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Cherwell

DISTRICT COUNCIL
NORTH OXFORDSHIRE

Committee: Accounts, Audit and Risk Committee

Date: Wednesday 16 November 2022

Time: 6.30 pm

Venue: Bodicote House, Bodicote, Banbury, Oxon OX15 4AA

Membership

**Councillor Donna Ford
(Chairman)**

Councillor Patrick Clarke

Councillor Ian Middleton

Councillor Sean Woodcock

Councillor Hugo Brown (Vice-Chairman)

Councillor Andrew Crichton

Councillor Chris Pruden

Councillor Barry Wood

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. Minutes (Pages 5 - 8)

To confirm as a correct record the Minutes of the meeting of the Committee held on the 28 September 2022.

5. Chairman's Announcements

To receive communications from the Chairman.

6. Urgent Business

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

7. Treasury Management Report - Q2 2022/23 (September 2022) (Pages 9 - 18)

Report of the Assistant Director of Finance

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2022-23 as required by the Treasury Management Code of Practice.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of this Treasury Management Report.

8. September / Quarter 2 2022 - Risk Monitoring Report (Pages 19 - 36)

Report of Assistant Director – Customer Focus

Purpose of report

This report summarises the Council's Risk monitoring position of September / Quarter 2 2022.

Recommendations

The meeting is recommended:

- 1.1 To note the monthly Risk Monitoring Report September / Quarter 2 2022

9. Update on Counter Fraud Annual Plan 2022/23 (Pages 37 - 42)

Report of Assistant Director of Finance

Purpose of report

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2022/23, which was previously presented to the Accounts, Audit & Risk July 2022 meeting. The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

Recommendations

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2022/23.

10. Work Programme (Pages 43 - 44)

To consider and review the Work Programme.

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@cherwell-dc.gov.uk or 01295 221554 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 Liam Semugabi, Democratic and Elections democracy@cherwell-dc.gov.uk, 01295 221534

Yvonne Rees
Chief Executive

Published on Tuesday 8 November 2022

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, Oxon OX15 4AA, on 28 September 2022 at 6.30 pm

Present:

Councillor Donna Ford (Chairman)

Councillor Patrick Clarke
Councillor Andrew Crichton
Councillor Ian Middleton
Councillor Chris Pruden
Councillor Sean Woodcock
Councillor Barry Wood

Apologies for absence:

Councillor Hugo Brown

Also Present:

Councillor Adam Nell, Portfolio Holder for Finance

Also Present (virtual)

Maria Grindley, Audit Partner, Ernst & Young (External Audit)
Alison Kennett, Audit Manager, Ernst & Young (External Audit)

Officers:

Michael Furness, Assistant Director Finance & S151 Officer
Joanne Kaye, Strategic Finance Business Partner
Natasha Clark, Governance and Elections Manager

Officers (virtual)

Sarah Cox, Chief Internal Auditor
Celia Prado-Teeling, Interim Assistant Director Customer Focus
Liam Semugabi, Interim Democratic Services Officer

28 **Declarations of Interest**

There were no declarations of interest.

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

There were no petitions or requests to address the meeting.

30 **Minutes**

The Minutes of the meeting of the Committee held on 27 July 2022 were agreed as a correct record and signed by the Chairman.

31 **Chairman's Announcements**

The Chair announced that there would be a Fraud Awareness training session directly after the conclusion of the committee meeting.

32 **Urgent Business**

There were no items of urgent business.

33 **External Audit - Audit Planning Report 2021/22**

The Assistant Director submitted a report which set out the External Audit Planning Report for 2021/22. The report was duly presented by the Audit Manager (External Audit).

In response to comments from the Committee regarding delays on the part of External Audit to starting the audit of the council's accounts, the Audit Partner (Eternal Audit) explained that there had been delays with the previous year's accounts which had an impact on scheduled. The council's Finance Team had worked hard to respond to all queries and the timing of the audit was agreed between the External Auditor and the Assistant Director of Finance. The Audit Manager confirmed that the Committee would be kept updated on the timetable.

Resolved

- (1) That the External Audit Planning Report for 2021/22 from our External Auditors, Ernst & Young (EY) be noted.

34 **August 2022 Risk Monitoring Report**

The Interim Assistant Director submitted a report which summarised the Councils Risk monitoring position of August 2022.

On behalf of the Committee, the Chairman thanked officers for the revised report format which separated that risk aspects of the report. In response to

comments regarding the poor accessibility of the appendix, the Assistant Director Customer Focus advised that the format was under review.

In response to Members' questions regarding Business Continuity and Graven Hill, the Assistant Director Customer Focus undertook to liaise with the lead officers and update the Committee accordingly.

Resolved

- (1) That, having given due consideration, the Risk Monitoring report be noted.

35 **Treasury Management Report - April to August 2022**

The Assistant Director and the Strategic Finance Business partner submitted a report which provided an update on Treasury Management performance and compliance from April to August 2022 as required by the Treasury Management Code of Practice.

In response to Members' questions regarding whether the changes in interest rates were reflected in the report, the Strategic Finance Business Partner confirmed that a forecast had been released by the council's treasury advisers and the plan would be adapted to minimise risk moving forward.

Resolved

- (1) That the Treasury Management Report be noted.

36 **Internal Audit Progress Report 2022/23**

The Assistant Director presented an update on Internal Audit Progress for 2022/23.

Resolved

- (1) That the progress with the 2022/23 Internal Audit Plan and the outcome of the completed audits be noted.

37 **Local Government and Social Care Ombudsman Annual Report 2021/22**

The Interim Monitoring Officer submitted a report which presented the Local Government and Social Care Ombudsman's Annual Report for Cherwell District Council for the financial year 2021/22.

Resolved

- (1) That, having due consideration, the Local Government and Social Care Ombudsman's Annual Review of Cherwell District Council for 2021/22 be noted.

38 **Work Programme**

The Strategic Finance Business Partner provided a Work Programme update and confirmed that the Committee's meetings with the Chief Internal Auditor and External Auditor would be held in private at the conclusion of the next meeting, 16 November 2022.

Resolved

- (1) That the work programme update be noted.

The meeting ended at 7.25 pm

Chairman:

Date:

Cherwell District Council

Accounts, Audit and Risk Committee

16 November 2022

Treasury Management Report – Q2 2022/23 (September 2022)

Report of Assistant Director of Finance

This report is public

Purpose of report

To receive information on treasury management performance and compliance with treasury management policy for 2022-23 as required by the Treasury Management Code of Practice.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of this Treasury Management Report.

2.0 Introduction

- 2.1 In 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (the CIPFA Code) which requires the Council to approve treasury management semi-annual and annual reports. This quarterly report provides an additional update.
- 2.2 The Council's Treasury Management strategy for 2022-23 was approved by full Council on 28 February 2022. The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk is therefore central to the Council's treasury management strategy.
- 2.3 The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 28 February 2022.

3.0 Report Details

Summary position and strategy

- 3.1 At the start of the year the Council had £100m long term and £99m short term borrowing with a significant amount of refinancing due from January 2023. The Council recognised that interest rates were increasing and subject to significant volatility. By replacing short-term with medium-term borrowing the Council has achieved greater interest rate certainty.

Due to various factors the interest rates have increased to higher levels than previous forecast. When the change in borrowing strategy was implemented in July 2022 the interest rate forecast for a 10-year PWLB loan, in the third quarter of 22/23 when we needed to refinance short term loans, was 3.5%. The current 10-year PWLB rate forecast for the third quarter of 22/23 is 4.10%.

Table 1: Link Forecast Rates September 2022 with the published forecast from August as a comparison

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

Link Group Interest Rate View	09.08.22												
	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	2.25	2.50	2.75	2.75	2.75	2.50	2.50	2.25	2.25	2.25	2.25	2.25	2.00
3 month ave earnings	2.50	2.80	3.00	2.90	2.80	2.50	2.40	2.30	2.30	2.30	2.20	2.20	2.20
6 month ave earnings	2.90	3.10	3.10	3.00	2.90	2.80	2.70	2.60	2.50	2.50	2.40	2.30	2.30
12 month ave earnings	3.20	3.30	3.20	3.10	3.00	2.90	2.80	2.70	2.40	2.40	2.40	2.40	2.40
5 yr PWLB	2.80	3.00	3.10	3.10	3.00	3.00	2.90	2.90	2.80	2.80	2.80	2.70	2.70
10 yr PWLB	3.00	3.20	3.30	3.30	3.20	3.10	3.10	3.00	3.00	3.00	2.90	2.90	2.80
25 yr PWLB	3.40	3.50	3.50	3.50	3.50	3.40	3.40	3.30	3.30	3.20	3.20	3.20	3.10
50 yr PWLB	3.10	3.20	3.20	3.20	3.20	3.10	3.10	3.00	3.00	2.90	2.90	2.90	2.80

Taking out this fixed borrowing at higher than budgeted interest rates has created a budget pressure. The Council is mitigating this by investing the surplus cash it holds in line with its Treasury Investment Strategy. This allows the Council to take advantage of increasing interest rates to reduce the impact of borrowing in 2022/23.

- 3.2 As at the end of September 2022 the Council had borrowing of £230m and investments of £101m – a net borrowing position of £129m (31/08/22: £140m).
- 3.3 All treasury management activities undertaken during the first 6 months of 2022-23 complied with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy, and all Prudential Indicators were met during, and at the end of, the reporting period (see Table 5 at point 3.9 and Table 9 at point 3.15 below).

