

Public Document Pack



Committee: Accounts, Audit and Risk Committee
Date: Tuesday 6 December 2016
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Mike Kerford-Byrnes (Chairman)	Councillor Ian Corkin (Vice-Chairman)
Councillor Hugo Brown	Councillor Sean Gaul
Councillor Nicholas Mawer	Councillor Barry Richards
Councillor Tom Wallis	Councillor Sean Woodcock

AGENDA

1. **Apologies for Absence and Notification of Substitute Members**
2. **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. **Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

4. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

5. **Minutes** (Pages 1 - 6)

To confirm as a correct record the Minutes of the meeting of the Committee held on 21 September 2016.

6. Chairman's Announcements

To receive communications from the Chairman.

7. Internal Audit - Progress Report 2016/17 (Pages 7 - 10)

Report of Chief Finance Officer

Purpose of report

To receive PwC's verbal progress report summarising their internal audit work to date.

Recommendations

The meeting is recommended:

- 1.1 To note the internal audit progress 2016/17 verbal update.

8. External Audit: Annual Audit Letter 2015/16 (Pages 11 - 40)

Report of Chief Finance Officer

Purpose of report

To allow Members to consider the Ernst and Young LLP Annual Audit Letter. This includes comments on the external audit of the 2015/16 Statement of Accounts.

Recommendations

The meeting is recommended to:

- 1.1 consider the key issues raised in the Letter

9. Corporate Fraud Team Update (Pages 41 - 66)

Report of Chief Finance Officer

Purpose of report

To provide members of Accounts, Audit and Risk Committee with an update on the joint Corporate Fraud team including a progress report for quarter two of 2016-2017 and to present members with the updated Joint Sanctions and Prosecutions Policy.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report
- 1.2 To consider and endorse the updated Joint Sanctions and Prosecutions Policy

10. Quarter Two Risk Review 2016-17 (Pages 67 - 88)

Report of Director - Strategy and Commissioning

Purpose of report

To update the Committee on the management of Strategic, Corporate and Partnership risks during the second quarter of 2016/17.

Recommendations

The meeting is recommended:

- 1.1 To review the full Strategic, Corporate and Partnership Risk Register for 2016/17 and identify any issues for further consideration or referral to Executive.
- 1.2 To note the risk exceptions highlighted and proposed actions.

11. Q2 Treasury Management Report (Pages 89 - 94)

Report of Chief Finance Officer

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2016/17 as required by the Treasury Management Code of Practice.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of the second quarter (Q2) Treasury Management Report.

12. Work Programme (Pages 95 - 96)

To consider and review the Work Programme.

13. Exclusion of the Press and Public

The following reports contain exempt information as defined in the following paragraph of Part 1, Schedule 12A of Local Government Act 1972.

3– Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of

individuals or the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers.

Should Members decide not to make a decision in public, they are recommended to resolve as follows:

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

14. **Q2 Treasury Management Report - Exempt Appendix** (Pages 97 - 98)

15. **Finance Improvement Plan - Update** (Pages 99 - 106)

Exempt report of Chief Finance Officer

Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwellandsouthnorthants.gov.uk or 01295 227956 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Evacuation Procedure

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

Access to Meetings

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

Mobile Phones

Please ensure that any device is switched to silent operation or switched off.

Queries Regarding this Agenda

Please contact Aaron Hetherington, Democratic and Elections
aaron.hetherington@cherwellandsouthnorthants.gov.uk, 01295 227956

Sue Smith
Chief Executive

Published on Monday 28 November 2016

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Agenda Item 5

Cherwell District Council

Accounts, Audit and Risk Committee

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 21 September 2016 at 6.30 pm

Present: Councillor Mike Kerford-Byrnes (Chairman)
Councillor Ian Corkin (Vice-Chairman)

Councillor Sean Gaul
Councillor Barry Richards
Councillor Tom Wallis
Councillor Sean Woodcock

Substitute Members: Councillor Nicholas Mawer (In place of Councillor Hugo Brown)

Also Present: Councillor Barry Wood, Leader of the Council
Ed Cooke, Internal Audit, PwC
Neil Harris, Director Ernst Young (External Audit)
Steve Bladen, Manager Ernest Young, (External Audit)

Apologies for absence: Councillor Hugo Brown

Officers: Paul Sutton, Chief Finance Officer / Section 151 Officer
Kevin Lane, Head of Law and Governance / Monitoring Officer
Edward Bailey, Corporate Performance Manager
Natasha Clark, Interim Democratic and Elections Manager
Aaron Hetherington, Democratic and Elections Officer

20 **Declarations of Interest**

Members made the following general declarations of interest:

Councillor Ian Corkin, declaration, as a board member of Graven Hill Village Development Company.

21 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

22 **Urgent Business**

There were no items of urgent business.

23 **Minutes**

The Minutes of the meeting of the Committee held on 30 June 2016 were agreed as correct records and signed by the Chairman.

24 **Chairman's Announcements**

The Chairman referred to the informal briefing that had been arranged by the External Auditor and expressed his disappointment at the low number of attendees. He stressed the importance of the Committee having knowledgeable members and hoped that there would be continuity in membership going forward.

The Chairman explained that further training would be arranged for the Committee and encouraged members to attend.

25 **Internal Audit - Progress Report 2016/17**

The Chief Finance Officer submitted a report which presented to receive PwC's (the council's internal auditor) progress report summarising their internal audit work to date.

Resolved

(1) That the 2016/17 Internal Audit progress report be noted.

26 **External Audit: Audit Results Report 2015/16**

The Chief Finance Officer submitted a report to allow Members to consider the Ernst and Young LLP Results Report. The report included comments on the external audit of the 2015/16 Statement of Accounts.

In introducing the report, the Director, Ernst Young, thanked officers for their cooperation throughout the process and commented that he was pleased with the audit, which was substantially completed. It was expected that and "unqualified opinion" would be issued on the council's accounts.

The Chief Finance Officer advised the Committee that there had been a minor adjustment to the Cherwell District Council accounts as a result of a change to the Graven Hill accounts.

In the course of the discussion, Members agreed that Executive be recommended to consider whether the Council's financial interest in the

Graven Hill companies was adequately protected through their current arrangements for accounting and audit.

With to regards to the overpayment of NNDR to the Government, the Director, Ernst Young, confirmed that this had been fully disclosed in the accounts and treated as an in year adjustment.

Resolved

- (1) That having been considered, the matters raised in the report be noted before approving the 2015/16 financial statements (subsequent agenda item).
- (2) That the adjustments to the financial statements set out in Ernst Young's report (annex to the Minutes as set out in the Minute Book) be noted.
- (3) That the letter of representation on behalf of the Council be approved.
- (4) That Executive be recommended to consider whether the Council's financial interest in the Graven Hill companies is adequately protected through their current arrangements for accounting and audit.

27

Statement of Accounts 2015/16

The Chief Finance Officer submitted a report to obtain official sign-off by the Chief Financial Officer and the Chairman of Accounts, Audit and Risk Committee on the audited Statement of Accounts 2015/16.

In introducing the report, the Chief Finance Officer circulated an updated version of Section 13 (Group Accounts) of the accounts and referred to the consequential changes needed as a result of the changes in the Graven Hill accounts.

Resolved

- (1) That the carry forward of revenue budget underspends from 2015/16 to 2016/17 be approved.
- (2) That the updated balance on capital schemes which have slipped in 2015/16 to be carried forward into the 2016/17 capital programme be approved.
- (3) That the amendments to the 2015/16 draft financial statements and the resultant statement of accounts be approved and authority be delegated to the Chief Finance Officer in consultation with the Chairman of Accounts, Audit and Risk Committee to finalise any necessary non-material amendments to the statement of accounts and the letter of representations prior to publication.

28 **Changes to the Arrangements for Appointment of External Auditors**

The Chief Finance Officer submitted a report which summarised the changes to the arrangements for appointing External Auditors following the closure of the Audit Commission and the end of the transitional arrangements at the conclusion of the 2017/18 audits.

Resolved

- (1) That Full Council be recommended to agree the recommendation of the Accounts, Audit and Risk Committee to support the Local Government Association (LGA) in setting up a national Sector Led Body by indicating intention to “opt-in”,

29 **Corporate Fraud Team Update**

The Chief Finance Officer submitted a report to provide members of the Accounts, Audit and Risk Committee with an update on the joint Corporate Fraud team including a progress report for quarter one of 2016-2017 and feedback from recent Corporate Fraud awareness presentations.

Resolved

- (1) That the report be noted.
- (2) That the plans for a further fraud awareness session for elected members be endorsed.

30 **First Quarter Risk Review 2016-17 and revised Shared Risk & Opportunities Management Strategy**

The Director - Strategy and Commissioning submitted a report which updated the Committee on the management of Strategic, Corporate and Partnership risks during the first quarter of 2016/17, to present the revised Risk & Opportunities Management Strategy and to report recommendations from the 2015/16 Risk Audit.

Resolved

- (1) That having reviewed the full Strategic, Corporate and Partnership Risk Register for 2016/17, no issues be identified for further consideration or referral to Executive.
- (2) That the risk exceptions highlighted and proposed actions be noted.
- (3) That the impact of the EU referendum vote result and implications on existing or newly identified emerging risks be noted.
- (4) That the recommendations and actions arising from the 2015/16 Risk Audit be noted.

- (5) That the revised Risk and Opportunities Management Strategy for 2016/17 be agreed.

31 **Quarter 1 Treasury Management Report**

The Chief Finance Officer submitted a report to receive information on treasury management performance and compliance with treasury management policy for 2016/17 as required by the Treasury Management Code of Practice.

Resolved

- (1) That the Quarter 1 Treasury Management report be noted.

32 **Work Programme**

The Committee considered its work programme for 2016/17

Resolved

- (1) That the work programme be noted.

33 **Exclusion of the Press and Public**

Resolved

That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

34 **Quarter 1 Treasury Management Report - Exempt Appendix**

Resolved

- (1) That the exempt appendix be noted.

35 **Finance Improvement Plan - Update**

The Chief Finance Officer submitted an exempt report to present the Finance Improvement Plan, which was an outcome of the KPMG Review of NNDR Overpayment report adopted by this Committee on 20th January 2016.

Resolved

- (1) That the progress made thus far in delivering the Finance Improvement Plan and the remaining actions be noted.

The meeting ended at 8.40 pm

Chairman:

Date:

Cherwell District Council

Accounts Audit and Risk Committee

6 December 2016

Internal Audit – Progress Report 2016/17

Report of the Chief Finance Officer

This report is public

Purpose of report

To receive PwC's verbal progress report summarising their internal audit work to date.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the internal audit progress 2016/17 verbal update.

2.0 Introduction

- 2.1 Internal Audit undertakes its work in line with their Audit Plan issued in March 2016.

3.0 Report Details

- 3.1 Internal Audit is on track to deliver its planned programme of work for the 2016/17 year.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The annual report and progress report summarise the progress of internal audit's work.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not applicable as this report is for information. However, members may wish to request further information from the Chief Internal Auditor.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from any outcome of this report.

Comments checked by:

George Hill, Corporate Finance Manager, 01295 221731

george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Kevin Lane, Head of Law & Governance, 0300 0030107

Kevin.Lane@cherwellandsouthnorthants.gov.uk

Risk Management Implications

- 7.3 There are no risk management issues arising directly from this report

Comments checked by:

Ed Bailey, Corporate Performance Manager, 01295 221605

edward.bailey@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 There are no equality and diversity issues arising directly from this report

Comments checked by:

Caroline French, Business Transformation Project Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

None

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	Paul.Sutton@Cherwellandsouthnorthants.gov.uk 0300 003 0106

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Cherwell District Council

Accounts Audit and Risk Committee

6 December 2016

External Audit: Annual Audit Letter 2015/16
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Report of Chief Finance Officer

This report is public

Purpose of report

To allow Members to consider the Ernst and Young LLP Annual Audit Letter. This includes comments on the external audit of the 2015/16 Statement of Accounts.

1.0 Recommendations

The meeting is recommended to:

- 1.1 consider the key issues raised in the Letter

2.0 Introduction

- 2.1 Ernst Young's letter highlights the key issues arising from their audit their work for the financial year 2015/16.

3.0 Report Details

- 3.1 The Annual Audit letter is attached in Appendix 1. The letter includes an executive summary of 2015/16 audit work, key findings, details of audit fees and a look ahead at changes for future years.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Accounts, Audit and Risk Committee needs to consider the external auditor's annual Audit Letter.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request further information from the External Auditor.

7.0 Implications

Financial and Resource Implications

7.1 There are no financial implications arising directly from any outcome of this report.

Comments checked by:

George Hill, Corporate Finance Manager 01295 251731

George.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:

Kevin Lane, Head of Law & Governance 0300 0030107

Kevin.Lane@cherwellandsouthnorthants.gov.uk

Risk Management Implications

7.3 There are no risk implications arising directly from any outcome of this report.

Comments checked by:

Ed Bailey, Corporate Performance Manager, 01295 221605

edward.bailey@cherwellandsouthnorthants.gov.uk

Equality and Diversity

7.4 There are no equality and diversity implications arising out of this report.

Comments checked by:

Caroline French, Business Transformation Project Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	Annual Audit Letter 2015/16
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	0300 0030106 Paul.sutton@cherwellandsouthnorthants.gov.uk

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Cherwell District Council

Annual Audit Letter for the year ended 31 March 2016

October 2016

Ernst & Young LLP

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Audit Letter is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

Executive Summary

Executive Summary

We are required to issue an Annual Audit Letter to Cherwell District Council (the Council) following completion of our audit procedures for the year ended 31 March 2016.

Below are the results and conclusions on the significant areas of the audit process.

Area of Work	Conclusion
Opinion on the Council 's:	
▶ Financial statements	Unqualified – the financial statements give a true and fair view of the financial position of the Council at 31 March 2016 and of its expenditure and income for the year then ended
▶ Consistency of other information published with the financial statements	Other information published with the financial statements was consistent with the Statement of Accounts 2015/16
Concluding on the Council's arrangements for securing economy, efficiency and effectiveness	We concluded that you have put in place proper arrangements to secure value for money in your use of resources

Area of Work	Conclusion
Reports by exception:	
▶ Consistency of Annual Governance Statement	The Annual Governance Statement was consistent with our understanding of the Council
▶ Public interest report	We had no matters to report in the public interest
▶ Written recommendations to the Council, which should be copied to the Secretary of State	We had no matters to report
▶ Other actions taken in relation to our responsibilities under the Local Audit and Accountability Act 2014	We had no matters to report

Area of Work	Conclusion
Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA).	The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

As a result of the above we have also:

Area of Work	Conclusion
Issued a report to those charged with governance of the Council communicating significant findings resulting from our audit.	Our Audit Results Report was issued on 20 September 2016
Issued a certificate that we have completed the audit in accordance with the requirements of the Local Audit and Accountability Act 2014 and the National Audit Office's 2015 Code of Audit Practice.	Our certificate was issued on 30 September 2016

In January 2017, we will also issue a report to those charged with governance of the Council summarising the certification work we have undertaken.

