD H&T	Sat-31-Mar-18				
Phase 4 - Post Risk Reduction Assessment												
Probability	L	Objectives	M	Financial	H	Services	L	Reputation	H	Category	3	
Phase 5 - Fallback Plan												
									Action Manager			
Fallback Plan	7/537 - LEP to consider re-profiling Local Growth Fund programme								CD BES			

BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/7	Risk Title	7/7 - Statutory Duties					Risk Owner	CD BES	Manager	CD BES
Description	Failure to carry out statutory duties or meet statutory deadlines (e.g. Health and Safety, safe guarding, information governance, prevention of waste pollution, planning responsibilities, statutory property related issues, driver/vehicle guidance) resulting in Corporate Manslaughter, increased cost/claims, fines/prosecution and criticism.						Risk Group	Performance	Risk Type	Dir Only	
Phase 2 - Current Assessment											
Current Control Measures			Service plans; service unit risk registers; allocation of responsibility training for key staff; prof. bodies incl. HSE; CPD; CDM; RMWGs; routine inspecs; contractor selection proc; NYCC legal and safety advisers; annual contractor training; Designated Directorate H&S Manager and support; regular item on BESMT; SMTs; Partnership and contract managers group; Directorate H&S working group; risk assessment; incident feedback; previous risk assessment on most sites; landfill gas perimeter controls; annual review of all sites (monitoring results); regular monitoring; use of consultants; agency staff; documented proc; record of dec. actions; audit and review of proc/compliance, inspecs, actions and training; corporate policies, procedures and champions; services to employ sufficient numbers of professionally trained/qualified officers; prioritisation matrix for resources in place in Trad Stds; training relating to new CDM Regulations for construction work; Incident plan for former landfill sites;								
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	7/458 - Ensure that the current H&S procedures are audited to ensure compliance (ongoing)						CD BES	Sun-30-Sep-18			
Reduction	7/459 - Review the H&S arrangements of Contractors and Partner organisations (ongoing)						BES AD H&T	Sun-30-Sep-18			
Reduction	7/461 - To monitor all service plans and risk registers and ensure they are checked on a regular basis (ongoing)						BES MT	Sun-30-Sep-18			
Reduction	7/462 - Review incidents and claims statistics including large losses and develop action plans (ongoing)						BES MT	Sun-30-Sep-18			
Reduction	7/483 - Continue to source and deliver relevant contracts to TS work to mitigate against budget cuts and maintain service resilience (ongoing)						BES AD GP&TS	Sun-30-Sep-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	M	Services	M	Reputation	H	Category	3
Phase 5 - Fallback Plan											
									Action Manager		
Fallback Plan	7/78 - Implement appropriate management and contingency plans; review priorities and reprioritise service delivery; media management								CD BES		



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification												
Risk Number	7/232	Risk Title	7/232 - Growth					Risk Owner	CD BES		Manager	CSD AD SR (ML) BES AD GP&TS
Description	Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage, and within the context and partnership arrangements of two-tier local government structure and wider macro-economic policy and processes. This results in an inability to attract, retain and grow businesses, increase the house building rate, raise living standards and increase spending power.						Risk Group	Strategic		Risk Type	GP&TS 13/233	
Phase 2 - Current Assessment												
Current Control Measures			Direct contribution and support, including through provision of accountable body function, to the YNYER Local Enterprise Partnership; Establishment of an Economic Growth Function within BES; Proactive engagement in LGNY partnership working including through Directors of Development, Chief Housing Officers, and Economic Development Officer Groups; Lead role in enabling and developing YNYER Spatial Framework; Lead role in supporting and developing the NYCC Infrastructure Delivery Steering Group/Growth Plan Steering Group; Lead role in initiating and developing the NYCC Economic Growth Plan; Work to secure Combined Authority / Devolution deal with Government; NYCC Economic Growth Plan completed and approved by Executive; collaborative working arrangements with District Councils in place; the YNYERH Spatial Framework is in place as a basis for further development work									
Probability	M	Objectives	H	Financial	H	Services	H	Reputation	H	Category	2	
Phase 3 - Risk Reduction Actions												
							Action Manager	Action by	Completed			
Reduction	7/1505 - Carry out corporate implementation of NYCC Economic Growth and Delivery Plan (annual review of progress); growth plan approved now need to produce, implement and monitor an action plan						BES AD GP&TS BES GP&TS HoSP&EG	Sun-31-Dec-17				
Reduction	7/1958 - Embed enhanced collaborative working arrangements with District Councils (annual review of progress) - ongoing						BES AD GP&TS	Sun-30-Sep-18				
Reduction	7/1959 - Ensure further detailed stakeholder engagement and development of the YNYER Spatial Framework to enable effective long-term planning and investment of infrastructure for growth.						BES AD GP&TS	Sat-31-Mar-18				
Reduction	7/1960 - Maintain good working relationship with the LEP (ongoing)						CD BES	Sun-30-Sep-18				
Reduction	7/1961 - Understand and investigate any impacts of Brexit and ensure opportunities are taken						BES AD EPU CD BES	Sun-30-Sep-18				
Reduction	7/1963 - Deliver the natural capital investment strategy environmental enhancement project via the Local Nature Partnership						BES AD GP&TS	Sat-31-Mar-18				
Reduction	7/1964 - Continue to monitor the Devolution agenda and communication with stakeholders to maximise opportunities (ongoing)						BES AD GP&TS	Sun-30-Sep-18				
Phase 4 - Post Risk Reduction Assessment												
Probability	L	Objectives	H	Financial	H	Services	H	Reputation	H	Category	3	
Phase 5 - Fallback Plan												



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

		Action Manager
Fallback Plan	7/551 - Review and revise existing arrangements for sustainable economic growth	BES AD GP&TS



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/174	Risk Title	7/174 - Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority				Risk Owner	CD BES	Manager	CD BES	
Description	Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across North Yorkshire.					Risk Group	Strategic	Risk Type	EPU 176/211		
Phase 2 - Current Assessment											
Current Control Measures		Devolution proposals submitted to Govt., LEP strategic economic plan in place; NYCC retains the Infrastructure Delivery Steering Group; NYCC wide co-ordination of development needs linked to District plans; local authorities are moving towards a joint committee & considering a combined authority; LA Director group in place; plan detailing powers and funding developed;									
Probability	M	Objectives	H	Financial	H	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	176/280 - Gain political support both locally and nationally (ongoing)						Chief Exec	Sun-31-Dec-17			
Reduction	176/320 - Negotiate the economic barriers and opportunities which Devolution can take advantage of with Government						CD BES	Sun-31-Dec-17			
Reduction	176/460 - Establish the geography on which to secure Devolution						Chief Exec	Sun-31-Dec-17			
Reduction	176/469 - Develop detailed business cases for all requirements						Chief Exec	Sun-31-Dec-17			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	L	Financial	M	Services	L	Reputation	M	Category	5
Phase 5 - Fallback Plan											
									Action Manager		
Fallback Plan	176/544 - Consider a North Yorkshire deal								CD BES		

BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/24	Risk Title	7/24 - Capital Programme				Risk Owner	CD BES		Manager	CSD AD SR (ML)
Description	Ineffective management of capital programme including major schemes, LEP, LTP, Waste Management and projects resulting in significant overspend/underspend, weak use of resources, loss of reputation and performance.					Risk Group	Financial		Risk Type	H&T 9/195	
Phase 2 - Current Assessment											
Current Control Measures			Project managers/sponsors for each project; regular financial and programme and project monitoring and reporting of the programmes; operational and strategic management/monitoring, project planning; Gateway training carried out; Capital Projects Board in operation; sub group of Capital Projects Board in place when required, risk assessment carried out in Capital Plan reports feed into MTFS; Finance Officer support to Capital; risk register for major schemes and schemes in the capital works programme; project board for major schemes; IDSG; appropriate actions and contingencies dependent on risks established and reported to BESMT on a regular basis; risk assessment for major schemes; additional and effective highways capital programme resource / manager to drive delivery of the programme implemented; Specific and ongoing training in financial and project management for key BES staff; PIR of major projects; Schemes portal, assurance framework for LEP in place, contract management health measurement and reporting in place; 2 year LTP works programme with realistic targets and alignment of internal and external delivery resources; assurance framework for LEP in place;								
Probability	L	Objectives	M	Financial	H	Services	M	Reputation	M	Category	3
Phase 3 - Risk Reduction Actions											
Reduction	7/175 - Ensure high quality, timely reports to Capital Projects Board and Exec members covering key service and financial risk items (ongoing)					Action Manager	CSD AD SR (ML)		Action by	Sun-30-Sep-18	Completed
Reduction	7/259 - Continue to introduce efficiency measures for capital projects and programmes where relevant – focus on highways capital works programme for structural maintenance taking into account HMEP self assessment outcomes to achieve optimal use of funding (ongoing)					Action Manager	BES AD H&T CSD AD SR (ML)		Action by	Sun-30-Sep-18	Completed
Reduction	9/450 - Seek to integrate Oracle/Planning Tool/Symology strategic capital programme monitoring					Action Manager	BES AD H&T BES H&T P&IO		Action by	Sun-31-Dec-17	Completed
Reduction	9/551 - hNY Improvement Action Plan: End to end External Review of the Capital Programme					Action Manager	BES H&T NSM		Action by	Sat-30-Sep-17	Completed
Reduction	9/555 - hNY Improvement Action Plan: LEAN review of Capital Programme (pending completion of External Review)					Action Manager	BES AD H&T BES H&T HoCS		Action by	Sat-30-Jun-18	Completed
Reduction	9/592 - Specific monitoring of separately funded capital works, eg Pothole Action Fund, LGF and GWB funded works					Action Manager	BES H&T NSM		Action by	Sat-30-Sep-17	Completed
Reduction	11/180 - Advice and support for the LEP on financial and partnership governance (ongoing)					Action Manager	CSD AD SR (ML)		Action by	Sun-30-Sep-18	Completed
Reduction	11/182 - Continue to assess current capabilities and put in place any requirements necessary to enable effective delivery of capital projects (ongoing)					Action Manager	CSD AD SR (ML)		Action by	Sun-30-Sep-18	Completed
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	H	Services	M	Reputation	M	Category	3



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 5 - Fallback Plan		Action Manager
Fallback Plan	7/72 - Review of all resources and procedures; media management; member engagement; intervention by Capital Projects Board	CD BES



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/23	Risk Title	7/23 - Major Incident and Business Continuity					Risk Owner	CD BES	Manager	CD BES
Description	Failure to plan and respond effectively to a major incident without major impact upon routine service performance or longer term impact on service delivery. Such incidents may include animal health disease, flooding and other severe weather, Service breakdown including critical resources (eg property, people and ICT) resulting in the need to deliver additional service in order to ensure effective enforcement/containment and minimal disruption to critical services.						Risk Group	Performance	Risk Type		
Phase 2 - Current Assessment											
Current Control Measures			Leadership of BES Management Team and appropriate lead manager; work with other appropriate partners; appropriate major incident and emergency plans; inspection monitoring programmes; systems resilience & back up arrangements in place; business impact analyses and incident management plans are in place; disaster recovery plan; NYCC silver command exercises carried out; implementation of solutions based upon lessons learned from previous major incidents; BES RMG; biannual multi-agency training events; command structure / information flow for business continuity incidents finalised; emergency protocol agreed with Kier and Yorwaste in the event that sites to be open on days when they may otherwise be shut; critical infrastructure network in line with HMEP recommendations in place;								
Probability	L	Objectives	M	Financial	H	Services	H	Reputation	M	Category	3
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	7/374 - Ensure that resources are flexible enough to manage unexpected major and business continuity incidents (ongoing)						BES MT	Fri-31-Aug-18			
Reduction	7/444 - Continually review procedures plans and training in relation to major incidents (ongoing)						BES MT	Fri-31-Aug-18			
Reduction	7/446 - Annual live or desk top exercises to test plans (ongoing)						BES MT	Fri-31-Aug-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	H	Services	H	Reputation	M	Category	3
Phase 5 - Fallback Plan											
									Action Manager		
Fallback Plan	7/75 - Review the plans, media management, advise Members								CD BES		



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/175	Risk Title	7/175 - Delivering Change Programmes within BES					Risk Owner	CD BES	Manager	BES MT
Description	Failure to embed a strong change culture, processes and supporting capacity to deliver ongoing programmes of change in BES e.g. the BES 2020 Change Programme. This could result in adverse impact on service delivery, inability to fully meet current and future financial requirements, internal and external criticism.						Risk Group	Change Mgt	Risk Type		
Phase 2 - Current Assessment											
Current Control Measures			CD BES Staff Updates; reps on 2020NY workstreams; key messages; cascade of 2020NY vision and approach; monitoring of impacts on performance; monitoring of impacts on savings target; 2020 North Yorkshire plans submitted; Savings programme developed; political agreement and acknowledgement of risks; Performance Management framework development; BES Transformation Steering Group; Performance Management Review in BES; BES MT engagement on budget and 2020NY approach; Transformation and VFM; 4 year programme; ICT Strategy; staff survey outcomes partly implemented; Programme transformational rather than savings focussed; ideas generation and review process established; new programme of changes identified and agreed;								
Probability	L	Objectives	H	Financial	M	Services	H	Reputation	L	Category	3
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	7/93 - Continue communication/engagement arrangements with staff on 2020 North Yorkshire programme (ongoing)						BES MT	Sun-30-Sep-18			
Reduction	7/260 - Continue to monitor impacts of BES 2020 Programme (ongoing)						BES MT	Sun-30-Sep-18			
Reduction	7/265 - Promote and embed cultural change through key messages, KITs, manager and non-manager objectives, regular reporting on progress of change projects and impacts of daily operations on delivery of aims (ongoing)						BES MT	Sun-30-Sep-18			
Reduction	7/450 - Continue to deliver savings plan as agreed in MTFS / Budget including the 4% shortfall in 2017/18 (review each year)						CSD AD SR (ML)	Sat-31-Mar-18			
Reduction	7/451 - Ensure appropriate allocation of resources to deliver change projects (ongoing)						CSD AD SR (ML)	Sun-30-Sep-18			
Reduction	7/1502 - Support the new ways of working (Modern Council) project as a catalyst for change						BES MT	Mon-30-Apr-18			
Reduction	7/1504 - Continue with implementation of the action plan developed following the staff survey (ongoing)						BES MT	Sun-30-Sep-18			
Reduction	7/1962 - Continually challenge process and procedure for 2020 to ensure relevant bureaucracy and impact on service delivery is constrained						BES MT	Sun-30-Sep-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	M	Services	M	Reputation	L	Category	5
Phase 5 - Fallback Plan											
										Action	



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

		Manager
Fallback Plan	7/539 - Review approach to 2020 NY Change Programme and cultural change management within BES	CD BES



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Phase 1 - Identification											
Risk Number	7/18	Risk Title	7/18 - Long Term Waste Service Strategy				Risk Owner	CD BES	Manager	CD BES	
Description	Failure to deliver the long term waste service strategy including: overseeing and managing AmeyCespa in their delivery of AWRP and delivery of waste transfer infrastructure, resulting in programme slippage, delays to Service Commencement Date, increased costs potential from involvement in claims, additional procurement costs, reputational damage, potential failure of Project Agreement, impact on partnering arrangements with CoYC, impact on district councils' collection systems, reduced efficiency, criticism from districts and media.					Risk Group	Performance	Risk Type	W&CS 14/168		
Phase 2 - Current Assessment											
Current Control Measures	AWRP: Signed Project Agreement; property secured; planning permission in place; integrated document management system in use (4projects); Infrastructure Development Manager in post and carrying out weekly site visits/meetings; Independent Tester joint appointment between AmeyCespa NYCC and the funders; access to external advisors; Contract Management Manual/Register of Obligations; suite of monitoring documents in place; Project Board in place; monthly project team meetings; Amey Cespa control of Sub-Contractors; S106 and S278 delivery arrangements in place; Interim framework contract procured; network of Amey Cespa clients; monthly compliance monitoring check; Waste Transfer: Five of seven built (but not controlled); planning application gained for one and being prepared for one other; site secured for two; internal environmental advice obtained; agreed approach with districts; existing contracts in place; Yorwaste cooperating; extensive modelling; project board and team including CoYC; agreement for Teckal										
Probability	L	Objectives	L	Financial	M	Services	L	Reputation	H	Category	3
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	7/373 - Seek to formalise joint contract management arrangements with CoY Council including development of devolved plans					BES AD TW&CS	Sun-31-Dec-17				
Reduction	7/375 - AWRP – Monitor the AWRP project risk register					BES AD TW&CS	Sat-31-Mar-18				
Reduction	7/376 - AWRP – Work with the independent tester to enable Certification of the readiness (July 2017) and takeover (Jan 2018)					BES AD TW&CS	Wed-31-Jan-18				
Reduction	7/377 - AWRP - Carry out a dry run of the contract for Allerton Park with Amey prior to service commencement					BES AD TW&CS	Sun-31-Dec-17				
Reduction	14/221 - WT – Explore further opportunities for sharing with districts (via co-location &/or financial contribution) (ongoing)					BES AD TW&CS	Sat-30-Jun-18				
Reduction	14/343 - WT - Complete collaboration agreement with Craven DC					BES TW&CS WSM	Sat-30-Jun-18				
Reduction	14/448 - AWRP - Completion of Certification Matrices to ensure the contractor has delivered their obligations where they go beyond the requirements of the independent tester (63% compliance @ Jun 17)					BES AD TW&CS	Sun-31-Dec-17				
Reduction	14/482 - AWRP - Regular review of key dates schedules / programme & register of obligations					BES AD TW&CS	Sun-31-Dec-17				
Reduction	14/484 - AWRP - Continually monitor delivery of planning requirements and conditions, including S106 and S278 agreements; s278s now complete					BES TW&CS WCM	Sun-31-Dec-17				



BES Directorate

Risk Register: **Month 0 (August 2017) – detailed**

Next Review due: **February 2018**

Report Date: **30 August 2017 (cat)**

Reduction	14/516 - WT - Confirm legal agreement with Ryedale over the funding	BES AD TW&CS	Tue-31-Oct-17								
Reduction	14/517 - WT - Secure the necessary planning consents for Ryedale	BES TW&CS WSM	Thu-30-Nov-17								
Reduction	14/518 - WT - Secure necessary internal approvals for Ryedale construction and funding	BES TW&CS WSM	Tue-31-Oct-17								
Reduction	14/795 - WT – Establish need and consider options for transfer station in Thirsk area	BES TW&CS WSM	Mon-31-Jul-17	Mon-31-Jul-17							
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	L	Financial	M	Services	L	Reputation	M	Category	5
Phase 5 - Fallback Plan											
Fallback Plan	7/73 - Rely short term on recently procured arrangements, review strategy, media management									Action Manager	CD BES