Borrowing performance for 6 months ended 30 September 2022

- 3.4 The Council requires external borrowing to fund its capital programme and had a total debt of £230m at the report date. With the change in borrowing strategy the ratio of medium-long term loans from the Public Works Loan Board (PWLB) to short term loans from other local authorities has moved from 50/50 at the beginning of the financial year to 72/28 on the 30th September 2022.
- 3.5 The Council's chief objective when borrowing is to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. Table 2 below shows the borrowing position during and at the end of the reporting period.

Table 2: Borrowing Position for 6 months ended 30 September 2022

	Borrowing Amount £m	Average Interest Rate	Interest Paid Budget £m	Interest Paid Actual £m	Variance to Date £m
Apr-Sept 2022	218 (average)	1.40%	1.028	1.674	0.646
As at 30/09/22	230	1.72%	-	-	-

* Interest payable relates to external loans only, excluding finance lease and other interest of £0.127m

- 3.6 As a comparison, the table below shows average borrowing rates.

Table 3: Average PWLB Rates for the reporting period

HIGH/LOW/AVERAGE PWLB RATES FOR 01.04.22 – 30.09.22

	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.35%	5.80%	5.51%
Date	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
Average	2.81%	2.92%	3.13%	3.44%	3.17%
Spread	3.16%	3.26%	2.99%	3.28%	3.26%

Source: Link

This comparison demonstrates that the rates at which the PWLB loans were secured at in July 2022, 5 years at 2.67% and 10 years at 2.99%, were below average and considerably below the highs.

- 3.7 Interest payable for the full year is forecast to be £1.293m over budget (negative variance). This is expected to partly offset by higher than budgeted interest receivable from investing.

3.8 A full list of current borrowing at 30th September 2022 is shown below:

Table 4: Borrowing

Lender	Principal Borrowed £m	Maturity Date
Portsmouth City Council	5	28/10/2022
North of Tyne Combined Authority	5	14/11/2022
West Northamptonshire Council	2	15/12/2022
North Tyneside Council	5	16/12/2022
East Sussex County Council	5	13/01/2023
West Yorkshire Combined Authority	10	17/01/2023
North Northamptonshire Council	10	31/01/2023
Portsmouth City Council	5	13/02/2023
Oxfordshire County Council	5	27/04/2023
Derbyshire County Council	5	16/06/2023
Guildford Borough Council	5	13/07/2023
Craven District Council	2	15/11/2023
PWLB 7-year maturity	21	19/10/2024
PWLB 6-year maturity	6	25/09/2025
PWLB 7-year maturity	6	19/09/2026
PWLB 5-year maturity	10	26/07/2027
PWLB 10-year maturity	10	31/05/2028
PWLB 6-year maturity	5	26/07/2028
PWLB 7-year maturity	10	26/07/2029
PWLB 10-year maturity	6	25/09/2029
PWLB 8-year maturity	10	26/07/2030
PWLB 11-year maturity	6	19/09/2030
PWLB 9-year maturity	16	26/07/2031
PWLB 10-year maturity	15	26/07/2032
PWLB 15-year maturity	5	31/05/2033
PWLB 15-year maturity	5	25/09/2034
PWLB 16-year maturity	5	19/09/2035
PWLB 30-year maturity	5	31/05/2048
PWLB 50-year maturity	25	10/11/2071
TOTAL	230	

3.9 Compliance with the authorised limit and operational boundary for external debt is demonstrated in the table below:

Table 5: Prudential Indicators

	2022/23 Forecast £m	30/9/22 Actual £m	2022/23 Operational Boundary	2022/23 Authorised Limit	Complied?
Borrowing / Total debt	266	230	290	310	Yes

Investment performance for 6 months ended 30 September 2022

- 3.10 Funds available for investment are on a temporary basis, and the level of funds available is mainly dependent on the timing of precept payments, receipt of grants and funding of the Capital Programme. The PWLB loans taken ahead of need have been invested to reduce the cost of carry.
- 3.11 The Council has seen an increase in interest income in line with rises in the Bank of England base rate. The short-dated money market investments have performed better than budgeted and the trend is set to continue throughout this financial year. Table 6 below shows the investment position during and at the end of the reporting period.

Table 6: Investment Position for 6 months ended 30 September 2022

	Investment Amount £m	Average Interest Rate	Interest Earned Budget £m	Interest Earned Actual £m	Variance to Date £m
Apr-Sept 22	76.5 (average)	0.99%	(0.010)	(0.524)	(0.514)
As at 31/09/22	101	1.97%	-	-	-

- 3.12 As a comparison Table 7 below shows average money-market rates.

Table 7: Average Investment Rates for the reporting period

QUARTER ENDED 30/9/2022	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	2.25	2.19	2.86	3.67	4.49	5.41
High Date	22/09/2022	30/09/2022	26/09/2022	26/09/2022	29/09/2022	29/09/2022
Low	0.75	0.69	0.69	0.92	1.20	1.62
Low Date	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
Average	1.28	1.22	1.39	1.70	2.12	2.62
Spread	1.50	1.50	2.17	2.75	3.29	3.79

*SONIA (Sterling Overnight Index Average) is an interest rate benchmark published by the Bank of England.
Source: Link

- 3.13 While maintaining a balance between security, liquidity and yield the Council has also been looking for ways to invest sustainably (or green investment). This must be done within the criteria laid out in the approved Treasury Management Strategy amongst counterparties approved by the Council's Treasury Advisors, Link.

There is currently a lack of comparability of Environmental, Social and Governance (ESG) metrics, ratings, and investing approaches meaning there are very few investment opportunities that are clearly sustainable and on our counterparty list. The Council has taken the opportunity to invest in Standard Chartered Bank's sustainable fixed deposit (aligned to the United Nations' Sustainable Development Goals) and will highlight any future sustainable investments in this report.

3.14 A full list of current investments is shown in Table 8 below:

Table 8: Investments

Counterparty	Principal Deposited £m	Maturity Date / Notice period
<u>Fixed Term Deposits</u>		
Debt Management Agency Deposit Facility	5	10/10/2022
National bank of Canada	3	10/10/2022
Debt Management Agency Deposit Facility	1.200	11/10/2022
Thurrock Borough Council	2	13/10/2022
Debt Management Agency Deposit Facility	2.500	13/10/2022
Thurrock Borough Council	3	14/10/2022
Debt Management Agency Deposit Facility	5	19/10/2022
Standard Chartered Bank	3	04/11/2022
Development bank of Singapore	3	09/11/2022
Bayerische Landesbank	3	09/11/2022
First Abu Dhabi Bank PJSC	3	09/11/2022
SMBC Bank International Plc	3	09/11/2022
Qatar National Bank	3	09/11/2022
Lloyds Bank Corporate	3	09/11/2022
National bank of Kuwait (International)	3	09/11/2022
Natwest Markets	3	16/11/2022
Slough Borough Council	3	17/11/2022
DZ Bank AG (Deutsche Zentral)	3	17/11/2022
Santander UK	3	21/11/2022
Debt Management Agency Deposit Facility	1.950	21/11/2022
Craven Borough Council	1	01/12/2022
Landesbank Hessen-Thuringen	3	09/12/2022
Nationwide Building Society	3	09/12/2022
Lloyds Bank Plc (RFB)	2	16/12/2022
Credit Agricole	3	19/12/2022
Credit Suisse	3	19/12/2022
Debt Management Agency Deposit Facility	1	06/01/2023
Debt Management Agency Deposit Facility	10	31/01/2023
Yorkshire Building Society	3	13/02/2023
Toronto-Dominion Bank	3	20/02/2023
Derbyshire County Council	3	03/04/2023
<u>Money Market Funds</u>		
Goldman Sachs Asset Management	0.025	Same day
Federated Investors UK	5	Same day
Northern Trust Asset Managements	1.055	Same day
CCLA Investment Management Limited	0.500	Same day
TOTAL	101.230	

3.15 Compliance with investment limits is shown in Table 9 below:

Table 9: Investment Limits

	2022/23 Maximum £m	30/9/22 Actual £m	2022/23 Limit £m	Complied?
UK Central Government	57	27	Unlimited	Yes
Any group of organisations under the same ownership	5	5	5 per group	Yes
Approved counterparties – Banks and Building Societies	3	3	3 each	Yes
Any group of pooled funds under the same management	0	0	5 per manager	Yes
Money Market Funds total	15 in total	6.6	15 in total	Yes

Non-treasury investment activity

- 3.16 The definition of investments in CIPFA’s revised Treasury Management Code now covers all the financial assets of the Council. This is replicated in the government’s Statutory Guidance on Local Government Investments, in which the definition of investments is further broadened to also include all such assets held partially for financial return.
- 3.17 As of the 30th September 2022, the Council holds £107.2m of investments in the form of shares (£35.6m) and loans (£71.6m) to subsidiary companies and other organisations, primarily Graven Hill and Crown House.
- 3.18 The loan elements of these non-treasury investments generate a higher rate of return than earned on treasury investments, but this reflects the additional risks to the Council of holding such investments.
- 3.19 For the 6 months to 30 September 2022 these loans have earned interest of £2.360m, a positive variance of (£0.027m) against budgeted income of £2.333m. The full year forecast is expected to show a positive variance of (£0.55m).

