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Cherwell | DISTRICT COUNCIL NORTH OXFORDSHIRE

Committee:	**Accounts, Audit and Risk Committee**
Date:	**Wednesday 22 March 2023**
Time:	**6.30 pm**
Venue:	**Bodicote House, Bodicote, Banbury, Oxon OX15 4AA**

Membership

Councillor Donna Ford (Chairman)

Councillor Hugo Brown (Vice-Chairman)

Councillor Patrick Clarke

Councillor Andrew Crichton

Councillor Ian Middleton

Councillor Chris Pruden

Councillor Sean Woodcock

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 25 January 2023.

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.   January 2023 - Risk Monitoring Report (Pages 9 - 22)

Report of Assistant Director – Customer Focus

Purpose of report

This report summarises the Council's Risk monitoring position of January 2023

Recommendations

The meeting is recommended:

1.1   To note the monthly Risk Monitoring Report January 2023

8.   Update on Counter Fraud Annual Plan 2022/23 (Pages 23 - 28)

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 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.

Recommendations

The meeting is recommended to:

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

9.   Draft Annual Report of Accounts, Audit and Risk Committee (Pages 29 - 40)

Report of the Assistant Director of Finance

Purpose of report

The report presents the draft report of the Accounts, Audit & Risk Committee.

Recommendations

The meeting is recommended:

1.1   To review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Accounts, Audit & Risk Committee.

10.   External Audit Progress 2021/22

Verbal Update by Ernst & Young

11.   Work Programme

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 221534 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 Sharon Hickson, Democratic and Elections democracy@cherwell-dc.gov.uk, 01295 221534

Yvonne Rees
Chief Executive

Published on Tuesday 14 March 2023

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 25 January 2023 at 6.30 pm

Present:

Councillor Donna Ford (Chairman)
Councillor Hugo Brown (Vice-Chairman)
Councillor Patrick Clarke
Councillor Andrew Crichton
Councillor Ian Middleton
Councillor Chris Pruden

Substitute Members:

Councillor Sandy Dallimore (in place of Councillor Wood)
Councillor Andrew Beere (in place of Councillor Woodcock)

Apologies for absence:

Councillor Sean Woodcock
Councillor Barry Wood

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
Shiraz Sheikh, Assistant Director Law, Governance & Democratic Services/Monitoring Officer
Joanne Kaye, Strategic Finance Business Partner
Sharon Hickson, Democratic and Elections Officer

Officers Attending Virtually:

Sarah Cox, Chief Internal Auditor
Katherine Kitashima, Audit Manager

48 **Declarations of Interest**

There were no declarations of interest.

49   Petitions and Requests to Address the Meeting

There were no petitions or requests to address the meeting.

50   Minutes

The Minutes of the meeting of the Committee held on 16 November 2022 were agreed as a correct record and signed by the Chairman.

51   Chairman's Announcements

There were no Chairman's announcements.

52   Urgent Business

There were no items of urgent business.

53   Annual Governance Statement 2021/2022 - Update on Actions

The Assistant Director of Law and Governance and Monitoring Officer submitted a report to consider an update on actions from the Annual Governance Statement (AGS) 2020/2021.

In presenting the report, the Assistant Director of Law and Governance and Monitoring Officer advised that point 7 of the Draft Terms of Reference of the Corporate Oversight and Knowledge Governance Group should not include reference to Audit & Governance and should read "To recommend to the Audit & Risk Committee as to any strategy for gaining assurance on risk management and internal control".

Resolved

(1)   That, having given due consideration the update on the actions arising from the Annual Governance Statement 2021/2022 be noted

(2)   That the formation of the Corporate Oversight & Knowledge Governance Group by the Monitoring Officer be noted.

54   Internal Audit Progress Report 2022/23

The Assistant Director of Finance submitted a report which gave an update on Internal Audit Progress for 2022/23.