We would like to take this opportunity to thank the Council's staff for their assistance during the course of our work.

Neil Harris
Executive Director
For and on behalf of Ernst & Young LLP

Purpose



Purpose

The Purpose of this Letter

The purpose of this Annual Audit Letter is to communicate to Members and external stakeholders, including members of the public, the key issues arising from our work, which we consider should be brought to the attention of the Council.

We have already reported the findings from our audit work in our 2015/16 Audit Results Report to the 21 September 2016 meeting of the Accounts, Audit and Risk Committee, representing those charged with governance. We do not repeat those detailed findings in this Letter. The matters reported here are the most significant for the Council.



Responsibilities

Responsibilities

Responsibilities of the Appointed Auditor

Our 2015/16 audit work has been undertaken in accordance with the Audit Plan that we issued on 2 March 2016 and is conducted in accordance with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office.

As auditors we are responsible for:

- ▶ Expressing an opinion:
 - ▶ On the 2015/16 financial statements; and
 - ▶ On the consistency of other information published with the financial statements.
- ▶ Forming a conclusion on the arrangements the Council has to secure economy, efficiency and effectiveness in its use of resources.
- ▶ Reporting by exception:
 - ▶ If the annual governance statement is misleading or not consistent with our understanding of the Council;
 - ▶ Any significant matters that are in the public interest;
 - ▶ Any written recommendations to the Council, which should be copied to the Secretary of State; and
 - ▶ If we have discharged our duties and responsibilities as established by the Local Audit and Accountability Act 2014 and Code of Audit Practice.

Alongside our work on the financial statements, we also review and report to the National Audit Office (NAO) on your Whole of Government Accounts return. The extent of our review and the nature of our report are specified by the NAO.

Responsibilities of the Council

The Council is responsible for preparing and publishing its statement of accounts accompanied by an Annual Governance Statement. In the Annual Governance Statement, the Council reports publicly each year on how far it complies with its own code of governance, including how it has monitored and evaluated the effectiveness of its governance arrangements in year, and any changes planned in the coming period.

The Council is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Financial Statement Audit

Financial Statement Audit

Key Issues

The Council's Statement of Accounts is an important tool for the Council to show how it has used public money and how it can demonstrate its financial management and financial health.

We audited the Council's Statement of Accounts in line with the National Audit Office's 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the National Audit Office and issued an unqualified audit report on 30 September 2016.

Our detailed findings were reported to the 22 September 2016 meeting of the Accounts, Audit and Risk Committee.

The key issues identified as part of our audit were as follows:

Significant Risk	Conclusion
<p>Management override of controls</p> <p>A risk present on all audits is that management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly, and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Auditing standards require us to respond to this risk by testing the appropriateness of journals, testing accounting estimates for possible management bias and obtaining an understanding of the business rationale for any significant unusual transactions.</p>	<p>We obtained a full list of journals posted to the general ledger during the year, and analysed these journals using criteria we set to identify any unusual journal types or amounts. We then tested a sample of journals that met our criteria and tested these to supporting documentation.</p> <p>We did not identify any material weaknesses in controls or evidence of material management override.</p> <p>We did not identify any instances of inappropriate judgements being applied.</p> <p>We did not identify any other transactions during our audit which appeared unusual or outside the Council's normal course of business.</p>
<p>Preparation of Group Accounts</p> <p>In 2015/16, the Council prepared group accounts, consolidating its investment in the two companies (Graven Hill Village Holdings Ltd and Graven Hill Village Development Company) established by the Council to manage and deliver a self-build housing project at Graven Hill in Bicester. We responded to this risk by:</p>	<p>We completed our planned audit procedures and found that:</p> <ul style="list-style-type: none"> ▶ The accounts prepared by the subsidiary entity had been correctly consolidated within the Council's financial statements. ▶ We reviewed the audit work undertaken by the external auditors appointed to audit the financial statements prepared by the two subsidiary companies. We concluded that we were able to place reliance on that work.

-
- ▶ Reviewing the consolidation of the subsidiary accounts into the Council's group accounts.
 - ▶ Reviewing the work undertaken by the subsidiary auditors for the subsidiary companies
-

Valuation of property and property, plant and equipment

The Council undertakes an annual exercise to revalue land and property assets. The valuation of these assets represents a significant accounting estimate. The accounting entries arising from changes in value are complex and will have a significant impact on the Council's financial statements.

IFRS 13: Fair Value Measurement has been introduced into the Local Authority Accounting Code for the first time in 2015/16. This requires investment assets to now be valued at highest and best use based on what someone would pay for the asset. The Council will need to ensure that its investment assets have been appropriately valued in accordance with IFRS 13.

Taken together, we consider these factors present a significant risk to the financial statements, and we will undertake specific testing to address this risk. We responded to this risk by:

- Assessing the reliability of the experts used by management in assessing the value of property assets.
- Testing the reliability of the information provided by the Council to its valuers.
- Testing the accounting treatment applied to changes in the valuation of property assets and investment properties.
- Given its closure in June 2016, testing the judgements and accounting treatment applied by the Council in establishing the valuation of the multi-storey car park at Bolton Road in Banbury.

We completed our planned audit procedures and:

- ▶ Concluded we were able to place reliance on the work undertaken by management's valuation expert.
- ▶ Concluded the information provided to management's expert was relevant and reliable.
- ▶ Concluded that the judgements made by the Council in establishing the valuation of the multi-storey car park at Bolton Road were appropriate, and that the value of this asset was not materially misstated. We agreed additional disclosures with the Council in relation to the future use of this asset.

In responding to matters we raised during the course of our audit, the Council identified a number of errors in the way certain assets were accounted for. We agreed with the Council a number of amendments to the financial statements to correct these.

Non Domestic Rate (NDR) Debtor

In July 2016 the Council received confirmation from the Department of Communities and Local Government (DCLG) that it did not intend to settle a debt of £1.5 million with the Council. The debt related to an overpayment made by the Council in 2011/12 to the business rate national pool. Our approach to this matter focused on:

- ▶ The treatment of this amount in the Council's 2015/16 financial statements.
- ▶ Whether a restatement of the Council's 2014/15 financial statements was required to reflect that the Council had received confirmation that this debt was not recoverable.
- ▶ Assessing the adequacy of the disclosures made in both the narrative statement and financial statements in relation to this matter.
- ▶ A review of the steps taken by the Council to inform partner bodies, in particular Oxfordshire County Council, of this matter.

We completed our planned audit procedures and:

- ▶ Agreed an amendment to the financial statements, with the Council writing-off of the debt in its financial statements.
 - ▶ Concluded that this matter was not so significant as to change our view that the Council's 2014/15 statements presented a true and fair view of its financial position. On this basis, we concluded that no restatement of the Council's prior year financial statements was required.
 - ▶ Agreed additional disclosures with the Council to the Narrative Statement that reflected the write-off of this debt.
 - ▶ Concluded that the Council had taken adequate steps to inform partner bodies of the write-off of this debt.
-

A close-up, shallow depth-of-field photograph of a stack of coins. The coins are stacked vertically, with the edges of several coins visible. The lighting is warm, highlighting the metallic texture and the ridges on the edges. A bright yellow rectangular box is overlaid on the left side of the image, containing the text 'Value for Money'.

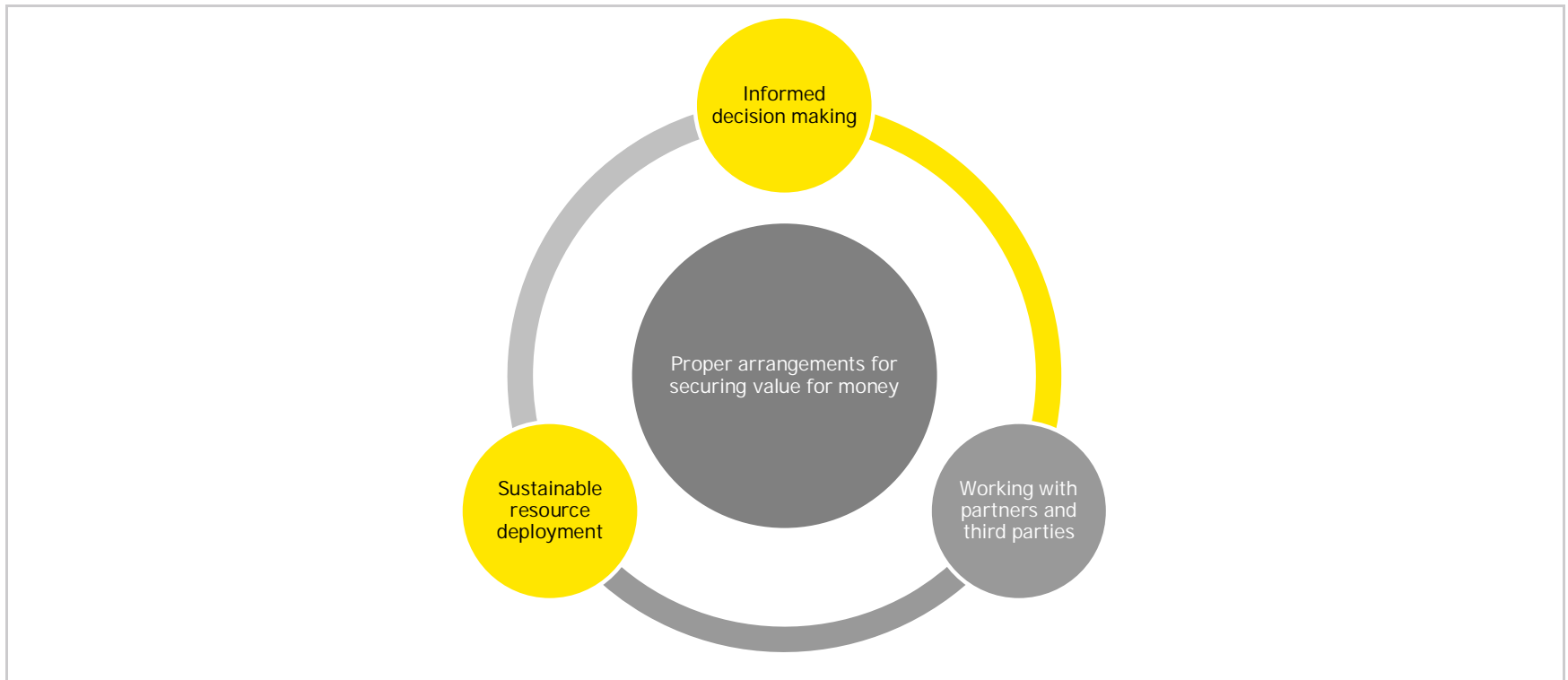
Value for Money

Value for Money

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources. This is known as our value for money conclusion.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.



We issued an unqualified value for money conclusion on 30 September 2016.

We identified one significant risk in relation to our value for money conclusion. This related to the governance arrangements established by the Council in relation to its investment in Graven Hill Village Holdings Limited, and Graven Hill Village Development Company Limited.

We performed the procedures outlined in our Audit Plan and concluded that the Council had adequate arrangements in place.

As part of our work we considered the following areas and made the following observations.

Key Findings

Graven Hill Village Holdings Limited and Graven Hill Village Development Company Limited.

Given the relatively small nature of the operations undertaken by these entities in 2015/16, we considered that the arrangements established by the Council were appropriate. The scale of the subsidiary entities operations will increase significantly in 2016/17 and subsequent years, and will present reputational risks to the Council both from a governance perspective. We consider there is a need for the Council to:

- a) Formally record the nature of the roles and responsibilities in relation to the governance of those entities through the establishment of a formal shareholder agreement.
- b) Ensure appropriate member oversight of the decisions taken in relation to the Council's interest in the subsidiary entities.
- c) Consider whether the audit arrangements over the subsidiary entities could be strengthened. Currently, the bookkeeping, financial accounting, and external audit functions are all undertaken by a local accountancy firm. We consider that there is scope to enhance the governance arrangements through separation of the accounting and auditing functions.

Medium term financial plan and key assumptions

The Council's latest Medium Term Revenue Plan (MTRP) identifies a cumulative budget gap in the financial years 2016/17 to 2020/21 of £3.9 million. The assumptions made in the MTRP are reasonable and prudent. The Council does not rely on as yet uncertain funding streams to balance its base budget. For example, a proportion of the funding from the New Homes Bonus is transferred to reserves and is therefore not included as part of funding for the base budget. Work is ongoing to address the budget gaps in future years in order to address the budget gap going forward and maintain its reserves. As part of this process, the Council needs to formalise the savings plans it is developing.

Levels of reserves

The level of useable general fund reserves held by the Council at 31 March 2016 is £21.7 million. The majority of these are currently earmarked for specific purposes, leaving general fund working balances of £3.5 million. These are above the minimum level of reserves recommended by

the Director of Finance. We have therefore concluded that the Council has adequate levels of reserves.

Budget setting and monitoring processes

The Council set a balanced budget for 2016/17, with no unmet budget gap to be addressed. The assumptions made by the Council in determining its budget are appropriate and we are satisfied that the Council's has established appropriate budgetary control procedures.

Decision making processes and partnership working

The Council has appropriate governance, performance and risk management processes in place. There is evidence of the Council working effectively with partners in key areas. A clear vision for the Council is included in the Council's Business Plan.

Other Reporting Issues

Other Reporting Issues

Whole of Government Accounts

The Council is below the specified audit threshold of £350 million. Therefore, we did not perform any audit procedures on the consolidation pack.

Annual Governance Statement

We are required to consider the completeness of disclosures in the Council's Annual Governance Statement, identify any inconsistencies with the other information of which we are aware from our work, and consider whether it is misleading.

We completed this work and did not identify any areas of concern.

Report in the Public Interest

We have a duty under the Local Audit and Accountability Act 2014 to consider whether, in the public interest, to report on any matter that comes to our attention in the course of the audit in order for it to be considered by the Council or brought to the attention of the public.

We did not identify any issues which required us to issue a report in the public interest.

Written Recommendations

We have a duty under the Local Audit and Accountability Act 2014 to designate any audit recommendation as one that requires the Council to consider it at a public meeting and to decide what action to take in response.

We did not identify any issues which required us to issue a written recommendation.

Objections Received

We did not receive any objections to the 2015/16 financial statements from member of the public.

Other Powers and Duties

We identified no issues during our audit that required us to use our additional powers under the Local Audit and Accountability Act 2014.

Independence

We communicated our assessment of independence in our Audit Results Report to the Accounts, Audit and Risk Committee on 22 September 2016. In our professional judgement the firm is independent and the objectivity of the audit engagement partner and audit staff has not been compromised within the meaning regulatory and professional requirements.