Table 10: Non-Treasury Investment Position

	Budget to date £m	Actual to date £m	Variance to date £m
Total non-treasury investment income	(2.333)	(2.360)	(0.027)

Overall performance for the Period

3.20 The overall performance for the 6 months to 30 September 2022 is as follows:

Table 11: Overall Treasury Position for the Period

	Budget to date £m	Actual to date £m	Variance to date £m
Borrowing costs	1.028	1.674	0.646
Finance lease and other interest	0.127	0.127	0
Treasury income	(0.010)	(0.524)	(0.514)
Non-treasury income	(2.333)	(2.360)	(0.027)
Total cost/(income)	(1.188)	(1.083)	0.105

Year End Forecast

- 3.21 The treasury budget was approved in February 2022 using interest rate forecasts provided by Link in their November 2021 update. Since then, the worsening cost-of-living crisis and the war in Ukraine has altered the economic outlook.
- 3.22 Interest payable for the full year prior to the change in strategy was forecast to be £0.148m over budget (negative variance). The new borrowing strategy will result in a forecast overspend of £1.292m (no change from previous reporting period) for the financial year, an increase of £1.144m as a result of the change in strategy.
- 3.23 Interest receivable for the full year before the change in strategy was forecast to be (£0.070m) over budget (positive variance) due to the increasing interest rates expected on investments. With the increase in interest rates, as well as investing the surplus funds borrowed from the PWLB, the year-end forecast is now (£1.047m) (positive variance) compared to (£0.952m) at period 5. This is an increase of (£0.977m) (positive variance) as a result of the change in strategy.
- 3.24 The full year forecast is expected to show an overall adverse variance against budget of £0.209m (31/08/22: £0.304m) as shown in Table 12 below.

Table 12: Overall Treasury Position Forecast to Year End

	Full Year Budget £m	Full Year Forecast £m	Full Year Variance £m
Borrowing costs	2.056	3.348	1.292
Finance lease and other interest	0.253	0.253	0
Treasury income	(0.019)	(1.047)	(1.028)
Non-treasury income	(4.666)	(4.721)	(0.055)
Total cost/(income)	(2.376)	(2.167)	0.209

4.0 Conclusion and Reasons for Recommendations

- 4.1 This report details the Treasury Performance for the Council for the period ending 30 September 2022. It is submitted to the Accounts, Audit and Risk Committee for information as required by the Treasury Management Code of Practice.

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:

Joanne Kaye, Strategic Finance Business Partner (D151)
01295 221545, joanne.kaye@cherwell-dc.gov.uk

Legal Implications

- 7.2 The presentation of the Report is required by regulations issued under the Local Government Act 2003 to review the treasury management activities, the actual prudential indicators and the treasury related indicators.

Comments checked by:

Shiraz Sheikh, Assistant Director Law & Governance | Monitoring Officer
01295 221651, shiraz.sheikh@cherwell-dc.gov.uk

Risk 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. This and any other risks related to this report will be managed through the service operational risk and escalated to the leadership risk register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Performance and Insight Team Leader
01295 221556, celia.prado-teeling@cherwell-dc.gov.uk

Equalities Implications

7.4 There are no equalities implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Performance and Insight Team Leader
01295 221556, celia.prado-teeling@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision: N/A

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All.

Links to Corporate Plan and Policy Framework

N/A

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

- None

Background papers

None

Report Author and contact details

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Cherwell District Council

Audit, Accounts and Risk Committee

16 November 2022

September / Quarter 2 2022 - Risk Monitoring Report

Report of Assistant Director – Customer Focus

This report is public

Purpose of report

This report summarises the Council's Risk monitoring position of September / Quarter 2 2022.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the monthly Risk Monitoring Report September / Quarter 2 2022

2.0 Introduction

2.1 The Council carries out regular reviews to identify risks at the earliest opportunity, address, assess and mitigate them as soon as possible. The new format of this report will enable the Audit, Accounts and Risk Committee Meeting review the Leadership Risk Register in a timelier manner.

2.2 The Leadership Risk Register is a living document and is reviewed to reflect the environment in which the organisation operates; it is also formally reviewed on a monthly basis. Our risk strategy is reviewed annually and reflects the strategic priorities of the council for the forthcoming year.

3.0 Risk Update – September / Quarter 2 2022

3.1 The Council maintains a Leadership Risk Register. This document contains strategic risks that may impact on the performance of the Council as a whole, and in particular, on its ability to deliver its corporate priorities. The latest available version of the risk register at the date this report is published is included in this report as Appendix 1.

3.2 The heat map below shows the overall position of all risks contained within the Leadership Risk Register for September / Quarter 2 2022

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic	L018		L08		
	4 - Major		L09	L03-L04-L05-L06-L07-L11-L14	L01	
	3 - Moderate		L10-L15	L02-L12-L16-L17	L13	
	2 - Minor		L02-			
	1 - Insignificant					

Figure 2: Risk scorecard showing the risk scores in the Leadership Risk Register for September/ Quarter 2 2022

3.3 The Leadership Risk Score Table below shows the overall position of all risks contained within the Leadership Risk Register with the latest updates for September / Quarter 2 2022.

Leadership Risk	Score	Direction of travel	Latest Update
L01 Financial Resilience	16 High Risk	↔	Risk reviewed - 05/10/2022 – No changes
L02 Statutory functions	9 Low Risk	↔	Risk reviewed - 05/10/2022 - No changes
L03 CDC Local Plan	12 Medium Risk	↔	Risk reviewed - 13/09/2022 – No changes
L04 Business Continuity	12 Medium Risk	↔	Risk Reviewed 10/10/2022 – Mitigating actions and comments updated.
L05 Emergency Planning (EP)	12 Medium Risk	↔	Risk Reviewed 10/10/2022 – Mitigating actions and
L06 Safeguarding the Vulnerable – Operational and partnership actions	12 Medium Risk	↔	Risk Reviewed 10/10/2022 – Mitigating actions and comments updated
L07 Health and safety	12 Medium Risk	↔	Risk reviewed 07/10/22 - Mitigating actions and
L08 Cyber Security	15 Medium Risk	↔	Risk reviewed 04/10/22 - No changes
L09 Safeguarding the vulnerable - Internal procedures	8 Low Risk	↔	Risk Reviewed 07/10/2022 - Comments updated
L10 Sustainability of Council owned companies and delivery of planned financial and other objectives	6 Low Risk	↔	Risk reviewed 14/09//2022 - Comments updated
L11 Financial sustainability of third-party suppliers and contractors	12 Medium Risk	↔	Risk reviewed 05/10/22 - No changes
L12 Corporate Governance	9 Low Risk	↔	Risk reviewed 05/10/22 - No changes
L13 Oxfordshire Housing and Growth Deal - (contract with HMG)	12 Medium Risk	↔	Risk reviewed 04/10/2022 - Risk owner updated.
L14 Workforce Strategy	12 Medium Risk	↔	Risk reviewed 07/10/2022 - No changes
L15 Covid-19 Community and Customers	6 Low Risk	↔	Risk reviewed 10/10/2022 - No changes.

L16 Covid-19 Business Continuity	9 Low Risk	↔	Risk reviewed 10/10/2022 - No changes.
L17 Post Covid-19 Recovery	9 Low Risk	↔	Risk reviewed 07/10/2022 - To be closed
L18 Cessation of joint working between CDC and OCC	5 Low Risk	↔	Risk reviewed 11/10/2022- To be closed

- 3.4 The Leadership Risk Register has been thoroughly reviewed, including re-organisation of the numbering as a consequence of risks closed in the last 6 months, also, as part of the end of year review each risk was reviewed throughout.
- 3.5 The Leadership Risk Register is reviewed by the Corporate Leadership Team as part of the monthly reporting process; however, this is a live document and as such it is updated as and when required at any point during the month.
- 3.6 During September, the Leadership Risk register didn't have any one score changes. The following risks have been closed and will not appear in the register from next month:
- **L17 Post Covid-19 Recovery (9 Low risk)**
 - **L18 Cessation of joint working between CDC and OCC (5 Low risk)**

4.0 Conclusion

- 4.1 This report provides an update on progress made during September / Quarter 2 2022, to deliver the Council's priorities through reporting on Leadership Risk Register and providing an update on its Position. The Council is committed to risk management and reviews progress against its corporate priorities on a monthly basis.

5.0 Consultation

- 5.1 This report sets out risk information for the fourth month of this financial year and as such no formal consultation on the content is required.

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: This report illustrates the Council's strategic risk management. Regarding the monitoring aspects of the report, no further options have been considered. However, members may wish to request that officers provide additional information.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial and resource implications arising directly from this report.

Comments checked by:
Michael Furness, Assistant Director of Finance / Section 151 Officer, Tel:
01295 221845 Michael.Furness@cherwell-dc.gov.uk

Legal Implications

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

Comments checked by:
Helen Lolas, Team Leader, Legal Services, Tel: 07801 400941
Helen.Lolas@cherwell-dc.gov.uk,

Risk Implications

7.3 This report contains a full update with regards to the Council's risk position at the end of September/ Quarter 2 2022. There are no risk implications arising directly from this report.