The Chief Internal Auditor provided Members with an update on the implementation of agreed management actions advising that the implementation rate was 80% with a further 15% not yet due. The amount outstanding was a very small percentage and monitored regularly

Resolved

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

55   **Capital, Investment and Treasury Management Strategies 2023-24**

The Assistant Director Finance submitted a report which presented the draft Capital and Investment Strategy and Treasury Management Strategy for 2023-24.

Resolved

(1)   That the draft Capital, Investment and Treasury Management Strategies 2023-24 be recommended to Executive to endorse and recommend to Council for adoption

56   **Treasury Management Report - Q3 2022/23 (December 2022)**

The Assistant Director of Finance submitted a report which provided information on treasury management performance and compliance with treasury management policy for 2022-23 as required by the Treasury Management Code of Practice.

Resolved

(1)   That the contents of this Treasury Management Report be noted.

57   **Work Programme**

The Assistant Director of Finance advised the Committee of the work programme items for the 22 March Meeting.

Resolved

(1)   That the work programme update be noted.

The meeting ended at 7.25 pm

Chairman:

Date:

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Cherwell District Council

Audit, Accounts and Risk Committee

14 March 2023

January 2023 - 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 January 2023

1.0 Recommendations

The meeting is recommended:

1.1   To note the monthly Risk Monitoring Report January 2023

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 more detailed 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   Report Details

Risk Update – January 2023.

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 registers 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 January 2023.

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

Figure 2: Risk scorecard showing the risk scores in the Leadership Risk Register for January 2023.

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 January 2023.

Leadership Risk	Score	Direction of travel	Latest Update
L01 Financial Resilience	16 High Risk	↔	Risk reviewed - 31/01/2023 – No changes
L02 Statutory functions	9 Low Risk	↔	Risk reviewed - 08/02/2023 - No changes
L03 CDC Local Plan	12 Medium Risk	↔	Risk reviewed - 24/01/2023 – Comments updated
L04 Business Continuity	6 Low Risk	↓	Risk Reviewed 06/02/2023 – Residual risk score and comments updated.
L05 Emergency Planning (EP)	6 Low Risk	↓	Risk Reviewed 06/02/2023 – Residual risk score, mitigating actions and comments updated.
L06 Safeguarding the Vulnerable – Operational and partnership actions	12 Medium Risk	↔	Risk Reviewed 06/02/2023 – Mitigating actions and comments updated
L07 Health and safety	12 Medium Risk	↔	Risk reviewed 07/02/23 – New manager added
L08 Cyber Security	15 Medium Risk	↔	Risk reviewed 07/02/2023 - No changes
L09 Safeguarding the vulnerable - Internal procedures	8 Low Risk	↔	Risk Reviewed 03/02/2023 - Comments updated
L10 Sustainability of Council owned companies and delivery of planned financial and other objectives	6 Low Risk	↔	Risk reviewed 07/02/2023 – Potential impacts and comments updated
L11 Financial sustainability of third- party suppliers and contractors	12 Medium Risk	↔	Risk reviewed 03/01/23 – Comments updated
L12 Corporate Governance	9 Low Risk	↔	Risk reviewed 08/02/23 – Comments updated
L13 Oxfordshire Housing and Growth Deal - (contract with HMG)	12 Medium Risk	↔	Risk reviewed 03/02/2023 – Comments updated
L14 Workforce Strategy	12 Medium Risk	↔	Risk reviewed 03/02/2023 - No changes

3.4   There were two score changes in the leadership risk register during January. The residual score has been decreased from 12 (medium risk) to 6 (low risk) for both, L04 – Business continuity and L05 – Emergency planning (go to Appendix 1 for further details).

3.5   Please note that the extra tab in Appendix 1, dedicated to the Local Plan, has been deleted as its contents are reflected on risk L03 – CDC Local Plan.

3.6   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.

