



AUDIT COMMITTEE

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To: Councillors Bolton (Vice-Chair), S. Bradshaw, Charles, Parsons, Boldrin and Taylor
Mr Angell (Chair)

(For attention)

All other members of the Council
(For information)

You are requested to attend the meeting of the Audit Committee to be held in Virtual Meeting - Zoom on Tuesday, 22nd December 2020 at 6.00 pm for the following business.

Chief Executive

Southfields
Loughborough

14th December 2020

AGENDA

1. APOLOGIES
2. MINUTES FROM THE PREVIOUS MEETING 3 - 6

The Committee is asked to confirm as a correct record the minutes of the meeting of the Committee held on 25th November 2020.

3. DISCLOSURES OF PECUNIARY AND PERSONAL INTEREST

4. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8
No questions were submitted.
5. EXTERNAL AUDIT PROGRESS REPORT AND TECHNICAL UPDATE
External Auditors update.
6. TREASURY MANAGEMENT MID-YEAR REVIEW
A report of the Head of Financial Services (to follow).
7. INTERNAL AUDIT PROGRESS REPORT 2020/21 Q3 (INTERIM) 7 - 34
A report of the Head of Strategic Support.
8. RISK MANAGEMENT (RISK REGISTER) UPDATE 35 - 52
A report of the Strategic Director, Environmental and Corporate Services including the COVID-19 Risk register.
9. COUNCIL'S USE OF REGULATION OF INVESTIGATORY POWERS ACT (RIPA) 53 - 55
A report of the Head of Strategic Support.
10. WORK PROGRAMME 56 - 59
A report of the Head of Strategic Support.

AUDIT COMMITTEE 25TH NOVEMBER 2020

PRESENT: The Chair (Bev Angell)
The Vice Chair (Councillor Bolton)
Councillors S. Bradshaw, Charles, Parsons,
Boldrin and Taylor

Head of Strategic Support
Strategic Director; Environmental and Corporate
Services
Head of Financial Services
Democratic Services Officer NWLDC (TD)

APOLOGIES: none

The Chair stated that the meeting would be live streamed and the recording made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

25. MINUTES FROM THE PREVIOUS MEETING

26. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

27. QUESTIONS UNDER OTHER COMMITTEE PROCEDURES 12.8

No questions had been submitted.

28. EXTERNAL AUDIT - 2019/20 ANNUAL GOVERNANCE REPORT

A report of the External Auditors was submitted summarising the key issues identified during the External Auditor's audit of the Council's financial statements for the year ended 31 March 2020 (item 5 on the agenda filed with these minutes).

Mark Surrige and Victoria Gittings, representing the External Auditors, attended the meeting to assist with the consideration of the item.

The committee was advised in the External Auditors presentation and in response to questions that:

- as the Value for Money conclusion covered the period up to 31 March 2020, COVID-19 and the first national lockdown had only been present for up to two weeks of the financial year and therefore did not form a substantive part of the conclusion. However, they were reflected in the Risk Assessment.
- with regard to the financial statements; the property plant and equipment valuation were areas with outstanding enquiries to receive evidence required for the External Auditors to be able to support the statements.

- having not received the evidence required from the Pension Fund Auditor due to external factors, the External Auditors were not able to issue their final conclusions in time for the reporting deadline of 30 November 2020.
- the ongoing impact of COVID-19 had led to several delays in ascertaining the most up to date and accurate information required, leading to the External Auditors' report being provided to the committee at short notice.

It was agreed that as the External Auditors' report had been made available to Members at short notice, that officers were to collate any further questions from Members arising from consideration of the report, to then be responded to outside of the meeting.

RESOLVED that the report be noted

Reason

To acknowledge the Committee's consideration of this item.

29. ANNUAL STATEMENT OF ACCOUNTS 2019-20

A report of the Head of Financial Services was submitted setting out the Council's Statement of Accounts 2019/20 (item 6 on the agenda filed with these minutes).

It was noted that there was an error on page 24 of the Statement under 'Note 6 – Expenditure and Income Analysed by Nature - Support services 2019/20' and that it be amended from £17,751 to £17,953 before the Statement was published.

The Strategic Director, Environmental and Corporate Services, the Head of Strategic Support and the Head of Financial Services attended the meeting to assist with the consideration of this item.

Queries were raised by Councillor Parsons in relation to the following areas;

- the accounting processes to ascertain the final outturn for the precepts in the NNDR, Collection Fund, Council Tax, Loughborough Special Expenses and the New Homes Bonus following the setting of the annual budget.
- the process for deciding the reallocation of funds between different revenue reserves year on year.
- income reduction figures on the HRA account compared to the previous year.
- the specifics of the Pensions Interest Costs and Returns on Assets listed in the Comprehensive Income and Expenditure Statement and on note on 34.
- the Depreciation, Impairment, Amortisation of Non-current Assets listed in the Cash Flow Statement.
- the funding status of the Members Grant Scheme, having been initially funded from the Reinvestment Reserve when it was introduced.
- the trend in figures for Sundry, Reserved Creditors and creditors related to the NNDR listed in Note 19 – Short-Term Creditors compared to previous years.

RESOLVED

1. That authority to agree the Statement of Accounts for the year ended 31 March 2020, be delegated to the Strategic Director, Environmental and Corporate Services in consultation with the Chair and Vice-Chair, for the accounts to then be signed by the Chair on behalf of the Audit Committee, and;
2. This be subject to the queries raised by Councillor Parsons being addressed to his satisfaction outside of the meeting, and for any adjustments being made to the Statement following the correction in Note 6 and the final audit of the pension fund being completed.
3. That the letter of Representation, as per Appendix B, be approved for signature by the Chief Financial Officer.

Reasons

1,2&3 To comply with the Accounts and Audit (England) Regulations 2015.

30. ANNUAL GOVERNANCE STATEMENT 2019/20 AND REVIEW OF THE CODE OF CORPORATE GOVERNANCE

Having re-established a stable internet connection, Mr Angell resumed the Chair for the remainder of the meeting.

A report of the Head of Strategic Support was submitted setting out the Annual Governance Statement 2019/20 and the results of the annual review of the Council's Code of Corporate Governance (item 7 on the agenda filed with these minutes).

The Head of Strategic Support attended the meeting to assist with the consideration of this item.

The Committee agreed that at point 13 of the Annual Governance Statement, the following sentence be amended to read

“continued issues with staff turnover and recruitment delays persisted well into the 2019 / 20 financial year, and, **which** combined with the impact of the coronavirus outbreak at the year end resulted in the internal audit programme not being completed by the year end”.

RESOLVED

1. that the Annual Governance Statement, as included in the Statement of Accounts be approved, subject to the agreed amendment at point 13.
2. that the Code of Corporate Governance, as attached as an appendix to the report be approved.

Reasons

1. So that the Annual Governance Statement can be finalised and signed by the Leader of the Council and the Chief Executive in accordance with the required timescales.
2. To ensure that the Code of Corporate Governance is kept up to date and complies with best practice.

31. WORK PROGRAMME

A report of the Head of Strategic Support was submitted to enable the Committee to consider its work programme (item 8 on the agenda filed with these minutes).

The Committee's attention was drawn to the new layout of the work programme, which listed all items by order of the date on they would be considered, in order to clearly present which items would be considered at subsequent meetings.

RESOLVED that the Committee proceeds on the basis of the current work programme as submitted during this meeting, which incorporates all decisions made at this meeting.

Reason

To enable the Committee to identify future items of business and enable planning for future meetings to be undertaken, for example preparing reports and arranging for the attendance of officers and/or others at meetings.

NOTES:

1. No reference may be made to these minutes at the next ordinary Council meeting unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Audit Committee.

AUDIT COMMITTEE – 22nd DECEMBER 2020

Report of the Head of Strategic Support

Part A

ITEM 7 INTERNAL AUDIT PROGRESS REPORT 2020/21 Q3 (INTERIM)

Purpose of Report

The report summarises the progress against the 2020/21 Audit Plan, outlining key findings from final reports and any outstanding recommendations. In addition this report includes a summary report detailing the assurance work that Internal Audit have performed on the Covid-19 Business Grants to date.

Recommendation

The Committee notes the progress report set out in Appendix 1.

Reason

To ensure the Committee is kept informed of progress against the Internal Audit plan and work of Internal Audit.

Policy Justification and Previous Decisions

The Accounts and Audit Regulations 2015 state (Regulation 5 (1)) that the relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the Public Sector Internal Audit Standards and any appropriate guidance.

Implementation Timetable including Future Decisions

Reports will continue to be submitted to the Committee on a quarterly basis.

Report Implications

The following implications have been identified for this report.

Financial Implications

None

Risk Management

There are no specific risks associated with this report.

Background Papers: Final Internal Audit Report

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Lisa Marron
Audit Manager
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Part B

The details regarding this report are set out in the Appendix.