Comments checked by:
Celia Prado-Teeling, Performance & Insight Team Leader. Tel: 01295 221556
Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

7.4 There are no equalities nor inclusion implications arising directly from this report.

Comments checked by:
Celia Prado-Teeling, Performance & Insight Team Leader. Tel: 01295 221556
Celia.prado-teeling@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

This report supports all Corporate Priorities

Lead Councillor

Councillor Richard Mould, Portfolio Holder for Corporate Services

Document Information

Appendix number and title

- Appendix 1 – Leadership Risk Register September 2022

Background papers

None

Report Author and contact details

Celia Prado-Teeling, Performance & Insight Team Leader. Tel: 01295 221556

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Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L01 -	Financial resilience – Failure to react to external financial impacts, new policy and increased service demand. Poor investment and asset management decisions.	Reduced medium and long term financial viability	4	4	16	Medium Term Revenue Plan reported regularly to members.	Fully	Councillor Adam Nell	Michael Furness	Joanne Kaye	4	4	16	Posts are filled by appropriately qualified individuals. When posts become vacant the JD is reviewed to ensure it meets the needs of the wider team and that the essential skill levels and experience are appropriate.	The team is currently fully staffed with appropriately qualified individuals. Continuous Professional Development opportunities are offered and maximised by CIPFA, LGA, Link, Pixel. New financial system helping to support the monitoring process.	Risk reviewed - 05/10/2022 - no change	
	Reduction in services to customers	Balanced medium term and dynamic ability to prioritise resources				Fully	Investment Strategy agreed annually. Strategic Place Shaping Board providing a gateway process for capital investment decisions which comply with governance framework.							Investment options considered as and when they arise, MTFs and budget setting continue to enhance the scrutiny and quality of investments.			
	Increased volatility and inability to manage and respond to changes in funding levels	Highly professional, competent, qualified staff				Partially	Timely and good quality budget monitoring reports, particularly property income and capital.							Improvements to business partnering and budget management continue to be identified and implemented. Asset Management Strategy to be finalised and approved by Council.			
	Reduced financial returns (or losses) on investments/assets	Good networks established locally, regionally and nationally				Fully	Unit 4 financial system provides improved management information.										
	Inability to deliver financial efficiencies	National guidance interpreting legislation available and used regularly				Fully	Introduction and implementation of an Asset Management Strategy.										
	Inability to deliver commercial objectives (increased income)	Members aware and are briefed regularly				Fully											
	Poor customer service and satisfaction	Participate in Oxfordshire Treasurers' Association's work streams				Fully	Finance support and engagement with programme management processes, project boards and steering group.							Depending on the profile of the project, finance rep will either be at Strategic or Finance Business Partner or Service Assoustant level. Involvement will reflect locally on outcomes.			
	Increased complexity in governance arrangements	Review of best practice guidance from bodies such as CIPFA, LGA and NAO				Fully	Integration and continued development of Performance, Finance and Risk reporting.							Integrated reporting has been embedded but needs to be adapted to reflect requirements of the committees at which it's elements are scrutinised.			
	Lack of officer capacity to meet service demand	Treasury management and capital strategies in place				Fully	Regular involvement and engagement with colleagues across the county as well as involvement in Regional and National finance forums.							Engagement with a number of national and regional networks to ensure we are up-to-date as we can be in relation to potential funding changes from 2023/24 and impact on our MTFs.			
	Lack of financial awareness and understanding throughout the council	Investment strategies in place				Fully	Regular member training and support. Briefings provided on key topics to members with particular focus on key skills for specific committees such as audit committee.							Regular training will be undertaken. Most recently, to induct newly elected members on the Council's finances, and the induction of new members of the Accounts Audit and Risk committee.			
	Increased inflation in the costs of capital schemes	Regular financial and performance monitoring in place				Fully	Budget setting will not be an annual event, but will be a continuous process of reviewing budget monitoring and reflecting trends in the MTFs.							Updated budget monitoring for 2022/23 with a greater focus on savings delivery and budget management. Introduction of Budget Oversight Group will review budget position monthly in order to challenge budget holders to manage their budgets within approved parameters.			
	Increased inflation in revenue costs	Independent third party advisers in place				Fully	Regular utilisation of advisors as appropriate.							Borrowing strategy recently reviewed in consultation with our financial advisors (amongst others).			
		Regular bulletins and advice received from advisers				Fully	Internal Audits being undertaken for core financial activity and capital as well as service activity.							Regular reporting of progress on internal audits considered by the Accounts Audit and Risk Committee.			
		Property portfolio income monitored through financial management arrangements on a regular basis	Partially	Summarise and distribute announcements to CLT, Leader and Lead Member for Finance as and when announcements are made relating to Spending Reviews and other government announcements affecting Local Government.	No detail in the Spending Review to be able to plan for additional resources with any confidence - must wait for Local Government Finance Settlement 2023 to understand the impact.												

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
						Asset Management Strategy in place and embedded. Transformation Programme in place to deliver efficiencies and increased income in the future	Partially Fully							Financial forecasts of resources for 2023/24 have assumed a reduction in resources that will be available from business rates compared to February 2022 assumptions. The budget for 2022/23 was agreed with savings proposals identified to address these reductions. Close monitoring of the delivery of the savings programme took place throughout 2021/22 with mitigations required if slippage was identified. Council agreed a balanced 2022/23 budget at its meeting on 28 February 2022. If resources were to fall significantly below the 2022/23 forecast level the Council has made a number of contingencies available in 2022/23 and, if required, a review of which reserves could be made available to mitigate this would be required (e.g. due to greater ongoing impact of Covid-19 or due to further economic shocks in the short-term). A similar approach to reviewing reserve availability could be adopted if the cost of goods we purchase were to increase. Ongoing impacts would be addressed as part of the 2023/24 budget process. A business rates reset is assumed from 2023/24 which will significantly reduce the resources available to the Council. Should resources from business rates fall much below this (e.g. due to any further ongoing impacts to the economy) then resources would be supplemented by a "safety net" payment from the Government under the current regime. The budget process for 2023/24 has begun with savings proposals sought that would enable the Council, if necessary, to operate within the forecast level of resources. Where the Government has issued consultations on future approaches to funding local government CDC has responded to ensure its views are considered. New capital bids submitted will be questioned to ensure increases in cost assumptions have been reflected and that there is an identified business need.	The Council currently anticipates a medium and long term funding shortfall in overall terms. Set alongside the anticipated funding reductions anticipated to start from 2024-25 the financial resilience of the Council could be severely impacted. The Council set its 2022/23 budget on 28 Feb 2022 and now needs to monitor the delivery of the budget and begin preparations for the 2023/24 budget process. The Government has announced a 3 year Spending Review for 2022/23 - 2024/25 in October 2021. This provided the resource envelope for Government Departments to operate in and has set out an overall increase in local government spending power over the three year period, but did not provide any specific funding allocations for individual local authorities.		
L02 -	Statutory functions – Failure to meet statutory obligations and policy and legislative changes are not anticipated or planned for.	Legal challenge Loss of opportunity to influence national policy / legislation Financial penalties Reduced service to customers Inability to deliver council's plans Inability to realise commercial opportunities or efficiencies Reduced resilience and business continuity Reduced staff morale, increased workload and uncertainty may lead to loss of good people	3	4	12	Embedded system of legislation and policy tracking in place, with clear accountabilities, reviewed regularly by Directors. Clear accountability for responding to consultations with defined process to ensure Member engagement National guidance interpreting legislation available and used regularly Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed. Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit Internal Audit Plan risk based to provide necessary assurances Strong networks established locally, regionally and nationally to ensure influence on policy issues. In addition two Directors hold leading national roles. Senior Members aware and briefed regularly in 1:1s by Directors Arrangements in place to source appropriate interim resource if needed Ongoing programme of internal communication Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required. CDC Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including	Partially Fully Fully Fully Partially Fully Fully Fully Fully Fully Fully Fully Fully Fully Fully	Councillor Barry Wood	Stephen Hinds	Shahin Ismail	3	3	9	↔	Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions. Review Directorate/Service risk registers. Ensure Committee forward plans are reviewed regularly by senior officers. Ensure Internal Audit plan focusses on key leadership risks. Appointed Interim officer regarding FOIs/EOIs and enquiries. Regular reports to CLT and DLT outline our performance regarding meeting statutory deadlines. Learning and development opportunities identified and promoted by the Chief Executive and Directors. First tranche of Senior Leadership training/development begins in August, and is cascaded throughout 2022/23. Regular communications from Chief Executive. Quarterly staff briefings from Assistant Directors. External support secured for key corporate projects including Growth Deal and IT Transformation Programme.	Development in legislation continues to be closely monitored as implemented e.g. subsidy control (formerly state aid regime) being reviewed and government guidance tracked as it is developed and published. Additional steps are under way to develop a regular review of legislative developments that will be service team focused to enhance awareness of statutory obligations and legal developments.	Risk reviewed - 05/10/22 No change
L03 -	CDC Local Plan - Failure to ensure sound, up to date local plan remains in place for Cherwell resulting in poor planning decisions such as development in inappropriate locations, inability to demonstrate an adequate supply of land for housing and planning by appeal	Poor planning decisions leading to inappropriate growth in inappropriate place. Negative (or failure to optimise) economic, social, community and environmental gain Negative impact on the council's ability to deliver its strategic objectives, including its commitments within the Oxfordshire Housing & Growth Deal Increased costs in planning appeals Reputational damage with investor community of Cherwell as a good place to do business created by uncertainty/ lack of policy clarity	4	4	16	Local Development Scheme (LDS) is actively managed and reviewed, built into Service Plan, and integral to staff appraisals of all those significantly involved in Plan preparation and review Team capacity and capability kept under continual review with gaps and pressures identified and managed at the earliest opportunity. On-going review of planning appeal decisions to assess robustness and relevance of Local Plan policies	Partially Partially Partially	Councillor Colin Clarke	Ian Boll	David Peckford	3	4	12	↔	Regular review meetings on progress and critical path review. Regular Corporate Director and Lead Member briefings. LDS updated as required with programme management approach adopted to ensure progress against plan. Regular Corporate Director and Lead Member briefings LDS updated as required with programme management approach adopted to ensure progress against plan LDS timeline built into Directorate level objectives (e.g. via Service Plans) and incorporated into SMART targets within staff appraisals. Authority Monitoring Reports continue to be prepared on a regular annual basis.	The Local Development Scheme (LDS) was last updated in September 2021. It includes programmes for the Oxfordshire Plan 2050, a Local Plan Review, the Banbury Canalside Supplementary Planning Document and work on a Community Infrastructure Levy (CIL). The Oxfordshire Local Planning Authorities agreed to stop work on the Oxon Plan in August 2022. Local Plans for the City and Districts will now provide the framework for the long term planning of Oxfordshire. An issues consultation for the Cherwell Local Plan Review was completed on 14 Sept 2020. An Options consultation was undertaken from 29 September to 10 November 2021. A draft Local Plan is scheduled to be presented to the Executive in November 2022. The programmes for work on the Canalside SPD and CIL are aligned to the Local Plan review timetable and will be updated as work on the Plan progresses.	Risk reviewed 13/09/2022 - No change