4.0   Conclusion

This report provides an update on progress made during January 2023, 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

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

6.0   Alternative Options and Reasons for Rejection

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,
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:
Shiraz Sheikh, Assistant Director Law and Governance, 01295 221651
Shiraz.Sheikh@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 January 2023. There are no risk 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

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: No

Community Impact Threshold Met: No

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 January 2023

Background papers
None

Report Author and contact details.
Celia Prado-Teeling, Performance & Insight Team Leader. Tel: 01295 221556
Celia.prado-teeling@cherwell-dc.gov.uk

Level of risk	How the risk should be managed
High Risk (16-25)	**Requires active management** to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	**Contingency Plans** - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	**Good Housekeeping -** may require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

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

Risk Definition	
Leadership	Strategic risks that are significant in size and duration, and will impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its corporate priorities
Operational	Risks to systems or processes that underpin the organisation's governance, operation and ability to deliver services

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
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	**16**	Medium Term Revenue Plan reported regularly to members	Michael Furness	Joanne Kaye	**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 31/01/2023 - No changes
	Reduction in services to customers		Balanced medium term and dynamic ability to prioritise resources				Investment Strategy agreed annually. Strategic Place Shaping Board providing a gateway process for capital investment decisions which comply with governance framework.	New investment proposals are considered as part of the budget setting process and as and when they arise. The MTFS and budget setting continue to enhance the scrutiny and quality of new investments.	
	Increased volatility and inability to manage and respond to changes in funding levels		Highly professional, competent, qualified staff				Timely and good quality budget monitoring reports, particularly property income and capital. Unit 4 financial system provides improved management information.	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 such as in subsidiaries.		Good networks established locally, regionally and nationally. Strong shareholder function and relationships with subsidiaries. Financial returns from the subsidiaries are not included in the MTFS until they are reasonably assured to materialise				Introduction and implementation of an Asset Management Strategy. Shareholder Agreements in place with subsidiaries which require regular management reports to be shared with the Shareholder which allows for dialog between the entities.	
	Inability to deliver financial efficiencies		National guidance interpreting legislation available and used regularly				Work is underway to maximise the impact of the available space in Banbury town centre, encouraging an enjoyable shopping experience alongside space for non-retail activity to co-exist.	
	Exposure to commercial pressures in relation to regeneration projects.		Progress regeneration plans in a coordinated manner					
	Poor customer service and satisfaction		Participate in Oxfordshire Treasurers' Association's work streams				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 Assountant 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				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				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 as up-to-date as we can be in relation to potential funding changes from 2025/26 and impact on our MTFS.	
	Lack of financial awareness and understanding throughout the council		Investment strategies in place				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				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 budgetes within approved parameters.	
	Increased inflation in revenue costs		Independent third party advisers in place				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				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				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 in 2024/25 with any confidence - must wait for Local Government Finance Settlement 2024to understand the impact.	

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
		■	Asset Management Strategy in place and embedded Transformation Programme in place to deliver efficiencies and increased income in the future			■	Financial forecasts of resources for 2023/24 had assumed a reduction in resources 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 has been taking place throughout 2022/23 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, e.g the cost of living crisis). 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 budget setting process. A business rates reset is assumed from 2025/26 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 is nearly complete, with savings proposals sought that would enable the Council 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 2025-26 the financial resilience of the Council could be severely impacted. The Council will set its 2023/24 budget on 27 Feb 2023 and will then monitor the delivery of the budget and begin preparations for the 2024/25 budget process in order to meet the forecast shortfall identified in the MTFS. The Government 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. In the provisional settlement for 2023/24, the government committed to maintaining council spending power, but it is not clear how this commitment will delivered in the final year of the settlement.	