BES Directorate

Risk Register: **Month 0 (August 2017) – summary**

Report Date: **30 August 2017 (cat)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
◀▶	7/173 - Minerals and Waste Development Framework	Failure to submit a Minerals and Waste Development Framework by end of December 2017 (then have examination in public by March 2018) as the basis for development control decision-making resulting in risk of legal challenge through judicial review, appeals with resulting financial and workload implications, adverse implications for the local economy, risk of National Government passing on European fines	CD BES	BES AD GP&TS	M	M	M	M	H	2	6	31/12/2017	L	M	M	M	H	3	N	
◀▶	7/189 - Delivery of transport schemes within the LEP's Strategic Economic Plan	Failure to deliver the programme of transport schemes within the LEP's Strategic Economic Plan results in reputational damage to the County Council and impacts upon the potential to secure funding for transport schemes in future rounds of the Local Growth Fund. There is a direct role for H&T to deliver the schemes promoted by the County Council and support the LEP in the Transport role, but also a supporting role to assist third party scheme promoters specifically the district councils.	CD BES	BES AD H&T	M	M	H	L	H	2	5	31/03/2017	L	M	H	L	H	3	Y	CD BES
◀▶	7/7 - Statutory Duties	Failure to carry out statutory duties or meet statutory deadlines (e.g. Health and Safety, safe guarding, information governance, prevention of waste pollution, planning responsibilities, statutory property related issues, driver/vehicle guidance) resulting in Corporate Manslaughter, increased cost/claims, fines/prosecution and criticism.	CD BES	CD BES	M	M	M	M	H	2	5	30/09/2018	L	M	M	M	H	3	Y	CD BES
◀▶	7/232 - Growth	Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage, and within the context and partnership arrangements of two-tier local government structure and wider macro-economic policy and processes. This results in an inability to attract, retain and grow businesses, increase the house building rate, raise living standards and increase spending power.	CD BES	CSD AD SR (ML) BES AD GP&TS	M	H	H	H	H	2	7	31/12/2017	L	H	H	H	H	3	Y	BES AD GP&TS

BES Directorate

Risk Register: **Month 0 (August 2017) – summary**

Report Date: **30 August 2017 (cat)**

Identity			Person		Classification											Fallback Plan				
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
◀▶	7/174 - Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority	Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across North Yorkshire.	CD BES	CD BES	M	H	H	M	H	2	4	31/12/2017	L	L	M	L	M	5	Y	CD BES
▼	7/24 - Capital Programme	Ineffective management of capital programme including major schemes, LEP, LTP, Waste Management and projects resulting in significant overspend/underspend, weak use of resources, loss of reputation and performance.	CD BES	CSD AD SR (ML)	L	M	H	M	M	3	8	30/09/2017	L	M	H	M	M	3	Y	CD BES
◀▶	7/23 - Major Incident and Business Continuity	Failure to plan and respond effectively to a major incident without major impact upon routine service performance or longer term impact on service delivery. Such incidents may include animal health disease, flooding and other severe weather, Service breakdown including critical resources (eg property, people and ICT) resulting in the need to deliver additional service in order to ensure effective enforcement/containment and minimal disruption to critical services.	CD BES	CD BES	L	M	H	H	M	3	3	30/06/2018	L	M	H	H	M	3	Y	CD BES
◀▶	7/175 - Delivering Change Programmes within BES	Failure to embed a strong change culture, processes and supporting capacity to deliver ongoing programmes of change in BES e.g. the BES 2020 Change Programme. This could result in adverse impact on service delivery, inability to fully meet current and future financial requirements, internal and external criticism.	CD BES	BES MT	L	H	M	H	L	3	8	31/03/2018	L	M	M	M	L	5	Y	CD BES
▼	7/18 - Long Term Waste Service Strategy	Failure to deliver the long term waste service strategy including: overseeing and managing AmeyCespa in their delivery of AWRP and delivery of waste transfer infrastructure, resulting in programme slippage, delays to Service Commencement Date, increased costs potential from involvement in claims, additional procurement costs, reputational damage, potential failure of Project Agreement, impact on partnering arrangements with CoYC, impact on district	CD BES	CD BES	L	L	M	L	H	3	13	31/07/2017	L	L	M	L	M	5	Y	CD BES

BES Directorate

Risk Register: **Month 0 (August 2017) – summary**
 Report Date: **30 August 2017 (cat)**

Identity			Person		Classification											Fallback Plan				
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR	Next Action	Post					FBPlan	Action Manager	
					Prob	Obj	Fin	Serv	Rep	Cat	RRs		Prob	Obj	Fin	Serv	Rep			Cat
		councils' collection systems, reduced efficiency, criticism from districts and media.																		

Key	
▲	Risk Ranking has worsened since last review.
▼	Risk Ranking has improved since last review
◀▶	Risk Ranking is same as last review
- new -	New or significantly altered risk



NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

30 November 2017

PROGRESS ON ISSUES RAISED BY THE COMMITTEE

**Joint Report of the Corporate Director – Strategic Resources
and the Assistant Chief Executive (Legal and Democratic Services)**

1.0 PURPOSE OF THE REPORT

1.1 To advise Members of

- (i) progress on issues which the Committee has raised at previous meetings
- (ii) other matters that have arisen since the last meeting and that relate to the work of the Committee

2.0 BACKGROUND

2.1 This report is submitted to each meeting listing the Committee's previous Resolutions and / or when it requested further information be submitted to future meetings. The table below represents the list of issues which were identified at previous Audit Committee meetings and which have not yet been resolved. The table also indicates where the issues are regarded as completed and will therefore not be carried forward to this agenda item at the next Audit Committee meeting.

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
23/09/15	146 – Internal Audit Work and related Internal Control Matters for the Health and Adult Services Directorate.	That the Corporate Director – Strategic Resources discuss the timing of the next governance review of the Health and Wellbeing Board and Integrated Commissioning Board with the Assistant Director – Strategic Resources and the Head of Internal Audit.	Awaiting latest set of guidelines for Better Care Fund and on-going discussions with Health. Optimum timing will then be determined. A verbal update was provided to the Committee at the last meeting. This issue is such that it is unlikely that a single action will address. It is suggested that verbal updates continue to be provided and the focus on HAS for the September meeting provides opportunity to explore further.	?
02.03.17	225- Progress on Issues raised by the Committee	That the Corporate Director, Health and Adult Services be invited to attend the Audit	Due to the availability of the Corporate Director, Health and Adult Services on 28 September an invitation has	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
		Committee meeting on 28 September 2017, together with the relevant Executive Member, to discuss issues around the Better Care Fund and Health and Adult Services.	been sent for the meeting on 30 November 2017.	
	13 – Review of the Effectiveness of the Audit Committee	That the Committee be asked, in six months' time, whether it wished to proceed with a review of the Committee's effectiveness and the form and scope of any such review	To consider again at the December meeting	X
	13 – Review of the Effectiveness of the Audit Committee	That the results of the questionnaire issued to all Members of the Audit Committee in March be circulated to Audit Committee Members.	The information was circulated prior to the last meeting.	✓
	16 – Corporate Procurement Strategy Update	That the Head of Procurement and Contract Management provide Mr David Portlock with information about the increase in the number of local businesses which are now supplying the County Council.	This information has now been supplied, which showed that there was an increase in the number of local businesses which are now supplying the County Council.	✓
07.09.17	22 – Internal Audit Report on Information Technology, Corporate Themes and Contracts	That the Assistant Director, Technology and Change report to a future meeting of the Committee concerning the intention of the agreed action, which has not been fully implemented, arising from the Wireless Network follow-up audit.	The outstanding action for the monitoring of the wireless Intrusion Detection System (IDS) events is being delivered in two phases. The first phase will be the proactive monitoring of security events. This has been held back by the number of IDS alerts a day, in the region of 70,000 many of which are benign. By the end of Q3 2017/18 (31/12/17) work will be complete on the fine-tuning of the Wireless IDS, this action will ensure that only incidents which pose a real threat to the network (e.g. Denial of Service attack) will be reported to be addressed. In addition the second phase the restructuring of the team to	✓

Date	Minute number and subject	Audit Committee Resolution	Comment	Complete?
			provide a more proactive cyber-security analysis capability, will be also be delivered as part of the improvement project – the design and establishment of duties for the team is taking place in Q3 2017/18 for implementation in Q1 2018/19 subject to any necessary HR consultation.	
	30 – Programme of Work 2017/18	Governance of External Companies being included in the Programme for the March 2018 meeting.	This has now been included in the Programme of work.	✓

3.0 TREASURY MANAGEMENT

- 3.1 The County Councils Treasury Management Consultants, Capita Asset Services – Treasury Solutions announced on 6 November, the acquisition of Capita Asset Services, formerly part of Capita plc, by Link Group. The only immediate change that will impact on the County Council is the change in trading name to Link Asset Service and all elements of the treasury management consultancy service continue to be provided under the new trading name.
- 3.2 On 2 November the Monetary Policy Committee (MPC) of the Bank of England announced an increase in banks rate from 0.25% to 0.50%. The move was seen as a reversal of the 0.25% interest rate reduction that was applied in August 2016, following the EU referendum. Link Asset Services have issued an updated interest rate forecast, which reflects the MPC forward guidance, indicating only two further increases to Bank Rate in the next two years, with rates forecast to reach 1.0% by 2020. The timing of any future bank rate rises will continue to be driven by the pace of growth in the UK economy, level of inflationary pressures and average earnings across the economy. PWLB rates fell initially following the Bank of England’s announcement, but the forecast remains for PWLB rates increase slowly over the next two years.
- 3.2 On 10 November, the Department for Communities and Local Government released a consultation on proposed changes to the Statutory Guidance on Local Authority Investments and the Statutory Guidance on the Minimum Revenue Provision. The consultation is a response to local authorities increasingly investing in non-financial yield bearing investments, with proposals introducing this area to the Guidance and setting out parameters and reporting arrangements, as well as proposals providing further guidance on the Minimum Revenue Provision. The deadline for responses to the consultation are required by 22 December. Officers are currently in the process of drafting a response to the consultation.

4.0 RECOMMENDATION

- 4.1 That the Committee considers whether any further follow-up action is required on any of the matters referred to in this report.

GARY FIELDING
Corporate Director – Strategic Resources

BARRY KHAN
Assistant Chief Executive
(Legal and Democratic Services)

County Hall
NORTHALLERTON

30 November 2017

Background Documents: Report to, and Minutes of, Audit Committee meeting held on 7 September 2017



Annual Audit Letter 2016/17

North Yorkshire County Council

kpmg.com/uk

September 2017

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This report is addressed to the Council and has been prepared for the sole use of the Council. 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.psa.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 Council, 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.

The contacts at KPMG in connection with this report are:

Rashpal Khangura

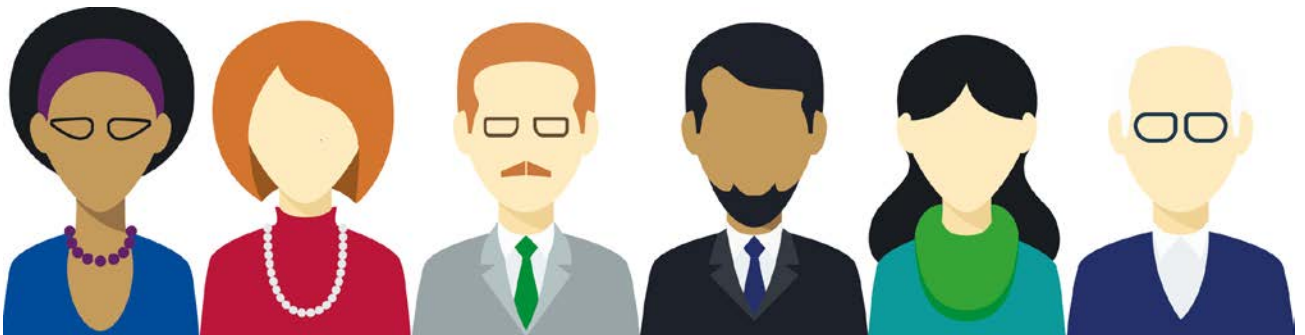
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Section one

Summary

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



VFM conclusion

We issued an unqualified conclusion on the Council's arrangements to secure value for money (VFM conclusion) for 2016/17 on 11 September 2017. This means we are satisfied that during the year the Council had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Council'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.

In concluding this, we particularly considered the following key elements:

- The Council's approach to medium term financial planning. The 2020 North Yorkshire Council Plan sets out the Council's strategy for delivering against the significant financial challenges. The challenges and risks are significant for the medium term, but from our review we are satisfied that the Council has arrangements in place to respond to these challenges, and we have no issues to report.
- The Council's approach to partnership working. This year has seen closer working with local NHS organisations in areas such as the Better Care Fund and commissioning of health services across the county. The Council is aware of the significant challenges and risks with this closer integration, and we are satisfied that the Council's arrangements to manage these challenges are appropriate and adequate.
- Governance arrangements. The Council continues to deliver some significant projects and change programmes designed to address the financial and operational challenges in the medium term. From our review of the arrangements in place, we are satisfied that the Council has continued to have in place appropriate governance arrangements to support effective decision making.

Audit opinion

We issued an unqualified opinion on the Council's financial statements on 11 September 2017. This means that we believe the financial statements give a true and fair view of the financial position of the Council and of its expenditure and income for the year. The financial statements also include those of the North Yorkshire Pension Fund and the Council's Group, which consists of the Council itself and its subsidiaries, NYNet Ltd and Yorwaste Ltd.

Section one

Financial statements audit

Our audit of the Council's Group accounts identified a number of audit adjustments. Some of these adjustments impacted on the Comprehensive Income & Expenditure Statement, but the impact was reversed out through the Movement in Reserves Statement and so did not impact on the level of General Fund balance. The adjustments affecting the Balance Sheet reduced the Council's Net Assets by £1.4m. The Council amended the financial statements for all the audit adjustments.

Our audit of the Pension Fund accounts identified one disclosure audit adjustment which had no impact on the net assets of the fund. The Pension Fund amended the financial statements for the adjustment.

There were no significant control weaknesses identified, and no other matters arising from our audit.

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.

Pension Fund audit

There were no significant issues arising from our audit of the pension fund and we issued an unqualified opinion on the pension fund financial statements as part of our audit report. We reviewed the Pension Fund Annual Report, and concluded that the financial statements included in the Annual Report were consistent with the statements on which we gave our audit opinion.

Whole of Government Accounts

We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts by HM Treasury. We reported that the Council's pack was consistent with the audited financial statements.

Audit recommendations

We raised one medium priority recommendation as a result of our 2016/17 audit work relating to the Council's closedown processes. We will formally follow up these recommendations as part of our 2016/17 work.

Certificate

We issued our certificate on 21 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 fees

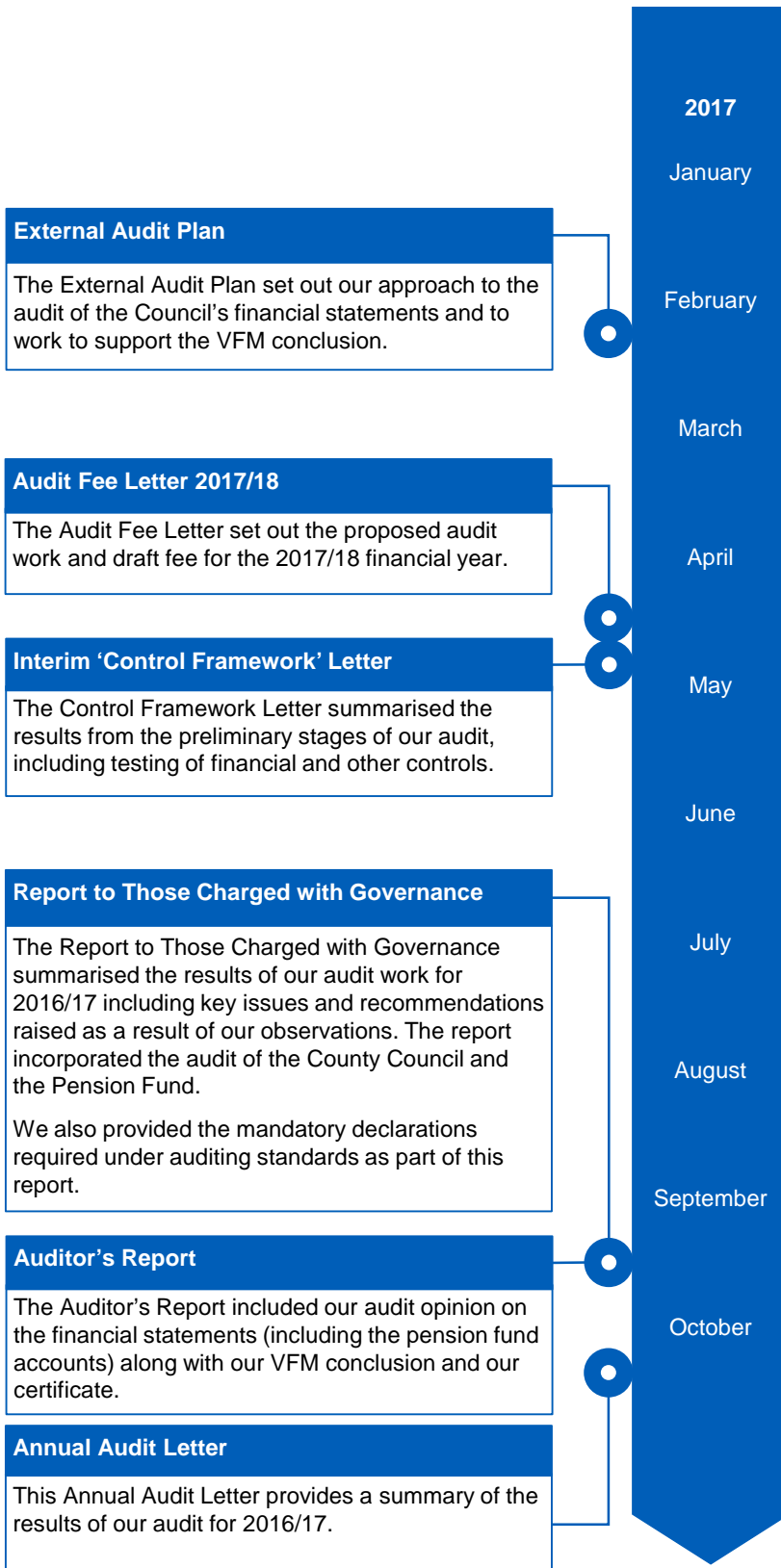
Our fee for 2016/17 was £94,290 (excluding VAT) for the Council, and £24,943 (excluding VAT) for the Pension Fund. In addition to these fees, as in previous years, we have requested from Public Sector Audit Appointments, an additional fee for the Pension Fund audit of £4,996, relating to the additional work we have carried out for the auditors of other Pension Fund member bodies. Further detail is contained in Appendix 2.