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L04-	Business Continuity - Failure to ensure that critical services can be maintained in the event of a short or long term incident impacting on the delivery of the Council's operations	Inability to deliver critical services to customers/residents Financial loss/ increased costs Loss of important data Inability to recover sufficiently to restore non-critical services before they become critical Loss of reputation Reduced service delivery capacity in medium term due to recovery activity	4	4	16	Business continuity strategy, statement of intent and framework in place and all arrangements overseen by a Business Continuity Steering Group Services prioritised and ICT recovery plans reflect those priorities and the requirements of critical services ICT disaster recovery arrangements in place with data centre and cloud services reducing likelihood of ICT loss and data loss Incident management team identified in Business Continuity Framework All services undertake annual business impact assessments and updates of business continuity plans All services maintain business continuity plans	Fully Fully Fully Fully Partially Partially	Councillor Eddie Reeves	Ian Boll	Richard Webb	3	4	12	↔	Business Continuity Statement of Intent and Framework due to be reviewed to align with new incident management framework Cross-council BC Steering Group meets regularly to identify BC improvements needed ICT transition to data centre and cloud services has reduced likelihood of ICT loss and data loss Corporate ownership and governance revised as a result of separation of OCC and CDC BC Impact assessments and BCPs being updated and reviewed by OCC's Emergency Planning team with supporting document management system being implemented. BC exercises to be arranged Incident management framework agreed August 2021 and now being revised to reflect arrangements post separation from OCC	The Council's businesses continuity plans ensured that critical services could continue to be provided throughout the lockdown periods. Remote working enables most teams to work effectively from home and sustain services in the event of travel disruption of inability to use council buildings. A new incident management framework is being developed following the end of the formal partnership with OCC and some further work is required to ensure this new IMF aligns with our BC policy framework. A document repository and management system is under development for key business continuity plans. Teams have been asked to update BIAs for the end of October in advance of a complete review of Business Continuity Plans.	Risk Reviewed 10/10/2022 - Mitigating actions and comments updated.

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L05 -	Emergency Planning (EP) Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	Inability of council to respond effectively to an emergency Unnecessary hardship to residents and/or communities Risk to human welfare and the environment Legal challenge Potential financial loss through compensation claims Ineffective Cat 1 partnership relationships Reputational damage	4	4	16	Incident Management Framework in place and key contact lists updated monthly. Emergency Planning Lead Officer defined with responsibility to review, test and exercise plan and to establish, monitor and ensure all elements are covered Expert advice and support provided by Oxfordshire County Council's Emergency Planning Team under partnership arrangements. Council Duty Directors attend training relating to role prior to joining duty director rota and have refresh training annually Multi agency emergency exercises conducted to ensure readiness Active participation in Local Resilience Forum (LRF) activities	Fully Fully Fully Partially Fully		Ian Boll	Richard Webb	3	4	12	↔	Emergency plan contacts list being updated monthly and reissued to all duty managers periodically. Available on ELT Teams channel OCC Emergency Planning providing expert advice and support under a partnership arrangement which continues post decoupling. Supporting officers for incident response identified in the emergency plan and wallet guide. Refreshed incident management plan being developed following separation from OCC. Training provided for all Duty Directors in late 2021 and early 2022. Training for new duty directors arranged for October 2022. All senior managers who provide the Duty Director rota have opportunity attend multi-agency exercises and duty manager training with OCC senior managers. On-call rota being maintained and to be updated to reflect recent staffing changes Authority continues to be represented at the Local Resilience Forum	The council is maintaining its duty director rota for any emergency incidents that might arise. A new Incident Response Framework is being prepared to reflect changes following separation from OCC. Duty Directors have access to this framework on the Cherwell Resilience Direct pages. The Duty Director rota has been revised to reflect decoupling arrangements and consequential staffing changes. A 'lessons learned' review is being conducted of an incident in July which resulted in no disruption to the council but tested our response arrangements.	Risk Reviewed 10/10/2022 - Comments and mitigating actions updated
L06-	Safeguarding the Vulnerable – Operational and partnership actions. Failure to work effectively with partners to identify and protect vulnerable people in the district and disrupt exploitation leaving vulnerable people at risk or subject to exploitation.	Increased harm and distress caused to vulnerable individuals and their families. Council subject to external reviews Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent. Reputational damage to the council.	4	4	16	Community Safety Partnership monitors risks and oversees the actions needed to reduce risks of exploitation Engagement with Joint Agency Tasking and Co-ordinating Group (JATAC) and Cherwell Operations Group to share information and plan actions on known risks and vulnerable people with partners. Representation at county Child Exploitation sub-group of the Safeguarding Children Board, the countywide Modern Slavery Partnership and Safer Oxfordshire Partnership. Representation at the Children Missing and Exploited Network meetings for north Oxfordshire. Engagement at an operational and tactical level with relevant external agencies and networks to deliver community based disruption and preventative actions. Arrangements in place to ensure local framework of partnership meetings are effective and robustly identify and tackle risks.	Partially Fully Fully Fully Partially Partially		Ian Boll	Richard Webb	3	4	12	↔	Engagement with Child Exploitation (CE) workstream and CE sub-group of Safeguarding Children Board following the Jacob CSPR to identify improvements to local arrangements. Implement local changes to the child exploitation system to address findings in the Jacob CSPR. CSP to adopt improved oversight of the local arrangements to ensure these are effective. Community based exploitation disruption models to be developed and implemented. Continue to engage with partnership arrangements in place to identify risks.	Work is continuing to implement changes to the local arrangements for tackling child exploitation following the Jacob CSPR. Plans are in development for local reporting on exploitation risks to Community Safety Partnerships which will support the Partnership to ensure that local response arrangements are effective.	Risk Reviewed 10/10/2022 - Comments and mitigating actions updated.

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L07-	Health and safety Failure to ensure effective arrangements are in place for Health and Safety.	Unsafe services leading to fatality, serious injury & ill health to employees, service users or members of the public	5	4	20	Corporate H&S governance arrangements and policies are regularly reviewed and updated by the Corporate H&S Team and monitored by the H&S Assurance Board.	Fully effective Partially effective Not effective	Councillor R. Mould	Claire Cox	Martin Green	3	4	12	↔	As a result of decoupling from OCC the strategic H&S lead is no longer in place but a recruitment campaign in progress to recruit a Health and Safety Manager who will take a corporate lead on Health and Safety matters. Post decoupling CLT will have monthly monitoring of H&S matters as a standing item at CLT meetings. The corporate H&S register will be managed and monitored with a focus on the depots as our highest risk areas. Corporate H&S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion.	Risk re-evaluated in light of decoupling from OCC and the need for a Corporate lead to be recruited Recruitment process for new corporate lead concluded with successful candidate currently being cleared and planning to commence employment with CDC in December 2022.	Risk reviewed 07/10/22 - Mitigating actions and comments updated
Criminal prosecution for failings Breach of legislation and potential for enforcement action.	Fully																
Financial impact (compensation or improvement actions)	Fully																
Reputational impact	Fully																
	Fully																