Control Themes and Observations

We have adopted a fully substantive approach and have therefore not tested the operation of controls. However, as noted above, in responding to our audit enquiries, the Council identified that its fixed asset register did not accurately reflect information on the valuation of certain assets. Going forwards, we consider that there is a need for the Council to strengthen its processes in relation to ensuring that the fixed asset register accurately reflects underlying documentation, in particular information received from the Council's valuer.

A close-up photograph of a person's face as they look through a pair of black binoculars. The person's eyes are visible through the eyepieces, and their hands are holding the binoculars. A bright yellow rectangular box is overlaid on the left side of the image, containing the text "Focused on your future".

Focused on your
future

Focused on your future

Area	Issue	Impact
EU referendum	<p>Following the majority vote to end the UK's membership of the European Union (EU) in the EU Referendum held on 23 June 2016 there is a heightened level of volatility in the financial markets and increased macroeconomic uncertainty in the UK. All three major rating agencies (S&P, Fitch and Moody's) took action on the UK Sovereign credit rating and, following the rating action on the UK Government. For entities in the public sector, there is likely to be an impact on investment property valuations if confidence in the wider UK property market falls; and the valuation of defined benefit pension obligations may also be affected. It is too early to estimate the quantum of any impact of these issues, but there is likely to be significant ongoing uncertainty for a number of months while the UK renegotiates its relationships with the EU and other nations.</p>	<p>Many of the issues and challenges that face the UK public sector will continue to exist, not least because continued pressure on public finances will need responding to. Additionally it may well be that the challenges are increased if the expected economic impacts of the referendum and loss of EU grants outweigh the benefits of not having to contribute to the EU and require even more innovative solutions.</p> <p>We are committed to supporting our clients through this period, and help identify the opportunities that will also arise. We will engage with you on the concerns and questions you may have, provide our insight at key points along the path, and provide any papers and analysis of the impact of the referendum on the Government and Public Sector market.</p>

Appendix A

Audit Fees



Appendix A Audit Fees

The table below sets out the scale fee and our final proposed audit fees.

Description	Proposed Final Fee 2015/16 £	Planned Fee 2015/16 £	Scale Fee 2015/16 £
Total Audit Fee – Code work	60,127	52,127	52,127
Total Audit Fee – Certification of claims and	8,844	8,844	8,844

We anticipate a variation to the scale fee will be required to reflect the additional procedures undertaken in relation to our consideration of the external audit work undertaken on the subsidiary companies within the Council's group boundary. We have estimated that variation at £8,000 but are currently assessing the extent of our costs in this area, and assessing whether, given the ongoing nature of the Council's relationship with its subsidiary companies, a re-basing of the scale fee is required.

We will write to you separately once we have concluded our discussions on this matter with Public Sector Audit Appointments Limited (PSAA Ltd).

We confirm we have not undertaken any non-audit work outside of the PSAA's requirements.

EY | Assurance | Tax | Transactions | Advisory

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ED None

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Cherwell District Council

Accounts, Audit and Risk Committee

6 December 2016

Corporate Fraud Team Update

Report of Chief Finance Officer

This report is public

Purpose of report

To provide members of Accounts, Audit and Risk Committee with an update on the joint Corporate Fraud team including a progress report for quarter two of 2016-2017 and to present members with the updated Joint Sanctions and Prosecutions Policy.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report
- 1.2 To consider and endorse the updated Joint Sanctions and Prosecutions Policy

2.0 Introduction

- 2.1 This report is to update members on the joint Corporate Fraud Investigation team and the progress that has been made since the last report to this Committee. The report includes a summary of the performance for quarter two of 2016-2017. Members are also asked to consider and endorse the updated Sanctions and Prosecutions Policy.

3.0 Report Details

Background

- 3.1 Following the transfer of the Housing Benefit fraud investigation function to the new DWP Single Fraud Investigation Service (SFIS) from 1 February 2015 the local authority retain a number of areas including:
 - Council Tax Reduction fraud investigations

- the Single Point of Contact for Department for Work and Pensions including compilation of information and evidence requested by DWP in support of a Housing Benefit fraud investigations
- amendments to any HB claims following an investigation and the collection of any overpayments
- participation in the National Fraud Initiative (NFI) for both benefits and Council Tax
- Corporate fraud and error investigations, including tenancy fraud, Council Tax discount/exemption fraud, NDR error and avoidance and procurement fraud.
- Housing Benefit Matching System (HBMS) for both councils.

3.2 A joint Corporate Fraud team has now been established over 18 months with the aim of protecting both Councils from fraud and error and to protect public funds.

Corporate Fraud Team

3.2 As members are aware the Corporate Fraud Team (CFT) comprises of two posts, a Senior Corporate Fraud Investigator (SCFI) who has been in post since 1st February 2015 and a Corporate Fraud Investigator (CFI) who took post on 23rd March 2015. An additional resource is still in place funded by the DCLG grant.

3.3 The SCFI returned from Maternity leave in September 2016, the interim SCFI will be leaving 31.12.2016. The interim SCFI has stayed to allow for a handover and also to allow the SCFI to complete policy and procedures and also other projects.

Performance for quarter two 2016-2017

3.4 A Business Plan was agreed to underpin the work of the team during 2016-2017. The aim of the plan is to outline the responsibilities of and objectives for the team over the next 12 months. Progress against the plan is monitored and the feedback for Quarter 2 is shown as Appendix One of this report. The highlights are as follows.

- The Council proactively takes part in the National Fraud Initiative (NFI). This is a nationwide data matching exercise comparing records held by the Council against other data held by the Council and other bodies. NFI matches are split into two distinct areas: flexible matching and standard NFI matching. Cherwell has received 3,600 matches for Council Tax and Housing Benefit and, all of the matches have been looked at and either closed or further information has been requested. Some of these matches have been referred for further investigation. In Quarter two this meant an extra £6023 was billed for those who had incorrectly claimed a Single Person Discount.
- The Sanctions and Prosecutions policy has been reviewed by the team and by Legal
- The team currently have 85 cases open for investigation for Cherwell District Council and a further 23 for South Northants. Included in the 85 cases are 84 Council Tax investigations (45 Council Tax Reduction fraud, 4 liability fraud and 34 single person discount fraud), 1 Procurement Fraud.
- In Quarter two savings of £9,726.63 have been realised for Cherwell District. This includes increases in Council Tax liability of £1,492, Council Tax Reduction of £3210 and Single Person Discount/Exemption fraud of £6023.
- The introduction of TrustID scanners has been agreed for a trial period of 12 months. This software is a reliable way to scan and validate identity documents

such as passports, visas and driving licences and allows us to carry out checks at a reduced price and so reduce exposure to fraud and error. Colleagues in Democracy, Housing, Customer Services and Revenues are signed up to utilising the scanners which will be located at The Forum and Bodicote House. At the time of writing this report training sessions have taken place and the scanner is being used at SNC, at Cherwell ICT are moving a computer so that the scanner can be used.

- One of the main objectives for the team was to develop working with key partners. During quarter two the team has continued to work with a number of internal and external partners including internal and external audit, Department for Work and Pensions, HMRC, National Fraud Agency, Social Housing landlords and our own Legal, Revenues, Housing and Planning teams. .
- The Single Point of Contact role enables Housing Benefit enquiries to be made by DWP and facilitates the exchange of information between the two Councils and DWP. This work has continued throughout quarter two.

Corporate Fraud Sanctions and Prosecutions Policy.

3.5 The Joint Sanctions and Prosecutions Policy for the Corporate Fraud team has been updated and a copy is shown at Appendix B of this report.

3.6 The changed sections have been highlighted in the attached report, but the main changes are as follows –

- A panel style meeting has been agreed to discuss cases suitability for prosecution prior to the case files being prepared. This saves time as it means they are not preparing cases to a high prosecution standard before a prosecution decision is made from legal.
- CDC has been applying £70 penalties to Council Tax accounts when appropriate for some time. The updated policy allows this to be introduced for SNC.
- The £70 penalties could be applied to any accounts where the customer has failed to report a change within reasonable time limits without good reason. Council Tax staff are able to apply these fines, the Corporate fraud team could also apply them for NFI SPD cases which don't meet prosecution criteria.
- There is also a £50 penalty which can be applied by the Entitlements team where a customer has failed to report a change in circumstances without reasonable excuse. The penalty can be applied to cases that haven't been looked at by fraud, the entitlements team will decide on whether the penalty should apply based on their set criteria.

3.7 Members of this committee are asked to consider and to endorse the updated policy.

4.0 Conclusion and Reasons for Recommendations

4.1 Members are asked to note the contents of this report and to endorse the new policy

5.0 Consultation

- 5.1 Consultation on the original business case took place with members of Joint Arrangement Steering Group and reports were received by Cabinet.

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To not to have an anti-fraud presence at each council. This would expose both councils to the risk of fraud and error, and this in turn may pose a risk to the public purse.

7.0 Implications

Financial and Resource Implications

There are no financial implications directly arising from this report

Comments checked by:

Paul Sutton, Chief Finance Officer

paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications directly arising from this report.

Comments checked by:

Kevin Lane, Head of Law and Governance

kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

This links to the Council's priority of an accessible value for money council.

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management

Document Information

Appendix No	Title
A	Corporate Fraud Business Plan 2016-2017 Q2 update
B	Corporate Fraud Prosecution and Sanctions policy
Background Papers	
None	
Report Author	Belinda Green (Joint Revenues and Benefits Manager)
Contact Information	Belinda Green 01327 322182 belinda.green@cherwellandsouthnorthants.gov.uk

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Corporate Anti-Fraud Business Plan

2016-2017

Contents

1. Introduction
2. Aims and objectives
3. Working in partnership
4. Responsibilities
5. Current and emerging risks
6. Approach
7. Corporate Fraud team focus in 2016-2017
8. Service plan

1. Introduction

The year 2016-2017 will continue to be a year of further development and enhancement in the field of corporate anti-fraud activity at South Northants and Cherwell District Councils.

Local authorities have a duty to safeguard public funds and to ensure that any public money is used appropriately. South Northants and Cherwell District Councils have a zero tolerance to fraud and error.

The Councils recognise that fraud and corruption are costly both in terms of reputational risk and financial loss. The Councils have a number of policies and procedures which underpin the Council's anti-fraud and anti-corruption activities including:

- Internal Audits and controls. These are undertaken by Price Waterhouse Cooper (PwC) external auditors in accordance with the requirements of the Accounts and Audit Regulations 1996 and associated guidelines.
- External Audits are carried out by Ernst Young and the auditor undertakes a planned programme of work across the two authorities.
- National Fraud Initiative (NFI). As part of the annual external audit process, the authorities are required to participate in the National Fraud Initiative. The Councils provide data from their systems which is matched with that of other authorities and agencies to identify possible fraud.
- Whistleblowing Policy. The Councils Whistleblowing Policy enables employees to report concerns without fear of reprisal. This joint Policy was reviewed in March 2016.
- Money Laundering Policy. There have been significant changes to the legislation governing money laundering. The Money Laundering Policy places responsibility on all employees to report any suspicious financial activity and on the Reporting Officer to ensure suspicions are investigated.
- The National Anti-Fraud Network (NAFN). NAFN is a central point of contact for authorities to exchange information across the country and obtain intelligence relating to allegations of fraud. The Councils are members of NAFN.
- Fraud Response Plan Policy. This details instructions on reporting suspicions, how investigations are done and investigations. The Joint Response Plan was drafted and endorsed by members in March 2016.
- Prosecution and Sanctions Policy
- Anti-Fraud and Anti-Corruption Policy
- Anti-Bribery Policy

This plan has been produced to document the work of the Corporate Fraud team and outline the objectives for the team in 2016-2017.

2. Aims and objectives

The Corporate Fraud team was created in April 2015 and forms part of the Welfare and Debt Advice team in the Finance Division. It is a joint team and consists of two officers; a Senior Corporate Fraud Investigations Officer and a Corporate Fraud Investigations Officer. The aim and objectives of the team are as follows:

- Create and promote a robust “anti-fraud” culture across the organisations, highlighting the Council’s zero tolerance of fraud, bribery and corruption.
- Encourage individuals to report suspicions of fraudulent or corrupt behaviour and the means to do this.
- Develop the new team as we leave behind Housing Benefit fraud and develop a wider corporate anti-fraud service for both Councils. This includes training and development for the officers.
- Taking advantage of the shared services arrangements to develop the team and to promote fraud and error awareness and prevention across the two Councils.
- Further develop IT systems to support the work of the team
- Strengthen the fraud and error management processes and governance by reviewing the supporting policies and procedures seeking agreement for any changes from Audit Committee at both Councils
- Work with partners and other investigative bodies to strengthen and continuously improve resilience to fraud and corruption.
- To investigate allegations of fraud in a timely manner, when they are reported, to ascertain if there is any evidence to support the allegation. To deal with offenders under the Councils Prosecution & Sanction Policy.

3. Working in partnership

The Corporate Fraud team will proactively work with all services within the Councils to offer an anti-fraud and error service and to identify and investigate any fraudulent activity.

The team will also liaise with other external partners and agencies such as:

- Internal and External Audit
- The DWP
- HM revenues and Customs
- Housing Associations

- The Police
- National Fraud Agency
- Other Local Authorities
- Fraud Liaison groups across Northamptonshire and Oxfordshire
- Any other organisations

4. Responsibility

The Monitoring Officer has overall responsibility for the operation of the overarching policies in liaison with the Chief Executive, Audit, and the Head of Transformation/HR. From a statutory perspective the duty to prevent and detect fraud lies with the Chief Finance Officer as set out in Section 151 of the Local Government Act 1972

The Internal Auditor is charged with ensuring that the strategy and policies and procedures deliver what is required.

All managers are responsible for fraud risk management in their own particular service area with support from the Joint Management Team.

5. Current and Emerging Risks

Council Tax Reduction/Discounts

Despite the transfer of housing benefit investigations to SFIS it is still likely that the related Council Tax Reduction and other discounts will continue to be a key fraud risk facing the Councils. Nationally a third of households claim single person discount on Council Tax, although this varies significantly between individual councils. In addition to our participation in the National Fraud Initiative (periodical data matching exercises between various datasets) we have undertaken additional exercises ourselves or in collaboration with others

Business Rates fraud/evasion

The vast majority of ratepayers pay the business rates that they should pay. However, there are a small minority who avoid paying the business rates that are due. This imposes an unfair burden on others and prevents the Council from maximising income. The Corporate Fraud Team is committed to prevent this loss of income.

Across the two councils there is a strong and effective inspection regime in place and the Corporate Fraud team continue to work with and support the work of the team.

Housing and Tenancy Fraud

Housing tenancy fraud is defined as:

- Subletting a property for profit to people not allowed to live there under the conditions of the tenancy;
- Providing false information in the housing application to gain a tenancy;
- Wrongful tenancy assignment and succession where the property is no longer occupied by the original tenant; or
- Failing to use a property as the principal home, abandoning the property, or selling the key to a third party.