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
L02 - Statutory functions – Failure to meet statutory obligations and policy and legislative changes are not anticipated or planned for.	Legal challenge	12	Embedded system of legislation and policy tracking In place, with clear accountabilities, reviewed regularly by Directors.	Stephen Hinds	Shiraz Sheikh	9	Establish corporate repository and accountability for policy/legislative changes taking into consideration all of the Council's functions.	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 08/02/2023 - No changes |
	Loss of opportunity to influence national policy / legislation		Clear accountability for responding to consultations with defined process to ensure Member engagement				Review Directorate/Service risk registers.		
	Financial penalties		National guidance interpreting legislation available and used regularly				Ensure Committee forward plans are reviewed regularly by senior officers.		
	Reduced service to customers		Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed.						
	Inability to deliver council's plans		Clear accountability for horizon scanning, risk identification / categorisation / escalation and policy interpretation in place				Ensure Internal Audit plan focusses on key leadership risks.		
	Exposure to commercial pressures		Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit.						
	Reduced resilience and business continuity		Internal Audit Plan risk based to provide necessary assurances						
	Reduced staff morale, increased workload and uncertainty may lead to loss of good people		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				Appointed Interim officer regarding FOIs/EOIs and enquiries. Regular reports to CLT and DLT outline our performance regarding meeting statutory deadlines.		
			Arrangements in place to source appropriate interim resource if needed				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.		
			Ongoing programme of internal communication				Regular communications from Chief Executive. Quarterly staff briefings from Assistant Directors.		
			Programme Boards in place to oversee key corporate projects and ensure resources are allocated as required.				External support secured for key corporate projects including Growth Deal and IT Transformation Programme.		
			CDC Extended Leadership Team (ELT) Meetings established to oversee and provide assurance on key organisational matters including resourcing.						
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.	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	Ian Boll	David Peckford	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.	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 was presented to the Overview and Scrutiny Committtee on 11 January 2023 and to the Executive on 19 January 2023. Consultation on the Plan was deferred to allow officers to consider the comments made. 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 24/01/23 - Comments updated
	Negative (or failure to optimise) economic, social, community and environmental gain		Team capacity and capability kept under continual review with gaps and pressures identified and managed at the earliest opportunity.				Regular Corporate Director and Lead Member briefings		
	Negative impact on the council's ability to deliver its strategic objectives, including its commitments within the Oxfordshire Housing & Growth Deal						LDS updated as required with programme management approach adopted to ensure progress against plan		
	Increased costs in planning appeals						LDS timeline built into Directorate level objectives (e.g. via Service Plans) and incorporated into SMART targets within staff appraisals.		
	Reputational damage with investor community of Cherwell as a good place to do business created by uncertainty/ lack of policy clarity		On-going review of planning appeal decisions to assess robustness and relevance of Local Plan policies				Authority Monitoring Reports continue to be prepared on a regular annual basis.		