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated		
			Probability	Impact	Rating						Probability	Impact	Rating						
2022/23																			
L08-	Cyber Security -if there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, a loss of service, cyber- ransom.	Financial loss / fine Prosecution – penalties imposed Individuals could be placed at risk of harm Reduced capability to deliver customer facing services Unlawful disclosure of sensitive information Inability to share services or work with partners Loss of reputation Increased threat to security due to most staff working from home	4	5	20	File and data encryption on computer devices Fully Managing access permissions and privileged users through AD and individual applications Fully Schedule of regular security patching Fully Vulnerability scanning Fully Malware protection and detection Fully Effective information management and security training and awareness programme for staff Fully Password and Multi Factor Authentication security controls in place Fully Robust information and data related incident management procedures in place Fully Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services Fully Appropriate plans in place to ensure ongoing PSN compliance Fully Adequate preventative measures in place to mitigate insider threat, including physical and system security Fully Insider threat mitigated through recruitment and line management processes Fully A complete restructure and update of the technical approach for the infrastructure has resulted in a move to a zero trust model. Fully Advice received from NCSC on specific activity alerts, the increased threat of globalised ransomware and malware attacks. Fully				Councillor Richard Mould	Stephen Hinds	David Spilsbury	3	5	15	↔	Cyber Security is mandatory e-learning for all staff to be completed annually and is part of new starters induction training. Members given presentations and cyber training with the Police Cyber Security Advisor. The Regional Police Cyber Security Advisor have given a series of all-Council staff awareness sessions. Microsoft Multi-Factor Authentication is embedded to authenticate users providing an enhanced level of cyber security. IT implemented an intrusion prevention and detection system which is monitored, and regular actions are implemented from the resulting reports. Cyber Security advice and guidance regularly highlighted to all staff. External Health Check undertaken each year and Cabinet Office PSN compliance reviewed and certified each year to ensure the infrastructure is secure to connect to the PSN. Internal Audit completed cyber audits with no major issues or significant risks identified. Joint OCC/CDC Cyber Security Officer in place - this is likely to continue after decoupling under SLA. Additional IT security advice provided for all staff during the Covid-19 working at home period including online coronavirus related scams. Cyber Security Manager has reviewed advice and provided assurance on our compliance. All staff reminded to be vigilant to unexpected emails due to the heightened risk of cyber-attack due to escalating tensions in Eastern Europe.	Cyber security incidents are inevitable. The only way to manage this risk is to have effective controls and mitigations in place including audit and review. The controls and any further controls will not reduce the potential impact should the risk occur e.g., if we were subject to a ransomware attack the effect on the council could be catastrophic. We do have controls in place to prevent this happening and plans to deal with and recover from such an incident should it occur. The controls in place have reduced the probability from 'probable' to 'possible', we don't believe that this is reduced further to the point of it being 'unlikely' as it is possible, we could be subjected to either a cyber incident or data breach within the Council. The National Cyber Security Centre (NCSC) advise an increased risk of cyber-attack due to escalating tensions in Eastern Europe. The overall risk score remains the same. A recent Audit of the Cyber function (CDC and OCC jointly) rated the that the system of control is being maintained (Amber) It should be noted that two elements of the Audit were red rated, and these were regarding procedural documentation which since have been resolved.	Risk reviewed 04/10/22 - No changes

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L09-	Safeguarding the vulnerable - Internal procedures- Failure to follow our internal policies and procedures in relation to safeguarding vulnerable adults and children or raising concerns about their welfare.	Increased harm and distress caused to vulnerable individuals and their families Council could face criminal prosecution Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent Reputational damage to the council	4	4	16	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 Mandatory training and awareness raising sessions are now in place for all staff. Safer recruitment practices and DBS checks for staff with direct contact Data sharing agreement with other partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return compiled and submitted as required by legislation.	Fully Fully Fully Fully Fully Fully Fully	Councillor Phil Chapman	Yvonne Rees	Nicola Riley	2	4	8	↔	Monitoring of implementation of corporate policies and procedures to ensure fully embedded Ensure web pages remain up to date Annual refresher and new training programmes including training for new members Attendance at safeguarding boards and participation in learning events Continue to attend safeguarding board sub groups as necessary to maintain high levels of awareness within the system and compliance with latest practice Regular internal cross departmental meetings to discuss safeguarding practice Action plan acted upon and shared with Overview and scrutiny committee once a year Corporate monitoring of all referrals		Risk Reviewed 07/10/2022 - Comments updated
L10-	Sustainability of Council owned companies and delivery of planned financial and other objectives - failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives	Unclear governance leading to lack of clarity and oversight in terms of financial and business outcomes Failure of council owned companies to achieve their intended outcomes or fail to meet financial objectives Lack of understanding at officer and member level about the different roles of responsibilities required when managing council owned companies Potential impact of local government re-organisation (Northamptonshire) on CSN	3	4	12	Annual business planning in place for all companies to include understanding of the link between our objectives being delivered and financial impact for the council. A regular Shareholder Representative meeting takes place, a Shareholder Liaison Meeting including the S.151 Officer and Monitoring Officer takes place on a quarterly basis and a Shareholder Committee meeting on a quarterly basis. Financial planning for the companies undertaken that will then be included within our own Medium term financial plan Ensure strong corporate governance mechanisms are in place Sound monitoring in place of both business and financial aspects of the companies and the impact on overall council performance Training in place for those undertaking roles relating to the companies	Fully Fully Partially Fully Partially	Councillor Adam Nell	Stephen Hinds	Nathan Elvery	2	3	6	↔	A Shareholder Representative has been appointed following the decoupling from OCC, the Shareholder Representative is a former Chief Executive, regular governance arrangements are in place. Resilience and support being developed across business to support and enhance knowledge around council companies. Skills and experience being enhanced to deliver and support development, challenge and oversight. Work with one company to ensure long term support arrangements are put in place. Ongoing shareholder meetings key to understanding impact of Northamptonshire reorganisation	A formal governance review is being undertaken by the Shareholder Representative and the Monitoring Officer following the decoupling from OCC as part of the overall Transition Plan. The update Governance report was taken to CLT on 14th September.	Risk reviewed 14/09/22 - Comments updated

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L11-	Financial sustainability of third-party suppliers and contractors	The financial failure of a third party supplier and contractors results in the inability or reduced ability to deliver a service to customers or provide goods needed. A reduced supply market could also result in increased costs due to the council's loss of competitive advantage. Reduced resilience and business continuity Increased complaints and/or customer dissatisfaction Increased costs and/or financial exposure to the Council due to having to cover costs	3	4	12	Ensure contract management in place review and anticipate problems within key service suppliers and partners Business continuity planning arrangements in place in regards to key suppliers Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures Intelligence unit set up procurement Hub to monitor supplier and contractor market Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors	Partially Partially Fully Fully	Councillor Adam Neil	Stephen Hinds	Simon Moody	3	4	12	↔	Service areas to hold meetings as required with suppliers to review higher risk areas and ensure risks are being managed. Reminders to be sent to all who have Procurement/Contract Management responsibility to regularly meet with key suppliers and partners to gain early understanding of the effects of COVID-19 lockdown, have on supply. The Procurement Team is now providing ELT members and identified Contract Mangers a monthly update of all suppliers with spend above £25k c/w a credit risk rating score to enable contract managers to manage any identified risks, with support from the Procurement Team. Furthermore, as a result of Covid-19 the likelihood of this risk is deemed to have increased and thus the procurement and finance team now hold a weekly Business continuity plans in place		Risk reviewed 05/10/22 - No changes

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L12-	Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	<p>Threat to service delivery and performance if good management practices and controls are not adhered to.</p> <p>Risk of ultra vires activity or lack of legal compliance</p> <p>Risk of fraud or corruption</p> <p>Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control.</p> <p>Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council.</p> <p>Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings).</p> <p>Elements of the COVID-19 response and recovery work may be compromised, delayed or not taken forwards.</p>	4	4	16	<p>Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc.</p> <p>Clear accountability and resource for corporate governance (including the shareholder role).</p> <p>Integrated budget, performance and risk reporting framework.</p> <p>Corporate programme office and project management framework. Includes project and programme governance.</p> <p>Internal audit programme aligned to leadership risk register.</p> <p>Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc.</p> <p>HR policy framework.</p> <p>Annual governance statement process undertaken for 2021/22 connects more fully and earlier with ELT and CLT.</p> <p>Annual Review of the Constitution will take place each Autumn led by the Overview & Scrutiny Committee and approved by Full Council</p>	<p>Fully effective</p> <p>Partially effective</p> <p>Not effective</p>	Councillor Barry Wood	Stephen Hinds	Shahin Ismail	3	3	9	↔	<p>Standing item at senior officer meetings – regular review of risk and control measures - through CLT and DLTs.</p> <p>Leadership programme Identifying Programme and Project Management is being developed and rolled out to ELT during 2022/23.</p> <p>The Monitoring Officer is a member of full member of CLT.</p> <p>The Annual Governance Statement was produced and has been published. The Corporate Governance Assurance Group continues to map governance processes to ensure visibility and to refresh them.</p>	Risk is currently under complete review. A fundamental review of organisational risks and risk policy is ongoing.	Risk reviewed 05/10/22 - no changes