Appendix 1

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.northyorks.gov.uk.



Appendix 3

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 Council we have summarised below the outturn against the 2016/17 planned audit fee.

External audit

Our final fee for the 2016/17 audit of the Council was £94,490, which is in line with the planned fee.

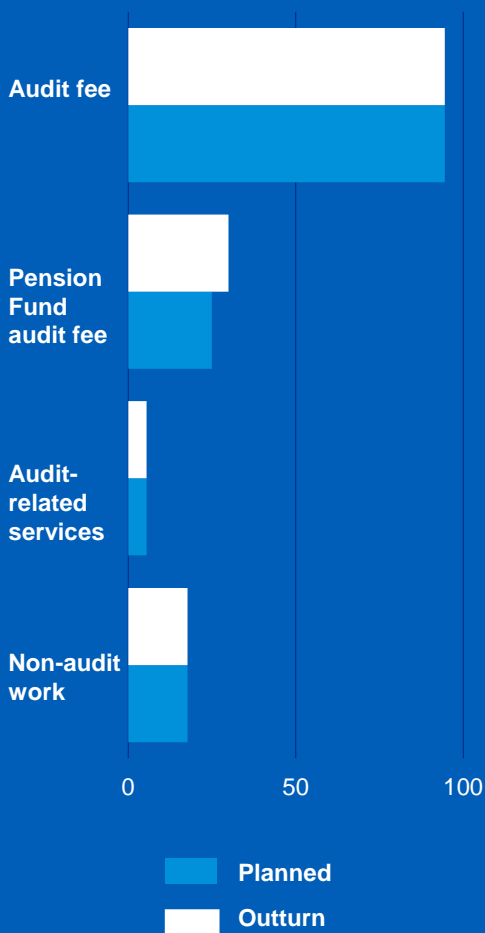
Our final fee for the 2016/17 audit of the Pension Fund is expected to be £29,939. The planned fee was £24,943, and we have requested additional fee of £4,996 from Public Sector Audit Appointments. This relates to the additional work we were required to carry out for other auditors of scheduled bodies under arrangements put in place by Public Sector Audit Appointments. The additional fee request is still subject to approval by PSAA.

Other services

We charged the Council £5,500 for additional audit-related services for assurance reports on the Council's Teacher's Pension return and Department for Transport Major Schemes return, which are outside of Public Sector Audit Appointment's regime.

We also charged the Pension Fund £17,750 for tax services relating to filing claims for withholding tax. This work was not related to our responsibilities under the Code of Audit Practice.

External audit fees 2016/17
(£'000)



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NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

30 November 2017

GOVERNANCE OF EXTERNAL COMPANIES

Report of the Corporate Director, Strategic Resources

1.0 Purpose of the report

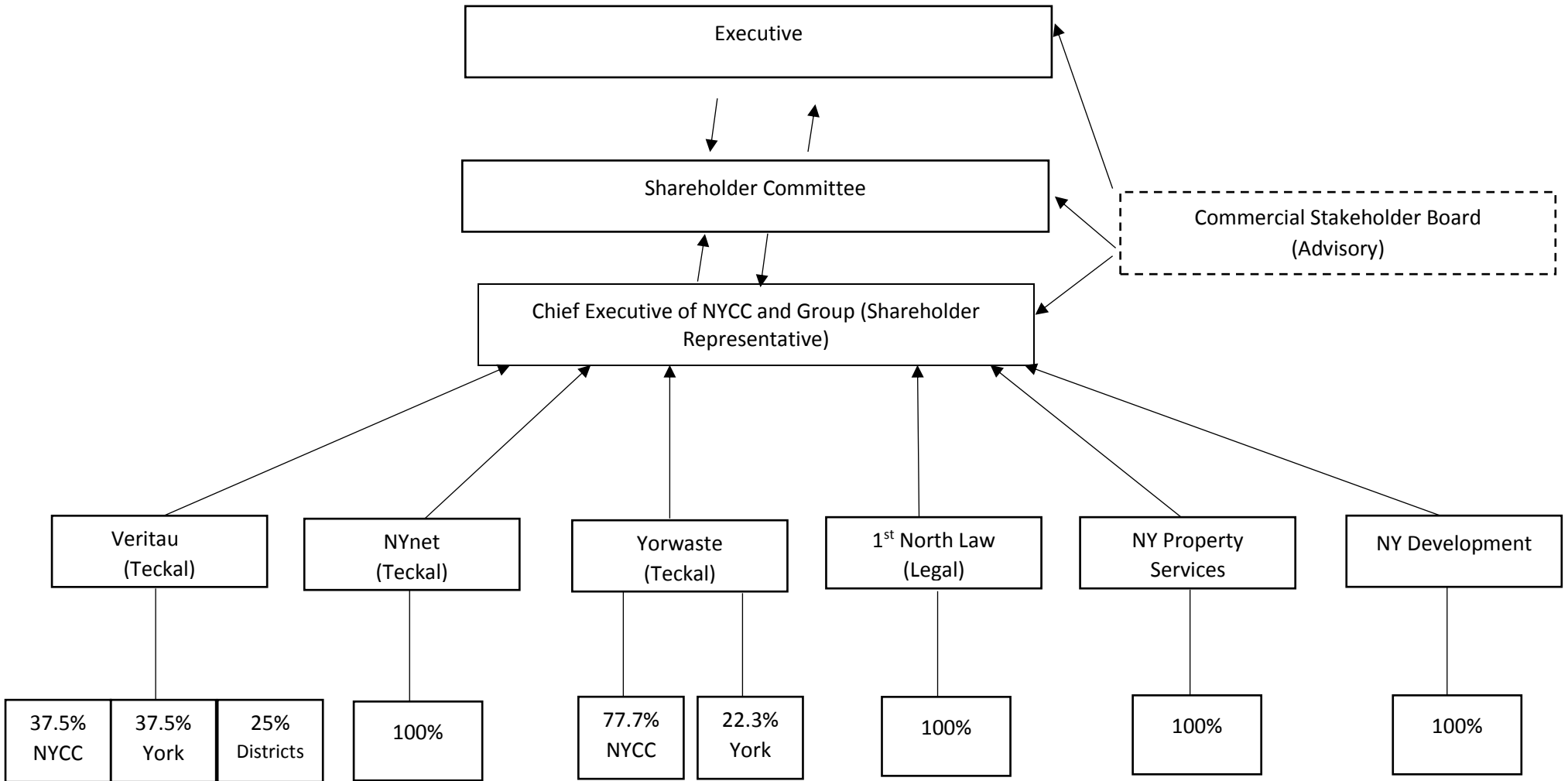
- 1.1 To update Members of the Audit Committee on arrangements that have been put in place to ensure effective Governance of the range of external companies that the County Council has an interest in.

2.0 Background

- 2.1 The County Council now has a significant number of external companies of which it has a majority interest. The circumstances for creation of these companies varies and some have a long history. However, the County Council's Commercial agenda has led to an increase in the last year or so. As a result the following companies have been created and are 100% owned by the County Council –
- a) Align Property Partners – replacement of Mouchel as the County Council's Building Design and Management Service. The creation of a Company was done to expedite "internalisation" of the service.
 - b) Brierley Homes – delivery of housing, principally aimed at using excess land in the ownership of the County Council. This company was created as this is a commercial venture and not motivated by social housing (although the County Council does not have the power to be a Housing Authority in any case).
 - c) First Law North – provision of professional legal services to outside bodies. Provision on services to outside bodies is prescribed by the Law Society and an ABS needs to be created of which First Law North is an example.
- 2.2 A report was taken to the County Council's Executive on the 17 October 2017 and was approved. A copy of this report is set out as **Appendix A**. This report covers all of the salient points and provides significant detail in terms of how Governance is intended in the future.
- 2.3 It should be noted that there is now a concerted effort to look at the range of companies of which the County Council has a financial interest and an attempt to make sure that they are working to the best interests of the shareholder – i.e. the County Council. There are some companies where

there are other minority shareholders and this of course impact upon Governance and how that company operates.

- 2.4 The Shareholder Sub-Committee has yet to meet but is scheduled to hold its first meeting on 6 December 2017. It is anticipated that meetings will be held quarterly or thereabouts and Stakeholder Board Meetings are likely to be more frequent, estimated bi-monthly. These timings will, however, change in line with requirements.
- 2.5 **Appendix 2** of the attached report to the Executive sets out the inter-relationships of the companies but for ease this is repeated below.



2.6 **Appendix 1** of the Executive report also sets out the delegations to the appropriate sub committee and individual officers.

3.0 Recommendation

3.1 The Audit Committee are asked to comment on the approach as set out in this report and the report to the Executive dated 17 October 2017.

GARY FIELDING
Corporate Director – Strategic Resources
County Hall
Northallerton

30 November 2017

Background Documents: Report to the Executive on 17 October 2017

North Yorkshire County Council

Executive

17 October 2017

Creation of a Shareholders Committee and Governance arrangements

Report of the Assistant Chief Executive, Legal and Democratic Services

1.0 Purpose of the Report
1.1 To create a Shareholder's Committee to strengthen governance arrangement of the Council Companies and to appoint the Chief Executive as Chief Executive of NYCC and Group (Shareholder Representative).

2.0 Executive Summary

2.1 It is important that the Council ensures that the companies act in the best interests of the Council overall and contributes to the Council's objectives. As the Council is creating more companies, it provides an appropriate time to review the governance arrangements for these companies to ensure that the Council properly exercises its rights as the owner or majority shareholder of our range of companies (as distinct from a customer perspective) and ensure they sit within the strategic direction of the Council.

2.2 This review looks at strengthening the governance arrangements by:

- creation of a formal Shareholders Committee
- delegating powers to the Chief Executive to exercise certain ownership rights on behalf of the Shareholder
- delegating powers to the Shareholders Committee to hold the Chief Executive to account
- providing senior officer support to exercise the Council's ownership rights and creating a Shareholder advisory body to assist the decision making of the Shareholders Committee.
- providing a protocol to ensure that conflicts of interests are handled appropriately

3.0 Issues

3.1 Local Authorities have been encouraged to create companies through legislation for a variety of reasons, not least to generate profit for the public purse in times of austerity.

3.2 It is important to ensure that the Council, as a shareholder/trustee/owner of these organisations has robust governance arrangements to exercise its relevant powers to ensure that they operate under and contribute to delivering the Council's priorities.

- 3.3 Further, proper governance arrangements should include safeguards and arrangements for oversight of the Council's ownership rights to protect the Council from poor performance, inappropriate risk taking and potential decisions that would not be in the best interests of the owner of the Companies.
- 3.4 Therefore the Council as either the sole owner or a part shareholder of these companies, should have robust arrangements to carry out the following activities:
- Being clear and transparent that the Council is the owner/joint owner of the company.
 - Approve and sign off strategic business plans.
 - Monitor performance and financial delivery against strategic business plans.
 - Exercise decision-making over reserve matters.
 - Determine remuneration of Directors.
 - Delegating certain matters for each Company to be 'Reserved' so that they need approval of the Council as the shareholder/owner
- 3.5 The Council currently has ownership rights for the following companies:
- (a) NYnet (100%)
 - (b) Yorwaste (77.7% owned by NYCC)
 - (c) First North Law (100%)
 - (d) North Yorkshire Housing Development (100%)
 - (e) NY Property Services (100%)
 - (f) Veritau (37.5% owned by NYCC)

The Council also successfully sells valued services to schools and the education market directly and whilst it does not do so through a separate company, it would be helpful to review how that operates under the review of governance as a whole.

- 3.6 To ensure that there are appropriate governance arrangements in dealing with all of the Council Companies and shareholdings, it is proposed to formally delegate decision making to :
- (a) The Executive
 - (b) A sub-Committee of the Executive
 - (c) The Chief Executive, as the Shareholders Representative

- 3.7 The delegations to each is described in Appendix 1 and shown diagrammatically in Appendix 2. Each part of the governance arrangements is described further below.

4.0 Shareholders Committee

- 4.1 As a shareholder, the Council's role is not to manage the business on a day to day level. The Company's Board will be responsible for running the business and should be given sufficient freedom to deliver the strategic and operational priorities of the Company. The Board should have Directors with the right skill to be able to manage the business of the company.

- 4.2 In order to strengthen the Council's governance arrangements over the ownership rights of the companies, it is proposed to create a Shareholder's Committee which is supported by the Statutory Officers. This Committee will be a sub-committee of the Executive and will carry out the functions as identified in Appendix 1. Certain functions will still be

retained by the Executive as identified in the Appendix but it is envisaged that the vast majority of formal decision making on behalf of the Council regarding the Companies will be made by the Shareholders Committee.

- 4.3 The Shareholders Committee will be chaired by the Leader of the Council and will comprise of two additional Executive members. The Shareholders Committee will meet quarterly and monitor the performance of all the companies.

Delegation to the Chief Executive of NYCC and Group (Shareholder Representative)

- 4.4 The Executive are asked to formally designate the County Council's Chief Executive as the *Chief Executive of NYCC and Group (Shareholder Representative)*. To be able to provide a manageable mechanism for accountability it is proposed that formal delegation is given to the Council's Chief Executive to hold certain shareholder rights so that he can hold the Companies to account through ownership rights and that the Shareholder's Committee can hold the Chief Executive to account on the performance of that role.

- 4.5 The delegation to an officer will allow a level of commercial flexibility for the companies to be able to report back on a more regular basis and to receive feedback from the Council as their owner or shareholder. It is therefore proposed that a significant amount of delegation is given to the Council's Chief Executive as a representative of the owner of the Companies and that the Shareholders Committee has a role in holding the Chief Executive to account in his role as the Shareholder Representative as well as reviewing the performance of the Companies directly (to be known as Chief Executive of NYCC and Group (Shareholder Representative)). The Shareholders Committee will undertake its role of scrutinising and holding to account the decisions of the Chief Executive.

NYCC Commercial Stakeholder Board – advisory body to the Shareholders committee

- 4.6 It is recommended that there is regular discussion between the Members of the Shareholders Committee and senior officers to ensure that there is a clear and agreed strategy on commercial matters. Therefore as well as creating a specific committee to solely concentrate on ownership rights, it is proposed to create an advisory board to the Committee to ensure that there is regularly dialogue between the Companies and the Council. Therefore it is proposed that there would be regular meeting of an informal advisory body to the Shareholders Committee. This Advisory Board will be called the "*NYCC Commercial Stakeholder Board*" which will consist of :

- (1) The Leader
- (2) Two Executive Members
- (3) Chief Executive
- (4) Corporate Director, Strategic Resources
- (5) Assistant Chief Executive, Legal & Democratic Services

- 4.7 This Board will ask each individual Company to provide a short report on key activities and key issues / progress to every meeting but there may be merit in having a periodic "deep dive" where a more detailed discussion can take place with the relevant Chair and MD from each respective Company.

- 4.8 Each Company will produce its own Business Plan which will then be monitored throughout the year on performance against the plan. It is important for the Shareholders Committee to approve the final business plan and therefore it is helpful that the Board

has early sight of and the ability to shape the Business Plan before it is finally submitted to the Shareholders Committee for approval. This then ensures that the Board can have appropriate input and understanding in considering the Company's targets and objectives. Such early dialogue and engagement from the company with its shareholders is seen to be good practice.

- 4.9 Securing new business is likely to be a key focus for all of the Companies. This is therefore likely to feature as a key area for reporting back to the Board and will require the Board to consider how it would recommend investing where that is a requirement. As the Board is merely advisory, the decision making will be made through the Shareholders Committee or through the Executive.

5.0 Conflicts of Interest

- 5.1 Conflicts of interest may arise between the Council and a company, even if the Council and the company have the same overall aims and objectives or is created in response to a Council or government initiative.

- 5.2 The management of conflicts of interests is a cornerstone of good governance. The Council has strong governance in place for its companies and it is important that decisions are not affected or tainted by conflicts of interests so that valid decisions are made, and are perceived to be made in the interests of the companies and the public. A copy of the Guidance provided by the Council is attached at Appendix 3.

- 5.3 This guidance recognises that Conflicts of interest between the Council and the Companies may arise in a number of circumstances, for example:

- If the Council is selling, transferring or leasing land or assets to the company
- If the Council is negotiating a contract with the company
- If the company is seeking funding from the Council
- If there is a dispute between the company and the Council

- 5.4 These conflicts can be appropriately handled through a combination of declaring interests, not taking part in certain decisions and applying for the appropriate dispensations. Ultimately the aim of the Council and the Companies is to ensure that the public purse is protected and the public are receiving value for money and it is vital that decisions are made with the appropriate governance arrangements in place.

- 5.5 The creation of a Shareholder's Committee does not change the need to deal with conflicts of interest as currently being undertaken. The Council currently has Directors on its companies, including Executive members, other Councillors and Officers and those perceived conflicts currently need to be managed. However to clarify the position, it is helpful to set out the number of roles that the Council interacts with its Companies: i.e. The Council carries out the following functions:

- (a) The Shareholder/owner
- (b) Appoints Members/Officers as Director on the Board
- (c) Often is a Customer of the services provided by the company

In carrying out each function it is important to understand where there can be a conflict, or a perceived conflict and how these conflicts can be managed effectively so that decision making is not challenged and can be made for the right reasons.

(a) Shareholder/Owner

- 5.6 As an owner or a significant shareholder in the Company, the Council is interested in ensuring the future success of the Company and in the return of 'Shareholder Value' – i.e the benefit the Council receives, whether it is direct financial return or added value through other outcomes. The Council's ownership of a company is an Executive Function which means that it is exercised by Executive members and can be delegated to officers, an Executive Sub-Committee and individual Executive members.
- 5.7 Under Company legislation, shareholders are not subject to the same restrictions regarding conflicts of interest that are imposed onto Directors. This is because shareholders generally can vote in their own best interests, which would normally mirror the Company's best interest i.e. the long term financial growth of the company. Where there is more than one shareholder, there is often a 'Shareholder's Agreement' to deal with conflicts between shareholders.
- 5.8 There are no prohibitions for an officer or member who exercises ownership rights not to be a Director on a Board of one of the companies. Indeed it is the Board of Directors who owe a duty to the shareholders to act in the best interests of the Company. It is not unusual in the commercial sector for Investor/owner Directors to sit on Board of Directors or for Directors to have shares in the Company. If an Executive member is on the Board of a company, then they will have to exercise their statutory duties as a Director and ensure their conflict of interest is appropriately managed- see below and Appendix 3.
- 5.9 Shareholders, as the owners of companies, have substantial powers of a company. They can authorise an actual or potential conflict by ordinary resolution (more than 50% support from those shareholders voting). Under the Companies Act 2006 a director who is also a shareholder can participate in the vote, even if he is one of the directors interested in the matter being authorised.