Appendices

Appendix 1 – INTERNAL AUDIT PROGRESS REPORT 2020/21 Q3 (INTERIM)



INTERNAL AUDIT SHARED SERVICE

Charnwood Borough Council

**Internal Audit Progress Report 2020/21
Q3(Interim)**

1. Introduction

- 1.1 Internal Audit is provided through a shared service arrangement by North West Leicestershire District Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement. The purpose of this report is to update on Internal Audit activity during 2020/21 up to 11th December 2020.

2 Internal Audit Plan Update

- 2.1 Since the last progress report five final audit reports have been issued, one is at report drafting stage and four are in progress. Appendix A shows the current position of the 2020/21 Audit Plan and the executive summaries for the final reports issued are detailed in Appendix B:

- 2019/20 Communications Strategy – Moderate Assurance
- 2019/20 Debtors – Reasonable Assurance *
- 2020/21 Office 365 Security and Remote Connections – Substantial Assurance
- 20/21 Tree Preservation Orders – Reasonable Assurance
- 20/21 Development Management – Substantial Assurance

* new opinion model used from this point as audit report issued by new internal audit team.

The audits did not identify any areas of significant weaknesses which I need to draw your attention to.

- 2.3 Internal Audit carried out the necessary audit testing in order for the Audit Manager to certify the Disabled Facilities Grant Determination. A number of management actions have been identified to improve the process for 2020/21 certification and for CBC to be able to more clearly demonstrate compliance with the grant conditions regarding capital expenditure.
- 2.4 Internal Audit have carried out a significant amount of assurance work on the Small Business Grants, Retail, Hospitality and Leisure Grants and Discretionary Grant payments made out by the authority. We continue to provide advisory support and assurance for the range of new grant schemes that have been introduced including Test and Trace Support Payments, Local Restrictions and National Restrictions Grants. Whilst this work has not resulted in an overall opinion report we have prepared a report to summarise our work to help Audit Committee understand the Internal Audit resource commitment into this area and the assurance that can be taken from it (see Appendix E).

3.0 Outstanding Recommendations

- 3.1 Internal Audit monitor and follow up all critical, high and medium priority recommendations. All overdue Internal Audit recommendations are included in Appendix C for information. Internal Audit will continue to follow up these recommendations to ensure they remain relevant and extensions to target dates

have been agreed where appropriate. There are no areas of significant concern to highlight at this time.

4.0 Internal Audit Performance Indicators

- 4.1 Progress against the agreed Internal Audit performance indicators is included in Appendix D and has improved significantly since the last update report. In agreement with SLT work did not start properly on the 20/21 plan until the middle of Q2 in order to allow services to focus on the business-critical functions during the Covid-19 response and Internal Audit resources were used to develop and deliver the assurance framework for the original Business Grants scheme.
- 4.2 The external assessment of Internal Audit was carried out w/c 30th November 2020. At the time of writing this report feedback had been provided by the assessor which confirms that we conform with the Public Sector Internal Audit Standards. The final report will be presented to February 2021 Audit Committee.

2020/21 AUDIT PLAN AS AT 11th DECEMBER 2020

Audit Area (Report No.)	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations					Comments
						C	H	M	L	A	
Disabled Facilities Grant	Certification	3	6	Completed	Not applicable						Planned days exceeded due to completing audit remotely and new queries raised. Actions agreed to help make the process smoother next year.
Choice Based Lettings	Audit	8		Scheduled Q4							Audit brought forward from 19/20.
Fire Safety and Management	Audit	8		Scheduled Q4							
Gas Servicing Contract Monitoring	Audit	8		Scheduled Q4							
Asbestos Management	Audit	8		Scheduled Q4							
Development Control	Audit	10	12	Final Report Issued	Substantial	-	-	-	1	1	
Tree Preservation Orders	Audit	6	11.5	Final Report Issued	Reasonable	-	-	1	-	-	Planned days exceeded as new area for auditor.

Benefits	Audit	8		Engagement planning							
Council Tax	Audit	8		Engagement Planning							
NNDR	Audit	8	1	Engagement plan agreed							
Income Collection	Audit	8	1	Scheduled Q4							
Creditors	Audit	8	1	In progress							
Debtors	Audit	8		Scheduled Q4							
Main Accounting System and Budgetary Control	Audit	8		Scheduled Q4							
Payroll	Audit	8	8.5	Report drafting							
Rent Accounting	Audit	8		Scheduled Q4							
Treasury Management	Audit	8	1	In progress							
Right to Buy	Audit	10	3.5	In progress							
Office 365 Security and Remote Connections (1)	Audit	18	BDO Audit	Final report issued	Substantial	-	-	-	3	-	
Application Controls	Audit	9	BDO Audit	In progress							

Third Party Supplier Management	Audit	10	BDO Audit	Scheduled Q4							
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SUMMARY OF FINAL AUDIT REPORTS ISSUED BETWEEN 01 JULY 2020 AND 11 DECEMBER 2020

COMMUNICATIONS STRATEGY 2019/20

ASSURANCE RATING – MODERATE ASSURANCE	CORPORATE SIGNIFICANCE - MEDIUM
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Internal Audit can give moderate assurance to those charged with governance. Whilst there are no serious weaknesses in the internal control environment within the areas reviewed, there is a need to further enhance controls and to improve the arrangements for managing risks.

Key Findings

We are pleased to report that the procedures in place incorporate the following examples of good practice:

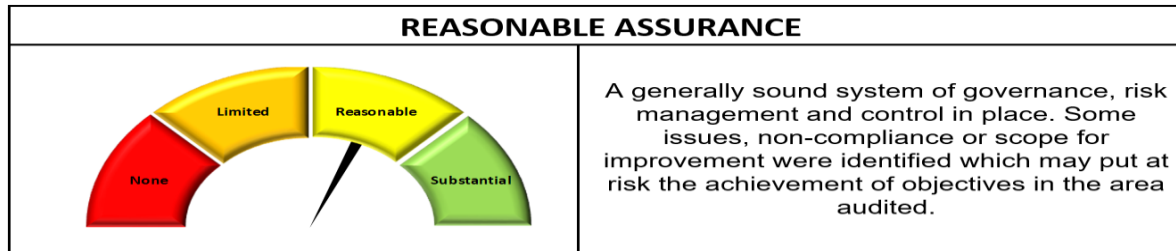
- Media coverage monitoring has been positive, achieving 96% (against a target of 95%) positive or neutral coverage in 2019/20
- The level of engagement from residents across all social media outlets has increased, with the Council now having a 13% increase in active Twitter use in 2019/20), 82% increase in use of Facebook in 2019/20 and a newly launched Instagram account
- Monthly social media and email alert monitoring reports are produced, providing useful performance information to the Council
- The main social media accounts for the Council are restricted to the Communications team only, allowing them to control any communications via this channel
- The Council has introduced targeted social media communications based on market research and data, allowing them to focus on those most likely to use their services.

However, from the work undertaken during the review, we have also identified the following areas where there is scope for improvement to ensure that the system operates more effectively and efficiently:

- The Annual Communications Report does not refer to the objectives set out in the corresponding strategy, leading to a risk that performance against objectives is not adequately reviewed
- The current Communications Strategy does not refer to Council objectives to detail how it aligns with wider priorities
- There has been a significant increase in the communications work over recent months due to Covid-19. To review performance during this time, it could be beneficial to seek feedback through a survey, to evaluate the work done and gather any recommendations should there be second wave in the future.

One medium priority and two low priority recommendations were made and agreed.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1.1 The Annual Communications Report should refer to the strategy, for example detailing the original objectives and under each stating what has been done that year to achieve the objective, supporting figures and performance statistics and a reflection on the performance.	Medium	Review the annual Communications report to more closely reflect the Communications Strategy	Communications Manager	March 2021
2.1. The Communications Strategy should be reviewed and the team should ensure their objectives and actions link to the wider Council objectives. The Council should ensure all objectives are clear and measurable.	Low	Develop a new communications strategy which clearly links communications objectives to corporate objectives	Communications Manager	March 2021
3.1 The Communications team should consider sending out a feedback survey, both internally to staff and externally to service users to establish how they found the communications received during and relating to the Covid-19 pandemic.	Low	Carry out a survey of residents and other stakeholders about the Council's external communications during the pandemic as well as a survey for staff and members about internal communications	Communications Manager	November 2020



Key Findings

Areas of positive assurance identified during the audit:

- Outstanding debt is effectively monitored and reminder letters are issued in accordance with the Debt Recovery Policy.
- Invoices and credit notes were raised accurately and in a timely manner, as per the service areas instructions.
- There are adequate controls in place to ensure all income due is received and payments are posted accurately to accounts, in a timely manner.
- All write offs of debt were made with appropriate justification and appropriate approval, in accordance with the Financial Procedure Rules.
- Reconciliations between the debtor's system and the general ledger are undertaken on a regular basis.
- Exception reports are produced and reviewed and where appropriate action is taken in a timely manner.