Insurance fraud

Nationally this continues to rise but this may be due to the result of greater attention being given to such fraud in recent years by local authorities. From the perspective of SNC and CDC the number and value of claims is low and are being effectively managed in collaboration with insurers

Council Housing Grants/Disabled Facilities Grants

Nationally councils look to provide grants to home owners or tenants or landlords to improve their homes. Examples are Disabled Facilities Grants, essential repairs grants, small repairs service, energy efficiency project (CHEEP, landlord home improvement grant, Warm front grant, and flexible home improvement loan.

6. Approach to Anti-Fraud

Prevent: Anyone who works for, or with the Council has a responsibility for ensuring public funds and resources are being used appropriately. SNC and CDC promote a zero tolerance culture to fraud, bribery and corruption.

Prevention will focus on the identification and routine evaluation of fraud risks to understand specific risks, developing an anti-fraud culture to increase resilience to fraud, prevent fraud through robust internal controls and developing networks to facilitate partnership working.

On-going assurance will be provided by Internal Audit's planned audit work and fraud activity will be focused on those fraud risks that are of a high priority or where residual risks have been identified.

SNC and CDC recognise the importance of deterring individuals from committing fraud, bribery and corruption by publicising the Council's anti-fraud and corruption stance. The use of the media to highlight cases of fraud prosecutions and preventions to ensure the public are aware and encouraged to report instances of fraud).

Detect: Measures need to be in place to ensure any suspicious activity is detected and reported for investigation. This will be supported by data and intelligence sharing, using techniques such as data matching, effective whistleblowing arrangements, effective referral process and utilising the experience and skills of staff.

Promote: SNC and CDC recognise the importance of deterring individuals from committing fraud, bribery and corruption by publicising the Council's anti-fraud and corruption stance, applying sanctions including internal disciplinary, regulatory and seeking redress including recovery.

7. The Corporate Fraud team's focus in 2016-2017

- Council Tax (Reduction Scheme and discounts)
- National Fraud Initiative matches for both Councils
- To be a single point of contact for DWP SFIS team
- Housing Benefit Matching Services
- Housing Fraud
- Procurement
- Grants
- Promoting an anti-fraud and corruption culture
- Any other emerging fraud threats and issues.

8. Performance Measures and reporting

The team will measure success by the following:

- Monitoring the level of National Fraud Initiative matches received and measure the results (outputs) to show success rates.
- Reporting to the Welfare and Debt Advice Manager on a regular basis on key findings. This will in turn be reported to the Finance Management team and the Chief Finance Officer.
- Production of a quarterly report to both Audit Committees
- Providing results to other bodies as required.



South Northants and Cherwell District Councils

Corporate Fraud Business Plan 2016-2017

Quarter One update

Prevent

Objective	Actions required:	Desired Outcomes	Update for Quarter Two
<p><u>Objective One</u></p> <p>To prevent fraud through the implementation of appropriate and robust internal control measures.</p>	<p>Robust internal audit plan with audit inspections</p> <p>Review procedures and policies by service managers</p> <p>To constantly review the measures put in place, in order to keep abreast of changing fraud trends</p>	<p>An improved internal control environment</p> <p>Managers will give due consideration to the risks of fraud, bribery and corruption when writing new or updating existing policies, strategies or procedures to help prevent fraud</p>	<p>The Joint Sanctions and Prosecution Policy has been updated and reviewed by Legal. It will be presented to the December meeting of Accounts, Audit and Risk Committee at Cherwell and to Audit Committee at SNC</p>

Objective	Actions required:	Desired Outcomes	Update
<p><u>Objective two</u></p> <p>To increase fraud awareness amongst employees, Members and customers</p>	<p>Undertake fraud awareness training</p> <p>Continue to disseminate fraud warnings to managers and staff</p> <p>E learning to be investigated</p> <p>Website updates</p> <p>Policies/procedures</p> <p>Service plans and risk plans to be looked at</p>	<p>Strong anti-fraud culture across two organisations</p> <p>Increased awareness of threat of fraud</p> <p>Understanding of responsibilities</p>	<p>Fraud awareness sessions for staff have been held across both Councils in July and August 2016 This included a presentation from PwC on the role of Internal Audit.</p> <p>The team are currently writing a similar presentation for elected members</p>
<p><u>Objective three</u></p> <p>To further develop networks and partnership arrangements</p>	<p>Contribute to NFI</p> <p>Work with DWP SFIS team</p> <p>Explore opportunities for joint working and determine formal and informal arrangements</p>	<p>Arrangements in place with others external to the Council to improve the efficiency and effectiveness of counter fraud and corruption risk management</p>	<p>During Quarter two the team has attended liaison meetings with the Department for Work and Pensions in Northamptonshire and Oxfordshire.</p>

Objective	Actions required:	Desired outcomes	Update
<u>Objective four</u> To maintain and enhance the Council's confidential reporting and whistleblowing arrangements .	Review the Council's whistleblowing arrangements and the policy Advertise fraud hotline	An internal policy which is fit for purpose and reflects the latest best practice.	The Joint Whistleblowing policy for 2016-2017 has been agreed and is in place.

Detect

Objective	Actions required:	Desired outcomes	Update
<u>Objective five</u> To maintain and enhance the Council's confidential reporting and whistleblowing arrangements .	Review the Council's whistleblowing arrangements Review the online reporting system Fraud awareness day	An internal policy which is fit for purpose and reflects the latest best practice.	The Joint Whistleblowing policy for 2016-2017 has been agreed and is in place.
<u>Objective six</u> To ensure protocols are in place to allow data and intelligence sharing and analysis using data matching	Continue active involvement in data matching exercises, such as NFI. Review existing arrangements to ensure the Council is maximising NAFN subscription. Develop links with external	Fraud, bribery and corruption are identified and investigated	The NFI is nearly complete and on target to be finished by the end of December. Council Tax are currently setting up staff to enable them to use the National Anti Fraud Network NAFN. NAFN is an intelligence unit which we are

	agencies to enhance opportunities for information sharing.		able to request personal information through. We can get communications data, bank account details and statements, utility bills etc. The use of NAFN was also highlighted to key staff and departments on recent RIPA (Regulation of Investigatory Powers) training. RIPA insures that if a public body is carrying out surveillance then it is authorised, necessary, justified and reasonable.
<u>Objective seven</u> Maintain an appropriate mix of experienced and skilled staff	Continual learning and professional development of "counter fraud" and investigatory officers.	Councils will have access to suitably trained staff to undertake investigations	The Corporate Fraud Officer is currently working towards his BTEC qualification and hopes to complete this by the end of the year
<u>Objective eight</u> To implement software to enable wider data matching to take place	IDIS data matching software has been purchased. This needs to be implemented	Councils and partners will be able to take part in data matching exercises	It has been agreed that at the moment the team will not go ahead with the data matching system contract. The system was trailed by the team and it relies heavily on having clean accurate data to match against. At this stage the team have considered that we can effectively data match

			ourselves at a lower cost. It may be something we revisit in the future.
<u>Objective Nine</u> To implement Trust ID software to authenticate documents	Trust ID software has been purchased and will be used by a number of sections. This needs to be implemented.	To reduce the incidence of identity fraud, affecting both councils, Revenue & Benefit, Housing, Licensing & electoral services.	Training has taken place at both sites and the scanner is up and running at SNC, CDC's scanner will be working shortly once IT have carried out some systems updates.

Promote anti-fraud message

Objective	Actions required:	Desired outcomes	Update
<u>Objective ten</u> Publicise the Council's counter fraud stance	Review policies and publicise on website Website updates Communication via In Brief, SNC Review and CDC Link	Individuals are deterred from committing fraud against the Council	Press releases have been drafted for a fraud performance update. Once approved it will be sent to the local news rooms.
<u>Objective Eleven</u> Sanctions/prosecutions policy to be in place	Review of current policy Update policy to include sanctions	Individuals are deterred from committing fraud against the Council	The Joint Sanctions and Prosecution Policy has been updated and reviewed by Legal. It will be presented to the December meeting of Accounts, Audit and Risk Committee at Cherwell and to Audit Committee at SNC

Appendix 2 – Key roles and responsibilities

Audit and Risk Function	Corporate Anti-Fraud Team responsibilities
Internal Audits of the council’s overall anti-fraud arrangements, including financial irregularities	Drafting/updating of anti-fraud policy, fraud response plan and investigation guidelines.
Reporting to the Accounts, Audit & Risk Committee and Audit Committee.	National Anti-Fraud Network liaison, fraud/scam alerts, police liaison/protocols, bulletins, newsletters.
External Audits of the Council’s overall anti-fraud arrangements	National Fraud Initiative (NFI) investigations and co-ordination.
	Investigation of irregularities which appear to stem from fraud, theft, deception, bribery and corruption or collusion. To include internal and external cases and any surveillance/RIPA activities
	Advice and guidance on fraud investigation, awareness raising activities

**CHERWELL DISTRICT COUNCIL AND
SOUTH NORTHAMPTONSHIRE COUNCIL**

Corporate Fraud Prosecution and Sanction Policy

1. Introduction

- 1.0 The purpose of this policy is to ensure that Cherwell District Council (CDC) and South Northamptonshire Council (SNC) have in place guidelines to assist the decision making process when prosecution or sanction action may be appropriate following an investigation by the Corporate Fraud Team (CFT), The sanctions available are Prosecution, Administrative Penalty and Formal Caution. For all these actions the standard of evidence has to be the same.
- 1.01 This policy is not prescriptive. Each case is unique and must be considered on its own facts and merits. However, there are general principles that apply to the way in which CDC and SNC will approach every case.
- 1.02 This policy is incorporated within the CDC and SNC Corporate Enforcement Policy and has been prepared with consideration of the Regulators Code, the Principles of Good Regulation and on core principles found in the Crown Prosecution Service (CPS) 'The Code for Crown Prosecutors' Specifically:
- the Decision to Prosecute or Sanction;
 - the Evidential Test; and
 - the Public Interest.

<https://www.cps.gov.uk/publications/codeforcrownprosecutors/codetest.html>

2.0 The Decision to Prosecute

- 2.01 The decision to instigate prosecution proceedings in the name of CDC and SNC lies with the Corporate Fraud Team (CFT) in liaison with the Law and Governance Team,
- 2.02 This will be discussed in a regular preliminary sanction panel meeting held with CFT, in order to agree appropriate disposal for cases that pass the CPS criteria for prosecution. This should take place prior to prosecution papers being prepared in full.
- 2.03 The reviewing Officer must be fair, impartial, and objective *and* comply with the Equality Act 2010. They must not be involved in the investigation or affected by improper or undue pressure from any source.

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3.0 The Evidential Test

- 3.1 This is the first stage in the decision to prosecute or apply a sanction. The Evidential Test will be undertaken by a prosecuting lawyer within, or appointed by, CDC and SNC's Law and Governance Team, based on the evidence provided by a Corporate Fraud Investigation Officer (CFIO), in a preliminary sanction/prosecution file.
- 3.02 The Evidential Test is to be considered in all cases regardless of the method of sanction chosen. The Code of Crown Prosecutors, revised in January 2013, lays out how this test must be applied. Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each defendant on each offence. They must also consider what the defence case may be, how it is likely to affect the prospects of conviction. A case which does not pass the evidential stage must not proceed, no matter how serious or sensitive it may be
- 3.03 A realistic prospect of conviction is an objective test. It means that a jury or bench of magistrates or judge hearing a case alone, properly directed in accordance with the law, is more likely than not to convict the defendant of the offence alleged. This is a separate test from the one that the criminal courts themselves must apply. A court should only convict if satisfied that it is sure of a defendant's guilt.
- 3.04 When deciding whether there is enough evidence to prosecute, the prosecutor must consider whether the evidence can be used and is reliable. There will be many cases in which the evidence does not give any cause for concern. There will also be cases in which the evidence may not be as strong as it first appears. Prosecutors must ask themselves the following questions:

4.0 Can the evidence be used in court?

- 4.01 Is it likely that the evidence will be excluded by the court? There are certain legal rules which might mean that evidence which seems relevant cannot be given at a trial. For example, is it likely that the evidence will be excluded because of the way in which it was gathered? If so, is there enough other evidence for a realistic prospect of conviction?
- 4.02 Is there evidence which might support or detract from the reliability of a confession? Is the reliability affected by factors such as the defendant's age, intelligence or level of understanding?
- 4.03 What explanation has the defendant given? Is a court likely to find it credible in the light of the evidence as a whole? Does it support an innocent explanation?
- 4.04 If the identity of the defendant is likely to be questioned, is the evidence about this strong enough?

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- 4.05 Is the witness's background likely to weaken the prosecution case? For example, does the witness have any motive that may affect his or her attitude to the case, or a relevant previous conviction?
- 4.06 Are there concerns over the accuracy or credibility of a witness? Are these concerns based on evidence or simply information with nothing to support it? Is there further evidence which the investigating officers should be asked to seek out which may support or detract from the account of the witness?
- 4.07 Prosecutors should not ignore evidence because they are not sure that it can be used or is reliable. But they should look closely at it when deciding if there is a realistic prospect of conviction.

5.0 The Public Interest Test

- 5.01 The Public Interest Test is the second part of the test outlined in the Code of Crown Prosecutors guidelines, revised in January 2013. This will be considered in all cases regardless of the method of sanction chosen. The Code of Crown Prosecutors lays out the public interest factors which can increase the need to prosecute or may suggest an alternative course of action. The factors will vary from case to case. Not all the factors will apply to each case and there is no obligation to restrict consideration to the factors listed. In making a decision to prosecute all available information must be carefully considered. The Councils' officers will refer to the latest CPS guidance and best practice when considering the public interest test.
- 5.02 The preliminary sanction/ prosecution file produced by the CFIO for the prosecutor will identify the factors for and against prosecution as specified in the Code for Crown Prosecutors. A preliminary report setting out the case for potential prosecution. The CFIO has an explicit duty to provide the prosecutor with an accurate and honest assessment of the circumstances of the defendant and the case.
- 5.03 The public interest must be considered in each case where there is enough evidence to provide a realistic prospect of conviction. Although there may be public interest factors against prosecution in a particular case, often the prosecution should go ahead and those factors should be put to the court for consideration when sentence is being passed. A prosecution will usually take place unless there are public interest factors tending against prosecution which clearly outweigh those tending in favour, or it appears more appropriate in all the circumstances of the case to divert the person from prosecution.
- 5.04 The prosecutor must balance factors for and against prosecution carefully and fairly. Public interest factors that can affect the decision to prosecute usually depend on the seriousness of the offence or the circumstances of the suspect. Some factors may increase the need to prosecute but others may suggest that another course of action would be appropriate.
- 5.05 The common public interest factors, both for and against prosecution, are not exhaustive. The factors that apply will depend on the facts in each case,

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But the more serious the offence, the more likely it is that a prosecution will be needed in the public interest.