(b) Director on the Board of the Company

- 5.10 Company Directors have a duty to act in the interest of the members of the company as a whole (i.e. for current and future shareholders). Directors have an overriding duty to act in a way that they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole. This duty is to the Company and they have a duty to take into account the interests of the company's employees, business relationship with suppliers, customers and others. Individual shareholders can take action to enforce the duties in the name of the company and where the Council is the sole owner, this duty is enforceable by the Council.
- 5.11 However if a Councillor is appointed as a Director to the Company, that Councillor is still bound by the Members code of conduct. Similarly, if a Council Officer is a Director on the Company, the s/he will still be bound by their conditions of employment and the Officers' code of conduct. These conflicts which may arise are currently managed with through existing governance and operational arrangements and appropriate guidance. The Council's guidance on this can be found at Appendix 3.
- 5.12 Basically this provides that Directors must act in good faith and must promote the success of the Company when making decisions as a director. On rare occasions, the duties of the Company and the Council as owner may conflict and therefore it is important to have sound protocols in place.

- 5.13 A Director has a duty under Section 175 of the Companies Act 2006 to avoid a situation in which s/he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the company of which he is a director, unless
- (a) The situation cannot reasonably be regarded as likely to give rise to a conflict of interest
 - (b) The matter is authorised in advance by other Directors who do not have a similar conflict of interest or by a general resolution by the Shareholders
- 5.14 Therefore under existing arrangements if a Board of a company is discussing any transactions with the Council directly, a Director who is an officer or a member will have duty to disclose that interest. If the interest does give rise to a conflict then that individual can ask for a dispensation from the Company or the Shareholder to take part in that decision making on behalf of the Company. If a Director is an Executive member (whether or not s/he sits on the Shareholder's Committee), then a similar situation arises. Either that member must get a dispensation from the Company (or the Shareholder) or not take part in that Board discussion. This situation is not unusual and is comparable to the commercial sector where a Director is a major shareholder in the company.
- 5.15. In either event, the Councillor is free to exercise his/her rights at the Shareholders Committee under company law. However the Code of Conduct still applies to members at all times. Therefore the creation of a Shareholder's Committee therefore does not change the conflict of interest position

(c) Customer of the services provided

- 5.16 The Council can also be a customer of the services provided by the Companies and this can lead to a conflict where it can be perceived that the customer will want to pay the cheapest price for services and the company will want to pay the highest price that the market can demand. The realities are that this is an oversimplification of the problem in that both sides wish to have a sustainable model that supports both organisations. However it is important that in any negotiations between the Council in its customer role and the Companies are done in a manner which reduces this inherent conflict of interest and that there is a clear separation between the Council as a customer and the company. The Council's existing arrangements of dealing with this inherent conflict have served it well and it is not proposed to change these arrangements.

6.0 Reasons For Recommendations

- 6.1 It is submitted that the Executive consider strengthening the governance arrangements for the Council's Companies by creating a Shareholder's Committee which concentrates solely on the Council's ownership rights and to formally delegate the Chief Executive of NYCC and Group (Shareholder Representative).

<p>7.0 Recommendation(s)</p> <p>7.1 Executive is asked to approve:</p> <ul style="list-style-type: none"> (a) The creation of a Shareholders Committee (b) Delegate the Chief Executive as the Chief Executive of NYCC and Group (Shareholder Representative) (c) Note the conflicts of interests paragraphs and to remind executive members of their need to declare interests when on the board of a company which discusses transactions with the Council.

(d) Delegate to the Assistant Chief Executive (Legal and Democratic Services) all the necessary powers to implement the above, including reviewing the terms of the Companies governance documents.

Appendix 1 : terms of reference of the Shareholders Committee

Appendix 2: Governance Structure

Appendix 3: Guidance for Councillors and Officers on outside bodies.

Barry Khan
Assistant Chief Executive (Legal and Democratic Services)

County Hall
Northallerton

Author of report – Barry Khan, Assistant Chief Executive, Legal and Democratic Services

**DELEGATIONS OF DECISION-MAKING POWERS
FOR COMPANIES**

For matters relating to a company which would require a Council decision or where approval of the Council is required within the company's governance arrangements the following distribution of powers will apply:

Decisions reserved to the Executive

1. Approving steps to wind up a company.
2. Making loans in excess of (£500k) other than by way of normal trade credit.

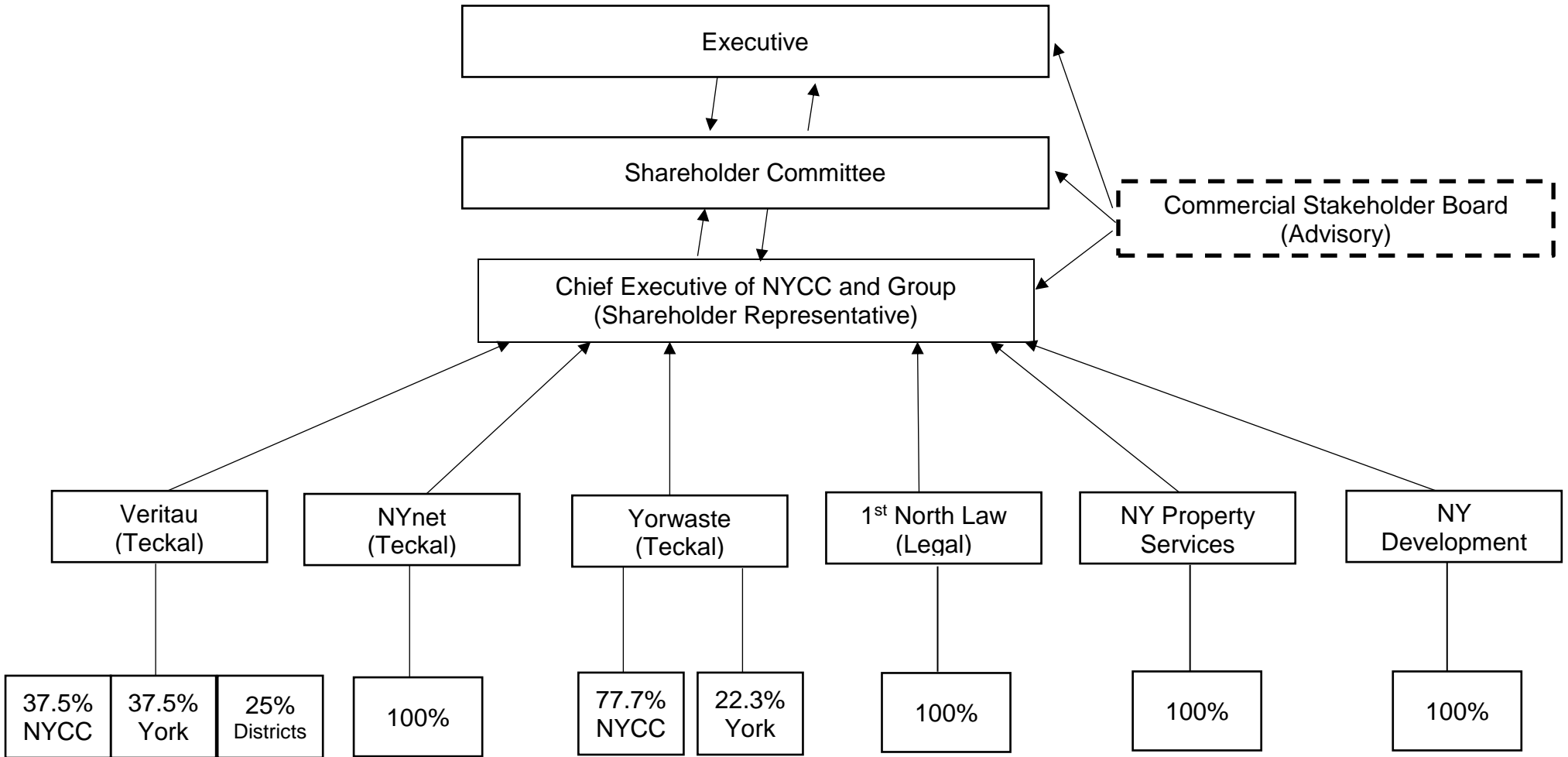
Decisions which would fall within the remit of the Shareholders Committee

3. Approving or making amendments to the strategic or business plans.
4. Monitoring the strategic and business plans
5. Acquiring shares in another company.
6. Changes to company governance eg changes to Articles, Shareholder Agreements.
7. Establishing subsidiary companies.
8. Approving disposals of assets valued over (£500k) [subject to the Company's articles of association]
9. Approving borrowing in excess of (£500k). [subject to the Company's articles of association]
10. Entering, amending or terminating any agreements which create a potential liability for the company in excess of £500k. [subject to the Company's articles of association]
11. Making changes to the nature of the company's business.
12. Matters relating to the approval of dividends requiring Council consent.
13. Reviewing the decisions of the Chief Executive of NYCC and Group (Shareholder Representative) and holding the decisions and that individual to account. Formal decisions made will be reported back to the Shareholders Committee

Decisions which fall within the remit of the Chief Executive of NYCC and Group (Shareholder Representative)

14. Monitoring the strategic and business plans and approving emergency amendments.
15. Approving the appointment or dismissal of company Directors including the Chair.
16. Matters relating to the terms and conditions of company Directors.
17. Matters relating to the entering of any contracts with company Directors.
18. Matters relating to the employment of senior management team of the company.
19. Changes to share capital and admission of shareholders.
20. Making changes to the nature of the company's business.
21. Approving changes to the area in which the company works.
22. Altering the company's name or registered office.
23. Where required giving any further specific approval to a matter provided for within the approved business plan.
24. To Act on behalf of the Shareholder's Committee to monitor Performance of the Company
25. To take appropriate action and decisions as the Shareholder as directed by the Shareholders Committee
26. To take all other decisions as the Shareholder as provided for by legislation or the Company's governance documents.
27. To report back to the Shareholders Committee from time to time on formal decisions made

Appendix 2: Governance Diagram





**NORTH YORKSHIRE COUNTY
COUNCIL**

GUIDANCE

NOTE

FOR COUNCILLORS

AND OFFICERS

ON OUTSIDE

BODIES

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Appendix

Matters for you to check – questions to ask

GUIDANCE FOR COUNCILLORS AND OFFICERS ON OUTSIDE BODIES

1. General

- 1.1 Serving on outside bodies has always been an established part of a Council Member or officer's role. The County Council encourages Councillors and officers to participate in the wider community in this manner. They will be able to use their knowledge and skills to help the organisation to which they are appointed. It brings the benefit of enabling the County Council to participate in partner organisations, and also means that Councillors and officers can bring back knowledge and experience which are of value to the County Council.
- 1.2 The Council is now increasingly working in partnership with outside bodies, and clarity and understanding of the roles that Members and officers play is important. This note aims to help you understand the main implications. It is not a fully comprehensive guide, so if you have any queries, you can obtain further advice from Legal and Democratic Services.

2. What sort of roles does this apply to?

- 2.1 You may be appointed to an outside body by the Council, or by the Executive, or an Area Committee. It can involve being a director of a company in which the Council has an interest, being a member of another authority such as the National Park Authority, or a trustee of a charity, a member of the management board for an unincorporated body, or a school governor.
- 2.2 The various roles will bring responsibilities to the organisation, and to the Council in so far as you are fulfilling a role for the Council, and also potential conflicts.
- 2.3 Your responsibilities will depend on the type of body in which you become involved. The main types are as follows:
 - (a) **Companies:** Companies are separate legal entities. They are set up by their members, who may be either shareholders or guarantors. Liability of company members is limited to the value of their shares or by guarantee. Directors of companies have a duty to the company to act properly and in good faith. If not, they can incur personal liability, particularly if the company becomes insolvent. The activities and operation of companies are regulated by their Memorandum and Articles of Association, and also by company law.
 - (b) **Charities:** Some companies and unincorporated associations are also charities. To be a charity, they must be established for charitable purposes only and are subject to stricter regulation by the Charity Commission, to ensure that they are properly managed and that their resources are used properly on the relevant charitable objects. Charities may carry on trading activities which contribute directly to the

furtherance of their charitable objects or where the purpose is to raise funds for the charity which do not involve significant risk. Although charities may qualify for a number of tax exemptions and reliefs on income, gains and on profits for some activities, charities do pay tax on trading profits and on some charity income unless specifically exempt. Additionally VAT rules apply as they do for any other business if the charity has business activities however, the charity may qualify for certain VAT reliefs and exemptions.

- (c) **Unincorporated Associations:** Unincorporated associations are informal organisations. The members regulate their relationship by agreement, such as a membership agreement or the rules of the club or association. Because the association has no legal existence separate from its members, the liability of the members is not limited. Each member can incur personal responsibility for liabilities incurred on behalf of the association, and relies on the membership agreement to be able to recover his/her costs from the other members.

- (d) **Statutory Corporations:** These are bodies which are set up under statute. They include, for example Fire Authorities, universities, and some quangoes. The membership and powers of a statutory corporation, and how they are appointed are set out in the statute. The statute will also set out the responsibilities and liabilities of members of the corporation.

3. Some other key points to consider at the outset

- 3.1 Firstly, make sure you are given a clear statement of what is expected of you if you are going to be nominated. . A list of questions to ask about the organisation is attached at Appendix 1. The Council should be able to obtain this from the organisation involved

- 3.2 Being on an outside body can bring many benefits to the Council, the organisation and the community, but it will sometimes create conflicts with your work as a Councillor or officer. For Council Members, it may have to be included as one of your interests in the Members' Register of Interests and you may have a disclosable pecuniary interest in Council business referring to it. You will need to be sure that involvement with the organisation will not prevent you from fully participating in your work as a Councillor or officer, particularly in areas that interest you, or, where you need to represent the community who elected you. This will depend on the nature of the body and type of involvement.

- 3.3 On the other hand, you will also need to make sure that you are able to commit enough time and attention to the organisation. You will want to make a meaningful contribution to their work too. If you cannot attend meetings very often, or are often conflicted out of participating, you will not be able to give the support that the organisation needs, and this will reflect badly upon the Council and upon you. It is best not to be appointed if you cannot participate fully.

- 3.4 As a member of the organisation's management committee, as a director of a company, or as a trustee, you will not only be representing the interests of the Council, but you will also owe duties and responsibilities towards the organisation. You will have to exercise your own best judgement in the best interests of the outside body and you cannot just take instructions from the County Council although you may take account of the County Council's wishes.

4. Duties and Responsibilities of Councillors and Officers on Outside Bodies

- 4.1 The following is a summary of the main duties and responsibilities of Councillors and officers who are nominated by the Council to the most common types of outside body. The main principles of the obligations applying to company directors also apply to trustees and members of management committees. If you are in doubt about your duties and responsibilities, seek advice from the Assistant Chief Executive (Legal and Democratic Services), or the advisers to the body involved.

5. Companies

- 5.1 A company is a separate legal entity which can hold property in its own right, enter into contracts, employ staff and sue and be sued in its own name. The company is distinct from its members, who may be either shareholders or guarantors. The Council itself may be a member of the company, either a shareholder or guarantor.
- 5.2 If the body is a limited company, and you are asked to be involved, it is likely that you will be appointed as a company director. The duties of a company director are now set out in the Companies Act 2006. The management of a company is usually the responsibility of the Board of Directors. Directors' powers are usually set out in the company's Articles of Association. Another important document is the Memorandum of Association, which sets out the Company's objectives and powers.
- 5.3 The duties of a company director are not the same as your responsibilities as a Councillor or officer. Basically, the company must come first. Directors must act in the interests of the company, and not in the interests of other parties, including shareholders.
- 5.4 The Companies Act 2006 codifies the existing common law and equitable principles relating to the duties of directors. Most provisions of the 2006 Act took effect from October 2007. The provisions reflected in the paragraphs below marked with an asterisk will take effect at a later date. The principles however remain relevant to the responsibilities of a director.
- 5.5 **Directors' Responsibilities** are:
- (a) To **promote the success of the company**, which includes having regard to the likely long term consequences of decisions, the interests of employees, fostering relationships with suppliers and customers and others, the impact of operations on the community and environment, maintaining a reputation for high standards of business conduct, and acting fairly between members of the company.
 - (b) To **exercise care, diligence and skill**, using your own knowledge, skill and experience, together with the care, skill and diligence which may reasonably be expected of a person who is carrying out the functions of a director. So a director with significant experience must exercise the appropriate level of diligence in exercising their duties in line with their higher level of expertise.

- (c) **Not to exceed powers.** A company director must act in accordance with the company's constitution, and exercise powers for the purposes for which they were given.
- (d) **To comply with the Companies Acts** in relation to the keeping of accounts, and ensure that the relevant returns are made to the Registrar of Companies. Failure to do so incur fines and persistent default can lead to disqualification as a director.
- (e) **To avoid conflicts of interest***. A director must avoid a situation in which he or she has, or may have, a direct or indirect interest which conflicts, or could conflict, with the interests of the company. This duty applies particularly to transactions between a director and a third party in relation to the exploitation of any property, information or opportunity.
- (f) **To exercise independent judgement.** A director nominated by the Council cannot, for example, simply vote in accordance with the Council's instructions. To do so would be a breach of duty. The director must act in the company's interests.
- (g) **Not to accept benefits from third parties***. A company director must not accept any benefit from a third party (whether monetary or otherwise) which has been conferred because of the fact that he or she is a director. This is based on the established principle that a director must not make a secret profit as a result of being a director. This duty applies unless the acceptance of the benefit cannot reasonably be regarded as likely to give rise to a conflict of interest.
- (h) **To declare an interest in a proposed transaction or arrangement with the company***. A company director who has either a direct or an indirect interest in a proposed transaction or arrangement with the company must declare the 'nature and extent' of that interest to the other directors before the company enters into the transaction.

5.6 **Directors' Liabilities:** If a director fails to carry out his/her duties, action can be brought for breach of duty, either by the company itself, or by a liquidator if the company goes into liquidation, or with the consent of the court, by a shareholder. Such actions are unlikely where the company is properly controlled by the directors.