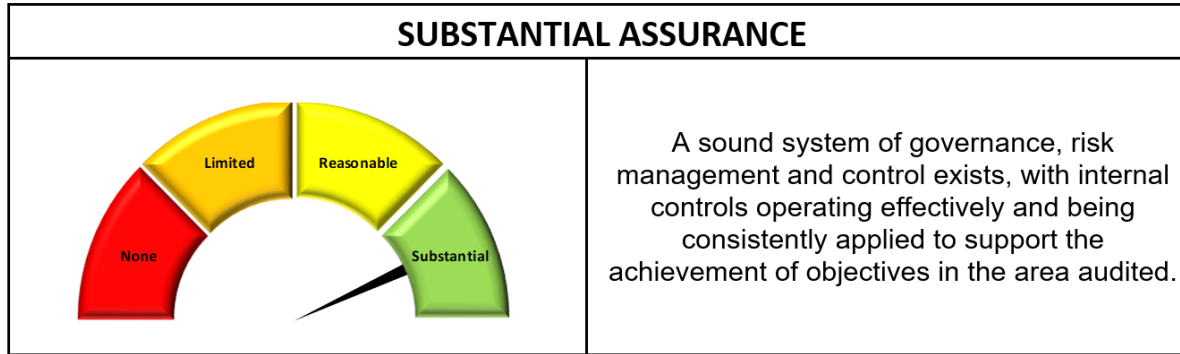
The main areas identified for improvement are:

- The Debt Recovery Policy needs updating to ensure that it is aligned to the Financial Procedure Rules and contradictions within the policy are removed.

One medium priority and three advisory recommendations were made.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The policy is reviewed and updated to ensure consistency and accuracy.	Medium	Agreed.	Head of Financial Services	Dec-20
For debt recovery to be more effective; management should consider changing the invoice request process to include a request for documentation that supports the supply of goods/services, aligning processes with the Debt Recovery Policy	Advisory	Discuss with the Head of Customer Experience the options within Lagan to change the process.	Head of Financial Services	Nov-20
Cancellation requests are retained on the finance system to eliminate the need for a cancellation control sheet.	Advisory	Agreed.	Income Assistants	Sep-20
Management explore methods of making the reconciliation process electronic.	Advisory	Agreed.	Head of Financial Services	Sep-20

2020/21 OFFICE 365 SECURITY AND REMOTE CONNECTIONS



Key Findings

Areas of positive assurance identified during the audit include:

- Internal MS Teams meetings authenticate against the established active directory (AD) which is managed by the ICT team. External meetings can be held but they are only admitted to the lobby and have to be authorised by the meeting organiser.
- Review of meeting ID logs showed all were unique. Default settings for Zoom enforce video off for all participants – this can only be controlled by the meeting organiser. All meetings now require a waiting room and are passcode enabled.
- The procedure for setting up new users with an account on the active directory and assigning them an email account has been defined and is up to date.
- All administrators have been set up with separate accounts (i.e. administrative and standard) in line with best practice.
- Our review of domain admin listings showed all individuals who had been assigned domain administrator privileges in the active directory had a valid business need for their access.
- It was confirmed that HR standardised forms had been completed documenting line manager approval for all sampled.
- Dual factor authentication is used for remote working.
- Backups are run using a cloud hosted application, so all backups are held offsite in a secure data centre. The solution is segregated from the Council's main corporate network. Backups are also made to tape media and stored offsite.
- All backups were ran successfully for the week reviewed. All backups were completed in a timely manner based on the retention cycle referred to in the backup policy.

- Confidential and personal data is prevented from being sent.

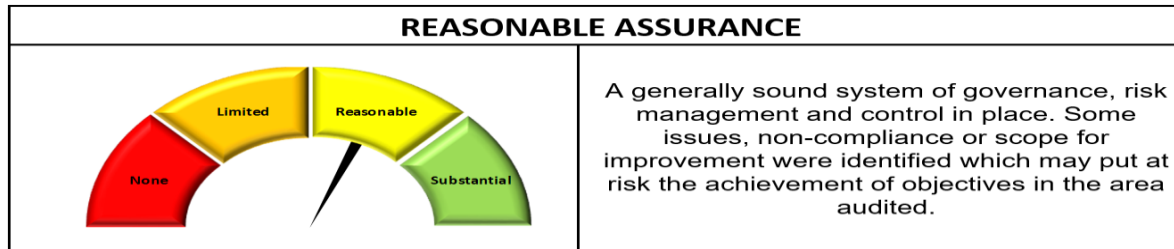
The main areas identified for improvement are:

- Phishing exercises and standard user training.
- Staff awareness of local backup limitations and the need to store information securely (not locally) could be improved.

Three low priority recommendations were made.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The suppliers of the phishing and leadership awareness service should be asked to include the ability to train standard users where exceptions are identified from the phishing exercise.	Low	Agreed	ICT Service Delivery Manager	Dec-20
Management should also look to utilise the free email security training provided by the National Cyber Security Centre.	Low	Agreed	ICT Service Delivery Manager	Dec-20
Management should emphasise to staff the importance of not saving data locally on dual access machines, through official notices and training.	Low	Agreed	ICT Service Delivery Manager	Dec-20

2020/21 TREE PRESERVATION ORDERS



Key Findings

Areas of positive assurance identified during the audit:

- The location of Tree Preservation Orders (TPO's) is made available to members of the public through GIS mapping and orders are made available for public inspection, in accordance with legislative requirements.
- Procedures in place for making and confirming orders are in line with legislation and government guidance.
- There are clear written procedures and flow charts in place as to what happens with potential enforcement cases.
- Unauthorised work on trees/woodlands with TPO's or within conservation areas is dealt with appropriately.
- There are adequate procedures in place for dangerous trees to ensure works are carried out in accordance with Regulation 14 of the Town and Country Planning Regulations 2012 and to ensure trees with TPO's are considered where planning permission is being deliberated.

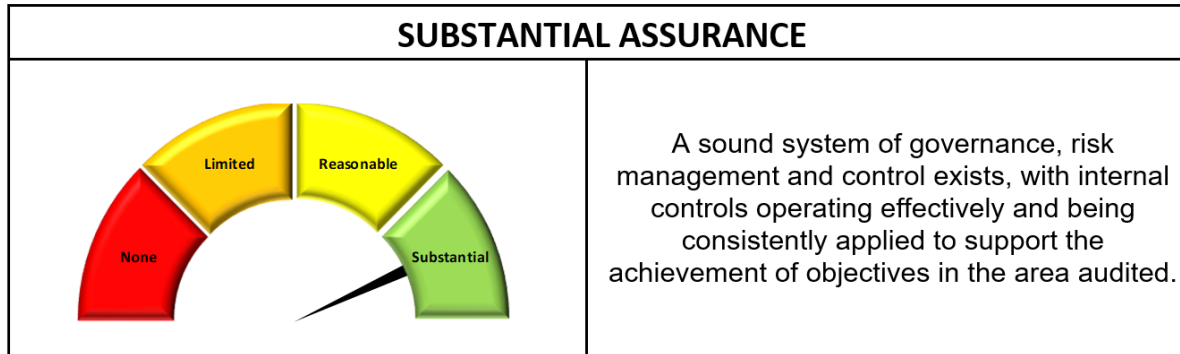
The main areas for improvement are:

- The introduction of procedures to monitor the replacement trees process.

One medium priority recommendation was made

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
a) A procedure is put in place to monitor the replacement of trees. b) Follow up action is undertaken in line with that procedure to ensure that where enforcement action is required this can be undertaken within the timescales prescribed by legislation.	Medium	Agree to establish a procedure and cascade to the relevant staff.	Head of Planning and Regeneration and Team Leader Natural and Built Environment.	December 2020

2020/21 DEVELOPMENT MANAGEMENT



Key Findings

Areas of positive assurance identified during the audit:

- Appropriate measures have been put in place in response to COVID-19 and the current public health guidelines and the council have adapted well to ensure these have not hindered the planning process.
- National fees and charges have been set in accordance with legislation and pre-application advisory fees have been appropriately approved in accordance with the Council's Constitution.
- There are robust procedures in place for the processing and approval of applications and processing of appeals ensuring that all are processed in accordance with the Town and Country Planning Legislation.
- Positive progress is being made through the improvement of software and initiatives to improve procedures to ensure compliance with General Data Protection Regulations.
- There are adequate procedures in place for the processing of refunds.
- Performance data is accurately collected and reported as required.
- All decisions are authorised under delegated authority and this is reflected on the officer's report and on SharePoint.

The main area identified for improvement is:

- The review of actual income received to income shown as received in the planning system (M3).