- 5.06 Deciding on the public interest is not simply a matter of adding up the number of factors on each side. The prosecutor must decide how important each factor is in the circumstances of each case and go on to make an overall assessment.

6.0 The Decision

- 6.01 If the case fails either the Evidential Test or the Public Interest Test then it will not proceed to prosecution, this would rule out consideration of any other form of sanction.

- 6.02 However, the case may still be categorised as 'on the balance of probabilities' being fraudulent and recorded as such by CFT. Furthermore, civil, recovery or disciplinary action may still be instigated.

- 6.03 If the case passes the Evidential and Public Interest tests the following options are available:-

- I. No Further Action be taken;
- II. Disciplinary Action – for internal cases;
- III. Civil Action – to recover money, interest or costs or property;
- IV. Sanction - Issue a Council Caution
- V. Sanction - Issue a penalty where legislation exists permitting CDC and SNC to sanction; or
- VI. Prosecute

- 6.04 In certain cases, the prosecutor may consider multiple actions. For example, in internal cases, disciplinary action, civil action and prosecution may be authorised.

7.0 Prosecution Process

- 7.01 Upon review of the preliminary sanction/ prosecution report, if it is considered that the evidence and public interest tests are satisfied and that prosecution is the appropriate form of sanction, the CFIO will compile a prosecution file. In addition to the prosecution file the CFIO will complete an investigation report.

- 7.02 In this report the CFIO will set out;

- the circumstances of the case;
- the evidence obtained;
- which offences may have been committed;
- how the evidence proves the elements of the offence; and
- set out why it is in the public interest to prosecute (NB the CFIO has an explicit duty to provide the CEO with an accurate and honest assessment of the circumstances of the defendant and the case).

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- 7.03 The CFIO will pass the prosecution file and investigation report to the prosecuting lawyer.
- 7.04 The prosecutor will review the full file and undertake the Evidential Test.
- 7.05 If the case fails the Evidential Test the case is returned to the CFIO and no further criminal action will be taken.
- 7.06 However, the case may be still be categorised as 'on the balance of probabilities' being fraudulent and recorded as such by CFT. Furthermore, civil, recovery or disciplinary action may still be instigated.
- 7.07 If the case passes the Evidential Test the prosecutor will undertake the Public Interest Test.
- 7.08 If the case fails the Public Interest Test the case is returned to the CFIO and no further criminal action will be taken.
- 7.9 However, the case may be still be categorised as 'on the balance of probabilities' being fraudulent and recorded as such by CFT. Furthermore, civil, recovery or disciplinary action may still be instigated.
- 7.10 If the case passes the Public Interest Test and a prosecution is still considered the most appropriate course of action, a prosecution will be instituted.
- 7.11 During the course of a prosecution the prosecutor is required to ensure that the evidential test and public interest remain satisfied. The prosecution will be stopped if information comes to light which the prosecutor considers the evidence is no longer sufficient to provide for a realistic prospect of conviction, or that prosecution is no longer in the public interest.

8.0 Potential Offences

- 8.01 A person involved in perpetrating fraud may commit an offence which could relate to any of the following Acts (this is not an exhaustive list):
- Fraud Act 2006;
 - Local Council Tax Reduction Scheme (Fraud and Enforcement) Regulations 2013;
 - Prevention of Social Housing Fraud Act 2013;
 - Proceeds of Crime Act 2002;
 - Theft Act 1968 & 1978;
 - Forgery & Counterfeiting Act 1987;
 - Criminal Justice Act 1967;
 - Data Protection Act 1998;
 - Computer Misuse Act 1990.

9.0 Alternatives to Prosecution: Sanctions and Penalties

- 9.01 An administrative penalty or caution may be offered as an alternative to prosecution where:

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- Grounds exist for instituting proceedings
- Prosecution is possible but is not the preferred option
- The case is not so serious that prosecution should be considered
- In the case of the offer of an administrative penalty, the amount of the penalty would not cause severe financial hardship or place the family at risk
- In the case of the offer of a Caution, the offence has been admitted during an Interview under Caution, conducted in accordance with the provision of the Police and Criminal Evidence Act 1984. When the CFT have completed an investigation they will consider whether to instigate criminal proceedings or offer an alternative sanction. Each case will be considered on its own merits.

9.02 **Simple Caution:** For a simple caution to be considered the suspected offender must fully admit each alleged offence. The CFIO will then complete a report summarising the case together with the supporting evidence and a recommendation for a simple caution to be a means of disposal to an independent reviewing officer. The independent reviewing officer must satisfy themselves that the case meets the prosecution standard in consideration of the evidential and public interest tests.

9.03 **Financial Penalty:** Under section 14C Local Government Finance Act 2012, allows the authority to impose a £70 penalty to any person who;

- fails to notify the council within 21 days that an exemption on a dwelling should have ended
- fails to notify the council within 21 days that a discount (including single person discount) should have ended
- fails to notify the council of a change of address or fails to notify the council of a change in the liable party
- fails to provide information requested to identify liability
- fails to provide information requested after a liability order has been obtained

The offender will be notified of the offence but not necessarily interviewed. This sanction carries more of a deterrent against re-offending than a simple caution by ensuring that the person is financially penalised for the offence and also offers the Council some recompense for the costs of the investigations. The offender may be liable for a charge of £70 which could increase to £280 if there is a continual failure to provide the correct information

9.04 **Council Tax Reduction Scheme Sanctions:** The Council Tax Reduction Schemes (Detection of Fraud and Enforcement)(England) Regulation 2013 make provision for powers to require information, creates offences and provides powers to impose penalties in connection with Council Tax Reduction schemes. A penalty of £70 may be imposed by the Council if someone negligently makes an incorrect statement in connection with an application for a reduction under the scheme, or where a person fails to notify a change of circumstances promptly and at least within one calendar month.

There are provisions under this scheme to offer sanctions similar to those under the Social Security Administration Act 1992. Corporate Fraud Investigators will consider prosecution in

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appropriate cases or as an alternative will offer a caution or financial penalty of 50% of the excess award. This will be calculated on a daily basis from the date of the award until the date the Council could reasonably be aware of the excess award, subject to a minimum of £100 and maximum of £1,000.

9.05 Whenever, a sanction is issued where there is evidence of fraud the case should be recorded by the CFT as fraud.

10 Exceptions

10.01 It is the Council's policy to consider the exclusion of people with mitigating circumstances from the imposition of penalties. Each case will be considered on its own merits by the Corporate Fraud Team. Examples of mitigating circumstances may include:

- a significant degree of physical or mental infirmity, such as a terminal illness, severe clinical depression, hearing/sight/speech problems, learning difficulties or frailty due to old age.
- Making a voluntary disclosure of the alleged offence before the Council had any suspicions regarding the validity of their entitlement to a Council Tax discount or exemption, Local Council Tax Support Reduction Scheme entitlement.
- That a matter may be dealt with more effectively without redress to a penalty, for example due to age or immaturity, although youth in itself is not a good enough reason not to instigate proceedings. In such a case, consideration should be given to issuing an advice letter in order to complete closure of the case.

11.0 Appeals

11.01 A customer has the right of appeal to the Valuation Tribunal for England against the decision by the Council to apply a penalty. An appeal must be made in writing directly to the Valuation Tribunal. www.gov.uk/government/organisations/valuation-office

12. Publicity

12.01 Deterrence is a key component in tackling fraud, corruption and error.

12.02 When the authority obtains a guilty outcome from prosecution action they have taken they will seek maximum publicity of the case. Thus sending a clear message that CDC and SNC will robustly protect taxpayers' money and valuable resources.

12.03 The Council will celebrate the successes of the CFT in protecting the public purse.

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Cherwell District Council

Accounts, Audit and Risk Committee

6 December 2016

Quarter Two Risk Review 2016-17
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Report of Director - Strategy and Commissioning

This report is public

Purpose of report

To update the Committee on the management of Strategic, Corporate and Partnership risks during the second quarter of 2016/17.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Review the full Strategic, Corporate and Partnership Risk Register for 2016/17 and identify any issues for further consideration or referral to Executive.
- 1.2 Note the risk exceptions highlighted and proposed actions.

2.0 Introduction









- 2.1 The Council details its approach to managing risk in its Risk and Opportunities Management Strategy and sets out the framework for managing risks of all types.
- 2.2 Risks are reviewed on a quarterly basis, undertaken by the Accounts, Audit and Risk Committee and Joint Management Team (JMT). This takes the form of reviewing the strategic risk register. Operational risks are reviewed at departmental level but can be escalated to the strategic risk register if required.

Whilst a formal review is undertaken annually to refresh the strategic risk register and identify any new or emerging risks or opportunities, risks may still be added at any point during the year.

- 2.3 Appendix 1 sets out the underlying principles which continue to be used for the management of risk
- 2.4 This is the second quarterly performance report provided on the Strategic Risk Register for 2016/17. Risk exceptions have been highlighted to provide a focus on

those risks rated 16 or above (red risks requiring active management) and any changes to risk ratings that have occurred.

- 2.5 **The Risk and Opportunities Management Strategy** (which is a joint document for both Cherwell DC and South Northamptonshire DC) was reviewed and updated for 2016/17 to better reflect the Councils' risk appetite, attitude to risk and changes to the information management and data collection system that underpins the process. The Strategy was reviewed and agreed at the meeting on the 21st September.
- 2.6 This report focusses on risks specific to Cherwell DC and those that are shared and jointly managed with South Northamptonshire Council.
- 2.7 The following key applies to the remainder of the report and associated appendices.










Colour	Symbol	Meaning
Red		Requires active management High impact / High likelihood Risk requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Amber		Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile. Escalate upwards.
Green		Good Housekeeping May require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.
Grey		Not updated
		Risk has reduced since previous review
		Risk has increased since previous review
		Risk has not changed since last review
		Direction of Travel is not applicable as risk is new

3 Report Details

3.1 Summary

- 3.1.1 As at the end of Quarter Two, there are two risks rated red (active management), 28 risks are rated amber (contingency plans) and two are rated green (good housekeeping).

- 3.1.2 The two red risks have been escalated this quarter.
- 3.1.3 Three risks have been downgraded slightly but still retain an amber rating.
- 3.1.4 One new corporate risk has been identified and been rated as amber; C16 - Inability to download new voter registrations
- 3.1.5 The table below shows the overall breakdown of risks by ratings for Cherwell DC; split by CDC specific and shared as well as the three risk categories (definitions explained in detail in Appendix 1).

Council	Strategic Risks			Corporate Risks			Partnership Risks		
									
CDC	1	7	-	1	1	-	-	2	1
Shared	-	7	-	-	10	1	-	1	-
TOTAL	1	14	-	1	11	1	-	3	1

3.2 The full risk register has been reviewed by the risk owners and members of JMT and an exception report created; this report focusses on those risks with a residual score of 16 or higher ('Red' risks that require active management), or have had a change in risk scores since the previous quarter.

3.3 Red risks requiring active management

3.3.1 Last quarter, the risk of loss of services at the Horton Hospital was reported as red. It has been recommended at JMT that this is not a Council risk as its only involvement is to provide support in finding solutions to the Trust responsible for the hospital.. This risk has therefore been removed from the register.

3.3.2 At the last meeting when discussing the Horton Hospital risk, a query was raised around whether GP closures in Banbury should be considered as a risk. As this responsibility sits with the Oxfordshire Clinical Commissioning Group (OCCG) and again is not a council risk, it has been recommended that this risk is not incorporated in the register.

3.3.3 Risk C02 – ICT Loss of Systems has been escalated from a rating of 9 (amber) to 16 (red) this quarter. It is felt that the council-wide Disaster Recovery / Business Continuity is not currently fit for purpose and will be addressed through the IT Transformation programme that has been recommended. The IT strategy has been written and is now awaiting approval.

3.3.4 Risk S18 – Banbury Development has also been escalated from a rating of 12 (amber) to 16 (red) this quarter. Controls have been updated to include :

- Regular meetings of the Project Board
- Adopted Asset management Strategy and review of Council car park sites
- Interdependencies map produced showing progress on all major development sites in Banbury
- Adopted local Plan leading to Completion of Banbury Masterplan and Canalside Supplementary Planning Document (SPD)
- Soft Market testing of sites to be concluded in February 2016

3.4 **Change in risk scores:** Three risks have been downgraded this quarter although they remain with an amber rating:-

- C04 – Corporate Fraud : Rating reduced from 12 to 6 (Impact reduced from 4 to 3, Probability reduced from 3 to 2)
- S10 – Deprivation and Health Inequalities (Brighter Futures) : Rating reduced from 9 to 6 (Probability reduced from 3 to 2)
- S21 – Oxfordshire Devolution Deal and Unitary Authority Rating reduced from 12 to 10 (Impact increased from 4 to 5, Probability reduced from 3 to 2)

3.5 Since corporate risk register information has been captured on Performance Matters, 11 risks have had their residual risk rating changed (including the five changes made this quarter). In nine instances this has been a reduction in the overall rating.

3.6 A new risk has been identified: C16 - Inability to download new voter registrations. An inherent rating of 12 was identified which has been adjusted to 9 given the controls and assurances already in place. Details can be found in Appendix 3 – Full risk register

4.0 Conclusion and Reasons for Recommendations

4.1 The following options have been identified. The approach in the recommendations is believed to be the best way forward.

Option 1 To support the current approach and having considered the Strategic, Corporate and Partnership risks, report any concerns arising to the Executive.

Option 2 To reject the current approach and proposals and report any concerns arising to the Executive.

5.0 Consultation

5.1 Both CDC Accounts, Audit and Risk Committee and SNC Audit Committee have been consulted on the development of the Risk Strategy

6.0 Alternative Options and Reasons for Rejection

6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To reject the current approach and proposals and recommend an alternative approach to risk management. This option is not recommended as it departs from the Council's stated approach to risk management as set out in its Risk and Opportunities Management Strategy.

7.0 Implications

Financial and Resource Implications

7.1 There are no specific financial implications arising from this report.

Comments checked by:

Paul Sutton, Chief Finance Officer, 0300 0030 106,

Paul.Sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 There are no specific legal implications arising from this report,

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030 107,

kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All strategic priorities

Lead Councillor

Councillor Barry Wood, Leader of the Council

Document Information

Appendix No	Title
1	Risk Management: Underlying Principles
2	Exceptions – Red Risks
3	Full Risk Register
4	High Level Risk Summary
Background Papers	
None	
Report Author	Ed Bailey, Corporate Performance Manager
Contact Information	Edward.Bailey@cherwellandsouthnorthants.gov.uk 01295 221605

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Appendix 1 – Risk Management: Underlying Principles

The following principles continue to be used for the management of risk

- 1) **Core Risks:** these are the core set of strategic and high level risks that are recorded in the Council's Risk Register and are managed by JMT. They are monitored by the Accounts, Audit and Risk Committee and JMT on a quarterly basis. These risks are defined as strategic, corporate and partnership risks (see 'types of risk' below).
- 2) **Residual/Net Risk:** this is a measure of impact and likelihood after the proposed mitigating actions or controls have been taken into account. This is given a score using a 5x5 matrix which can then range from 1 to 25, with 25 being the highest level a risk can score. Changes in residual risk are highlighted in the risk monitoring reports to draw attention to any increase or decrease in risk and any new controls required. It also shows the progression from the inherent risk that was identified when the risk was first identified.
- 3) **Types of Risk:** the Council distinguishes between types of risk and those defined as strategic, corporate or partnership are held on the Council's core strategic risk register. Operational risks are managed at the service and directorate level. Risks can move between the Strategic and Operational risk registers if it is felt a risk needs to be escalated or down-graded.