5.7 Some important considerations are:

- (a) It is not always easy to reconcile the various factors which must be taken into account when reaching a major decision. The important thing as a director is to show that you are aware of and have taken account of the relevant factors, and have exercised due care and diligence in giving them all fair consideration.
- (b) It may be difficult to be certain whether benefits may be regarded as giving rise to a conflict of interest. If you are unsure take advice from the company's advisers.
- (c) Make sure you are aware of the company's constitution, its Memorandum and Articles of Association, so that you know what it can

and cannot do. You must take this into account when making decisions, as well as any shareholder decisions that are relevant.

- (d) Be diligent, and make sure you are well informed about the company's affairs. Make sure you are well briefed when taking up the role, and that you receive regular briefings throughout your term of office.
- (e) Attend training and briefing sessions.
- (f) Ensure director and officer insurance is in place.
- (g) Some Board decisions may be reviewed on a future occasion. Make sure detailed minutes show that all necessary factors have been considered when major decisions are being taken. Obtain expert advice where necessary e.g. regarding impact of a decision on the environment. Take legal advice where there are doubts about a director's duty in relation to a particular matter.

5.8 See Paragraph 9 below which deals with indemnities for Members and officers who are appointed to companies and other outside bodies.

5.9 **Local Authority Controlled and Influenced Companies:** There are special rules that affect companies in which councils have major interests. These are 'regulated' companies for the purposes of the Local Government and Housing Act 1989. They are in effect controlled by (more than 50% interest) or subject to a council's influence (20% interest plus business relationship) because of its level of interest, either individually, or with a group of other authorities. They will generally be subject to the local government capital finance regime and special propriety controls. However, so far as Members and officers who are involved are concerned, there are some additional requirements that need to be complied with as follows:

- (a) Remuneration that Councillors receive from the company should not exceed that received from a local authority for a similar role, and it should be declared. Officers should not receive any fee or reward other than their Council salary, unless so agreed with the Council;
- (b) To provide information to Councillors about their activities as required by the local authority (unless it is confidential); and
- (c) To cease to be a director immediately if disqualified as a Councillor, or on the termination of an officer's employment by the Council.

6. Charities:

6.1 A charity is an organisation which operates for the public benefit and exclusively charitable purposes, either:

- the relief of poverty and human suffering
- the advancement of education
- the advancement of religion
- another purpose for the benefit of the community.

6.2 A number of useful publications are available on the Charity Commission's website at www.charitycommission.gov.uk. Publication CC£ - 'The Essential

Trustee- What you Need to Know' is a useful guide. Those who are responsible for the control and administration of a charity are referred to as its *trustees*, even where the organisation is a company limited by guarantee and even though they are not strictly trustees. A charity may also be unincorporated.

6.3 Trustees of a charity retain personal liability, and can only delegate to the extent that the constitution authorises them so to do.

6.4 **Charitable Trustees' Responsibilities** are:

- (a) To act in accordance with the charity's trust deed or governing document.
- (b) To protect the charity's assets.
- (c) To comply with the Charities Acts, and the Trustee Act 2000.
- (d) Trustees must not make a private profit from their position. They cannot receive remuneration without the sanction of the Charity Commission.
- (e) To perform their duty with the standard of care which an ordinary, prudent business person would show. Higher standards are required of professionals, and in relation to investment matters.
- (f) Charitable trustees must ensure that the information relating to the charity and trustees is registered with the Charity Commissioners and that annual accounts, reports and returns are completed and sent.
- (g) Trustees are under a duty to ensure compliance with all relevant legislation (e.g. in relation to tax and land matters).

6.5 **Charitable Trustees' Liabilities:** Generally, a trustee may incur personal liability if he/she:-

- acts outside the scope of the trust deed
- falls below the required standard of care
- acts otherwise than in the best interests of the charity, in a way which causes loss to the charity fund
- makes a personal profit from the trust assets

6.6 In such circumstances the trustee will be in breach of the trust, and will incur personal liability for losses incurred. If in doubt, always consult the Charity Commissioners. You may avoid personal liability for breach of trust if you act in accordance with their advice.

6.7 Trustees can incur personal liabilities for contracts they enter into in the name of the charity. They will normally be entitled to be reimbursed from charitable funds for liabilities and expenses properly incurred by them. If the charity is a company, the trustees will be protected from liabilities incurred in the day-to-day running of the charity in the normal course of events, but will be personally liable if they commit a breach of trust, as stated above.

6.8 See Paragraph 9 below which deals with indemnities for Members and officers who are appointed to charitable bodies and other outside bodies.

7. Unincorporated Associations

- 7.1 Groups which are not charitable trusts or companies are “unincorporated associations” and have no separate identity from their members. The rules governing the members’ duties and liability will be set out in a constitution, which is simply an agreement between the members as to how the organisation will operate. Usually the constitution will provide for a management committee to be responsible for the everyday running of the organisation. Management Committee members must act within the constitution, and must take reasonable care in exercising their powers. An unincorporated organisation may be charitable and may register as a charity.
- 7.2 If you are involved in a decision making capacity or have a position of general control or management on an unincorporated body, as the body has no separate corporate status, any liabilities will fall upon you personally. Councillors or officers appointed to such bodies should familiarise themselves with the Constitution to understand the nature of their role responsibilities and liabilities, and should assess the risk of personal liability, and the extent to which it has been covered by insurance.
- 7.3 See Paragraph 9 below which deals with indemnities for Members and officers who are appointed to unincorporated associations and other outside bodies.

8. Non Council Appointments

- 8.1 Councillors and officers may become members of or be appointed to voluntary organisations *in their private capacity*. If you are appointed to a body in these circumstances, you will need to make sure that there is no conflict of interest with your position as a Councillor or officer. Your role and responsibilities will be governed by the organisation’s constitution, or governing document, as it is with Council nominations. You will not however be entitled to any indemnity from the Council in relation to such an appointment.

9. Indemnities

- 9.1 Councillors and officers who participate in external bodies may be indemnified in relation to liabilities they incur in that capacity, though this is subject to certain limitations.
- 9.2 Indemnity by the outside body:
- (a) Directors: Directors cannot be indemnified by the company against liability for negligence, default, breach of duty and trust. Companies can however purchase insurance to protect directors against claims of negligence, default, breach of duty and trust. Those appointed as directors should ensure that appropriate insurance is in place. Companies can, if their Articles of Association allow, provide for directors to be indemnified for the costs of defending such a claim if they are granted relief by the court or acquitted.
 - (b) Trustees: Provided a charitable trustee acts properly, and within his/her powers, indemnity can be given from the trust fund. Trustees can take out insurance to protect themselves from personal liabilities, but not for

criminal acts such as fraud. If the premiums are to be paid out of the charitable funds, the consent of the Charity Commissioners will be needed.

- (c) **Unincorporated Associations:** Members may be entitled to an indemnity if they act in accordance with the Constitution of the association, and are not at fault. However, regard must be had to the terms of the constitution. The constitution will determine whether insurance can be paid for by the organisation.

9.3 **Indemnity by the Council:** The Council has decided to adopt a specific policy relating to indemnifying Councillors and officers. If you are appointed to an outside body you should have regard to the detail in the policy relating to those activities.

9.4 The Council can provide an indemnity where Councillors and officers are acting on an outside body at the request of the County Council, and provided:

- the appointment was made by the Council,
- the nomination was made by the Council,
- the appointment was specifically approved for the purpose of the indemnity.

9.5 The indemnity the Council can provide is subject to limitations. In general terms, if a Councillor or officer is acting properly, within their powers and in good faith, the power to indemnify will usually apply. However, the Council cannot, for example, provide an indemnity in relation to any action or failure by any Member or officer which constitutes a criminal offence, or for any action or failure by any Member or officer which is the result of fraud, or other deliberate wrongdoing or recklessness on the part of the Member or officer. When you are serving on an outside body, the Council's indemnity will only apply after any indemnity or insurance from the body itself. There are further limitations and it is advisable to be clear about the scope of the Council indemnity that may be available to you. You can seek further advice on indemnity from the Assistant Chief Executive (Legal and Democratic Services).

10. Code of Conduct – Councillors' Interests

10.1 **Code of Conduct:** All Councillors are subject to the Council's Code of Conduct for Members. You will find a copy of the full Code in the Constitution. The Code sets out the standards of behavior required of you whenever you are acting in your official capacity as a Councillor. When Councillors act as the Council's representative on any other sort of outside body, they must comply with the County Council's Code of Conduct unless it conflicts with the lawful obligations of the other body.

10.2 Councillors may have to include their appointment to outside bodies in their register of interests, and must advise the Monitoring Officer of any change to registered interests within 28 days. Councillors may have a disclosable pecuniary interest in any matter to be considered at a meeting arising out of such registered interests.

10.3 This means that if you are present at a meeting when a matter is to be considered or is being considered, in which you have a disclosable pecuniary

interest, you must declare that you have an interest (if the interest is not already registered in the Register of Members' Interests) not participate in the discussion or vote and leave the meeting room (subject to the granting of a dispensation by the Standards Committee or Monitoring Officer).

- 10.4 **Bias:** Where you might be inclined to the view that you have no disclosable pecuniary interest, your duties as a director, or trustee, or member of a management committee may well be regarded, on an objective appraisal, as giving rise to a legitimate fear of lack of impartiality, especially having regard to the desirability of maintaining public confidence. Participation in the decision making at a Council committee meeting by a Councillor who is biased potentially invalidates the decision.
- 10.5 Where membership of the outside body is on an advisory or consultative basis, bias will not be assumed from mere membership. However, once the outside body has a line which is being advocated by you, this could potentially be viewed as bias, and the Council's decision on the issue could be vulnerable to challenge if you participate in those circumstances. It will depend on the facts, and in such circumstances advice should be sought from the Assistant Chief Executive (Legal and Democratic Services).

11. Officers - Registration and Disclosure of Outside Interests

- 11.1 **Declaring Officer Interests:** Section 117(1) of the Local Government Act 1972 requires that, if it comes to the knowledge of an officer of a local authority, that the County Council has entered or proposes to enter into any contract in which s/he has a pecuniary interest, whether or not s/he would actually be a party to the contract, s/he must give notice in writing to the County Council. This is interpreted as any circumstance in which s/he or a member of his/her immediate family stand to gain or lose financially as a result of the contract.
- 11.2 **Registration of Interests:** Under the County Council's Code of Conduct for Officers, officers must declare to their Business Unit Head any outside interests which they have, both upon appointment and as those interests change. Officers at Grade Band 12 and above are also required to make a declaration of interests in a register kept by the Monitoring Officer. This information is not available to the public but is accessible by other officers who have a "need to know".

12. Gifts and Hospitality

- 12.1 Councillors and officers must not accept gifts or consideration as an inducement for doing or not doing something in their roles as Members or officers of the County Council. Where officers accept inducements from anyone who has or is seeking a contract with the Council, the gift or consideration is deemed to have been accepted corruptly unless the officer can prove to the contrary. It is therefore very important to be completely open about any significant gift or hospitality, to avoid the suspicion of misconduct.
- 12.2 Members are required to register any gift or hospitality received by/offered to them because of their office with a value of £25 or more. This Register of Members' Gifts and Hospitality is held and maintained by the Monitoring Officer. Every Business Unit holds a similar register of Gifts and Hospitality for Officers, and the Monitoring Officer maintains a central Register of Officers' Gifts and Hospitality.

- 12.3 A particular issue arises for officers seconded to work on behalf of outside bodies, as Section 117(2) of the Local Government Act 1972 provides that an officer shall not, under colour of his office or employment, accept any fee or reward whatsoever other than his/her proper remuneration. It is therefore essential that, where an officer is to be seconded and might be in receipt of any payment from the authority to which s/he is to be seconded, that the Council agree that his/her proper remuneration shall include any payment to the officer by the body to which s/he is seconded.
- 12.4 A revised legal framework to deal with bribery was introduced in The Bribery Act 2010 which introduced new bribery offences, the main offences relating to bribing another person, being bribed, bribing a foreign official and the failure of commercial organisations to prevent bribery.

Matters for you to check – questions to ask

If you are appointed to an outside body, you should be clear about the answers to the following questions. The organisation should be able to respond to these questions:

1. What is the nature of the organisation and its main activities? Is it a company, and if so is it limited by shares or by guarantee? Is it unincorporated? Does it have charitable status?
2. In what capacity do I serve on the outside body? Is the effect of my appointment to make me a member of the company, a director or a charitable trustee?
3. Do I have a copy of the body's governing instrument (this may be a trust deed, a constitution, or memorandum and articles of association)?
4. Does the organisation have a Code of Conduct that I need to comply with? Have I been supplied with a copy?
5. Am I aware of the identity of the other directors, trustees and committee members?
6. Is there an officer of the organisation, such as the secretary or clerk to whom I can refer for advice and information?
7. Are written minutes kept of the meetings, and have I seen the minutes?
8. Are meetings conducted in accordance with the governing instrument?
9. Am I aware of the financial position of the organisation to which I have been appointed? Is it regularly reported to the governing body?
10. Am I aware of any contract between the organisation and the Council?
11. Have I seen the last annual report and accounts?
12. Have I been advised of the main risks the body faces and what steps are taken to deal with such risks?
13. Have I been informed of the main insurances/indemnities held by the organisation?

NORTH YORKSHIRE COUNTY COUNCIL**AUDIT COMMITTEE****30 November 2017****Audit Committee Terms of Reference / Review of Effectiveness****Report of the Corporate Director – Strategic Resources****1.0 PURPOSE OF THE REPORT**

- 1.1 To consider proposed changes to the Audit Committee's Terms of Reference in line with the requirement to review the Terms of Reference on an annual basis. Members are also asked to consider whether to proceed with a review of the Committee's effectiveness, and the form and scope of any such review.

2.0 BACKGROUND

- 2.1 The Audit Committee last reviewed its Terms of Reference at its meeting on 1 December 2016. At that time no changes were considered necessary.
- 2.2 It is best practice to formally review the Terms of Reference on a regular basis and to make changes as necessary. This report therefore seeks to identify any changes that may now be required as a result of recent legislation, developments in recommended best practice or changes in the Council's governance arrangements. Members' views are also sought on whether the current Terms of Reference enable the Committee to continue to discharge its responsibilities effectively.
- 2.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) is shortly due to publish updated guidance on the operation of audit committees in local government. A full review of the Committee's Terms of Reference will be conducted once this guidance is available. In the meantime, some limited changes to the Terms of Reference are proposed to reflect recent developments.

3.0 PROPOSED CHANGES TO THE TERMS OF REFERENCE

- 3.1 The current Terms of Reference are attached as **Appendix A** with the proposed changes shown as tracked changes. In summary, the changes are intended to better reflect the requirements of the Public Sector Internal Audit Standards and recent changes to the Council's framework for corporate governance.

4.0 REVIEW OF THE EFFECTIVENESS OF AUDIT COMMITTEE

- 4.1 An effectiveness questionnaire was circulated to all Members of the Audit Committee in March 2017. A similar questionnaire was sent to officers who regularly attend meetings of the Audit Committee and the external auditors. The headline results of the survey were reported to the June meeting of the Committee.

- 4.2 At the June meeting, Members also considered whether to undertake a review of the effectiveness of the Committee but decided to defer any decision on this for a further six months. As requested, the full results of the effectiveness questionnaire were then circulated to Members in September 2017.
- 4.3 Members may now wish to again consider whether there are benefits to undertaking a review of the Committee's effectiveness, the timing of such a review and how it will be progressed. Assuming there is agreement to proceed then several options exist for how such a review might be undertaken. The Committee could undertake the review collectively with support from officers, set up a working group (with support from officers) or arrange an external assessment (for example a peer review by an audit committee chair from a neighbouring authority or a review by a suitable expert). There may be budget and procurement implications if an external assessment is chosen as the preferred option.
- 4.4 The Committee will also need to consider the scope of the review, the areas to focus on and expected timescales.

5.0 RECOMMENDATION

Members are asked to consider:

- 5.1 the proposed changes to the Terms of Reference of the Audit Committee prior to submission of those changes to the County Council for approval.
- 5.2 whether to proceed with a review of the Committee's effectiveness, and the form and scope of any such review.

GARY FIELDING
Corporate Director – Strategic Resources

County Hall
NORTHALLERTON

14 November 2017

Background Documents:

None

AUDIT COMMITTEE

TERMS OF REFERENCE

1. In respect of Internal Audit
 - ◆ to approve the Internal Audit ~~Charter~~Strategy, Annual Audit Plan and performance criteria for the Internal Audit Service.
 - ◆ to review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary.
 - ◆ to review the effectiveness of the anti-fraud and corruption arrangements throughout the County Council.
 - ◆ consider the annual report from the Head of Internal Audit.
 - ◆ to obtain assurance that the work of internal audit conforms to the Public Sector Internal Audit Standards~~review the effectiveness of the system of Internal Audit and the Committee itself on an annual basis.~~

2. To review the workplan and performance of External Audit.

3. To review, and recommend to the Executive, changes to Contract, Finance and Property Procedure Rules.

4. In respect of **financial statements**

For both the County Council and the North Yorkshire Pension Fund

- ◆ to approve the respective annual Statements of Final Accounts
- ◆ to receive and review the Annual Audit Letters and associated documents issued by the External Auditor
- ◆ to review changes in accounting policy.

5. In respect of **Corporate Governance**

- ◆ to assess the effectiveness of the County Council's Corporate Governance arrangements
- ◆ to review progress on the implementation of Corporate Governance arrangements throughout the County Council
- ◆ to approve Annual Governance Statements for both the County Council and the North Yorkshire Pension Fund
- ◆ to review the annual Statements of Assurance provided by the Chief Executive, Management Board and Corporate Directors
- ◆ to liaise, as necessary, with the Standards Committee on any matter(s) relating to the Codes of Conduct or both Members and Officers

- ♦ [to review the arrangements in place for ensuring good governance in the County Council's key partnerships and owned companies-](#)

6. In respect of **Risk Management**

- ♦ to assess the effectiveness of the County Council's Risk Management arrangements
- ♦ to review progress on the implementation of Risk Management throughout the County Council.

7. In respect of **Information Governance**

- ♦ to review all corporate policies and procedures in relation to Information Governance
- ♦ to oversee the implementation of Information Governance policies and procedures throughout the County Council.

8. In respect of **Treasury Management**

- ♦ to be responsible for ensuring effective scrutiny of the County Council's Treasury Management strategy and policies as required by the CIPFA Treasury Management Code of Practice
- ♦ to review these Treasury Management strategies, policies and arrangements and make appropriate recommendations to the Executive.