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
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	16	Business continuity strategy, statement of intent and framework in place and all arrangements overseen by a Business Continuity Steering Group	Ian Boll	Richard Webb	6	Business Continuity Statement of Intent and Framework due to be reviewed to align with new incident management framework	The Council maintains businesses continuity plans for services to ensure that critical services can continue to be provided in the event of an emergency incident. Remote working enables most teams to work effectively from home and sustain services in the event of travel disruption or inability to use council buildings. A new incident management framework was approved by CLT in November, has been shared with Duty Directors and has been published on the Intranet. The Council's Intranet pages on Business Continuity have also been updated to provide better information for staff. A document repository and management system is now in place for key business continuity plans and is in the process of being populated with new documents when they are refreshed. Teams have been asked to update BIAs in advance of a complete review of Business Continuity Plans. Residual risk assessment updated in January to reflect recent actions.	Risk Reviewed 06/02/2023 - Residual risk score and comments updated.
	Financial loss/ increased costs		Services prioritised and ICT recovery plans reflect those priorities and the requirements of critical services				Cross-council BC Steering Group meets regularly to identify BC improvements needed		
	Loss of important data		ICT disaster recovery arrangements in place with data centre and cloud services reducing likelihood of ICT loss and data loss				ICT transition to data centre and cloud services has reduced likelihood of ICT loss and data loss		
	Inability to recover sufficiently to restore non-critical services before they become critical		Incident management team identified in Business Continuity Framework				Corporate ownership and governance revised as a result of separation of OCC and CDC		
	Loss of reputation		All services undertake annual business impact assessments and updates of business continuity plans				BC Impact assessments and BCPs being updated and reviewed by OCC's Emergency Planning team with supporting document management system being implemented.		
	Reduced service delivery capacity in medium term due to recovery activity		All services maintain business continuity plans				BC exercises to be arranged		
							Incident management framework in place and revised to reflect arrangements post separation from OCC. The IMF is available on the Intranet to all staff.		
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	16	Incident Management Framework in place and key contact lists updated monthly.	Ian Boll	Richard Webb	6	Emergency plan contacts list being updated monthly and reissued to all duty managers periodically. Available on ELT Teams channel.	The council is maintaining its duty director rota for any emergency incidents that might arise. Training has been provided for new Extended Leadership Team members to support them in their new role as Duty Director. A new Incident Response Framework was approved by CLT in November, has been provided to Duty Directors and is now published on the Intranet for all staff to access. A staff briefing on the Duty Director and Emergency Response arrangements was included in the All Staff Briefing in early February. This new IMF reflects changes following separation from OCC. Duty Directors also have access to this framework on the Cherwell Resilience Direct pages along with a key contacts guide. A 'lessons learned' review of an incident in July (which resulted in no disruption to the council but tested our response arrangements) identified some actions to improve awareness of the council's business contibuity incident response arrangements. These actions have been completed.	Risk Reviewed 06/02/2023 - Residual risk score, mitigating actions and comments updated.
	Unnecessary hardship to residents and/or communities		Emergency Planning Lead Officer defined with responsibility to review, test and exercise plan and to establish, monitor and ensure all elements are covered				OCC Emergency Planning providing expert advice and support under a partnership arrangement which continues post decoupling.		
	Risk to human welfare and the environment		Expert advice and support provided by Oxfordshire County Council's Emergency Planning Team under partnership arrangements.				Supporting officers for incident response identified in the emergency plan and wallet guide.		
	Legal challenge		Council Duty Directors attend training relating to role prior to joining duty director rota and have refresh training annually				Refreshed incident management plan developed and pushed following separation from OCC. Staff briefed on arrangements at February all staff briefing.		
	Potential financial loss through compensation claims		Multi agency emergency exercises conducted to ensure readiness				Training provided for all Duty Directors in late 2021 and early 2022. Training for new duty directors arranged for October and December 2022. All senior managers who provide the Duty Director rota have opportunity attend multi-agency exercises and duty manager training with OCC senior managers.		
	Ineffective Cat 1 partnership relationships		Active participation in Local Resilience Forum (LRF) activities				On-call rota being maintained and updated to reflect recent staffing changes		
	Reputational damage						Authority continues to be represented at the Local Resilience Forum		