Our definitions are as follows:

- Strategic risks that are significant in size and duration and will impact on the reputation and performance of the Council as a whole and in particular on its ability to deliver its four strategic priorities
- Corporate risks to corporate systems or processes that underpin the organisation's overall governance, operation and ability to deliver services.
- Partnership risks to a partnership meeting its objectives or delivering agreed services/ projects.
- Operational risks specific to the delivery of individual services/service performance or specific projects.

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Appendix 2 Risk Exceptions - Residual = 16 or higher OR Rating change

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous rating
CDC	C02	CDC - ICT Loss of Systems	Failure of ICT services including telephones and remote access. Leading to a negative impact on customers, loss of business continuity and cost to the council (in terms of resources and reputation.)	4	4	16	▲	4	4	16	Sep-16	✖	Jun 16	09

Current Controls : BCP Plan Disaster recovery (DR) arrangements (CDC) Recovery site (CDC) Back up of systems Process and standards (compliance regime)

Assurances : Formal auditing, IT Health check and benchmarking with best in private and public sector.

Risk - Mitigating actions update

IT Strategy has been written and is awaiting approval.

The council-wide DR/BC is not currently fit for purpose and will be addressed through the IT Transformation programme that has been recommended.

CDC	S18	Banbury Development	The sites are complex and in multiple ownership. There are conflicting development pressures and challenges with site viability	4	4	16	▲	4	4	16	Sep-16	✖	Jun 16	12
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Current Controls : Regular meetings of the Project Board Adopted Asset management Strategy and review of Council car park sites Interdependencies map produced showing progress on all major development sites in Banbury Adopted local Plan leading to Completion of Banbury Masterplan and Canalside Supplementary Planning Document (SPD) Soft Market testing of sites to be concluded in February 2016

Assurances : Regular risk monitoring and review discussions by the project board

Shared	S21	Oxfordshire Devolution Deal and Unitary Authority (ODD&UA) - Stage 1 Options Appraisal Oxfordshire Devolution Deal and Unitary Authority (ODD&UA)	The Council fails to: grasp the opportunity for transformation/reform across all agencies to benefit the local area and deliver further efficiencies • ensure all stakeholders (internal and external) are engaged and understand options as they emerge • obtain and provide all relevant data to support options appraisal resulting in long term negative impact upon better outcomes for our area including quality of life for local residents, economic growth, financial sustainability and on the council's reputation itself.	5	3	15	●	5	2	10	Sep-16	✔	Jun 16	12
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Current Controls : • PwC appointed as independent consultants on behalf of all Oxfordshire Districts, plus West Oxfordshire and South Northamptonshire Councils. Lead Officer /S151 sign off of data. • Member with lead responsibility = Leader • Officer with lead responsibility = Head of Transformation • Regular meeting of Oxfordshire District Leaders and Chief Executives • District Councils Communications Group established • Communications and Information Sharing Protocol in place between the partners and county council • SNC Leader engaged as a key stakeholder • SNC has created a new portfolio for a member of Cabinet to be responsible for Devolution, Transformation and Change. • Phase 2 of the management review has been put on hold to minimise organisational disruption through change

Assurances : • Project timeline • Regular meetings of Leaders and Chief Executives • Regular liaison with PwC team and Oxfordshire District Councils

Risk - Quarterly Review

An update report was considered by executive in Sept 2016 recommending the focus be upon working jointly with the City Council, other Districts Councils and the County Council in Oxfordshire and not to focus upon local government structural reform in Oxfordshire at this stage.

Government have made it clear that it will not agree to any devolution deals/structural reform that does not have the agreement of all local stakeholders in the areas.

Appendix 2 Risk Exceptions - Residual = 16 or higher OR Rating change

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk	Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous rating
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Consequently the risk is reduced for this quarter and will be reviewed regularly.

CDC	S10	Deprivation and Health Inequalities (Brighter Futures in Banbury)	Failure to deliver the Brighter Futures in Banbury programme results in long term health and deprivation objectives not being met	4	3	12	3	2	06	Sep-16		Jun 16	09
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Current Controls : Long term commitment to support local people and communities as many issues can only be addressed on this basis. Multi agency actions with clear and common objectives. Additional funding from Government grants to supplement current resources. Local Strategic Partnership focus on Brighter Futures in Banbury programme. Contingency fund made available in CDC budget. Programme co-ordination role in place. Quarterly performance management in place.

Assurances : Project governance Local Strategic Partnership (LSP) oversight, Quarterly reporting Annual Report

Shared	C04	Corporate Fraud	Lack of corporate governance and control results in fraud from either within or outside the councils heightened by the transfer of staff to the Single Fraud Investigation Service (SFIS) from February 2015.	4	4	16	3	2	06	Sep-16		Jun 16	12
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Current Controls : Professionally qualified finance staff. Communication of anti-fraud messages. Specific corporate fraud resource within the Councils. Fraud risk assessments carried out periodically. Audit Committee at SNC. Accounts, Audit and Risk Committee at CDC Benefit fraud campaigns advertised. Benefit fraud identification and convictions communicated to the local press. Internal controls processes and procedures (segregation of duties, checking of information etc.) Periodic checking of data (single person discounts, Audit Commission data matching etc.) Membership of National Anti Fraud Network. Role of S151 and monitoring officers. Fraud detection & prevention corporate policies in place such as Whistle Blowing and Anti-fraud & Corruption Policy. Standard agenda items on Accounts, Audit and Risk Committee and Audit Committee. Use of internal and external audit as part of planned programme and on an ad-hoc basis as required.

Assurances :

5/2016

Appendix 3 - Full Risk Register

Strategic Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk		Last updated	Change	Since	Previous	rating
Shared	S01	Policy and legislative change	The councils fail to adequately respond to the implications of changing national policy resulting in loss of opportunity, reputational damage or legal challenge	5	4	20	▲	4	3	12	●	Sep-16	➔	Jun 16	12	●
<p>Current Controls : JMT forward plan, Executive and Cabinet Forward plans, Scrutiny Committees. Business and Service Planning. Business Planning meetings to brief Executive and Cabinet. Highly professional, competent, qualified staff Good networks established locally, regionally and nationally National guidance interpreting legislation available and used regularly Members aware and are briefed regularly including lead members/portfolio holders in one to one's with JMT members. JMT undertake policy oversight role. Quarterly Health & Safety reporting. Assurances : No legal challenge has been made to any decision by either Council alleging misapplication of the law</p> <p>Risk - Mitigating actions update No change for Q2</p>																
Shared	S02	Financial resilience	The impact of external financial shocks, new policy and increased service demand reduces the councils medium and long term financial viability	4	4	16	▲	3	4	12	●	Sep-16	➔	Jun 16	12	●
<p>Current Controls : Highly professional, competent, qualified staff Good networks established locally, regionally and nationally National guidance interpreting legislation available and used regularly Members aware and are briefed regularly Participate in Northamptonshire Finance Officers and Oxfordshire Treasurers' Association's work streams Programme management approach being taken Assurances : Budget and Financial Strategy Committee (SNC) Budget Planning Committee (CDC) Executive, Cabinet, Audit Committee and Accounts, Audit and Risk Committee, Scrutiny Committees</p>																
Shared	S03	Capital investment	Poor investment and asset management results in the councils not maximising financial return or losing income.	4	3	12	●	3	2	06	●	Sep-16	➔	Jun 16	06	●
<p>Current Controls : Treasury management policies in place Investment strategies in place Regular financial and performance monitoring in place Independent third party advisers in place and different ones used at each Council Regular bulletins and advice received from advisers Fund managers in place Property portfolio income monitored through financial management arrangements on a regular basis Experienced professionally qualified staff employed at both Councils. Asset Management review and conclusions expected to be reported at both Councils by the end of the year. Assurances : Budget and Financial Strategy Committee (SNC) Budget Planning Committee (CDC) Executive, Cabinet, Audit Committee and Accounts, Audit and Risk Committee, Scrutiny Committees</p>																
Shared	S07	Customer Service Improvement (including channel shift)	Failure to increase internet usage or self service and improve customer service processes results in higher costs and decreased customer satisfaction	3	4	12	●	3	3	09	●	Sep-16	➔	Jun 16	09	●
<p>Current Controls : CDC – customer service standards in place (e.g. voicemail) Web – both councils redesign undertaken and on-going development is undertaken – this includes online forms and payment Managers discuss service changes with customer services to mitigate any negative impact on customer service On-going review of the web (SNC you said we did page – noting actions taken from customer feedback) Customer communications in local / residents newsletters Customer complaints process JMT highlight service changes to customer service teams to ensure web/service team can deliver, project also part of the transformation programme with associated governance. Results of CDC Customer Satisfaction Survey presented to Executive October 2015 and was well received. The Key Services to be Maintained summary instrumental in Business and Service Planning processes. A similar Survey is being prepared for SNC and will go live June/July 2016. Assurances : Project governance, performance management reporting, customer insight reporting.</p>																

Appendix 3 - Full Risk Register

Strategic Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk		Last updated	Change	Since	Previous	rating
CDC	S10	Deprivation and Health Inequalities (Brighter Futures in Banbury)	Failure to deliver the Brighter Futures in Banbury programme results in long term health and deprivation objectives not being met	4	3	12	●	3	2	06	●	Sep-16	↓	Jun 16	09	●
<p>Current Controls : Long term commitment to support local people and communities as many issues can only be addressed on this basis. Multi agency actions with clear and common objectives. Additional funding from Government grants to supplement current resources. Local Strategic Partnership focus on Brighter Futures in Banbury programme. Contingency fund made available in CDC budget. Programme co-ordination role in place. Quarterly performance management in place.</p> <p>Assurances : Project governance Local Strategic Partnership (LSP) oversight, Quarterly reporting Annual Report</p>																
CDC	S11	CDC Local Plan	Failure to ensure sound local plan is submitted results in inappropriate growth in inappropriate places. This leads to negative (or failure to optimise) economic, social, community and environmental gain. There is also potential negative impact on the council's ability to deliver its strategic objectives and manage its reputation.	5	4	20	▲	3	3	09	●	Sep-16	→	Jun 16	09	●
<p>Current Controls : A Local Development Scheme is in place which details the timeframes and deliverables to underpin the work Resources are in place to support delivery including QC support</p> <p>Assurances : Full Council</p> <p>Risk Mitigating actions update</p> <p>Options stage for Partial Review is being considered at November 2016 Executive</p>																
CDC	S12	North West Bicester (Eco-town)	Failure to deliver the project results in loss of economic benefit, local dissatisfaction and reputational damage to the council	4	4	16	▲	3	3	09	●	Sep-16	→	Jun 16	09	●
<p>Current Controls : Planning policy development through Local Plan Eco Town Project plan & related partnerships Working with private & public sector partners Programme Board in place Lead Member in place</p> <p>Assurances : Programme Governance Performance Management</p>																
CDC	S13	Bicester town centre development	Failure to deliver the project results in loss of economic benefit, local dissatisfaction and reputational damage to the council	4	3	12	●	3	3	09	●	Sep-16	→	Jun 16	09	●
<p>Current Controls : Project manager in lead role Project Board Legal agreements in place Joint venture with the developer (underpinned by legal agreements) Monthly performance / projects reports Resources and technical advice provided as part of the developer agreement</p> <p>Assurances : Project Governance</p>																
CDC	S14	Graven Hill	Failure to deliver the project results in severe loss of economic benefit, local dissatisfaction and damage to reputation	4	3	12	●	3	3	09	●	Sep-16	→	Jun 16	09	●

Appendix 3 - Full Risk Register

Strategic Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk	Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous rating
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Current Controls : Project Manager Project Board Companies set up Business Plan and Finance Plan being monitored

Assurances : Project Governance

Shared	S16	Transformation Programme	Failure to deliver the programme results in failure to: <ul style="list-style-type: none"> • deliver savings • deliver the councils' commercial objectives • reputation damage • improve services and deliver efficiencies 	4	4	16	3	3	09	Sep-16		Jun 16	09
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Current Controls : Current: Programme plan in place Performance Management Member Governance CEO programme sponsor Dedicated programme team Future: All major proposals will be underpinned by business cases

Assurances : Annual Audit Quarterly performance management Monthly member oversight

CDC	S17	Build Development Programme	Failure to deliver the Build! Programme resulting in financial loss, loss of economic benefit, local dissatisfaction and damage to the Council's reputation.	5	3	15	4	3	12	Sep-16		Jun 16	12
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Current Controls : • Delivery Manager and Project Board • Legal Agreements in place for land acquisitions and contracts with consultants and contractors • Monthly project/performance reports • Business Plan and Financial Plan monitoring • Professional Construction Management • Effective Communications Management • Catastrophic would be a serious (fatal) health and safety incident which is always possible in a construction project but mitigated by sound Health & Safety procedures and Construction, Design & Management measures. • Financial risks are major given the level of investment but mitigated by budget management and professional construction management • Overall reputational risk is major given the profile of this project locally and nationally but managed by communications and strong project management.

Assurances : • Programme Governance • Information Management System (IMS) with the HCA • HCA Programme Audit (annually) • HCA Design and Quality Audit • Considerate constructor scheme • Fortnightly Project Boards; weekly project reviews

CDC	S18	Banbury Development	The sites are complex and in multiple ownership. There are conflicting development pressures and challenges with site viability	4	4	16	4	4	16	Sep-16		Jun 16	12
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Current Controls : Regular meetings of the Project Board Adopted Asset management Strategy and review of Council car park sites Interdependencies map produced showing progress on all major development sites in Banbury Adopted local Plan leading to Completion of Banbury Masterplan and Canalside Supplementary Planning Document (SPD) Soft Market testing of sites to be concluded in February 2016

Assurances : Regular risk monitoring and review discussions by the project board

CDC	S19	Asset Management	Failure to maximise the value of council assets through inaction, or wrong action leading to devaluation or wasted value.	4	4	16	4	2	08	Sep-16		Jun 16	08
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Current Controls : In 2015/16 to agree and implement 1) Asset Strategy Resource Plan 2) Operational Offices Plan 3) Car Parks Plan 4) Community Buildings Plan 5) Local Centres Plan Future Controls:- In 2016/17 to agree and implement 1) Data and Systems Plan 2) Operational Depot Plan 3) Leisure Buildings Plan 4) Commercial Investment Plan

Assurances : At the current time an Accommodation Asset Strategy Board provides a forum for debate and discussion about property matters. The Board comprises the Lead Members for Finance and Estates/Economy. The officer support is made up of representatives of Estates, Regeneration, Housing, Finance, and Bicester. The role and responsibilities of the Board will be clarified having regard to the actions and priorities arising out of the Asset Strategy.