9. In respect of **Value for Money**

- ♦ to have oversight of the arrangements across the County Council in securing Value for Money

10. ~~[To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.](#)~~

11. To exercise all functions in relation to the making and changing of policy relating to such audit and counter-fraud matters which fall within the remit of the Committee (save as may be delegated otherwise).~~To consider any other relevant matter referred to it by the County Council, Executive or any other Committee. In addition any matter of concern can be raised by this Committee to the full County Council, Executive or any other Member body.~~

[12. To periodically review the effectiveness of the Audit Committee itself.](#)

42.13. To meet not less than four times a year on normal business and review its Terms of Reference on an annual basis.

NORTH YORKSHIRE COUNTY COUNCIL**AUDIT COMMITTEE****30 November 2017****RISK MANAGEMENT – PROGRESS REPORT****Report of the Corporate Director – Strategic Resources****1.0 PURPOSE OF THE REPORT**

- 1.1 To receive details of the updated Corporate Risk Register.
- 1.2 To note progress on other Risk Management related matters.

2.0 BACKGROUND

- 2.1 According to the Terms of Reference of the Audit Committee, its role in risk management is:
 - (i) to assess the effectiveness of the authority's risk management arrangements and
 - (ii) to review progress on the implementation of risk management throughout the authority.
- 2.2 Following a recommendation by this Committee, the Leader of the County Council and the Executive Member for Central Services formally approved a revised Corporate Risk Management Policy on 3 March 2015 with a provision that it will be reviewed and updated every three years.
- 2.3 Regular reports to this Committee therefore cover the implementation of the Policy and associated Strategy as well as other related risk management matters in order to fulfill this role.

3.0 CORPORATE RISK REGISTER

- 3.1 The Corporate Risk Register (CRR) is fully reviewed every year and updated by the Chief Executive and Management Board in October/November. A six monthly review is then carried out in April.
- 3.2 An annual update of the Corporate Risk Register was carried out in November – see attached at **Appendix A**. This involved reviewing the risks, risk controls, risk reductions and risk rankings that had been identified for each of the risks and making amendments to the Register where necessary.

3.3 The significant amendments that were made to the Register since last time are as follows:

New risk

- Commercial Strategy – adding this risk reflects the need to successfully secure commercial opportunities where appropriate.

Deleted risks

- None.

Significantly Changed Risks

- Schools Organisation and Funding – the ranking of this risk has improved from 1:2 to 1:4 as it is felt that the financial impact will slightly improve.
- Health and Safety – the ranking has improved from 3:3 to 3:5 as it is felt that in the event of an incident the impact on reputation can be lowered.

The rankings of all the remaining risks stayed the same (as shown on the summary in the left hand column of **Appendix A**). However please see the table at the bottom of **Appendix A** for an explanation of the left hand column.

3.4 To assist Members interpret **Appendix A**

- Risks are identified and agreed by Management Board during a prep meeting and follow up Board meeting
- Each risk is then ranked based on the following:
 - existing risk controls in place
 - probability of the risk occurring (based on existing controls)
 - impact of the risk occurring (based on existing controls)
 - further risk controls which may reduce current probability or impact
- The prioritisation system follows a fairly traditional risk evaluation approach in that the **probability** and **severity** of risks is measured using High, Medium and Low categories
- However, to facilitate the assessment of the severity of each risk this is done in relation to 4 distinct **impact areas**:-
 - failure to meet key service **objectives** and standards – reflecting current service plans
 - **financial** impact
 - **service** delivery
 - loss of image or **reputation**

- As each risk is ranked with reference to current controls and then future controls, the risk prioritisation system can compute a “score” in the range of 1 to 5
 - 1 and 2 being a ‘red’ risk
 - 3 and 4 being an ‘amber’ risk and
 - 5 being a ‘green’ risk

One of the key things to look for in the Register is the movement of the score (described as Classification on the summary in **Appendix A**) between the ‘Pre’ (i.e. present stage) and ‘Post’ (i.e. after risk mitigations are in place). For certain risks, however, this does not change as the risk mitigations cannot prevent the event (e.g. severe flood) but can address/reduce its impact.

4.0 LINKS BETWEEN CORPORATE AND DIRECTORATE RISK REGISTERS

- 4.1 As indicated previously, the Corporate Risk Register is the culmination of the identification of key significant risks that are identified at Directorate and Service levels. For information and out of interest, an exercise is carried out to identify the links between Directorate Risk Registers and the Corporate Risk Register. Please find attached a diagram showing these links at **Appendix B**.

5.0 ADDITIONAL RISK PRIORITISATION EXERCISES

- 5.1 As well as the bi-annual update of Corporate, Directorate and Service risk registers, additional workshops are also carried out to develop risk registers for specific areas of activity in the County Council. At this time these include:
- Brierley Homes – this company has been set up to develop market housing, initially on surplus Council owned sites, with the primary aim of generating a revenue surplus that can be reinvested for the benefit of the Council’s local taxpayers. The risk register considers risks such as Planning, Procurement and Contract Management.
 - A59 Kex Gill Realignment - due to a history of landslips and instability which have in the past led to unplanned road closures, the County Council has been working to develop proposals to ensure the future resilience of the route. A risk register has been developed to support this work and key risks identified include Environmental Issues, Finance and Planning Submission/Approval.
 - Allerton Waste Recovery Park – the facility near Knaresborough will divert waste from landfill. The amount of waste sent to landfill will be less than 5% of the total waste produced, recycling rates will increase by at least 2.5% and 24MW of electricity will be exported to the National Grid. A risk register relating to the construction phase of this project has been ongoing for some time. As the facility is on schedule to be operational by the end of January

2018, an operational risk register is being developed. The key risks identified for this phase include Waste Volumes, Finance and Communications.

6.0 INSURANCE RENEWALS

6.1 The main County Council's insurance renewals are completed on 1st October each year. The main points to note from this year's renewals are as follows:

- The Liability premium which includes Employer's Liability and Public Liability has increased by 20%. This is because the Personal Injury Discount Rate set by the Government which is applied to serious injury claims has increased thereby increasing insurers' exposure on this type of claim.
- The Motor premium has increased by 15% because the Personal Injury Discount Rate which is applied to serious injury claims has increased thereby increasing insurers' exposure on this type of claim.
- The Material Damage (Property) premium rates have remained the same and although reinstatement costs have increased, the number of properties has reduced, partly because of schools converting to academies.

6.2 These increases have been exacerbated by the increase in Insurance Premium Tax. This rate was increased by the Government from 10% to 12% in the last year. Insurance Premium Tax is added to the premium charged by the insurers.

7.0 RECOMMENDATIONS

That the Committee:

- (i) notes the updated Corporate Risk Register (**Appendix A**).
- (ii) notes the links between the Corporate Risk Register and the Directorate Risk Registers (**Appendix B**).
- (iii) notes the position on other Risk Management related matters.

GARY FIELDING
Corporate Director – Strategic Resources

County Hall, Northallerton
November 2017

Author of report: Fiona Sowerby, Corporate Risk and Insurance Manager
Tel 01609 532400

Background papers: None

Corporate Risk Register

Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification												
Risk Number	20/207	Risk Title	20/207 - 2020 North Yorkshire Change Programme and beyond					Risk Owner	Chief Exec		Manager	CSD SR AD T&C
Description	Failure to successfully implement the Programme and Modern Council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services.					Risk Group	Strategic		Risk Type	CS 15/11		
Phase 2 - Current Assessment												
Current Control Measures			2020 Vision and Strategy in place; 2020 North Yorkshire Programme Plan in place and regularly reviewed/updated; Members workshops & political group sessions completed; briefings of Cabinet; regular Mgt Board/Programme Board meetings; staff communication constantly reviewed via intranet and new 'all staff' e mail Directorate and cross cutting themes programme board continue to meet and follow the governance structure; quarterly meetings with finance ADs and programme managers to align savings against programme budgets; Oracle improvements; Behaviour & skills framework reviewed; LGA corporate peer review; review carried out of governance and areas of future focus for Programme Board; all major change programmes are captured within this Programme to better manage dependencies and resources;									
Probability	H	Objectives	H	Financial	H	Services	H	Reputation	H	Category	I	
Phase 3 - Risk Reduction Actions												
							Action Manager	Action by	Completed			
Reduction	15/54 - Regularly review the ICT strategy in light of changes in the organisation both before and after 2020 (ongoing)						CSD SR AD T&C	Sat-31-Mar-18				
Reduction	15/245 - Embed modern council principles through engagement and delivery of Service Operation Model (SOM), implementation of technology, property and OD measures, and a robust review process to measure impact and improvement. (linked to action 20/250)						CSD SR AD T&C	Wed-31-Oct-18				
Reduction	15/394 - Monitor action plan following peer review (ongoing)						CSD AD SR (ML) CSD SR AD T&C	Sat-31-Mar-18				
Reduction	15/406 - Continue to embed cultural change and new ways of working (transformational rather than as a savings programme)						CSD SR AD T&C	Tue-31-Mar-20				
Reduction	15/429 - Continually review capacity and capability within services and the impact upon the workforce of the future						CSD SR AD T&C	Fri-31-Aug-18				
Reduction	15/831 - Continue to monitor delay of Programmes and the effect on benefits (ongoing)						CSD SR AD T&C	Fri-31-Aug-18				
Reduction	15/837 - Continue to implement the Stronger Communities programme to mitigate against proposed budget cuts, support communities to take over local services, and promote community and individual resilience (ongoing)						CSD AD PP	Fri-31-Aug-18				
Reduction	20/250 - Implement the delivery plan for rationalisation of property in line with new ways of working including further refining of plan and securing resources for Northallerton and delivery of plan in Scarborough (linked to action 15/245)						CSD AD SR (AH)	Fri-31-Aug-18				
Reduction	20/403 - Carry out monthly monitoring of communications and engagement plan including key messages and themes (ongoing)						CSD HoC	Fri-31-Aug-18				
Reduction	20/405 - Continue with the implementation plan for Customer Theme in line with new ways of working						Chief Exec	Fri-31-Aug-18				



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Reduction	20/461 - Monitor joined up approach between 'Living Well', CYPS Prevention team and Stronger Communities team and escalate issues to Programme Board if necessary		CSD SR AD T&C	Fri-31-Aug-18							
Reduction	20/505 - Develop new projects (eg LED street lighting, review of winter maintenance fleet, procurement re-structure and redesign, supporting people) to cover the 4% challenge and innovate new ideas to cover the shortfall in expected savings (ongoing)		CSD Mgt Team	Sat-31-Mar-18							
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	H	Financial	H	Services	H	Reputation	H	Category	2
Phase 5 - Fallback Plan											
Fallback Plan	20/529 - Reprioritisation of savings, further consideration of structures and ways of working									Action Manager	All Mgt Board



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Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/1	Risk Title	20/1 - Funding Challenges				Risk Owner	Chief Exec	Manager	CD SR	
Description	Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction					Risk Group	Resources	Risk Type			
Phase 2 - Current Assessment											
Current Control Measures		Existing MTFS; Members Budget seminars; modelling carried out on implications of CSR and other funds; 2020 North Yorkshire Programme & constituent elements including service reviews; review of 2020NY in Members seminars, Cabinet, and Overview and Scrutiny Committees where Directorate based; 2020NY Programme Management Office; 2020NY Programme Governance; modelling on implications of external funding levels (eg Spending Review Settlement); next phase of savings ideas generated; meetings with traded services' managers completed;									
Probability	H	Objectives	H	Financial	H	Services	H	Reputation	H	Category	1
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	20/42 - Review specific high-risk base budgets such as HAS Care and Support, SEN Transport and School Improvement in 2017/18						CD SR	Sat-31-Mar-18			
Reduction	20/46 - Ensure effective consultation/communication with staff, public and Members about ongoing savings requirements						All Mgt Board	Sun-30-Sep-18			
Reduction	20/52 - Refresh and carry out a revised plan for reviewing base budgets in 2018/19 on a risk based assessment						CD SR	Sun-31-Mar-19			
Reduction	20/261 - Develop business plan for NY Education Services based on the business plans developed by services						CD SR	Sat-31-Mar-18			
Reduction	20/386 - Approve detailed business plans for each of the associated businesses: NY Education Services, Yorwaste, Property Services etc. by shareholders and put in place a monitoring regime for progress (ongoing)						CD SR	Sat-31-Mar-18			
Reduction	20/402 - Ensure that additional social care funding is used in a sustainable way (ie non recurrent). Further lobbying required with Govt to establish how this dovetails with improved BCF and additional funding post green paper.						CD HAS CD SR	Sat-31-Mar-18			
Reduction	20/491 - Identify and target additional savings through corporate Procurement Strategy (ongoing)						CD SR	Sun-30-Sep-18			
Reduction	20/1190 - Raise profile and lobby Government in relation to DSG and High Needs funding						CD SR	Sat-31-Mar-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	H	Financial	H	Services	M	Reputation	M	Category	2
Phase 5 - Fallback Plan											
								Action Manager			
Fallback Plan	20/504 - Further fundamental review in order to discharge statutory responsibilities								All Mgt Board		



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Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/194	Risk Title	20/194 - Major Failure due to Quality and/or Economic Issues in the Care Market				Risk Owner	CD HAS	Manager	HAS AD Q&E	
Description	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.					Risk Group	Legislative	Risk Type	HAS Dir 3/162		
Phase 2 - Current Assessment											
Current Control Measures			Regular review and monitoring contracts; standard contract terms; approvals process; regular meetings to share best practice; experienced staff; regular communication with providers; bulletins; customer feedback; Engagement Group; legal services; CQC; Financial Services & insurance consultation; market analysis; capacity planning; alerts system including brokerage; Service Unit & provider BCPs; QA Framework developed; guidance and ongoing training for purchasing staff; engage with AD ASS; reg meetings with Q&M, Health Commissioner and police; robust comms with CCGs; quality monitoring embedded in Dir perf monitoring; market position statement; reviewed the actual cost of care exercise to incorporate the impact of the national living wage;								
Probability	H	Objectives	M	Financial	H	Services	M	Reputation	H	Category	I
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	20/467 - Test innovations around new models for personal care and support at home						HAS AD Com	Sat-31-Mar-18			
Reduction	20/468 - Continue to revise and update a market position statement						HAS AD Com	Fri-31-Aug-18			
Reduction	20/469 - Jointly with Health continue to monitor baseline assessments QA framework and risk profiles of providers; targets are reviewed at quarterly officer meetings and info fed into engagement group; pursue opportunities for joint working between HAS and NHS						HAS AD Com	Mon-30-Apr-18			
Reduction	20/470 - Re-establish quarterly Partnership and Partner Liaison meetings (market development board), market analysis and mapping and information sharing (Locality Provider Group in place); engagement processes being reviewed						HAS AD Com	Mon-30-Apr-18			
Reduction	20/471 - Continue with regular engagement meetings with CQC locally and engage with CQCs national programme of identifying providers where there is significant risk of failure; being reviewed						HAS AD Com	Mon-30-Apr-18			
Reduction	20/473 - Continue to engage in ADASS work to manage major problems occurring, such as financial issues in the care provider market and ensure robust contingency planning and to learn lessons from serious case reviews at a national level; more work being done to enhance regional ways of working						HAS AD Com	Mon-30-Apr-18			
Reduction	20/474 - Work with Veritau on audits of individual suppliers (ongoing)						HAS AD Com	Mon-30-Apr-18			
Reduction	20/486 - Continue to implement action plan following outcome of heat map exercise and ensure inclusion of NHS and Partners (ongoing)						HAS HoHR	Fri-31-Aug-18			
Reduction	20/492 - Review any opportunities to stabilise the market through additional Govt funding given to social care for this purpose (review position each year for next 3 years of funding)						CSD AD SR (AH) HAS AD Com	Sat-31-Mar-18			
Reduction	20/523 - 2020 Market shaping/development project						HAS AD Com	Sat-31-Mar-18			
Reduction	20/524 - Workforce group to develop and support workforce across the sector						HAS HoHR	Sat-31-Mar-18			



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Reduction	20/525 - Begin scoping a market improvement team	HAS AD Com	Wed-31-May-17	Mon-31-Jul-17								
Reduction	20/526 - Introduction of the Q&M database and planning for electronic solutions; awaiting provider list renewal (provider list in place); now part of a corporate system change	HAS AD Com	Sun-31-Dec-17									
Reduction	20/1166 - Carry out recruitment for market improvement team	HAS AD Com	Thu-30-Nov-17									
Reduction	20/1188 - Monitor issues caused by the complex partner relationships, meetings and structures and raise at HASLT where appropriate	HAS AD Com	Mon-30-Apr-18									
Phase 4 - Post Risk Reduction Assessment												
Probability	H	Objectives	M	Financial	M	Services	M	Reputation	M	Category	2	
Phase 5 - Fallback Plan												
										Action Manager		
Fallback Plan	20/548 - Make client safe, crisis meeting, implement relevant steps, consultation with senior staff and relevant organisations (e.g. Police CQC). Effective communication to relevant parties, utilise established failure plan.										HAS AD Q&E	



Corporate Risk Register

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Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/187	Risk Title	20/187 - Information Governance				Risk Owner	Chief Exec	Manager	CD SR	
Description	Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc					Risk Group	Legislative	Risk Type	CS 15/161		
Phase 2 - Current Assessment											
Current Control Measures		Additional data governance support; Information Governance Strategy including the associated Policy and Procedure Framework; CIGG Action Plan; data breach process; messages from senior management; staff induction; Info Gov on line training; Information Asset Owners identified; information asset registers; DIGCs; posters; intranet information; regular monitoring of electronic communication by ICT; series of unannounced security compliance visits by internal audit; application of all the features of the Information Security Management System (ISMS); FoI – controls include central monitoring of receipt and progress, regular review by Veritau and review of outstanding cases by the Chief Exec on a monthly basis; proactive monitoring of all data; terms of reference reviewed; Directorate Group; internal audit support investigation of significant data breaches; CIGG consider reasons for data breaches and cascade lessons learned; secure physical storage and internal info transfer issues resolved; Non NYCC Network Access Policy produced; e learning training packages refreshed; targeted phishing campaigns; Information Sharing Protocol in place; SAR - controls include central monitoring of receipt and progress;									
Probability	H	Objectives	M	Financial	M	Services	M	Reputation	H	Category	1
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	15/423 - Continue to emphasise personal responsibility of staff for all information in this area and consider disciplinary action in cases of data breaches					CD SR CSD ACE BS	Fri-31- Aug-18				
Reduction	15/424 - Review and update service information asset registers in line with policy guidelines					CSD SR AD T&C	Tue-31- Oct-17	Tue-31-Oct-17			
Reduction	15/426 - Ensure individual information sharing agreements completed for each data sharing activity (some agreements are already in place) - (ongoing)					Ho Int Audit	Fri-31- Aug-18				
Reduction	15/431 - Work within services in a prioritised order to ensure information is secure and transferred securely (ongoing)					CSD SR AD T&C	Sat-31- Mar-18				
Reduction	15/432 - Review existing training approach and investigate additional team based reviews to embed practice					CSD SR AD T&C Ho Int Audit	Tue-31- Oct-17	Tue-31-Oct-17			
Reduction	15/433 - Continue communications to staff to ensure good Information Governance including messages from Management Board and associated campaigns (ongoing)					CSD SR AD T&C Ho Int Audit	Fri-31- Aug-18				
Reduction	20/450 - Continue to review information asset registers and target training where appropriate (ongoing)					CSD SR AD T&C Ho Int Audit	Fri-31- Aug-18				
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	L	Financial	M	Services	L	Reputation	M	Category	4