One low priority recommendation and one advisory was made.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>Reconciliations between the planning system and the general ledger are completed on a quarterly basis for income received to ensure all income has been received and accounted for.</p>	<p>Low</p>	<p>A new report has been designed and the team are in the process of writing a new procedure.</p> <p>The new procedure will be implemented in January 2021 and reconciliations will be undertaken weekly.</p>	<p>Customer Support & Technical Officer</p>	<p>January 2021</p>
<p>Fees should be reviewed annually and the review documented and relevantly approved.</p> <p>Officers to be advised even if there has been no change to the fees, this still needs to be documented and approved.</p>	<p>Advisory</p>	<p>Undertaking a review of non-statutory fees currently.</p> <p>Decisions will be recorded through delegated decision.</p>	<p>Group Leader Development Management</p>	<p>April 2021</p>

**RECOMMENDATIONS TRACKER – OVERDUE RECOMMENDATIONS AS AT 11TH DECEMBER 2020
(CRITICAL, HIGH AND MEDIUM PRIORITY)**

APPENDIX C

Report		Recommendation	Priority	Officer Responsible	Target Date	Internal Audit Comments	
2019/20 Audit Reports							
SS RO 5/1 9	Voids Management	1.2	Monitoring of compliance levels of staff should be increased to help mitigate instances of incomplete data via senior office spot checks. N.B Written guidance on key register codes and process for recording keys register dates already in place (last revised October 2019)	Medium	Housing Needs Manager	Jun-20 Extended to Oct-2020	Follow up in July 2020 found that the implementation of the recommendation had been delayed due to the pressures on the service created by Covid-19. At the time of writing this report, no response had been provided to the Internal Audit follow up emails in November and early December.
KF S0 2/1 9	Creditors	2	The production and independent review of an exception report in relation to amendments to standing data is put in place.	Medium	Head of Finance/Senior Payments Officer	Sep-20	In progress – the possibility of these exception reports is being explored with the system provider. Internal Audit will follow up again in December 2020.
SS RO 4/1 9	RR - Materials Ordering and Stock Control	1.1	Management should ensure that there are written procedures in place for stock materials handling and stock control, which give guidance to staff on van stock takes, processing job orders, the goods returns process	Medium	Principle Officer – Repairs and Maintenance	Oct-20	Follow up at end of October found that some written procedures had been produced however these procedures have not yet been rolled out - defer follow up for two months to allow implementation.

			and updating the Service Connect system.				
		2	<p>The Repairs and Maintenance department should document and implement data quality guidelines which lay out the approach to ensuring data across systems is based on accuracy, completeness, consistency, uniqueness, and timeliness within which data quality is managed.</p> <p>This would ensure clarity around the process to be followed and prevent inconsistencies to ensure that a standardised approach has been adopted for Repairs Master Data.</p>	Medium	Principle Officer – Repairs and Maintenance	Oct-20	Follow up at end of October found that some written procedures had been produced however these procedures have not yet been rolled out - defer follow up for two months to allow implementation.
		3	Management should update the van stock process and communicate it to all operatives. In addition, the stock spreadsheet should be updated and reviewed on a regular basis	Medium	Repairs and Investment Manager	Oct-20	Follow up at end of October found that some written procedures had been produced however these procedures have not yet been rolled out - defer follow up for two months to allow implementation.
		4.1	The returns procedure should be documented and distributed to operatives.	Medium	Principle Officer – Repairs and Maintenance	Oct-20	Follow up at end of October found that some written procedures had been produced however these procedures have not yet been rolled out - defer follow up for two months to allow implementation.

		4.2	Management should put procedures in place to monitor stock usage levels (e.g. highlighting unusual items being procured and excessive amounts of spending by a particular operative).	Medium	Principle Officer – Repairs and Maintenance	Oct-20	Follow up at end of October found that some written procedures had been produced however these procedures have not yet been rolled out - defer follow up for two months to allow implementation.
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INTERNAL AUDIT PERFORMANCE INDICATORS

PERFORMANCE MEASURE	POSITION AS AT 11 th DECEMBER 2020	COMMENTS
Delivery of 2020/21 Audit Plan	25%	A further four audits are in progress and three are at the engagement planning stage.
Percentage of Client Satisfaction with the Internal Audit Service	100%	Based on two returns for 20/21.
Compliance with the Internal Audit Standards	Conforms	Inspection took place w/c 30 th November 2020. Feedback provided which confirms that we conform with the Public Sector Internal Audit Standards with only two recommendations to address minor points. Final report will be presented to February 2021 Audit Committee.
Compliance testing of completed recommendations	100%	Follow up testing is up to date however some delays in implementation of recommendations due to Covid-19.

Business Grants Assurance – Progress Report December 2020

1. Introduction

- 1.1 The purpose of this report is to provide assurance following the work undertaken by Internal Audit to ensure that business grants have been administered by Charnwood BC in line with government guidance.
- 1.2 In response to the Coronavirus, Covid-19, the Government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors. The support took the form of two grant funding schemes consisting of either the **SBGF** (a one-off grant of £10,000 available to small businesses) or the **RHLGA/B** (a grant based on rateable property value, connected to unique properties operating for the purposes of retail/leisure/hospitality, of either £10,000 or £25,000 depending upon the rateable value in question). To ensure that these payments were made as quickly as possible to support struggling businesses (as requested by central government) minimal pre-payment checks were carried out by Charnwood BC for the SBGF and RHLGA/B payments.
- 1.3 In addition to the above funding, the Government announced further funding (**Discretionary Grant Fund**) aimed at small businesses with ongoing fixed property-related costs, but that were ineligible under the other two schemes, with the onus on prioritising businesses in shared spaces, regular market traders, small charity properties that would meet the criteria for Small Business Rates Relief, and bed and breakfasts that pay council tax rather than business rates. However local authorities were able to choose to make payments to other businesses based on local economic need and the allocation of funding was at the discretion of the local authority. Businesses applying for the Discretionary Grant Fund had to provide supporting evidence which was assessed by a grants review team using the Charnwood BC Discretionary Business Grant Fund Policy.
- 1.4 Internal Audit completed the Business Grants Assurance Fraud Risk Assessment and in line with the level of fraud risk identified for each grant scheme, have undertaken a comprehension risk-based review of all grant applications paid in relation to the COVID19 outbreak.

It should be noted that in the interests of preventing fraud only a high-level overview of our work has been provided in this report.

2. SBF and RHLGA/B

2.1 Our analysis has been performed in four stages:

Stage 1 – A preliminary analysis which consisted of checks on duplicate information within each grant application and other observations as necessary, including local knowledge, to determine if the payments we identified required further investigation from a fraud and error perspective.

Stage 2 – A check through the government's Spotlight system on all applications by incorporated entities where companies/charities are tested against seven key criteria:

- Entity formed >6 months
- Entity dissolved/wound up
- Entity voluntary insolvency 2018
- Entity with a single Director
- Entity with two Directors
- Accounts not filed
- Accounts overdue

At this stage we have focused on Spotlight output where entities were either subject to striking-off order, those that had been dissolved at the time the grant was made or those that had account submissions that were overdue.

Stage 3 – A bank account check through National Fraud Initiative/ Experian, on all successful applications that had not previously provided bank information, to ensure that bank accounts were matched to the applicant, accounts were open, and no other anomalies were identified.

Stage 4 - Pre-payment assurance checks during the final stages of the grant period to prevent incorrect payments being made. The reduced number of grant applications made it possible to introduce this to the process and included checks as identified in stage 1 and 2 but, additionally grant applicants were required to provide evidence with their application.

2.2 Table 1 below shows a summary of the numbers of SBF and RHLGA/B grants reviewed by Internal Audit and those flagged for further investigations.

Table 1 SBGF & RHLGA/B

	SBGF	RHLGA/B	TOTAL
Total Applications Paid and Reviewed	1905	624	2529
Preliminary Analysis findings:			
Suspicious duplicate claims	9	0	9
Business conducted not in line with grant conditions	17	1	18
Other concerns	21	22	43
SUM OF FLAGGED APPLICATIONS (PERCENTAGE OF TOTAL APPLICATIONS)	47 (2.5%)	23 (3.7%)	70 (2.8%)
Spotlight Analysis findings:			
Total processed	1047	455	1502
Entity dissolved/wound up pre-2019	0	0	0
Entity dissolved/wound up post-2019	5	1	6
Entity subject to strike-off order	4	3	7
Other concerns	6	6	12
SUM OF FLAGGED APPLICATIONS (PERCENTAGE OF TOTAL APPLICATIONS)	15 (1.4%)	10 (6.5%)	25 (1.7%)
NFI/Experian Analysis findings:			
Total processed	1279	228	1507
Bank account flagged by Experian	114	6	120
Existence flagged by Experian	29	9	38
Other flags	66	17	83
SUM OF FLAGGED APPLICATIONS (PERCENTAGE OF TOTAL APPLICATIONS)	209 (16%)	32 (14%)	241 (16%)
Pre-Payment Findings:			
Total processed			72
Passed for payment			20 (28%)
Potential Fraud (attempted)			24 (33%)
Not eligible			28 (39%)

3. Discretionary Grant Fund

3.1 Internal Audit reviewed the assessment decisions made by the grant review team and any discrepancies were passed back to the team to follow up. As not all applicants would receive a grant a random sample of applicants was initially selected to ensure consistency in the application of the discretionary policy.