Risk - Mitigating actions update

Various sites and other issues are being considered through the Accommodation Group and the Banbury Development Board. Reporting of progress made to members as required. The

Appendix 3 - Full Risk Register

Strategic Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous rating	
Accommodation Strategy report with initial recommendations from Officers will emerge in the new year. Car park strategy and future management of car parks is being progressed through the Banbury Development Board.															
Shared	S20	Dry Recycling Contract	<p>Failure to renegotiate/extend Dry Recycling Contract due February 2015. Current suppliers, UPM were asked to extend Contract for a further three years but are trying to get out of an extension due to financial losses.</p> <p>Failure to legally enforce contract extension option or renegotiate contract could lead to the need for short term arrangements or re-tender of the contract. Commodity prices are falling - with reduced oil prices plastic recycling prices will fall. Paper prices already fallen due to falling newspaper. Financial risk of reduced income. Service risk if outlet for recycling not secured.</p>	4	4	16	▲	4	3	12	Sep-16	➔	Jun 16	12	●
<p>Current Controls : Legal, Procurement & financial advice</p> <p>Assurances :</p> <p>Risk - Update</p> <p>There has been some improvement in recycling prices especially cardboard and the various grades of paper but this isn't sufficient for the business to yet be profitable for UPM.</p> <p>We are in discussion with Procurement, UPM and other authorities (Aylesbury Vale) involved in the contract about the way ahead following the current contract finishing in February 2018</p>															
Shared	S21	Oxfordshire Devolution Deal and Unitary Authority (ODD&UA) - Stage 1 Options Appraisal Oxfordshire Devolution Deal and Unitary Authority (ODD&UA)	<p>The Council fails to: grasp the opportunity for transformation/reform across all agencies to benefit the local area and deliver further efficiencies</p> <ul style="list-style-type: none"> ensure all stakeholders (internal and external) are engaged and understand options as they emerge obtain and provide all relevant data to support options appraisal resulting in long term negative impact upon better outcomes for our area including quality of life for local residents, economic growth, financial sustainability and on the council's reputation itself. 	5	3	15	●	5	2	10	Sep-16	▼	Jun 16	12	●

Appendix 3 - Full Risk Register

Strategic Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk	Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous rating
<p>Current Controls : • PwC appointed as independent consultants on behalf of all Oxfordshire Districts, plus West Oxfordshire and South Northamptonshire Councils. Lead Officer /S151 sign off of data. • Member with lead responsibility = Leader • Officer with lead responsibility = Head of Transformation • Regular meeting of Oxfordshire District Leaders and Chief Executives • District Councils Communications Group established • Communications and Information Sharing Protocol in place between the partners and county council • SNC Leader engaged as a key stakeholder • SNC has created a new portfolio for a member of Cabinet to be responsible for Devolution, Transformation and Change. • Phase 2 of the management review has been put on hold to minimise organisational disruption through change</p> <p>Assurances : • Project timeline • Regular meetings of Leaders and Chief Executives • Regular liaison with PwC team and Oxfordshire District Councils</p> <p>Risk - Quarterly Review</p> <p>An update report was considered by executive in Sept 2016 recommending the focus be upon working jointly with the City Council, other Districts Councils and the County Council in Oxfordshire and not to focus upon local government structural reform in Oxfordshire at this stage.</p> <p>Government have made it clear that it will not agree to any devolution deals/structural reform that does not have the agreement of all local stakeholders in the areas.</p> <p>Consequently the risk is reduced for this quarter and will be reviewed regularly.</p>													

Appendix 3 - Full Risk Register

Corporate Risks																
Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk		Last updated	Change	Since	Previous rating	
Shared	C01	Business Continuity	Plans are not in place and assumptions are made about the Disaster Recovery (DR) arrangements in the event of a Business Critical (BC) incident, leading to failure to ensure services can be delivered in the event of a issue resulting in service failure and reputational damage	5	4	20	▲	3	4	12	●	Sep-16	➔	Jun 16	12	●
<p>Current Controls : Business continuity strategy in place All services prioritised and recover plans reflect the requirements of critical services ICT disaster recovery arrangements in place Joint Management Team lead identified Incident management team identified All services undertake annual business impact assessments</p> <p>Assurances : There is a systematic project in place focusing on critical services to ensure that absolute requirements can be met; planned testing to be arranged. Audit and business continuity plan refresh Quarter 4</p>																
CDC	C02	CDC - ICT Loss of Systems	Failure of ICT services including telephones and remote access. Leading to a negative impact on customers, loss of business continuity and cost to the council (in terms of resources and reputation.)	4	4	16	▲	4	4	16	▲	Sep-16	✖	Jun 16	09	●
<p>Current Controls : BCP Plan Disaster recovery (DR) arrangements (CDC) Recovery site (CDC) Back up of systems Process and standards (compliance regime)</p> <p>Assurances : Formal auditing, IT Health check and benchmarking with best in private and public sector.</p> <p>Risk - Mitigating actions update IT Strategy has been written and is awaiting approval.</p> <p>The council-wide DR/BC is not currently fit for purpose and will be addressed through the IT Transformation programme that has been recommended.</p>																
Shared	C04	Corporate Fraud	Lack of corporate governance and control results in fraud from either within or outside the councils heightened by the transfer of staff to the Single Fraud Investigation Service (SFIS) from February 2015.	4	4	16	▲	3	2	06	●	Sep-16	✔	Jun 16	12	●
<p>Current Controls : Professionally qualified finance staff. Communication of anti-fraud messages. Specific corporate fraud resource within the Councils. Fraud risk assessments carried out periodically. Audit Committee at SNC. Accounts, Audit and Risk Committee at CDC Benefit fraud campaigns advertised. Benefit fraud identification and convictions communicated to the local press. Internal controls processes and procedures (segregation of duties, checking of information etc.) Periodic checking of data (single person discounts, Audit Commission data matching etc.) Membership of National Anti Fraud Network. Role of S151 and monitoring officers. Fraud detection & prevention corporate policies in place such as Whistle Blowing and Anti-fraud & Corruption Policy. Standard agenda items on Accounts, Audit and Risk Committee and Audit Committee. Use of internal and external audit as part of planned programme and on an ad-hoc basis as required.</p> <p>Assurances :</p>																
Shared	C05	Managing Data and Information	Poor data quality or lack of relevant information results in poor decision making	4	4	16	▲	2	3	06	●	Sep-16	➔	Jun 16	06	●
<p>Current Controls : Audit and data quality health checks Annual target setting process Annual PMF review Data quality policies in place Quarterly performance reporting Monthly tracking of</p>																

Appendix 3 - Full Risk Register

Corporate Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk	Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous rating
<p>key measures</p> <p>Assurances : Audit, data quality checks as part of performance management framework. More regular performance reporting with more time for Performance and Insight team to review data and act as a 'critical friend'</p> <p>Risk - Mitigating actions update</p> <p>Live connection between Performance Matters and the See It, Report It data from LAGAN helps show that we can provide the link between high level figures and the supporting operational level data.</p> <p>We are beginning to load operational risks onto Performance Matters to provide a more holistic look at the risk issues affecting the councils.</p>													
Shared	C06	Member Decision Making	That members do not have access to information and support to make effective decisions	4	4	16 ▲	4	3	12 ●	Sep-16	➔	Jun 16	12 ●
<p>Current Controls : Attendance of professionally qualified and experienced officers at all Member decision taking meetings. Business Planning meetings at Executive and Cabinet. Council Constitutions. Member Development Programmes. Legislative requirements. Call in processes. Sign off of Council/Executive/Cabinet/Committee reports by JMT member</p> <p>Assurances : No decision has been made by either Council which is inconsistent with the policy framework or legal requirements</p> <p>Risk - Mitigating actions update</p> <p>No change for Quarter 2</p>													
Shared	C08	Safeguarding Children	Failure to follow our policies and procedures in relation to safeguarding children or raising concerns about children and young people welfare	5	4	20 ▲	5	1	05 ★	Sep-16	➔	Jun 16	05 ★
<p>Current Controls : Safeguarding lead in place and clear lines of responsibility established. Safeguarding Policy and procedures in place Information on the intranet on how to escalate a concern Staff training - at SNC this is being rolled out using new NCC e-training module. Safer recruitment practices and DBS checks for staff with direct contact Action plan developed by CSE Prevention group as part of the Community Safety Partnership Local Safeguarding Children's Board Northamptonshire (LSCBN) pathways and thresholds Data sharing agreement with other Partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return complied for each council</p> <p>Assurances : Safeguarding champions to promote the welfare of children and be a point of contact for cascading information. Annual Audit of activity JMT and LSP also have specific actions and/or meeting times JATAC (Joint Agency Tactical and Co-Ordination Meeting) at CDC where issues of CSE are currently discussed with partner agencies.</p>													
Shared	C09	Safeguarding	Failure to:- identify safeguarding concerns and issues; use agreed protocols for escalating safeguarding concerns; use diverse community intelligence to best effect internally and externally.	4	4	16 ▲	4	2	08 ●	Sep-16	➔	Jun 16	08 ●
<p>Current Controls : Engagement with Joint Agency Tasking and Co-ordinating Group (JATAC) and relevant Oxfordshire County Council (OCC) safeguarding sub group. Engagement at an operational and tactical level with relevant external agencies and networks</p> <p>Assurances : The established "See It Report It" process has controls and monitoring arrangements for different levels in the organisation for assurance purposes</p>													
Shared	C10	Communications	Failures to manage internal and external communications results in reputational damage to the council or reduced performance/staff morale	4	4	16 ▲	3	3	09 ●	Sep-16	➔	Jun 16	09 ●
<p>Current Controls : Centralised press office function Members attributed and sign of press releases Communications strategy in place Members media training Social Media Policy Specific communications plans in place for major projects</p> <p>Assurances : SNC Members communications panel SNC Portfolio Holder for communications CDC member lead for communications Quarterly performance reporting CDC annual satisfaction survey</p>													

Appendix 3 - Full Risk Register

Corporate Risks

Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk	Last updated	Change	Since	Previous	rating
includes comprehensive communications section															
Risk - Mitigating actions update															
Comms Panel met mid-October and weekly meetings take place with the leader who is also the portfolio holder.															
CDC meetings with leader ad hoc as and when he requires them.															
Feedback from Customer Satisfaction Survey noted - but in the main positive.															
Shared	C11	Equalities	Failure to comply with equalities legislation results in legal challenge, costs and reputation damage	4	4	16	▲	4	3	12	●	→	Jun 16	12	●
Current Controls : Rolling programme of equality assessments Equality policy and corporate plan in place Equalities requirements to be identified in service plans Equalities training available for staff and members Equalities awareness programme "Knowing our Communities" at both CDC and SNC															
Assurances : Annual update to Cabinet and Executive. Quarterly performance reporting. EIA rolling programme and action plan. Virtual steering group to co-ordinate work.															
Shared	C12	Health and safety	Failure to comply with health and safety legislation leads to injury, sickness, absence and litigation against the council	5	4	20	▲	5	2	10	●	→	Jun 16	10	●
Current Controls : Both Councils have shared policies, procedures, and arrangements in place to mitigate the risks of accidents to staff, members of the public and contractors that may be affected by the Councils actions															
Assurances : BS OHSAS 18001 Occupational Health and Safety Standard, and ISO 14001 Environmental Standard.															
CDC	C13	Emergency Planning (EP)	That plans are not in place to ensure the Council responds effectively in the event of a civil emergency and local residents are not supported. This could result in casualties, unnecessary hardship, impact on the local environment, costs and reputation.	4	3	12	●	4	2	08	●	→	Jun 16	08	●
Current Controls : Emergency plan reviewed quarterly and on activation. Team established to monitor and ensure all elements are covered. Added resilience from cover between CDC and SNC															
Assurances : Oxfordshire County Council (OCC) EP Division have accepted our EP as being sufficient and suitable. OCC have also led on desk top studies of implementation.															
Risk - Mitigating actions update															
Following the Public Protection restructure an Emergency Planning Liaison Officer has been appointed and is reviewing our arrangements and procedures; this will enhance the existing and lead to improvement where necessary															
Shared	C15	ICT Transformation and Transition	Failure to deliver the IT transition project programme results in failure to: <ul style="list-style-type: none"> • deliver savings through IT harmonisation • deliver the councils' wider strategic and commercial objectives • reputation damage • improve services and deliver efficiencies 	4	4	16	▲	3	3	09	●	→	Jun 16	09	●

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Appendix 3 - Full Risk Register

Corporate Risks															
Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk		Last updated	Change	Since	Previous rating
			<ul style="list-style-type: none"> • deliver the channel shift programme and enhance customer access • Manage business continuity 												
Current Controls : Current: Project plan in place Performance Management Member Governance Director as sponsor Dedicated project team and additional resource Future: New IT strategy and work plan to be developed Assurances : Audit Quarterly performance management Monthly member oversight															
Shared	C16	Inability to download new voter registrations	Cabinet Office are moving their online system to a more powerful and robust server. When the initial setup of this system took place in June 2014, connectivity tests passed ok in the dry runs. However when went live connectivity was lost and took 5 days to re-instate.	4	3	12		3	3	09		Sep-16		>>	
Current Controls : Testing of connectivity has taken place and been successful. Feedback to Cabinet Office has been given. Larger server at Cabinet Office so repeat of 2014 is unlikely. Assurances : Third party assurances from Cabinet Office Risk - Update New risk this quarter so Direction of travel will not display.															