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last 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.	16	Community Safety Partnership monitors risks and oversees the actions needed to reduce risks of exploitation	Ian Boll	Richard Webb	12	Engagement with the CE sub-group of Safeguarding Children Board following the Jacob CSPR to identify improvements to local arrangements.	Work is continuing to implement changes to the local arrangements for tackling child exploitation following the Jacob CSPR. A wider parterships review for the Oxfordshire strategic partnerships has been undertaken and will conclude in early 2023. This is expected to lead to changes in how the strategic partnerships work together. 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 06/02/2023. No changes.
	Council subject to external reviews		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.				Implementing local changes to the multi-agency arrangements in Cherwell seeking to prevent child exploitation to address findings in the Jacob CSPR.		
	Criminal investigations potentially compromised		Representation at county Child Exploitation sub-group of the Safeguarding Children Board, the countywide Modern Slavery Partnership and Safer Oxfordshire Partnership.				CSP to adopt improved oversight of the local arrangements to ensure these are effective.		
	Potential financial liability if council deemed to be negligent.		Representation at the Children Missing and Exploited Network meetings for north Oxfordshire.				Community based exploitation disruption models to be developed and implemented.		
	Reputational damage to the council.		Engagement at an operational and tactical level with relevant external agencies and networks to deliver community based disruption and preventative actions.				Continue to engage with partnership arrangements in place to identify risks.		
			Arrangements in place to ensure local framework of partnership meetings are effective and robustly identify and tackle risks.						
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	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.	Claire Cox	Ruth Wooldridge	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.	The Health and Safety Manager commenced employment on 1 December 2022 and is taking forward actions arising from the recent Health and Safety Audit report. Health and Safety matters regularly discussed across the organisation.	Risk reviewed 07/02/2023 - New manager added
	Criminal prosecution for failings Breach of legislation and potential for enforcement action.		Directors and service leads are responsible for ensuring H&S arrangements are in place within their areas or responsibility. Managers are responsible for ensuring operational health and safety risks are assessed and effective control measures implemented.				Post decoupling senior management will have monthly monitoring of H&S matters as a standing item at senior management meetings. The corporate H&S register will be managed and monitored with a focus on the depots as our highest risk areas.		
	Financial impact (compensation or improvement actions)		Consultation with employee representatives via employer and union consultative committees (Unison)				Corporate H&S Auditing and Inspection programme on track. Reports issued to managers and actions tracked for completion.		
	Reputational Impact		Corporate H&S Training provided via corporate learning and development programme. Training for operational risks may be organised by services.				Relevant and required policies and procedures are being reviewed.		
			H&S performance monitored by accident and incident reports and corporate H&S auditing and inspection programme.						
			H&S information is disseminated via internal communications and updates to ELT and other relevant meetings.						

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
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	20	File and data encryption on computer devices	Stephen Hinds	David Spilsbury	15	Cyber Security is mandatory e-learning for all staff to be completed annually and is part of new starters induction training.	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 mantained (Amber) It should be noted that two elements of the Audit were red rated, and these were regarting procedural documentation which since have been resolved.	Risk reviewed 07/02/2023 - No changes
			Managing access permissions and privileged users through AD and individual applications						
	Prosecution – penalties imposed		Schedule of regular security patching				Members given presentations and cyber training with the Police Cyber Security Advisor.		
	Individuals could be placed at risk of harm		Vulnerability scanning				The Regional Police Cyber Security Advisor have given a series of all-Council staff awareness sessions.		
	Reduced capability to deliver customer facing services		Malware protection and detection				Microsoft Multi-Factor Authentication is embedded to authenticate users providing an enhanced level of cyber security.		
	Unlawful disclosure of sensitive information		Effective information management and security training and awareness programme for staff				IT implemented an intrusion prevention and detection system which is monitored, and regular actions are implemented from the resulting reports.		
	Inability to share services or work with partners		Password and Multi Factor Authentication security controls in place				Cyber Security advice and guidance regularly highlighted to all staff.		
	Loss of reputation		Robust information and data related incident management procedures in place				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.		
			Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services				Internal Audit completed cyber audits with no major issues or significant risks identified.		
			Appropriate plans in place to ensure ongoing PSN compliance				Joint OCC/CDC Cyber Security Officer in place - this is likely to continue after decoupling under SLA.		
			Adequate preventative measures in place to mitigate insider threat, including physical and system security				Additional IT security advice provided for all staff during the Covid-19 working at home period including online coronavirus related scams.		
			Insider threat mitigated through recruitment and line management processes				Cyber Security Manager has reviewed advice and provided assurance on our compliance.		
	Increased threat to security due to most staff working from home		A complete restructure and update of the technical approach for the infrastructure has resulted in a move to a zero trust model.				All staff reminded to be vigilant to unexpected emails due to the heightened risk of cyber-attack due to escalating tensions in Eastern Europe.		
			Advice received from NCSC on specific activity alerts, the increased threat of globalised ransomware and malware attacks.						