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Phase 5 - Fallback Plan		Action Manager
Fallback Plan	15/514 - Review Action Plan and new technology and continue to raise awareness. Invite ICO to carry out an audit of NYCC IG systems	CD SR



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Next Review due: **April 2018**

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Phase 1 - Identification											
Risk Number	20/334	Risk Title	20/334 - Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority			Risk Owner	Chief Exec	Manager	CD BES		
Description	Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across the whole of North Yorkshire.				Risk Group	Strategic	Risk Type	BES 7/174			
Phase 2 - Current Assessment											
Current Control Measures		Devolution proposals submitted to Govt., LEP strategic economic plan in place; NYCC retains the Infrastructure Delivery Steering Group; NYCC wide co-ordination of development needs linked to District plans; local authorities are moving towards a joint committee & considering a combined authority; LA Director group in place; plan detailing powers and funding developed;									
Probability	H	Objectives	M	Financial	H	Services	M	Reputation	M	Category	1
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	20/364 - Gain political support both locally and nationally (ongoing)					Chief Exec	Sun-31-Dec-17				
Reduction	20/916 - Establish the geography on which to secure Devolution					Chief Exec	Sun-31-Dec-17				
Reduction	20/917 - Develop detailed business cases for all requirements					Chief Exec	Sun-31-Dec-17				
Reduction	20/1397 - Negotiate the economic barriers and opportunities which Devolution can take advantage of with Government					CD BES	Sun-31-Dec-17				
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	L	Financial	M	Services	M	Reputation	L	Category	4
Phase 5 - Fallback Plan											
								Action Manager			
Fallback Plan	20/551 - Consider a North Yorkshire deal							Chief Exec CD BES			

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Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/205	Risk Title	20/205 - Schools Organisation and Funding				Risk Owner	Chief Exec	Manager	CD CYPS	
Description	Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics (both rising and falling as a result of housing market changes) and national and local political circumstances, resulting in a fragmentation of the network of services for children, growing numbers of unsustainable and/or failing schools, insufficient school places, fragmentation due to academisation, increased public dissatisfaction, and loss of confidence in the County Council as local authority.					Risk Group	Strategic	Risk Type			
Phase 2 - Current Assessment											
Current Control Measures		Consistent monitoring of forecast numbers. Links with District Councils and developers over major housing developments (including ISDG work). Cross-directorate "Strategic Priority Schools" approach. Work with the Education Partnership, Keep up to date with current publications, email, etc. Reg review of DfE and other critical websites. Liaison with other LAs. Early assessment of resource implications on new development. Advocacy of NYCC case for funding, new procedures for grant & award acceptance, involvement in appropriate national conferences, participation in DfE priorities when possible, collaboration guidance and toolkit, review of planning areas to explore the level of need; framework for prioritisation of school organisation issues, briefings provided for elected Members and NY Education Partnership; involvement with White Paper strategic board; liaison with Education Funding Agency (EFA), DfE and Regional Schools Commissioner (RSC)									
Probability	H	Objectives	M	Financial	H	Services	M	Reputation	M	Category	I
Phase 3 - Risk Reduction Actions											
						Action Manager	Action by	Completed			
Reduction	20/538 - Continue to work with and use effective lobbying channels eg Educational Building and Development Officers Group (EBDOG)					CSD AD SR (AH) CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/539 - Develop arrangements to support the process of academisation, where it has been started, to ensure smooth transfer of schools. Assist groups of schools, where appropriate, to develop locally focused Multi Academy Trusts or other appropriate arrangements					CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/540 - Assess implications for the market of changes to early years funding					CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/541 - Continue to encourage, support and build capacity to enable schools to work collaboratively to seek to ensure continued viability					CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/544 - Ensure consistent approach corporately to infrastructure funding, including CIL					CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/545 - Continual review of the estate including maintenance requirement (ongoing)					CSD AD SR (AH)	Tue-31-Jul-18				
Reduction	20/546 - Exploit alternative sources of funding for the delivery of new school spaces and encourage free school applications where appropriate					CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/547 - Develop constructive relationships with the Regional Schools Commissioner and receive their practical support					CYPS AD E&S	Tue-31-Jul-18				
Reduction	20/548 - Work with the Property team to mitigate risks to the delivery of the 2016/17 and 2017/18 capital plans arising from the transfer of the contract with Mouchel to an in-house arrangement					CYPS AD E&S	Tue-31-Jul-18				

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Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	M	Category	4
Phase 5 - Fallback Plan											
										Action Manager	
Fallback Plan	20/629 - Investigate failure and resolve; member briefings; media mgt									CD CYPS	



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Phase 1 - Identification											
Risk Number	20/47	Risk Title	20/47 - Partnership and Integration with the NHS			Risk Owner	Chief Exec	Manager	CD HAS		
Description	Failure to deliver the full integration plans by 2020 with the NHS, in the context of managing 3 ST Plans and failure to develop and implement new models of care. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements, increased costs and inconsistent / poorer service delivery to local people				Risk Group	Partnerships	Risk Type	CYPS 24/221 HAS 3/180			
Phase 2 - Current Assessment											
Current Control Measures	<p>HAS: Effective HWB partnership with clear governance providing strategic leadership with a shared performance dashboard; chief Officer representation influencing the development of STPs; HASLT locality delivery model in place actively shaping local integration plans; Joint leadership in Harrogate delivering a new model of care through Vanguard, and further developing and implementing joint commissioning and potentially delivery in Scarborough; agreement in 2016/17 to protect social care through the Better Care Fund; agreement with NY Commissioner Forum to develop joint commissioning arrangements that will include CHC and other areas; Health and Well-being Strategy in place; corporate task and finish group for DToC in place; HWB development sessions; Integration and Better Care Fund Plan 2017/19 developed with CCGs and agreed at Health and Wellbeing Board; 2020 Health Programme focussing on integration established;</p> <p>CYPS: H&W Board; Children's Trust Board; Public Health team; CYPLT; Dir of partnership Commissioning; joint post of Commissioning Manager; joint post of Public Health analyst; CYPS Plan; Health and Well-being Strategy refreshed with children's health as a priority and aligned with the CYPS Plan; JSNA; CYPLT fully briefed and up to date with the changing commissioning landscape and the different roles involved; appropriate engagement secured with CCGs' leads for children for commissioning affecting children and young people and their families; services recommissioned for 0-5 and 5 - 19 Healthy Child Programme to ensure close alignment with Preventative Services; children's health performance reviewed at the Children's Trust Board to monitor the impact of changes on children's health outcomes in North Yorkshire; Work with Public Health to embed PH outcomes into the work of CYPS; specifications for 0-5 healthy child service in place; 'Future in Mind' strategy reflects the needs of Children and Young People in N Yorkshire; tender process for future contracts; analyses of children's health in N Yorkshire, raising awareness and seeking actions from partner agencies to mitigate risks around children's physical and mental health and to inform commissioning decisions;</p>										
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	M	Category	2
Phase 3 - Risk Reduction Actions											
Reduction	20/60 - Ensure that we account for the BCF funding as per the Regulations on a quarterly basis					Action Manager	CSD AD SR (AH)	Action by	Fri-31-Aug-18	Completed	
Reduction	20/362 - Ensure NHS partners are fully aware of the democratic and political environment they are operating within and liaise with Scrutiny colleagues to ensure a positive outcome (ongoing)					Action Manager	CD HAS	Action by	Thu-31-May-18	Completed	
Reduction	20/363 - Actively monitor relationships, priorities and communications and ensure that HAS managers are fully engaged at appropriate level and review at HAS WLT on a regular basis (ongoing)					Action Manager	CD HAS	Action by	Thu-31-May-18	Completed	
Reduction	20/399 - Develop and implement outline integration plans with CCGs (development completed 10/17) and obtain approval for the Integration and Better Care Fund Plan 2017/19 from NHS England					Action Manager	HAS AD H&I	Action by	Sun-31-Dec-17	Completed	
Reduction	20/402 - Ensure that additional social care funding is used in a sustainable way (ie non recurrent). Further lobbying required with Govt to establish how this dovetails with improved BCF and additional funding post green paper.					Action Manager	CD HAS CD SR	Action by	Sat-31-Mar-18	Completed	
Reduction	20/451 - Agree and implement new models of care in all CCG localities (2 localities Harrogate and Scarborough by Sept 2017 identified and progressing, and remaining 3 localities by Sept 2018)					Action Manager	CD HAS	Action by	Sun-30-Sep-18	Completed	



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Reduction	20/452 - Engage wider HASLT in testing the implications of different integration models	HAS AD Com HAS AD H&I	Thu-31-May-18								
Reduction	20/453 - Continue to monitor the impact of the challenge of having 3 STPs, including through Health scrutiny	HAS AD H&I	Thu-31-May-18								
Reduction	20/457 - Improve the DToC (Delayed Transfer of Care) performance to avoid financial penalties and reputational issues. Put in place affordable DToC (Delayed Transfer of Care) plans that avoid financial penalties	HAS AD C&S HAS AD Com	Thu-31-May-18								
Reduction	20/458 - Consider the viability of local Risk Management Agreements with NHS Partners for integration plan(s), locality plan(s) and joint commissioning arrangements (ongoing)	CSD AD SR (AH) HAS AD H&I	Fri-31-Aug-18								
Reduction	20/459 - Review governance arrangements for the Health and Wellbeing Board to ensure delivery of the joint H & W Strategy	HAS AD H&I	Sat-31-Mar-18								
Reduction	20/477 - Continue to ensure Healthy Child team and Prevention team collaborate effectively to deliver improved outcomes of Children, Young People and Families	CYPS C&F HoPrev	Sun-30-Sep-18								
Reduction	20/481 - Continue to contribute to the delivery of the workplan for the Health and Well-being Board in relation to children's health priorities and ensure strategic decision making in Health is influenced through alignment with the JSNA and the Children and Young People's Plan (ongoing)	CD CYPS	Sun-30-Sep-18								
Reduction	20/527 - Work with the commissioned provider to ensure Mental Health services are effective (ongoing)	CYPS C&F HoRes	Tue-31-Jul-18								
Reduction	20/528 - Address lessons learned from the SEND inspection to strengthen the partnership with Health (ongoing)	CYPS AD Incl	Tue-31-Jul-18								
Reduction	20/529 - Continuously improve partnership with CYP & Families, Health Commissioners and SEMH providers through SEMH steering group and SEMH implementation plan	CYPS Incl HoE	Tue-31-Jul-18								
Reduction	20/531 - Hold regular contract monitoring and quality assurance meetings with providers including on site commissioning visits	CYPS S&C CMH	Sat-30-Jun-18								
Reduction	20/542 - Carry out financial modelling and continue dialogue between Integration and Health (as and when required and ongoing)	CSD AD SR (HE)	Fri-31-Aug-18								
Reduction	20/565 - Develop and agree the scope for a joint commissioning programme	HAS AD Com HAS AD H&I	Sat-31-Mar-18								
Reduction	20/566 - Establish an Integrated Planning and Commissioning Board with Scarborough CCG	CSD AD SR (AH) HAS AD H&I	Thu-31-Aug-17	Sat-30-Sep-17							
Reduction	20/1161 - Review and potentially revise general capacity and resources to achieve health integration opportunities	HAS AD H&I	Thu-31-Aug-17	Thu-31-Aug-17							
Reduction	20/1189 - Carry out preparations for potential CQC area review regarding integration	HAS LT	Sun-31-Dec-17								
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	H	Services	M	Reputation	M	Category	2
Phase 5 - Fallback Plan											
Fallback Plan	20/210 - Escalation to CMB and Executive Members, further engagement with senior tiers in NHS locally, regionally and nationally.									Action Manager	
										CD HAS	



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Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/189	Risk Title	20/189 - Safeguarding Arrangements				Risk Owner	Chief Exec	Manager	CD HAS CD CYPS	
Description	Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm.					Risk Group	Safeguarding	Risk Type	CYPS 24/250 HAS 3/27		
Phase 2 - Current Assessment											
Current Control Measures		<p>CYPS – LSCB Safeguarding website; regularly reviewed procedures; practice standards issued to teams to support consistent practice; monthly performance data which is monitored regularly to seek assurance over key performance headlines; case file audit process; manager authorisation of all assessments; ICS; newly formed integrated family support service; training strategy; clear supervision process which is audited on a regular basis; strengthened Multi agency screening team (MAST); OFSTED 'good' categorisation; delivery and implementation of the VEMT approach with the LSCB; working with colleagues and the CCG lead to ensure appropriate resources available for complex young people;</p> <p>HAS - Detailed action plan; Safeguarding general manager and team; strengthening of Safeguarding policy team; case file audit and review; independent chair to Safeguarding Board in place; risk enablement panel in place and being reviewed; countywide safeguarding general manager in place; testing of initial performance metrics for Safeguarding Board has taken place further developing performance activity; initial safeguarding procedures reviewed linked to consultation in light of the Care Act and are being reviewed again; safeguarding board performance framework; Q&E [protocol for the relationship between Adults Social Care (and Children's Trust) and the Health and Wellbeing Board agreed and implemented;] information framework for serious incident data, eg drug death etc in place</p>									
Probability	M	Objectives	H	Financial	M	Services	M	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	20/374 - Ensure compliance with Safeguarding Board and Children and Families' procedures [CYPS]						CYPS AD C&F	Sat-30-Jun-18			
Reduction	20/376 - Continue the new developments with the MAST to strengthen responses to children and young people who go missing or who are vulnerable to CSE by improved intelligence and information sharing arrangements [CYPS]						CYPS C&F HoS&LAC	Sat-30-Jun-18			
Reduction	20/377 - Ensure where there is a concern that a young person is being exploited that the Bedfordshire risk assessment tool is always completed [CYPS]						CYPS C&F HoS&LAC	Tue-31-Jul-18			
Reduction	20/378 - Ongoing Mgt file audit of case files against established assessment standards and staff supervision files [CYPS]						CYPS C&F SMT	Sat-30-Jun-18			
Reduction	20/379 - Monitoring and management of performance against agreed targets in the SMT action plan [CYPS]						CYPS C&F SMT	Sat-30-Jun-18			
Reduction	20/382 - Feed into review of EDT arrangements (adult lead); main submission into review made but ongoing liaison will continue [CYPS]						CYPS AD C&F	Sat-30-Jun-18			
Reduction	20/384 - Introduction of 'Practice Weeks' where managers will visit locations to observe and review practice [CYPS]						CYPS AD C&F	Sat-30-Jun-18			
Reduction	20/456 - Continued vigilance to ensure our supervisory body role adheres to good practice and national guidance, evidenced by regular reports to HASLT and members [HAS]						HAS AD H&I	Mon-30-Apr-18			



Corporate Risk Register

Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Reduction	20/487 - Continue to work with Quality and Engagement team to improve quality assurance; including work with CQC, Health and Healthwatch [HAS]	HAS AD C&S HAS AD H&I	Thu-31-May-18								
Reduction	20/489 - Ongoing joint work with CYPS to carry out review of approach to domestic abuse and Prevent [HAS]	HAS AD H&I	Sat-31-Mar-18								
Reduction	20/490 - Complete training in respect of safeguarding policies and procedures and wider awareness training for groups such as elected Members; Member awareness training still to consider; new policies and procedures now in place and to be worked through in the coming year [HAS]	HAS AD C&S	Thu-31-May-18								
Reduction	20/532 - Bringing in further experienced staff whenever possible to address significant vacancies in the structure [HAS]	HAS AD C&S	Thu-31-May-18								
Reduction	20/534 - Carry out the supervisory body role for DoLS to ensure the system is as effective as possible within existing resources [HAS]	HAS AD H&I	Mon-30-Apr-18								
Reduction	20/535 - Continue to ensure partners are fully engaged with Safeguarding boards centrally and locally, particularly new health partners (CCGs) - ongoing, two board development days held [HAS]	HAS AD C&S HAS AD H&I	Thu-31-May-18								
Reduction	20/536 - Embedding safeguarding work to deliver the Transforming Care programme incl. embedding the care act role of Principal Social Worker and Safeguarding Board Manager [HAS]	HAS AD C&S	Thu-31-May-18								
Reduction	20/595 - Ensure in house provider workforce have appropriate training and development in this area [HAS]	HAS C&S Ho PS	Thu-31-May-18								
Reduction	20/596 - Ensure we have the ability to embed the lessons learned from serious case reviews including identification of authors of independent reports [HAS]	HAS AD C&S	Thu-31-May-18								
Reduction	20/597 - External audit (ADASS review) of safeguarding activities to assist with benchmarking and identifying areas of improvement [HAS]	HAS AD C&S	Thu-31-May-18								
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	H	Financial	M	Services	M	Reputation	H	Category	3
Phase 5 - Fallback Plan											
Fallback Plan	20/545 - Carry out necessary review of approach, target underperforming areas and take on lessons learned from any serious case reviews								Action Manager		
									CD CYPS CD HAS		