3.2 Following the ratification of applications, all that had been passed for payment were reviewed for eligibility and assurance purposes by Internal Audit prior to the payment being made.

3.3 Internal Audit reviews of grant awards were carried out in 2 stages:

Stage 1 – A preliminary analysis which consisted of checks on duplicate information within each grant application and other observations as necessary, including local knowledge, to determine if the payments we identified required further investigation from a fraud and error perspective. We also reviewed evidence provided by applicants to verify the assessed level of grant awarded and checks performed by the grant review team.

Stage 2 – A check through the government’s Spotlight system, as detailed previously.

3.4 Table 2 below shows a summary of the work undertaken by Internal Audit on the Discretionary Grant Fund.

Table 2 Discretionary Grant Fund

Total Applications Received	357
Total Grants Awarded	169
Preliminary Analysis findings:	
Further Review	78 (34%)
Satisfactory	153 (66%)
SUM OF APPLICATIONS REVIEWED	231
Spotlight Analysis findings:	
Total processed	268
Entity dissolved/wound up pre-2019	0
Entity dissolved/wound up post-2019	1
Entity subject to strike-off order	0
Other concerns	46
SUM OF FLAGGED APPLICATIONS	47 (17.5%)

4. Summary

- 4.1 The assurance work has largely been completed now and the additional checks undertaken by Internal Audit have ensured that the government requirements in administering the grants have been met to date. There are just 13 grant payments that are still under review. It should be noted however that the National Fraud Initiative will be undertaking data matching across the grants payments and these results are expected to be available by 31st March 2020. Time will be allocated for Internal Audit to review these matches in the 2021/22 audit plan.
- 4.2 The investigation work has all been undertaken by Internal Audit and where errors or frauds have been identified Internal Audit have taken direct action with the applicants to recover the payments and liaise with the relevant agencies. Those that were paid and subsequently found to be ineligible that have not repaid their grant following requests from Internal Audit have been passed to the debtors team to invoke their debt recovery processes and continued non-payment will lead to escalation to central government in line with government guidance.
- 4.3 Table 3 gives a summary of outcomes from the post payment assurance work on SBG and RHLGA/B by Internal Audit.

	NUMBER	VALUE	VALUE AS A PERCENTAGE OF TOTAL PAID
INITIALLY IDENTIFIED AS REQUIRING FURTHER INVESTIGATION*	168	£2,055,000.00	6.7%
PROBABLE FRAUDS	17	£185,000.00	0.6%
PROBABLE ERRORS	40	£670,000.00	2.2%
STILL UNDER REVIEW	13	£145,000.00	0.5%
RECOVERED/ IN RECOVERY PROCESS	33	£420,000.00	1.4%
REPORTED FOR FURTHER ACTION/ PROSECUTION	2	£35,000.00	0.1%

*note that some payments flagged at more than one stage therefore only counted once in this table.

AUDIT COMMITTEE – 22nd DECEMBER 2020

Report of the Strategic Director for Environment and Corporate Services

Part A

ITEM 8 RISK MANAGEMENT (RISK REGISTER) UPDATE

Purpose of Report

The purpose of this report is to provide the Committee with details of the Strategic Risk Register produced for the period to 2020/21, and also to provide information on the risk register that has been compiled to reflect the ongoing COVID-19 situation.

Recommendation

The Committee notes the report.

Reason

To ensure the Committee is kept informed of progress against the strategic risks that should they crystallise would cause the Council to be unable to operate and/or provide key services leading to a significant adverse effect on public wellbeing, and also about the COVID-19 risk register.

Policy Justification and Previous Decisions

The Strategic Risk Register was approved by Cabinet on the 13th February 2020. Cabinet resolved that the Audit Committee monitor progress against those risks on the register by receiving and considering monitoring reports on a quarterly basis.

Implementation Timetable including Future Decisions

Reports will continue to be submitted to the Committee on a quarterly basis.

Report Implications

The following implications have been identified for this report.

Financial Implications

None

Risk Management

There are no specific risks associated with this decision.

Background Papers: None

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Helen Gretton
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Part B

Background

1. In accordance with the Committee's work programme the Committee receives monitoring reports in respect of the Council's risk management arrangements. The reports provide a detailed commentary against the risks included in the strategic risk register and the COVID-19 risk register.

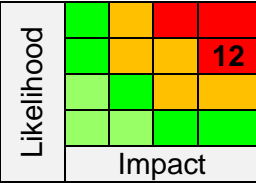
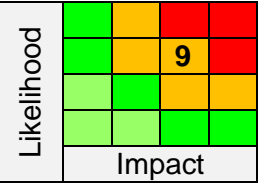
Development of the Strategic Risk Register and COVID-19 Risk Register

2. In reading the risk registers attached in the appendices, it is important to understand that the 'Overall Score' shown in the first risk matrix is the risk that the Council would bear if **no** actions were taken to mitigate the risk. In the vast majority of cases the Council is able to operate risk mitigation processes which result in the lower 'Net Risk Score' shown in the second risk matrix it is this latter score which represents the current assessment of strategic risks faced by the Council.
3. The registers will continue to be monitored and reviewed by the Senior and Corporate Leadership Teams at the quarterly Risk Management Group meetings, and will be updated as required.
4. An additional risk has been added to the Strategic Risk Register since the Committee's last review (SR-6), which relates to the proposed Environment Bill.
5. An additional risk has also been added to the COVID-19 risk register (CVD-8), which relates to the increased length of time that many staff are spending home-working and the potential consequences arising from that.

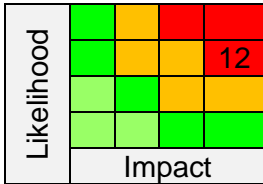
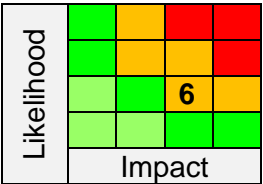
Appendices

- Appendix 1 - Strategic Risk Register
- Appendix 2 – COVID-19 Risk Register

Strategic Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
SR1 Inadequate business continuity and recovery arrangements, resulting in major internal and/or external disruption to services in the event of an incident.	Strategic	<ul style="list-style-type: none"> • Inability to deliver key/critical services e.g.benefits, refuse collection, homelessness applications, emergency repairs. • Reduction in access channels available to residents / customers i.e. contact centre, customer services, telephony 			MAINTAIN AS CURRENT
Current Treatments and Controls	<ul style="list-style-type: none"> • Business Continuity Planning • IT Disaster Recovery Plan • Website hosted externally • Off-site data back-up arrangements • Stand-by generator for ICS building • Cloud based telephony infrastructure • Contingency planning for failure of major contractor 				
Risk Owner	Strategic Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> September 2020 – link to work regarding concurrent incidents Link to workforce mental health	<u>Responsible Officer:</u> Head of Strategic Support	<u>Target Date:</u> Ongoing		

Strategic Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
SR2 Inadequate data sharing and data security arrangements.	Strategic	<p>Ineffective processes for sharing data with other agencies / authorities leading to data breaches</p> <p>Major reputational damage and loss of public confidence</p> <p>Potentially significant fines</p> <p>Increased risk due to the operating processes and people possibly taking documents home</p>			MAINTAIN AS CURRENT
Current Treatments and Controls	<ul style="list-style-type: none"> • Information sharing agreements in place with key agencies and authorities • Annual IT health checks including penetration testing • Data Protection Officer in post • Data protection training and awareness for staff and councillors • IT security policies in place • Protective marking of emails • Policies are reviewed on a regular basis • Data Protection Impact Assessment form developed and circulated • Information Security Group to be established with CLT 				
Risk Owner	Strategic Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Not Applicable	<u>Responsible Officer:</u> N/A	<u>Target Date:</u> N/A		