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2022/23																	
L13-	Oxfordshire Housing and Growth Deal - (contract with HMG)	<p>Failure to meet its obligations as a partner within the Growth Deal could see Cherwell as a factor in Government holding back some or all of its funding and/or cease to extend the arrangement beyond 2023.</p> <p>Failure to replace Programme Management Officer could adversely affect delivery and stability of the overall Cherwell programme.</p> <p>Infrastructure milestone delivery late (for infrastructure linked to accelerated delivery of infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders</p> <p>Delivery of affordable houses below programme targets as GD contributions insufficient to attract sufficient builders/registered providers</p> <p>Oxfordshire Plan delivered late</p>	4	5	20	<p>Established programme structure and partnership ethos to support effective programme delivery.</p> <p>Put suitable arrangements in place to deliver the Project Management function.</p> <p>Engagement with housing developers to understand their commercial constraints.</p> <p>Identify potential "top up" schemes to supplement GD affordable housing scheme.</p> <p>Utilise effective Programme controls to facilitate prompt escalation of issues to enable appropriate decision making and delivery timescale review.</p> <p>Develop Year 5 (final year) Plans of Work to detail the expected delivery by CDC for Year 5 of the Growth Deal Programme; building on the experiences and knowledge gained during previous years.</p>	<p>Fully effective</p> <p>Partially effective</p> <p>Not effective</p> <p>Fully</p> <p>Fully, when implemented (not implemented yet).</p> <p>Partially</p> <p>Fully</p> <p>Fully</p> <p>Partially</p>	Councillor Barry Wood	Ian Boll	Robert Jolley	4	3	12	↔	<p>A CDC GD programme and programme board capability.</p> <p>Meetings to take place with key colleagues to implement suitable arrangements to deliver the Project Management function.</p> <p>Work stream plans of work (work stream brief, schedule, RAID log).</p> <p>Structured engagement with developers to better understand their needs.</p> <p>Appropriate escalation of issues to agree programme flexibilities where required.</p> <p>Improved collaboration working with partners.</p> <p>Ongoing work with partners to realistically reflect deliverable schemes within programme time frame.</p>	The remaining workstreams within the Oxfordshire Housing and Growth Deal Programme in Cherwell remain substantially on track. It should be noted, however, that the Oxfordshire Plan 2050 ceased in August 2022 and the implications of this are currently being assessed by the relevant parties.	Risk reviewed 04/10/2022. Risk owner updated.
L14-	Workforce Strategy The lack of effective workforce strategies could impact on our ability to deliver Council priorities and services.	<p>Limit our ability to recruit, retain and develop staff</p> <p>Impact on our ability to deliver high quality services</p> <p>Overreliance on temporary staff</p> <p>Additional training and development costs</p>	3	4	12	<p>Analysis of workforce data and on-going monitoring of issues.</p> <p>Key staff in post to address risks (e.g. strategic HR business partners)</p> <p>Weekly Vacancy Management process in place</p> <p>Ongoing service redesign will set out long term service requirements</p>	<p>Partially</p> <p>Fully</p> <p>Fully</p> <p>Partially</p>	Councillor R. Mould	Yvonne Rees	Claire Cox	3	4	12	↔	<p>Development of relevant workforce plans.</p> <p>Development of new L&D strategy, including apprenticeships.</p> <p>Development of specific recruitment and retention strategies. It is planned for CDC to develop a framework that suits the needs of all services ensuring that the Council has access to a much wider pool of staffing agencies at competitive rates.</p> <p>There are indications that specific service areas are beginning to experience recruitment difficulties for professional roles. HR is working with the relevant directors to consider alternative resourcing methods.</p> <p>The new IT system has been implemented to improve our workforce data and continues to be develop to improve our ability to interrogate and access key data (ongoing) in order to inform workforce strategies.</p>	There are a number of emerging issues in terms of recruitment and retention within the local government workforce especially at entry level roles where competition with the private sector is fierce and in senior management roles where there tends to be an ageing workforce. HR is working with areas experiencing recruitment and retention difficulties.	Risk reviewed 07/10/2022 - No changes

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			Probability	Impact	Rating						Probability	Impact	Rating				
2022/23																	
L15-	Covid-19 Community and Customers Significant spread of the Covid-19 virus results in potential impacts in terms of customers and communities. Including community resilience, ability to access services, consequences of prolonged social distancing or isolation, economic impacts to business, including but not limited to the visitor economy.	Possible reductions in frontline service delivery, events, meetings and customer contact. Economic hardship impacting local business and potentially the local workforce. Impact on vulnerable residents who may find it harder to access services. Increased demand on both frontline and enabling services. Prolonged risk of social isolation and the mental and physical consequence thereof.	5	4	20	Business Continuity Plans have been reviewed and tested to ensure the ongoing delivery of priority services. Remote (home based) working in place, to facilitate self isolation and limit impact on service delivery. Communications stepped up, to support remote working, reinforce national guidelines and set out the current organisational response. Regular updates from Director of Public Health, shared internally and externally. Partnership communications. Partnership communications enhanced and regular conversations convened.	Fully Partially Fully Fully	Councillor Barry Wood	Ian Boll	Richard Webb	2	3	6	↔	Council and partnership business continuity and emergency planning arrangements for the Covid-19 response suspended in recognition of the current situation. Outbreak planning and Standard Operating Procedures are in place and could be implemented rapidly if required.	There is continuing monitoring of case numbers, infection rates and impacts in the health system through the Oxfordshire System and Cherwell are involved with these groups to understand any increase in risk. Risk currently low due to prevalent strain of Covid-19 not having serious health impacts in most people. Consequentially, the impacts on health system and economy are reduced. Monitoring only at this time.	Risk reviewed 10/10/2022 - No changes.

Ref	Name and Description of risk	Potential impact	Inherent (gross) risk level			Controls	Control assessment	Lead Member	Risk owner	Risk manager	Residual risk level (after existing controls) Pvl			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
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2022/23																	
L16-	Covid-19 Business Continuity Significant staff absence due to the Covid-19 virus results in potential impacts on frontline service delivery and the ability to run the councils' business on a day to day basis.	Possible reductions in frontline service delivery, events, meetings and customer contact. Potential confusion amongst staff with regards to how to plan and respond to reduced service availability, professional support and maintain business as usual. Requirement to reprioritise service delivery. Requirement to offer mutual aid to partner organisations. Potential impact in the medium to long term resilience of staff may result in wider wellbeing issues.	3	4	12	Business Continuity Plans in place. Guidance supports managers to enable agile working and is updated in response to changing conditions. Remote working capability across all relevant council teams. Regular updates from Director of Public Health, shared internally and externally.	Fully Partially Fully	Councillor Barry Wood	Ian Boll	Richard Webb	3	3	9	↔	Council and partnership business continuity and emergency planning arrangements suspended to reflect current low Covid-19 impacts but remain in place for rapid implementation if required. IT remote working arrangements are sustainable. Monitoring for risk escalation only.	The nature of the risk is such that national public health guidelines will determine the councils' response. Staff absences due to Covid-19 are low. Agile working and flexibility to continue. Hybrid meetings are tested and operational.	Risk reviewed 10/10/2022 - No changes.
L17-	Post Covid-19 Recovery - challenges associated with adverse impact on customers, our workforce and the budget.	Long term response to the current covid-19 pandemic Requirement to review service delivery Budget implications	4	4	16	Local plans have been revised in line with the national winter plan and revised contain strategy. Most legal restrictions now removed. CDC fully participates in cross county partnerships to plan for the post-pandemic period. New Council business and budget plans reflect financial, service and community impact.	Partially Partially	Councillor Barry Wood	Yvonne Rees	Stephen Hinds	3	3	9	↔	Governance programme reviewed, shared and implemented. Programme support arrangements continue in place and joint Recovery and Renewal Framework due to review at Cabinet in March, 2022.	Work is ongoing to support recovery from Covid, necessarily focused on support for voluntary groups and implementing the various grants and support arrangements available. The individual elements in L17 are now covered within the existing risks of L01, L11, L14, L15 and L16. This risk is now being transitioned into a current economic climate risk from relating to inflation and the cost of living crisis being encountered by the Council, its residents, partners and businesses. A briefing to Scrutiny around the work the Council is undertaking regarding the Cost of Living support the Council provides. A Food Inclusivity Working Group has met and is developing an action plan and strategy for the district (29th September) with a paper to Executive on 3rd October 2022 These elements will form the new risk and formally close L17 in 2022. The new risk will have an Inherent Risk Rating of 16, with a residual risk register of 12.	Risk reviewed 05/10/2022 - Risk Manager and comments updated 07/10/22 - Proposed to be closed
L18-	Cessation of joint working between CDC and OCC - Ending of the section 113 arrangement (formal partnership agreement) between Cherwell and Oxfordshire results in increased costs of service delivery impacts.	Without an effective transition plan, relevant advice, capacity and a partnership approach to the withdrawal from the formal relationship there is a risk that the of service disruption and additional financial implications for either authority. Uncertainty and change can also impact upon staffing and performance.	5	4	20	Cherwell DC have employed an experienced former Chief Executive who has extensive experience in partnership working, the decoupling and creation of partnerships as the Chief Operating Officer to oversee the decoupling transition plan. Legal, governance and employment advice for both parties in place and a transitional plan is under development. Separate statutory officer arrangements have been established. Governance arrangements have been established including a Joint Decoupling Delivery Group (JDDG), Joint Officer Transition Working Group (JOTWG) and a Joint Shared Services & Personnel Committee (JSS&P Committee) Parties continuing to collaborate within a transitional framework and may seek to continue collaboration in some areas under different operating or service delivery models. Additional programme/project resources to be sought to oversee and implement transition. Communications and engagement with affective staff is in place. Transitional Plan is based on 3 x Phase over 3 x meetings with the JSS&P Committee and supporting officer governance arrangements.	Full Full Full Full Full Full	Clr Barry Wood	Yvonne Rees	Nathan Elvery	1	5	5	↔	The transitional plan is adaptable to ensure recommendations can be made to the JSS&P Committee in a timely and effective manner. Risks are managed across the various governance arrangements and monitored by the JSS&P Committee. A decoupling implementation plan is in place for CDC to effectively and efficiently manage the transitional arrangements and risks. An update has been reported to the Overview & Scrutiny Committee.	Transition plan has identified 24 service review are to be recommended to the JSS&P Committee during the period March 2022 to July 2022. A detailed CDC implementation plan is in place a monitored on a regular basis via a sub-group of the Corporate Leadership Team - Decoupling Programme Board.	Risk reviewed 11/10/2022 - Controls, risk owner, manager, mitigating actions, residual risk and comments updated - Proposed to be closed

Cherwell District Council

Accounts Audit and Risk Committee

16 November 2022

Update on Counter Fraud Annual Plan 2022/23

Report of Assistant Director of Finance

This report is public

Purpose of report

This report presents a summary of activity against the Annual Plan for the Counter-Fraud service at CDC for 2022/23, which was previously presented to the Accounts, Audit & Risk July 2022 committee. The Plan supports the Council's Anti-Fraud and Corruption Strategy by ensuring that the Council has in place proportionate and effective resources and controls to prevent and detect fraud as well as investigate those matters that do arise.