Corporate Risk Register

Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/219	Risk Title	20/219 - Commercial Strategy				Risk Owner	Chief Exec	Manager	CSD Mgt Team	
Description	Failure to successfully secure commercial opportunities within the Council resulting in lost net income to support budget savings, unresilient service, unskilled and insecure workforce.					Risk Group		Risk Type			
Phase 2 - Current Assessment											
Current Control Measures		Commercial services to Schools Board; Commercial Board; draft strategy approved by Commercial Board; action plan in place; initial commercial challenge sessions have taken place; website with ability of customers to buy on line; relationship managers liaise between the Heads of Traded Services and customers; external critical friend; Shareholder Sub Committee of Executive created; Shareholder Board created to support Shareholder Sub Committee;									
Probability	H	Objectives	M	Financial	M	Services	M	Reputation	L	Category	2
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	15/208 - Collective meeting of Brierley Group to be arranged to share Vision and direction						CSD AD SR (ML)	Sun-31-Dec-17			
Reduction	15/246 - Finalise Commercial Strategy and communicate to stakeholders including staff						CSD AD SR (ML)	Sun-31-Dec-17			
Reduction	15/247 - Production of Brierley Group Annual report						CSD AD SR (ML)	Mon-30-Apr-18			
Reduction	15/503 - Carry out commercial challenge sessions to monitor progress against commercial targets in the Autumn and at the end of the financial year						CSD AD SR (ML)	Sat-31-Mar-18			
Reduction	15/521 - Invest cash in commercial opportunities where appropriate						CSD AD SR (KI)	Sat-31-Mar-18			
Reduction	15/522 - Determine selection criteria to win bids for commercial opportunities to optimise rewards						CSD AD SR (ML)	Sat-31-Mar-18			
Reduction	20/245 - Production of Brierley Group Business Plan						CSD AD SR (ML)	Sat-31-Mar-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	L	Category	4
Phase 5 - Fallback Plan											
									Action Manager		
Fallback Plan	15/550 - Review financial position and invoke budget cuts as necessary								CSD Mgt Team		



Corporate Risk Register

Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/206	Risk Title	20/206 - Growth			Risk Owner	Chief Exec	Manager	CD BES		
Description	Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage, and within the context of two-tier local government structure and wider macro-economic policy and processes. This results in an inability to attract, retain and grow businesses, increase the house building rate, raise living standards and increase spending power.				Risk Group	Strategic	Risk Type	BES 7/232			
Phase 2 - Current Assessment											
Current Control Measures			Direct contribution and support, including through provision of accountable body function, to the YNYER Local Enterprise Partnership; Establishment of an Economic Growth Function within BES; Proactive engagement in LGNY partnership working including through Directors of Development, Chief Housing Officers, and Economic Development Officer Groups; Lead role in enabling and developing YNYER Spatial Framework; Lead role in supporting and developing the NYCC Infrastructure Delivery Steering Group/Growth Plan Steering Group; Lead role in initiating and developing the NYCC Economic Growth Plan; Work to secure Combined Authority / Devolution deal with Government; NYCC Economic Growth Plan completed and approved by Executive; collaborative working arrangements with District Councils in place; the YNYERH Spatial Framework is in place as a basis for further development work								
Probability	M	Objectives	M	Financial	H	Services	H	Reputation	H	Category	2
Phase 3 - Risk Reduction Actions											
					Action Manager	Action by	Completed				
Reduction	20/549 - Carry out corporate implementation of NYCC Economic Growth and Delivery Plan (annual review of progress); growth plan approved now need to produce, implement and monitor an action plan				BES AD GP&TS BES GP&TS HoSP&EG	Sun-31-Dec-17					
Reduction	20/550 - Embed enhanced collaborative working arrangements with District Councils (annual review of progress) - ongoing				BES AD GP&TS	Sun-30-Sep-18					
Reduction	20/551 - Ensure further detailed stakeholder engagement and development of the YNYER Spatial Framework to enable effective long-term planning and investment of infrastructure for growth.				BES AD GP&TS	Sat-31-Mar-18					
Reduction	20/552 - Maintain good working relationship with the LEP (ongoing)				CD BES	Sun-30-Sep-18					
Reduction	20/553 - Understand and investigate any impacts of Brexit and ensure opportunities are taken				BES AD EPU CD BES	Sun-30-Sep-18					
Reduction	20/598 - Deliver the natural capital investment strategy environmental enhancement project via the Local Nature Partnership				BES AD GP&TS	Sat-31-Mar-18					
Reduction	20/599 - Continue to monitor the Devolution agenda and communication with stakeholders to maximise opportunities (ongoing)				BES AD GP&TS	Sun-30-Sep-18					
Phase 4 - Post Risk Reduction Assessment											
Probability	M	Objectives	M	Financial	M	Services	M	Reputation	M	Category	4



Corporate Risk Register

Risk Register: **month 0 (October 2017) – detailed**
Next Review due: **April 2018**
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Phase 5 - Fallback Plan		Action Manager
Fallback Plan	20/553 - Review and revise existing arrangements for sustainable economic growth	CD BES



Corporate Risk Register

Risk Register: **month 0 (October 2017) – detailed**

Next Review due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Phase 1 - Identification											
Risk Number	20/389	Risk Title	20/389 - Health and Safety				Risk Owner	Chief Exec		Manager	CD SR
Description	Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution					Risk Group	Legislative		Risk Type	CS 15/183	
Phase 2 - Current Assessment											
Current Control Measures		HSRM Service Plan feeding into Directorate Action Plans; H&S team; Corporate H&S Policy; Corporate and Directorate H&S procedures; intranet and cyps.info sites; Directorate RM groups; RM Working groups; H&S Champions and lead officers; reporting on a regular basis; on-going H&S risk assessment, training, monitoring and audit; corporate H&S training; managers' and employees' online H&S training and other modules revised; health and safety function within NYCC (3rd stage) reviewed; new structure for the shared service with City of York Council agreed and implemented;									
Probability	L	Objectives	M	Financial	M	Services	M	Reputation	H	Category	3
Phase 3 - Risk Reduction Actions											
							Action Manager	Action by	Completed		
Reduction	15/248 - Continue delivery of the programme of H&S monitoring (ongoing)						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	15/249 - Implement the revised directorate H&S action plans in line with the top 10 risks agreed at CRMG and report performance on key priorities						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	15/255 - Ensure appropriate operating standards of H&S risk assessments exist and are being implemented locally (linked to 15/249 above)						CSD AD SR (AH)	Fri-31-Aug-18			
Reduction	15/257 - Review and revise the corporate H&S procedures alongside alignment with the safety management system						CSD SR HoHSRM	Fri-31-Aug-18			
Reduction	15/408 - Implement arrangements for H&S function following the agreement of the structure for shared services with City of York Council						CSD AD SR (AH)	Mon-31-Jul-17	Sat-1-Jul-17		
Reduction	15/417 - Consider H&S implications of significant changes for delivery of services within the Council and factor into Directorate H&S action plans						CSD AD SR (AH)	Fri-31-Aug-18			
Phase 4 - Post Risk Reduction Assessment											
Probability	L	Objectives	M	Financial	M	Services	M	Reputation	M	Category	5
Phase 5 - Fallback Plan											
									Action Manager		
Fallback Plan	20/628 - Liaise with HSE, media management, implement fatal/serious injury response guide								CSD SR HoHSRM		



Corporate Risk Register

Risk Register: **month 0 (October 2017) – summary**

Next Review Due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
◀▶	20/207 - 2020 North Yorkshire Change Programme and beyond	Failure to successfully implement the Programme and Modern Council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services.	Chief Exec	CSD SR AD T&C	H	H	H	H	H	1	12	31/03/2018	M	H	H	H	H	2	Y	All Mgt Board
◀▶	20/1 - Funding Challenges	Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade resulting in legal challenge, unbalanced budget and public dissatisfaction	Chief Exec	CD SR	H	H	H	H	H	1	8	31/03/2018	M	H	H	M	M	2	Y	All Mgt Board
◀▶	20/194 - Major Failure due to Quality and/or Economic Issues in the Care Market	Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention. The impact could include loss of trust in the Care Market, increased budgetary implications and issues of service user safety.	CD HAS	HAS AD Q&E	H	M	H	M	H	1	16	30/11/2017	H	M	M	M	M	2	Y	HAS AD Q&E
◀▶	20/187 - Information Governance	Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies resulting in loss of reputation, poor decision making, fine, etc	Chief Exec	CD SR	H	M	M	M	H	1	7	31/03/2018	M	L	M	L	M	4	Y	CD SR
◀▶	20/334 - Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority	Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across the whole of North Yorkshire.	Chief Exec	CD BES	H	M	H	M	M	1	4	31/12/2017	M	L	M	M	L	4	Y	Chief Exec CD BES



Corporate Risk Register

Risk Register: **month 0 (October 2017) – summary**

Next Review Due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
▼	20/205 - Schools Organisation and Funding	Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics (both rising and falling as a result of housing market changes) and national and local political circumstances, resulting in a fragmentation of the network of services for children, growing numbers of unsustainable and/or failing schools, insufficient school places, fragmentation due to academisation, increased public dissatisfaction, and loss of confidence in the County Council as local authority.	Chief Exec	CD CYPS	H	M	H	M	M	1	9	31/07/2018	M	M	M	M	M	4	Y	CD CYPS
◀▶	20/47 - Partnership and Integration with the NHS	Failure to deliver the full integration plans by 2020 with the NHS, in the context of managing 3 ST Plans and failure to develop and implement new models of care. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements, increased costs and inconsistent / poorer service delivery to local people	Chief Exec	CD HAS	M	M	H	M	M	2	24	31/12/2017	M	M	H	M	M	2	Y	CD HAS
◀▶	20/189 - Safeguarding Arrangements	Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm.	Chief Exec	CD HAS CD CYPS	M	H	M	M	H	2	19	31/03/2018	L	H	M	M	H	3	Y	CD CYPS CD HAS
- new -	20/219 - Commercial Strategy	Failure to successfully secure commercial opportunities within the Council resulting in lost net income to support budget savings, unresilient service, unskilled and insecure workforce.	Chief Exec	CSD Mgt Team	H	M	M	M	L	2	7	31/12/2017	M	M	M	M	L	4	Y	CSD Mgt Team

Corporate Risk Register

Risk Register: **month 0 (October 2017) – summary**

Next Review Due: **April 2018**

Report Date: **2nd November 2017 (pw)**

Identity			Person		Classification												Fallback Plan			
Change	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
◀▶	20/206 - Growth	Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage, and within the context of two-tier local government structure and wider macro-economic policy and processes. This results in an inability to attract, retain and grow businesses, increase the house building rate, raise living standards and increase spending power.	Chief Exec	CD BES	M	M	H	H	H	2	7	31/12/2017	M	M	M	M	M	4	Y	CD BES
▼	20/389 - Health and Safety	Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution	Chief Exec	CD SR	L	M	M	M	H	3	7	31/08/2018	L	M	M	M	M	5	Y	CSD SR HoHSRM

Key	
▲	Risk Ranking has worsened since last review.
▼	Risk Ranking has improved since last review
◀▶	Risk Ranking is same as last review
- new -	New or significantly altered risk



Linking of Directorate risks to the Corporate risk register November 2017

Health and Adult Services Risk Register
<p>Cultural Change</p> <p>Failure to change the Directorate culture at the same time as implementing the HAS Vision and the 2020 Transformation Programme for HAS by 2020 resulting in financial challenges and unmet savings, staff unclear about their roles and an inability to implement new ways of working.</p>
<p>Financial Pressures</p> <p>Financial pressures arising from difficulties in delivering HAS2020 Savings requirements, managing in year financial overspends, Better Care Fund contributions, market pressure and complexity of client needs.</p>
<p>Major Failure due to Quality and/or Economic Issues in the Care Market</p> <p>Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention.</p>
<p>Information Governance and Health and Safety</p> <p>Failure to ensure that good and safe governance arrangements in respect of data security and health and safety are in place throughout the Directorate.</p>
<p>Partnership and Integration with the NHS</p> <p>Failure to deliver the full integration plans by 2020 with the NHS, and in the context of managing 3 ST Plans. This could result in a negative impact on Devolution proposals, fragmentation of NY partnership planning and delivery arrangements and inconsistency in service delivery to local people.</p>
<p>Safeguarding Arrangements</p> <p>Failure to have an effectively monitored, robust, Safeguarding regime and partnership arrangements in place and ensure that we fulfil our wider lead authority role (under the Care Act).</p>

Central Services Risk Register
<p>2020 North Yorkshire Programme and beyond</p> <p>Failure to successfully implement the Programme and Modern Council ways of working resulting in inability to meet financial savings requirements, sub-optimal decision making and poorer quality of services.</p>
<p>Central Services Savings Plan</p> <p>Failure to deliver the Central Services savings plan for the duration of the programme (up to 2019) resulting in inability to meet the budget, rationalise support services and enable the programme.</p>
<p>Information Governance</p> <p>Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies.</p>
<p>Commercial Strategy</p> <p>Failure to successfully secure commercial opportunities within the Council resulting in lost net income to support budget savings, unresilient service, unskilled and insecure workforce.</p>
<p>Health & Safety</p> <p>Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution.</p>

Corporate Risk Register		Rank	
2020 North Yorkshire Change Programme and beyond			
Failure to successfully implement the Programme and Modern Council ways of working.	1	2	
Funding Challenges	1	2	
Inadequate funding available to the County Council to discharge its statutory responsibilities and to meet public expectation for the remainder of the decade.			
Major Failure due to Quality and/or Economic Issues in the Care Market	1	2	
Major failure of provider/key providers results in the Directorate being unable to meet service user needs. This could be caused by economic performance or resource capabilities including recruitment and retention.			
Schools Organisation and Funding	1	4	
Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics and national and local political circumstances.			
Information Governance	1	4	
Ineffective information governance arrangements lead to unacceptable levels of unauthorised disclosure of personal and sensitive data, poor quality or delayed responses to FoI requests, and inability to locate key data upon which the Council relies			
Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority	1	4	
Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across the whole of North Yorkshire.			
Partnership and Integration with the NHS	2	2	
Failure to deliver the full integration plans by 2020 with the NHS, in the context of managing 3 ST Plans and failure to develop and implement new models of care.			
Safeguarding Arrangements	2	3	
Failure to have a robust Safeguarding service in place results in risk to vulnerable children, adults and families and not protecting them from harm.			
Commercial Strategy	2	4	
Failure to successfully secure commercial opportunities within the Council resulting in lost net income to support budget savings, unresilient service, unskilled and insecure workforce.			
Growth	2	4	
Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage.			
Health and Safety	3	5	
Major Corporate Health and Safety failure resulting in injuries, claims, reputational and service delivery impact and possible prosecution.			

Children and Young People's Service Risk Register
<p>Planning and Cultural Change with CYPS to deliver 2020 North Yorkshire and Address National Changes</p> <p>Failure to embed a strong change culture, processes and supporting capacity within CYPS to deliver 2020 North Yorkshire and address national funding and policy changes.</p>
<p>Schools Organisation and Funding</p> <p>Failure to assess and manage the combined effects of changes in the national school policy and funding framework, demographics (both rising and falling as a result of housing market changes) and national and local political circumstances.</p>
<p>Information Governance</p> <p>Failure to ensure that good information governance arrangements are in place throughout the Directorate resulting in data breach, possible prosecution, claims, media attention, fines.</p>
<p>Partnership and Integration with Health</p> <p>Failure to develop and implement new models of care that will provide better outcomes for children and young people and local communities. This failure would have a negative impact on the development of integrated services, give rise to increased costs to CYPS and cause the loss of opportunities that joint provision may offer.</p>
<p>Safeguarding Arrangements</p> <p>Failure to have a robust approach to Safeguarding is in place results in risk to vulnerable children, adults and families and not protecting them from harm.</p>

Business and Environmental Services Risk Register
<p>Delivering Change Programmes within BES</p> <p>Failure to embed a strong change culture, processes and supporting capacity to deliver ongoing programmes of change in BES e.g. the BES 2020 Change Programme.</p>
<p>Statutory Duties</p> <p>Failure to carry out statutory duties or meet statutory deadlines (e.g. Health and Safety, safe guarding, information governance, prevention of waste pollution, planning responsibilities, statutory property related issues, driver/vehicle guidance) resulting in Corporate Manslaughter, increased cost/claims, fines/prosecution and criticism.</p>
<p>Opportunities for Devolution in North Yorkshire and Consideration of a Combined Authority</p> <p>Failure to take advantage of Devolution opportunities in North Yorkshire resulting in reduced investment and impact on the growth and jobs across North Yorkshire.</p>
<p>Growth</p> <p>Failure to deliver the ambition of Sustainable Economic Growth through the delivery of the right housing, transport, and connectivity infrastructure, whilst protecting the outstanding environment and heritage</p>

AUDIT COMMITTEE - PROGRAMME OF WORK 2017 / 18

ANNUAL WORKPLAN		SEPT 17	DEC 17	MAR 18	JUNE 18	JULY 18	SEPT 18	DEC 18	MAR 19
Audit Committee Agenda Items									
A	Training for Members (as necessary)	1	2	3	TBA	TBA	TBA	TBA	TBA
	Annual Internal Audit Plan 2017/18			*	*				*
	Annual report of Head of Internal Audit 2015/16				*				
	Progress Report on Annual Internal Audit Plan 2016/17	*		*			*		*
	Internal Audit report on Children and YP's Service	*					*		
	Internal Audit report on Computer Audit/Corporate Themes/Contracts	*					*		
	Internal Audit report on Health and Adult Services		*			*			
	Internal Audit report on BES		*					*	
Internal Audit report on Central Services			*					*	
B	Annual Audit Letter		*					*	
	Annual Audit Plan 2015/16 (NYCC & NYPF)			*					*
	Annual Report / Letter of the External Auditor	*				*	*		
	Interim Audit Report				*				
	Discussion with External Auditor on 1-to-1 basis			*					
C	Statement of Final Accounts including AGS (NYCC + NYPF)	*			*	X			
	Letter of Representation	*				X			
	Chairman's Annual Report	*					*		
	Effectiveness of Audit Committee				*				
	Changes in Accounting Policies			*					*
	Corporate Governance – review of Local Code + AGS				*				
	– progress report inc re AGS				*				
	Risk Management (inc Corporate R/R) – progress report		*		*			*	
	Partnership Governance – progress report				*				
	Information Governance – progress report			*					*
	Review of Finance,/Contract/Property Procedure Rules	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA
	Business Continuity						*		
	Audit Committee Terms of Reference		*					*	
	Counter Fraud			*					*
	Contract Management		[No]						
Governance of external companies		[Yes]					*		
Treasury Management – Executive February			*					*	
Corporate Procurement Strategy (including Contract Mgt)				*		*			
VFM Review			*						
D	Work Programme	*	*	*	*	*	*	*	*
	Progress on issues raised by the Committee (inc Treasury Management)	*	*	*	*	*	*	*	*
E	Agenda planning / briefing meeting								
	Audit Committee Agenda/Reports deadline								
Audit Committee Meeting Dates		07/09	30/11	01/03	21/06	26/07			

- A = Internal Audit
- B = External Audit
- C = Statement of Final Accounts / Governance
- D = Other
- E = Dates

- ⊙ before formal meeting
 - 1 Cyber Security and General Information Governance
 - 2 Health / HAS – Richard Webb and Jim Clark
 - 3 Discussion with External Auditor on a 1 to 1 basis
- Sessions to be sorted