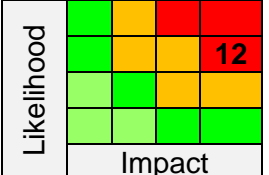
Strategic Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel																																												
SR3 Inadequate civil contingency arrangements resulting in failure to respond appropriately to a major incident (eg. flooding, terrorism etc).	Strategic	<ul style="list-style-type: none"> • Inability to respond to affected peoples' basic needs (food, shelter etc) • Adverse effect on the local economy • Major reputational damage and loss of public confidence • Extending the recovery phase longer than necessary • Dealing with the COVID pandemic will have a negative effect on the management of concurrent incidents 	<table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>High</td> <td>Medium</td> <td>Low</td> <td>16</td> </tr> <tr> <td>Medium</td> <td>High</td> <td>Medium</td> <td></td> </tr> <tr> <td>Medium</td> <td>Medium</td> <td>High</td> <td></td> </tr> <tr> <td>Low</td> <td>Low</td> <td>Low</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Impact</td> <td></td> </tr> </table>	Likelihood	High	Medium	Low	16	Medium	High	Medium		Medium	Medium	High		Low	Low	Low					Impact		<table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>High</td> <td>Medium</td> <td>Low</td> <td>12</td> </tr> <tr> <td>Medium</td> <td>High</td> <td>Medium</td> <td></td> </tr> <tr> <td>Medium</td> <td>Medium</td> <td>High</td> <td></td> </tr> <tr> <td>Low</td> <td>Low</td> <td>Low</td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td>Impact</td> <td></td> </tr> </table>	Likelihood	High	Medium	Low	12	Medium	High	Medium		Medium	Medium	High		Low	Low	Low					Impact		MAINTAIN AS CURRENT
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Current Treatments and Controls	<ul style="list-style-type: none"> • Participation in the Local Resilience Partnership and Forum (LRP and LRF) – and awareness of guidance regarding concurrent incident with COVID • Appropriate emergency and incident planning in place • Regular Testing and exercising of emergency plans • Training and awareness for relevant staff • 24/7 call-out arrangements for senior managers (SMT / CMT) • Participation in county-wide Events Safety Group (SAG) • Reviews periodically undertaken within current Treatments and Controls 																																																
Risk Owner	Chief Executive																																																
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Participation in LRF's 'no-deal' Brexit planning processes, including appointment of a 'Brexit Lead Officer' Internally we have established the EU/UK Transition Working Group		<u>Responsible Officer:</u> Head of Strategic Support Head of Strategic Support		<u>Target Date:</u> Ongoing Ongoing																																												

Strategic Risk Register

	<p>September 2020 – work with LRF partners regarding Covid and the changes in infection rates and the availability of support for concurrent incidents including rest centres</p>		
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Strategic Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
SR4 Significant reduction in external funding and/or income generated leading to a reduction in the financial resources available for service provision and/or to fund corporate objectives.	Strategic	<ul style="list-style-type: none"> • Inability to meet demand for services • Inability to meet statutory duties • Ceasing or reducing some services 			MAINTAIN AS CURRENT
Current Treatments and Controls	<ul style="list-style-type: none"> • Annual production and monitoring of Medium Term Financial Strategy (MTFS) • Treasury Management Strategy • Budget and revenue monitoring processes • Business continuity planning • Production and monitoring of efficiency plan • Maintenance of reserves at specified required levels • Monitor, consider and respond to government proposals affecting budgets and/or income • Consider commercialisation opportunities • Due to the implications of the COVID pandemic the financial challenge and impact is greater • Consider the effect of the Autumn Statement 				
Risk Owner	Strategic Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Not Applicable	<u>Responsible Officer:</u> N/A	<u>Target Date:</u> N/A		

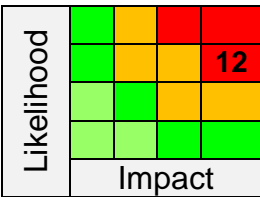
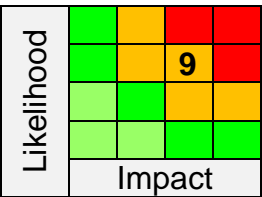
Strategic Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel																																																												
SR5 Ineffective strategic communication arrangements	Strategic	<ul style="list-style-type: none"> • Reputational damage • Adverse media coverage • Damage to relationships with partners • Damage to staff morale • Competing demands due to the COVID pandemic 	<table border="1"> <tr><td>Likelihood</td><td>Green</td><td>Yellow</td><td>Red</td><td>Red</td></tr> <tr><td></td><td>Green</td><td>Yellow</td><td>9</td><td>Red</td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Yellow</td><td>Yellow</td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td>Green</td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td>Green</td></tr> <tr><td></td><td colspan="4">Impact</td></tr> </table>	Likelihood	Green	Yellow	Red	Red		Green	Yellow	9	Red		Green	Green	Yellow	Yellow		Green	Green	Green	Green		Green	Green	Green	Green		Impact				<table border="1"> <tr><td>Likelihood</td><td>Green</td><td>Yellow</td><td>Red</td><td>Red</td></tr> <tr><td></td><td>Green</td><td>Yellow</td><td>Yellow</td><td>Red</td></tr> <tr><td></td><td>Green</td><td>Green</td><td>6</td><td>Yellow</td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td>Green</td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td>Green</td></tr> <tr><td></td><td colspan="4">Impact</td></tr> </table>	Likelihood	Green	Yellow	Red	Red		Green	Yellow	Yellow	Red		Green	Green	6	Yellow		Green	Green	Green	Green		Green	Green	Green	Green		Impact				MAINTAIN AS CURRENT
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Current Treatments and Controls	<ul style="list-style-type: none"> • Adequately staffed and experienced corporate communications team – including additional resources to support the ongoing COVID pandemic • Corporate Communications Plan in place • Regular monitoring of all media sources • Continue to expand on social media use and reach • ‘Horizon scanning’ for potential communication issues at each Corporate Leadership Team meeting 																																																																
Risk Owner	Chief Executive																																																																
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Not Applicable		<u>Responsible Officer:</u> N/A		<u>Target Date:</u> N/A																																																												

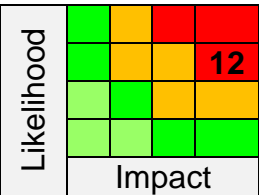
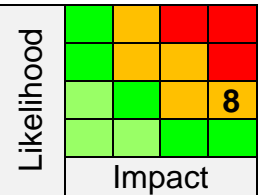
Strategic Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel																																												
SR6 – Risk that the proposed Environment Bill will cause financial hardship to the Council due to loss of income relating to Garden Waste and the additional cost of food waste collection and garden waste collection from every household	Strategic	<ul style="list-style-type: none"> Financial damage Reputational damage Not complying with legislation 	<table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>High</td> <td>Medium</td> <td>Low</td> <td>16</td> </tr> <tr> <td>Medium</td> <td>Medium</td> <td>Low</td> <td></td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>Low</td> <td></td> </tr> <tr> <td>Very Low</td> <td>Medium</td> <td>Low</td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="3">Impact</td> </tr> </table>	Likelihood	High	Medium	Low	16	Medium	Medium	Low		Low	Medium	Low		Very Low	Medium	Low				Impact			<table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>High</td> <td>Medium</td> <td>Low</td> <td>12</td> </tr> <tr> <td>Medium</td> <td>Medium</td> <td>Low</td> <td></td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>Low</td> <td></td> </tr> <tr> <td>Very Low</td> <td>Medium</td> <td>Low</td> <td></td> </tr> <tr> <td></td> <td></td> <td colspan="3">Impact</td> </tr> </table>	Likelihood	High	Medium	Low	12	Medium	Medium	Low		Low	Medium	Low		Very Low	Medium	Low				Impact			MAINTAIN AS CURRENT
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Current Treatments and Controls	<ul style="list-style-type: none"> Lobbying MP's regarding the implications of the Bill Monitoring the Bill as it moves through Parliament Meeting with DEFRA Liaising with other Districts Reviewing and understanding the financial implications (full modelling would require external assistance) 																																																
Risk Owner	Strategic Director of Environment and Corporate Services																																																
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Bill is at the Committee Stage – will monitor and update the risk accordingly	<u>Responsible Officer:</u> Head of Cleansing and Open Spaces	<u>Target Date:</u> Ongoing																																														

COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
<p>CVD- 1 Risk that Charnwood does not adequately monitor the data relating to COVID-19 and respond appropriately to the fluctuations in infection rates and the changes in tiers</p>	<p>Strategic</p>	<p>Officer time diverted from recovery and back to response.</p> <p>Risk of reputational impact as requirement to respond in reasonable way.</p> <p>Increased importance of regular data monitoring Interpretation of rules and regulations (Rule of 6)</p>			<p>KEEP UNDER CONSTANT REVIEW</p>
<p>Current Treatments and Controls</p>	<ul style="list-style-type: none"> • Many of the controls and measures are at a national level • Data reviewed at the weekly COVID Monitoring Group • PHE and PH Leicester and Leicestershire carefully reviewing the data through regular meetings • Charnwood IMT established • Increased LRF activity • Increased testing in affected locations • Increased community messages in affected locations • Review of high risk locations / businesses • Reviewing the use of Council resources • Proportionate communications in the Borough – linked with PH Leicester and Leicestershire 				
<p>Risk Owner</p>	<p>Strategic Director of Environment and Corporate Services</p>				
<p>Planned Future Actions and Responsible Officers).</p>	<p><u>Description:</u> Ongoing assessment of data and response</p>	<p><u>Responsible Officer:</u> Strategic Director of Environment and Corporate Services</p>	<p><u>Target Date:</u> Ongoing</p>		

COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
CVD-2 Risk that there are inadequate health and safety arrangements for staff, Members and volunteers, resulting in infection by the virus.	Strategic	<ul style="list-style-type: none"> •Sickness absence •Loss of confidence •Reputational damage •Legal action and claims for damages 			KEEP UNDER CONSTANT REVIEW
Current Treatments and Controls	<ul style="list-style-type: none"> • Health & Safety Group established and meeting regularly • Appropriate use and monitoring of stock levels of PPE (personal protective equipment) • Monitoring and applying relevant national guidance • Introduction of extensive home working to comply with social distancing requirements • Use of remote meeting powers for council and committee meetings • Home visit protocol developed and updated. • Generic Risk Assessments in place and communicated to HoS • Updates to CLT/SLT through BCG. • Longer term DSE assessment being developed leading to potential equipment requirements which will be addressed 				
Risk Owner	Head of Regulatory Services				
Planned Future Actions and Responsible Officer(s).	<ul style="list-style-type: none"> • <u>Description</u>:Revision to Home Visit Protocol • Generic Staff Homeworking VDU Assessments to be updated • PPE equipment requirements on-going reviewed and inform SLT • Advice for staff regarding testing • Allocation of flu vouchers to protect against seasonal flu 	<u>Responsible Officer</u> : Head of Regulatory Services (Chair of Health & Safety Group)	<u>Target Date</u> : Ongoing		

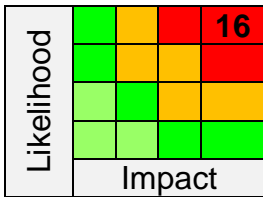
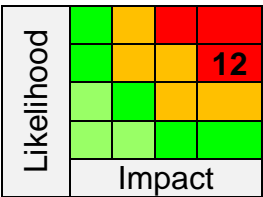
COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel																																												
CVD-3 (linked to SR5) Risk that there are inadequate communications arrangements (internal and external)	Strategic	<ul style="list-style-type: none"> •Major reputational damage and loss of public confidence •Members, residents and staff unaware of latest guidance and developments •Vulnerable groups unaware of potential support options •Businesses unaware of potential grant funding arrangements •Competing demands placed on the comms team 	<table border="1"> <tr><td rowspan="4">Likelihood</td><td>High</td><td>High</td><td>High</td><td>High</td></tr> <tr><td>Medium</td><td>High</td><td>9</td><td>High</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Low</td><td>Low</td><td>Low</td><td>Low</td></tr> <tr><td></td><td colspan="4">Impact</td></tr> </table>	Likelihood	High	High	High	High	Medium	High	9	High	Medium	Medium	Medium	Medium	Low	Low	Low	Low		Impact				<table border="1"> <tr><td rowspan="4">Likelihood</td><td>High</td><td>High</td><td>High</td><td>High</td></tr> <tr><td>Medium</td><td>High</td><td>6</td><td>High</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Low</td><td>Low</td><td>Low</td><td>Low</td></tr> <tr><td></td><td colspan="4">Impact</td></tr> </table>	Likelihood	High	High	High	High	Medium	High	6	High	Medium	Medium	Medium	Medium	Low	Low	Low	Low		Impact				KEEP UNDER CONSTANT REVIEW
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Current Treatments and Controls	<ul style="list-style-type: none"> • Communications team in place using various suitable channels (website, press releases, social media) • Participation in the LRF communications cell • Review of comms resources • Monitor of resources particularly around concurrent incidents 																																																
Risk Owner	Chief Executive																																																
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Not Applicable	<u>Responsible Officer:</u> N/A	<u>Target Date:</u> N/A																																														

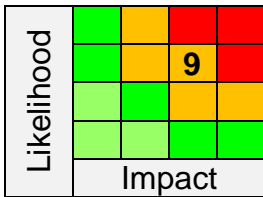
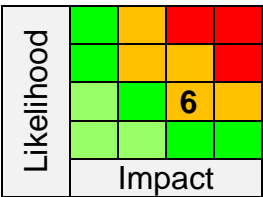
COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel																																																																						
CVD-4 (linked to SR3) Risk that there are inadequate civil contingency arrangements resulting in failure to respond appropriately to the COVID-19 major incident	Strategic	<ul style="list-style-type: none"> • Inability to respond to affected peoples' basic needs (food, shelter etc) • Adverse effect on the local economy • Major reputational damage and loss of public confidence • Extending the recovery phase longer than necessary • Consideration of concurrent events such as flooding, Brexit, terrorism 	<table border="1"> <tr><td>Likelihood</td><td>Green</td><td>Yellow</td><td>Red</td><td>16</td></tr> <tr><td></td><td>Green</td><td>Yellow</td><td>Yellow</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Yellow</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td></td></tr> <tr><td>Impact</td><td></td><td></td><td></td><td></td></tr> </table>	Likelihood	Green	Yellow	Red	16		Green	Yellow	Yellow			Green	Green	Yellow			Green	Green	Green			Green	Green	Green			Green	Green	Green		Impact					<table border="1"> <tr><td>Likelihood</td><td>Green</td><td>Yellow</td><td>Red</td><td>12</td></tr> <tr><td></td><td>Green</td><td>Yellow</td><td>Yellow</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Yellow</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td></td></tr> <tr><td></td><td>Green</td><td>Green</td><td>Green</td><td></td></tr> <tr><td>Impact</td><td></td><td></td><td></td><td></td></tr> </table>	Likelihood	Green	Yellow	Red	12		Green	Yellow	Yellow			Green	Green	Yellow			Green	Green	Green			Green	Green	Green			Green	Green	Green		Impact					KEEP UNDER CONSTANT REVIEW
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Current Treatments and Controls	<ul style="list-style-type: none"> • Participation in the Local Resilience Partnership and Forum (LRP and LRF) • Implementation of relevant business grants schemes • Implementation of a 'Community Hub' at John Storer House • Moved on to Recovery • Major incident plan has been updated by LRF • Consider the implications of Concurrent incidents • Establishment of Evacuation and Temporary Shelter Group which will include a review of rest centres 																																																																										
Risk Owner	Chief Executive																																																																										
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Continued participation in LRF's SCG and TCG, and recovery cells Monitor LRF Rising Tide Plan	<u>Responsible Officer:</u> Chief Executive and Head of Strategic Support	<u>Target Date:</u> Ongoing																																																																								

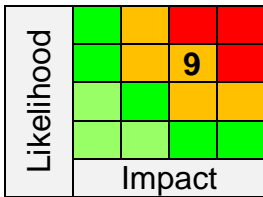
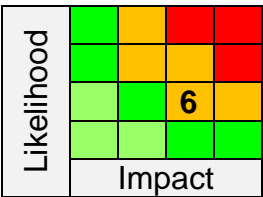
COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
CVD- 5 (linked to SR4) Risk that there is a significant reduction in income generated leading to a decrease in the financial resources available for service provision and/or to fund corporate objectives.	Strategic	<ul style="list-style-type: none"> •Inability to meet demand for services •Inability to meet statutory duties •Ceasing or reducing some services 			KEEP UNDER CONSTANT REVIEW
Current Treatments and Controls	<ul style="list-style-type: none"> • Budget and revenue monitoring processes • Business continuity planning • Development of a revised budget during the 2020/21 financial year • Ongoing review of the funding available from Central Government (i.e 71% of income) • Respond to request from Govt through Delta returns 				
Risk Owner	Strategic Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Review of budget and related strategies by autumn 2020. Monitor at half year point	<u>Responsible Officer:</u> Strategic Director of Environment and Corporate Services	<u>Target Date:</u> Ongoing		

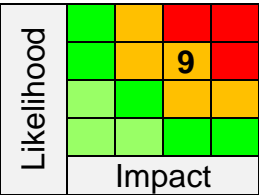
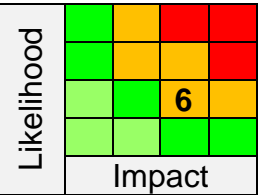
COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
CVD- 6 Risk that there is a breakdown in IT service caused by equipment, failure of internet connections, or staff shortages resulting in a reduction or lack of service delivery	Strategic	<ul style="list-style-type: none"> Inability of significant numbers of staff to continue with effective home working leading to service disruption Individual risks regarding connectivity 			KEEP UNDER CONSTANT REVIEW
Current Treatments and Controls	<ul style="list-style-type: none"> Secure and resilient IT infrastructure at Network and Server levels Performance and security monitoring in place by key staff and (where appropriate) by suppliers Automated backup schedule, in line with agreed retention policies Ensuring correct and updated contact numbers on emergency contact lists Alternative contacts and secondary responsibilities in place for key functions and tasks Introduction of extensive home working to comply with social distancing requirements Consideration of IT supporting agile working in the recovery phase Consideration of supporting extended working hours Review of individual risk regarding connectivity and solutions considered such as using own devices 				
Risk Owner	Strategic Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Ongoing maintainance of current infrastructure and equipment Linking back to the IT strategy Link to partners Agile working	<u>Responsible Officer:</u> Strategic Director of Environment and Corporate Services	<u>Target Date:</u> N/A		

COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
CVD- 7 Risk that a significant number of staff become affected by COVID-19 leading to a reduction in service delivery, specifically in services identified as critical.	Strategic	<ul style="list-style-type: none"> Inability to deliver services Availability of tests 			KEEP UNDER CONSTANT REVIEW
Current Treatments and Controls	<ul style="list-style-type: none"> Review of sickness being undertaken through the COVID Monitoring Group Staff skills audit undertaken Critical staff being reviewed regarding testing Redeployment processes in place 				
Risk Owner	Strategic Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	<u>Description:</u> Ongoing assessment of data and redeployment requirements	<u>Responsible Officer:</u> Strategic Director of Environment and Corporate Services	<u>Target Date:</u> Ongoing		

COVID-19 Risk Register

Risk Code and Title	Primary Risk Type	Potential Consequences	Inherent Risk Matrix	Residual (Current) Risk Matrix	Direction of Travel
CVD-8 Risk that because there is a greater level of homeworking due to the pandemic that staff will encounter health issues leading to increased sickness absence and staff retention.	Strategic	<ul style="list-style-type: none"> • Long term sickness absence – both physical and mental health • Staff retention 			KEEP UNDER CONSTANT REVIEW
Current Treatments and Controls	<ul style="list-style-type: none"> • Revised DSE Assessments compiled • Staff who are struggling are able to return to the office – post lockdown 2.0 • Equipment being made available and processes being established for collection / delivery / purchase • Regular Health and Wellbeing advice made available to staff 				
Risk Owner	Director of Environment and Corporate Services				
Planned Future Actions and Responsible Officer(s).	Act on the responses regarding the DSE Assessment Monitor sickness – especially muscular-skeletal and mental health issues	<u>Responsible Officer:</u> Head of Regulatory Services (Chair of Health & Safety Group)	<u>Target Date:</u> Ongoing		

AUDIT COMMITTEE – 22ND DECEMBER 2020

Report of the Head of Strategic Support

Part A

ITEM 9 COUNCIL'S USE OF REGULATORY OF INVESTIGATORY POWERS ACT (RIPA)

Purpose of Report

The purpose of this report is to provide the Committee with a summary of the Council's use of RIPA powers.

Recommendation

The Committee notes that there has been no use of RIPA powers by the Council for the period from 1st September 2020 to 30th November 2020.

Reason

To enable the Committee to comply with the request from Cabinet that the Audit Committee assumes responsibility for receiving a quarterly report on the use of RIPA, and to report to Cabinet any concerns arising from those reports that may indicate that the use of RIPA is not consistent with the Policy or that the Policy may not be fit for purpose.

Policy Justification and Previous Decisions

The use of RIPA to conduct covert surveillance in appropriate instances supports many of the Council's enforcement and anti-fraud policies. The Home Office Code of Practice, which relevant bodies are obliged to follow when using RIPA, requires that elected Members should consider reports on the use of RIPA on at least a quarterly basis to ensure that it is being used consistently with the policy and the policy remains fit for purpose.

Implementation Timetable including Future Decisions

Reports will continue to be submitted to the Committee on a quarterly basis.

Report Implications

The following implications have been identified for this report.

Financial Implications

None.

Risk Management

There are no risks associated with this decision.

Background Papers:

None

Officer to contact:

Adrian Ward
Head of Strategic Support
(01509) 634573
adrian.ward@charnwood.gov.uk

Part B

Background

1. RIPA provides for the authorisation of covert surveillance by the Council where that surveillance is likely to result in the obtaining of private information about a person.
2. Surveillance includes monitoring, observing or listening to persons, their movements, conversations or other activities and communications. Surveillance is covert if it is carried out in a manner calculated to ensure that any persons who are subject to the surveillance are unaware that it is or may be taking place.
3. The Council only has the power to authorise covert surveillance under RIPA for the purpose of preventing or detecting crime, or of preventing disorder. Since 2012, RIPA applications are required to be approved by a Justice of the Peace (JP) at the Magistrates' Court in addition to the existing application and authorisation process. The amendments in the Protection of Freedoms Act 2012 mean that local authority authorisations and notices under RIPA for the use of particular covert investigation techniques can only be given effect once an order approving the authorisation or notice has been granted by a Justice of the Peace (JP).
4. At its meeting on 13th February 2020 Cabinet agreed to resolve that the Audit Committee continue to assume responsibility for receiving a quarterly report on the use of RIPA, and to report to Cabinet any concerns arising from those reports that may indicate that the use of RIPA is not consistent with the Policy or that the Policy may not be fit for purpose. This Committee will therefore continue to receive a regular report on the Council's use of RIPA powers.
5. During the period from 1st September 2020 to the 30th November 2020 the Council made no use of RIPA powers.
6. The Committee has the option to report to Cabinet any concerns arising from RIPA monitoring reports that may indicate that the use of RIPA is not consistent with the Council's RIPA Policy or that the Policy may not be fit for purpose.

AUDIT COMMITTEE – 22ND DECEMBER 2020

Report of the Head of Strategic Support

ITEM 10 WORK PROGRAMME

Purpose of Report

To enable the Committee to consider its Work Programme.

Actions Requested

1. that the Committee considers any items that it wishes to add to or amend, in its work programme for future meetings.
2. That a standing item is included on the Committee's work programme to review Commercial Property acquisitions and process followed on a quarterly basis.

Reasons

1. To enable the Committee to identify future items of business and enable planning for future meetings to be undertaken, for example preparing reports and arranging for the attendance of officers and/or others at meetings.
2. To ensure that Commercial Property acquisitions are monitored appropriately to ensure transparency and due diligence.

Background

The Work Programme agreed at the last meeting of the Committee is attached as an appendix for the consideration of the Committee.

Officer to contact: Nicky Conway
Democratic Services Officer
(01509) 634787
Nicky.conway@charnwood.gov.uk

ISSUE	MEETING
Internal Audit Plan – Progress	22nd December 2020 Quarterly
Treasury Management Mid-Year Review	22nd December 2020 Annually
Risk Management (Risk Register)	22nd December 2020 Quarterly - detailed report every six months, exception report quarters in-between.
Risk register COVID-19	To be scheduled
Council's Use of Regulation of Investigatory Powers Act (RIPA)	22nd December 2020 Quarterly

External Audit Progress Report and Technical Update External Audit Business	22nd December 2020 Quarterly
2020/21 Treasury Management Statement, Annual Investment Strategy and MRP Strategy	February 2021 Annually
2021/22 Internal Audit Plan Internal Audit Business	February 2021 Annually
2020/21 Annual Audit Letter	February 2021 Annually
2021/22 External Audit Plan External Audit Business	February 2021 Annually
Capital Strategy 2021-22	February 2021 Annually
Internal Audit Plan – Progress	February 2021 Quarterly
Risk Management (Risk Register)	February 2021 Quarterly - detailed report every six months, exception report quarters in-between.
Council's Use of Regulation of Investigatory Powers Act (RIPA)	February 2021 Quarterly
External Audit Progress Report and Technical Update External Audit Business	February 2021 Quarterly

2019/20 Annual Internal Audit Report Internal Audit Business	June 2021 Annually
2019/20 Review of the effectiveness of Internal Audit (Feedback from Panel) Internal Audit Business	June 2021 Annually
Internal Audit Charter Internal Audit Business	June 2021 Annually (for approval)
2019/20 Members' Allowances Claimed	June 2021 Annually
Whistle Blowing and Anti-fraud, Corruption and Bribery	June 2021 Annually
Environmental Audits – Report on Outcomes	June 2021 Annually <i>Note: Six month exception report where identified actions are not implemented by the target date.</i>
2020/21 Treasury Management Outturn	June 2021 Annually
Internal Audit Plan – Progress	June 2021 Quarterly
Risk Management (Risk Register) Internal Audit Business	June 2021 Quarterly - detailed report every six months, exception report quarters in-between.
Council's Use of Regulation of Investigatory Powers Act (RIPA)	June 2021 Quarterly
External Audit Progress Report and Technical Update External Audit Business	June 2021 Quarterly
2020/21 Statement of Accounts	July 2021 (Accounts Meeting) Annually
2020/21 Annual Governance Statement and Review of the Code of Corporate Governance	July 2021 (Accounts Meeting) Annually
2020/21 Annual Governance Report External Audit Business	July 2021 (Accounts Meeting)

Environmental Audits Outcomes – Progress update	September 2021
Annual IT Health Check (Code of Connection) Confidential Report	September 2021 Annually
Internal Audit Plan – Progress	September 2021 Quarterly
Risk Management (Risk Register)	September 2021 Quarterly - detailed report every six months, exception report quarters in-between.
Council's Use of Regulation of Investigatory Powers Act (RIPA)	September 2021 Quarterly
External Audit Progress Report and Technical Update External Audit Business	September 2021 Quarterly
Treasury Management Mid-Year Review	December 2021 Annually
Future of Local Public Audit	Report on Government proposals considered 5th July 2011. Further report once final regulations/guidelines are known. <u>Note:</u> Appointing Your External Auditor briefing note considered June 2016.
Policy for Engagement of External Auditors for non-audit work	Considered March 2013. Review policy - date to be agreed