1.0 Recommendations

The meeting is recommended to:

- 1.1 Comment and note the summary of activity against the Annual Counter Fraud Plan for 2022/23.

2.0 Introduction

- 2.1 The Counter-Fraud team's purpose is to adhere and to promote the zero-tolerance approach to fraud detailed in the Council's Fraud Strategy, by thoroughly investigating any instances of fraud; applying the appropriate sanctions; undertaking proactive and preventive work to prevent and detect fraud through training, awareness raising, data matching and proactive reviews.

3.0 Report Details

Counter-Fraud Service & Resources Update

- 3.1 As reported to the July 2022 meeting, there has been a change to resourcing and the team structure following the Audit Manager Counter Fraud Lead, leaving. An interim structure for the Counter Fraud team has been implemented from August 2022 with the two existing Counter Fraud Officers given additional responsibilities whereby they are acting up as Senior Counter Fraud Officers. In addition to the current Data and Intelligence Apprentice, a new apprenticeship post of Counter Fraud Assistant has been recruited, who started with us in mid-October 2022, and

has already commenced the formal apprenticeship training. This structure is being trialled for a period of 6 months.

- 3.2 The Counter Fraud team continue to meet regularly with the DWP who have recently appointed a new Team Leader for the area and are starting to stand up their investigations team.
- 3.3 Monthly meetings are being held with the Revenues & Benefits Team Manager to discuss new and ongoing cases and investigations.

Key Performance Indicators & Trends:

Indicator	Value
New Cases YTD 2022/23	55 new cases – April 2022 to November 2022
Current open cases	35 cases currently open
With the Police	There are currently no cases with the Police
YTD New Cases by type	SPD: 16 Council Tax Support (CTS): 18 SPD & CTS: 6 Housing Application: 3 Council Tax: 6 Covid Business Grants: 1 Housing – Abandonment: 2 Business Rates: 3
YTD New Cases by referral source	Employee/internal control: 16 Member of public Anon (web form): 26 DWP: 1 Member of public Anon (phone): 6 Member of public Anon (letter): 2 Member of public (webform): 2 Member of public (phone): 1 Member of public Anon (email): 1
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Out of the 20 cases closed so far this year, 13 were closed not proven NFA. Of the other 7 the outcomes were: CTS Recalculated and SPD removed: 1 CTS Recalculated: 1 SPD Removed: 5
Loss, recovery and prevented future loss YTD	CTS: Recovered = £4922; Future loss prevented = £2187 SPD: Recovered = £3678; Future loss prevented = £3325
Fraud Awareness, Comms and	Training:

Training sessions delivered YTD	Revenues & Benefits Fraud Training Session Comms: International Fraud Awareness Week Comms prepared for week commencing 14 November 2022.
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Update against the Counter-Fraud Plan 2022/23

Objective	Actions	Update Nov 2022
<p>Strategic: Continue to build the Counter Fraud team to support the Council to prevent and detect fraud and irregularity.</p> <p>Culture Capacity Competence</p>	<ol style="list-style-type: none"> 1. Trial the interim team structure with a view to agreeing a permanent solution 2. Recruit a new Counter Fraud Apprentice 3. Identify any appropriate training for members of the team. 4. Senior CF Officer to undertake CIPFA Accredited Counter Fraud Specialist (ACFS) training. 	<ol style="list-style-type: none"> 1. Interim team structure trial in place until end of January 2023. 2. New Counter Fraud Apprentice started 17 October 2022 and has commenced the formal apprenticeship training. 3. Training subject to review through extended 1:1 sessions with team. 4. Senior CF Officer has commenced ACFS training.
<p>Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council.</p> <p>Culture Capability Capacity Communication Collaboration</p>	<ol style="list-style-type: none"> 5. Complete and routinely update the Fraud Risk Register 6. Deliver fraud awareness training 7. Undertake joint fraud/audit exercises 8. Deliver fraud communications in line with a comms strategy 9. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4) 	<ol style="list-style-type: none"> 5. Fraud Risk Register now business as usual (bi-monthly review meetings) 6. Fraud awareness training delivered to Revenues & Benefits staff 7. Joint fraud/audit proactive exercises being developed. 8. Fraud comms planned. 9. Fraud procedures and referral routes subject to regular review.
<p>Reactive: Manage fraud referrals and investigations</p> <p>Capacity Competence Collaboration</p>	<ol style="list-style-type: none"> 10. Manage fraud referrals 11. Investigate 12. Implement appropriate sanctions 13. Agree and track actions to improve the control environment 14. Work with partner agencies and teams. 	<ol style="list-style-type: none"> 10&11. Fraud referrals received and investigated ongoing as appropriate. Currently 35 open cases. 12. Sanctions applied as appropriate (see KPI's above). 13. Actions raised within investigation reports are tracked for completion. Arrangements for working with DWP continue to be developed.
<p>Data: Use data to detect and prevent</p>	<ol style="list-style-type: none"> 15. Prepare for and undertake the 2022 NFI data upload (Q2) 	<ol style="list-style-type: none"> 14. NFI upload is in progress and will be completed by mid-

fraud Competence Collaboration	16. Continue to participate into potential data matching exercise with other LA's.	November 2022. 15. Ongoing work with networks.
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Other updates

- 3.5 An update was made to the July 2022 committee on the results from the previous National Fraud Initiative (NFI) exercise. The work is now completed. The next upload of data has been completed and results will be expected around February 2023, the Counter Fraud Team will manage the activity of working through the matches and undertaking any necessary investigations. Results will be reported back to the Accounts, Audit & Risk Committee.
- 3.6 So far, the pro-active work undertaken has focused on staff training and awareness sessions. We recently delivered a fraud awareness and risk identification session to the Revenues & Benefits team.

4.0 Conclusion and Reasons for Recommendations

- 4.1 In conclusion, this paper presents a summary of activity against the Counter Fraud plan for 2022/23, the team has embedded well within the Council and has established the fraud referral and investigation processes and is increasing proactive work to prevent fraud against the Council.
- 4.2 The Committee are requested to review and comment on the update on activity. The next update will be made to the March 2023 committee.

5.0 Consultation

Not applicable

6.0 Alternative Options and Reasons for Rejection

- 6.1 Not applicable

7.0 Implications

Financial and Resource Implications

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

Comments checked by:
 Michael Furness, Assistant Director of Finance, 01295 221845
michael.furness@cherwell-dc.gov.uk

Legal Implications

There are no legal implications arising directly from this report. We comply with the Local Government Counter Fraud and Corruption Strategy – Fighting Fraud and Corruption Locally

Comments checked by:

Shiraz Sheikh, Monitoring Officer & Assistant Director,
shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

- 7.3 There are no risk management issues arising directly from this report. Any arising risks will be managed through the service Operational Risk and escalated to the Leadership Risk Register as and when necessary.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556
Celia.prado-teeling@cherwell-dc.gov.uk

Equalities and Inclusion Implications

- 7.4 There are no equalities and inclusion implications arising directly from this report.

Comments checked by:

Celia Prado-Teeling, Performance & Insight Team Leader, 01295 221556
Celia.prado-teeling@cherwell-dc.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: N/A

Community Impact Threshold Met: N/A

Wards Affected

All

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

Councillor Adam Nell, Portfolio Holder for Finance

Document Information

Appendix number and title

None

Background papers

None

Report Author and contact details

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Account Audit & Risk Committee Work Programme 2022/2023

25 January 2023	Internal Audit Progress Update 2022/23 Auditors Annual Report and VFM Commentary AGS 2021/22 Actions Update Draft Capital and Investment Strategy and Draft Treasury Management Strategy 2023/24 Work Programme Update TRAINING - Treasury Management
22 March 2023	Counter Fraud Update 2022/23 Annual Report of AARC Performance, Finance and Risk Monitoring Report - Q3 2022/23 Treasury Management Q3 2021/22 Housing Benefit Subsidy Audit Housing Benefit Risk Based Verification Policy Work Programme Update

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