Appendix 3 - Full Risk Register

Partnership Risks																
Council	Ref.	Name	Description	Gross Impact	Gross Probability	Gross Risk		Current Impact	Current Probability	Residual Risk		Last updated	Change	Since	Previous rating	
CDC	P01	Police and Crime Commissioner (PCC) - Thames Valley	The Council fails to engage/influence the PCC/ PCP Doesn't add value to partnership work of the council PCC commissions projects that don't align with strategic objectives of the council. Loss/reduction of funding to Community Safety. Becomes isolated from PCC leading to failure to achieve corporate objectives and loss of reputation	3	3	09	●	2	2	04	★	Sep-16	➔	Jun 16	04	★
Current Controls : Effective local Community Safety Partnership meetings Elected member representation at Police and Crime Panels (PCP) Elected Member representation at Oxfordshire Board (OSCP) arrangements. Elected Member representation at CSP Alignment with PCC Policing Plan Elected membership in accordance with agreed PCP Steering Group Policy Assurances : PCC subject to scrutiny by PCP. CDC chair of CSP sits on PCP.																
Shared	P04	South Midlands LEP (SEMLEP)	The partnership doesn't add value to the work of the councils, undertakes projects that don't align with strategic objectives or the council is unable to influence the partnership's agenda.	4	4	16	▲	3	3	09	●	Sep-16	➔	Jun 16	09	●
Current Controls : Partnership Work Programme / Forward Plan, Resource provision for Partnership work, Senior management and Member Involvement Assurances : Risk - Mitigating actions update Close involvement by SNC and CDC in its policy development and service provision																
CDC	P05	Oxfordshire LEP	The partnership doesn't add value to the work of the council, undertakes projects that don't align with strategic objectives or the council is unable to influence the partnership's agenda.	4	4	16	▲	3	3	09	●	Sep-16	➔	Jun 16	09	●
Current Controls : Partnership Work Programme / Forward Plan, Resource provision for Partnership work, Senior management and Member Involvement Assurances : Portfolio briefing Growth Board Regular liaison meetings with OLEP Risk - Mitigate actions update CDC inputted closely into development of new SEP and in service delivery groups																
CDC	P07	Safeguarding in Partnership with OCC (CDC)	Failure of the new partnership arrangements results in Cherwell District Council not being able to meet its safe and healthy objectives.	3	4	12	●	3	3	09	●	Sep-16	➔	Jun 16	09	●
Current Controls : Engagement with County Council structures Oxfordshire has a clear structure and acknowledges the need for the District Council's direct contribution. Financial constraints to the delivery of the Health & Wellbeing Board action plan Assurances : Spending in localities is determined by the Board. There is limited opportunity for Districts to directly influence.																

Appendix 4 - Risks compared to last quarter

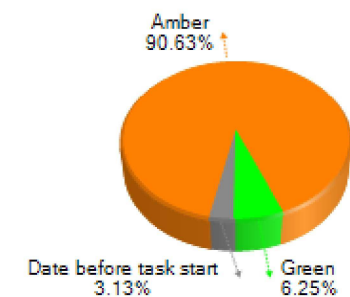
Appendix 4 - Risks compared to last quarter

Council		Last Quarter Jun 16	Rating	This Quarter Sep 16	Rating	Change	Risk rating last changed
CDC	S18 - CDC - Banbury Development	12	●	16	▲	➔	Sep 16
CDC	C02 - CDC - ICT Loss of systems	09	●	16	▲	➔	Sep 16
Shared	S02 - Common - Financial resilience	12	●	12	●	➔	
Shared	C11 - Common - Equalities	12	●	12	●	➔	Mar 16
Shared	S01 - Common - Policy and legislative change	12	●	12	●	➔	
CDC	S17 - CDC - Build! @ Development Programme	12	●	12	●	➔	
Shared	C01 - Common - Business Continuity	12	●	12	●	➔	
Shared	S20 - Common - Dry Recycling Contract	12	●	12	●	➔	
Shared	C06 - Common - Member Decision Making	12	●	12	●	➔	
Shared	S21 - Oxfordshire Devolution Deal and Unitary Authority (ODD&UA)	12	●	10	●	➔	Sep 16
Shared	C12 - Common - Health and Safety	10	●	10	●	➔	
CDC	S11 - CDC - CDC Local Plan	09	●	09	●	➔	Jun 16
CDC	P05 - CDC - Oxfordshire LEP (OLEP)	09	●	09	●	➔	Jun 16
CDC	S12 - CDC - North West Bicester (Eco-Town)	09	●	09	●	➔	
Shared	S16 - Transformation Programme	09	●	09	●	➔	
CDC	S14 - CDC - Graven Hill	09	●	09	●	➔	
CDC	S13 - CDC - Bicester Town Centre Development	09	●	09	●	➔	
Shared	C10 - Common - Communications	09	●	09	●	➔	
Shared	C15 - ICT Transformation and Transition	09	●	09	●	➔	
Shared	P04 - Common - South Midlands LEP (SEMLEP)	09	●	09	●	➔	Jun 16
Shared	S07 - Common - Customer Service Improvement (including channel shift)	09	●	09	●	➔	
Shared	C16 - Common - Inability to download new voter registrations		▶▶	09	●	▶▶	
CDC	P07 - CDC - Safeguarding in Partnership with OCC	09	●	09	●	➔	
CDC	S19 - CDC - Asset Management	08	●	08	●	➔	
CDC	C13 - Common - Emergency Planning (EP)	08	●	08	●	➔	Mar 16
Shared	C09 - Common - Safeguarding	08	●	08	●	➔	
CDC	S10 - CDC - Deprivation and Health Inequalities (Brighter Futures)	09	●	06	●	➔	Sep 16
Shared	C04 - Common - Corporate Fraud	12	●	06	●	➔	Sep 16
Shared	S03 - Common - Capital Investment	06	●	06	●	➔	
Shared	C05 - Common - Managing Data and Information	06	●	06	●	➔	Jun 16
Shared	C08 - Common - Safeguarding Children	05	★	05	★	➔	
CDC	P01 - CDC - Police and Crime Commissioner (PCC) (Thames Valley)	04	★	04	★	➔	

Count Summaries

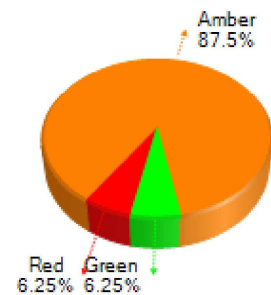
Last Quarter

▲	●	★	▶▶	Total
0	29	2	1	32



This Quarter

▲	●	★	Total
2	28	2	32



Change

➔	➔	➔	▶▶	Total
2	26	3	1	32

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Cherwell District Council

Accounts, Audit and Risk Committee

6 December 2016

Q2 Treasury Management Report

Report of Chief Finance Officer

This report is public
Appendix 1 is exempt from publication by virtue of paragraph 3 of Schedule 12A of
Local Government Act 1972

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2016/17 as required by the Treasury Management Code of Practice.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the second quarter (Q2) Treasury Management Report.

2.0 Introduction

- 2.1 As part of the Council's investment strategy and governance arrangements this committee considers the investment performance to date and compliance with the Council's Treasury Management Strategy with regard to counterparties being used.
- 2.2 The Code of Practice on Treasury Management approved by the Chartered Institute of Public Finance and Accountancy (CIPFA) and adopted in full by the Council in 2004, requires that a Treasury Management Strategy is produced prior to the beginning of the financial year to which it relates.
- 2.3 The Treasury Management Strategy is the cornerstone of proper treasury management, and is central to the operation, management reporting and performance assessment. The new annual strategy for Cherwell District Council was approved at full Council on 22nd February 2016. The Council re-appointed Capita Asset Services (formerly Sector) as its Treasury Management advisor in January 2013.
- 2.4 The highest standard of stewardship of public funds remains of the utmost importance to the Council. This document details the Council's management of investments and treasury management activities during the 6 months of 2016/17.

3.0 Report Details

2016/17 Performance

- 3.1 At the end of September 2016 the Council had £44.5m managed in-house (including Eco Town funds of £11.5m) which fluctuates during the year. The Council regularly reviews each of these funds in the light of current economic conditions, reducing balances in investments planned to fund the Capital Programme and the need to contribute to efficiency savings.
Appendix 1 details the split of in-house funds by category and banking group.

Update on Cherwell's Treasury Performance

- 3.2 The new Treasury Management Strategy for 2016/17, which includes the Annual Investment Strategy, was approved by the Council on 22nd February 2016 and sets out the Council's investment priorities as being:

- Security of Capital; Liquidity; and Yield

- 3.3 The Council will aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover short term cash flow needs. The Council also seeks out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions. The Council uses Capita's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information (this applies in particular to nationalised and semi nationalised UK banks).

Investment performance for 6 months ended 30 September 2016:

- 3.4 Investment rates available in the market have continued at historically low levels. The *average* level of funds available for investment purposes up to September 2016 was £44.9m. Funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants, funding of Graven Hill and progress on the Capital Programme and ECO Bicester.
- 3.5 The position as at 30 September 2016 shows:-

Investment Amount £	Interest Budget £	Interest Actual £	Variance £	Annualised rate of return £
44,497,585	87,500	130,597	43,097	0.58%

- 3.6 Interest for the full year is forecast to be approximately £14k greater than budget, despite the reduction in base rates in August 2016. A major factor for this is the delayed payment of £12million to Graven Hill for the purchase of land from the MOD, which is now expected around December 2016.

- 3.7 The value of interest includes accrued interest on Gilts (only payable twice a year) and investments maturing after date.

Icelandic Investments

- 3.8 As covered in previous reports, the remaining Icelandic funds have now been repaid in full, with associated interest (not included in the above figures).

- 3.9 **Capita Asset Services provided the following reports for the quarter ended 30 September 2016:**

Economic Background

UK GDP growth rates in 2013 of 2.2% and 2.9% in 2014 were strong but 2015 was disappointing at 1.8%, though it still remained one of the leading rates among the G7 countries. Growth improved in quarter 4 of 2015 from +0.4% to 0.7% but fell back to +0.4% (2.0% year on year) in quarter 1 of 2016 before bouncing back again to +0.7% (2.1% y/y) in quarter 2. During most of 2015, the economy had faced headwinds for exporters from the appreciation during the year of sterling against the Euro, and weak growth in the EU, China and emerging markets, plus the dampening effect of the Government's continuing austerity programme. The referendum vote for Brexit in June this year delivered an immediate shock fall in confidence indicators and business surveys, pointing to an impending sharp slowdown in the economy. However, subsequent surveys have shown a sharp recovery in confidence and business surveys, though it is generally expected that although the economy will now avoid flat lining, growth will be weak through the second half of 2016 and in 2017.

The Bank of England meeting on August 4th addressed this expected slowdown in growth by a package of measures including a cut in Bank Rate from 0.50% to 0.25%. The Inflation Report included an unchanged forecast for growth for 2016 of 2.0% but cut the forecast for 2017 from 2.3% to just 0.8%. The Governor of the Bank of England, Mark Carney, had warned that a vote for Brexit would be likely to cause a slowing in growth, particularly from a reduction in business investment, due to the uncertainty of whether the UK would have continuing full access, (i.e. without tariffs), to the EU single market. He also warned that the Bank could not do all the heavy lifting and suggested that the Government will need to help growth by increasing investment expenditure and possibly by using fiscal policy tools (taxation). The new Chancellor Phillip Hammond announced after the referendum result, that the target of achieving a budget surplus in 2020 will be eased in the Autumn Statement on November 23.

The Inflation Report also included a sharp rise in the forecast for inflation to around 2.4% in 2018 and 2019. CPI has started rising during 2016 as the falls in the price of oil and food twelve months ago fall out of the calculation during the year and, in addition, the post referendum 10% fall in the value of sterling on a trade weighted basis is likely to result in a 3% increase in CPI over a time period of 3-4 years. However, the MPC is expected to look thorough a one off upward blip from this devaluation of sterling in order to support economic growth, especially if pay increases continue to remain subdued and therefore pose little danger of stoking core inflationary price pressures within the UK economy.

In the Eurozone, the ECB commenced in March 2015 its massive €1.1 trillion programme of quantitative easing to buy high credit quality government and other debt of selected EZ countries at a rate of €60bn per month; this was intended to run initially to September 2016 but was extended to March 2017 at its December 2015 meeting. At its December and March meetings it progressively cut its deposit facility rate to reach -0.4% and its main refinancing rate from 0.05% to zero. At its March meeting, it also increased its monthly asset purchases to €80bn. These measures have struggled to make a significant impact in boosting economic growth and in helping inflation to rise from around zero towards the target of 2%. GDP growth rose by 0.6% in quarter 1 2016 (1.7% y/y) but slowed to +0.3% (+1.6% y/y) in quarter 2. This has added to comments from many forecasters that central banks around the world are running out of ammunition to stimulate economic growth and to boost inflation. They stress that national governments will need to do more by way of structural reforms, fiscal measures and direct investment expenditure to support demand in the their economies and economic growth.

Interest Rate Forecast

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19
Bank rate	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.25%	0.25%	0.25%	0.25%	0.50%
5yr PWLB rate	1.00%	1.00%	1.10%	1.10%	1.10%	1.10%	1.20%	1.20%	1.20%	1.20%	1.30%
10yr PWLB rate	1.50%	1.50%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.70%	1.80%
25yr PWLB rate	2.30%	2.30%	2.40%	2.40%	2.40%	2.40%	2.50%	2.50%	2.50%	2.50%	2.60%
50yr PWLB rate	2.10%	2.10%	2.20%	2.20%	2.20%	2.20%	2.30%	2.30%	2.30%	2.30%	2.40%

Capita Asset Services undertook a quarterly review of its interest rate forecasts after the MPC meeting of 4th August cut Bank Rate to 0.25% and gave forward guidance that it expected to cut Bank Rate again to near zero before the year end. The above forecast therefore includes a further cut to 0.10% in November this year and a first increase in May 2018, to 0.25%, but no further increase to 0.50% until a year later. Mark Carney, has repeatedly stated that increases in Bank Rate will be slow and gradual after they do start. The MPC is concerned about the impact of increases on many heavily indebted consumers, especially when the growth in average disposable income is still weak and could well turn negative when inflation rises during the next two years to exceed average pay increases.

4.0 Conclusion and Reasons for Recommendations

4.1 This report details the Treasury Performance for the Council for the quarter ended 30 September 2016.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request further information on the performance reported.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from any outcome of this report.

Comments checked by:

George Hill, Corporate Finance Manager

george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 Presentation of this report is in line with the CIPFA Code of Practice.

Comments checked by:

Kevin Lane, Head of Law & Governance 0300 0030107

Kevin.Lane@cherwellandsouthnorthants.gov.uk

Risk Management Implications

- 7.3 It is essential that this report is considered by the Audit Committee as it demonstrates that the risk of not complying with the Council's Treasury Management Policy has been avoided

Comments checked by:

Ed Bailey, Corporate Performance Manager, 01295 221605

edward.bailey@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 There are no equality and diversity implications from this report.

Comments checked by:

Caroline French, Business Transformation Project Officer, 01295 221586

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8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

Links to all elements of Corporate Plan

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1 - EXEMPT	Schedule of In-house investments per category and banking group.
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	Paul.sutton@Cherwellandsouthnorthants.gov.uk

Agenda Item 12

Accounts, Audit and Risk Committee Work Programme 2016/17

Date	Agenda Items
30 November	Internal Audit Progress Report External Audit Annual Audit Letter Corporate Fraud Q2 Corporate Risk Q2 Treasury Management Q2 Finance Improvement Plan - Follow-up
25 January	Internal Audit Progress Report External Audit Progress Report and Annual Certification of Grants Claims Treasury Management Strategy
31 March	Internal Audit Progress Report and Audit Plan External Audit Audit Plan Corporate Fraud Q3 Corporate Risk Q3 Treasury Management Q3

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