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
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 Council could face criminal prosecution Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent Reputational damage to the council	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.	Yvonne Rees	Nicola Riley	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	General Safeguarding training has been promoted to Members resulting in a positive response.	Risk reviewed 03/02/2023 - 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	15	Annual business planning in place for all companies to include understanding of the link between the Council's strategic 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. A governance review is being undertaken and initial recommendations have been approved by the Shareholder Committee. Regular meetings are in place between the Council's S.151 Officer and the relevant company Finance Directors. Financial planning for the companies undertaken that will then be included within our own Medium Term Financial Strategy. Financial risks are routinely reported by the Shareholder Representative to the Shareholder Committee. Clear governance arrangements are in place. A governance review is being undertaken and initial recommendations have been approved by the Shareholder Committee. Sound monitoring in place of both business and financial aspects of the companies and the impact on overall council performance through the Shareholder Representative meetings and through the reporting to the Corporate Leadership Team on a monthly basis. Training in place for those undertaking Director roles relating to the companies.	Yvonne Rees	Stephen Hinds	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.	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. SH transitioned as Stakeholder representative on 24th November, with ongoing support in the interim from NE. The review of the governance is now with a third party assessing this. Work is ongoing between GH and CDC to ensure a viable business plan moving forward. Independent advice has been agreed to review any cases put forward.	Risk reviewed 07/02/2023 - Potential impacts and Comments updated

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
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.	12	Ensure contract management in place review and anticipate problems within key service suppliers and partners	Shiraz Sheikh	TBC	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.	Shiraz Sheikh extending SLA with Publica. Contracts Register almost complete with over 500 contracts now recorded.	Risk reviewed 03/01/2023-Commentary updated
			Business continuity planning arrangements in place in regards to key suppliers				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 joint meeting to consider funding solutions to support At Risk Suppliers in accordance with the national guidance note PPN04/20.		
			Ensuring that proactive review and monitoring is in place for key suppliers to ensure we are able to anticipate any potential service failures						
	Reduced resilience and business continuity		Intelligence unit set up procurement Hub to monitor supplier and contractor market				Business continuity plans in place		
	Increased complaints and/or customer dissatisfaction		Analysis of third party spend undertaken to identify and risk assess key suppliers/contractors						
	Increased costs and/or financial exposure to the Council due to having to cover costs or provide service due to failure of third party supplier of contractor								
L12 - Corporate Governance - Failure of corporate governance leads to negative impact on service delivery or the implementation of major projects providing value to customers.	Threat to service delivery and performance if good management practices and controls are not adhered to.	16	Clear and robust control framework including: constitution, scheme of delegation, ethical walls policy etc.	Stephen Hinds	Shiraz Sheikh	9	Standing item at senior officer meetings – regular review of risk and control measures - through CLT and DLTs.	Risk is currently under complete review. Review of Constitution is underway, due to go to full council 27/02	Risk Reviewed 08/02/23 - comments updated
	Risk of ultra vires activity or lack of legal compliance		Clear accountability and resource for corporate governance (including the shareholder role).				Leadership programme identifying Programme and Project Management is being developed and rolled out to ELT during 2022/23.		
	Risk of fraud or corruption		Integrated budget, performance and risk reporting framework.						
	Risk to financial sustainability if lack of governance results in poor investment decisions or budgetary control.		Corporate programme office and project management framework. Includes project and programme governance.				The Monitoring Officer is a member of full member of CLT.		
	Failure of corporate governance in terms of major projects, budgets or council owned companies impacts upon financial sustainability of the council.		Internal audit programme aligned to leadership risk register.				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.		
	Inability to support Council's democratic functions / obligations (e.g. return to physical public meetings and public access to meetings).		Training and development resource targeted to address priority issues; examples include GDPR, safeguarding etc.						
	Elements of the COVID-19 response and recovery work may be compromised, delayed or not taken forwards.		HR policy framework.						
			Annual governance statement process undertaken for 2021/22 connects more fully and earlier with ELT and CLT.						
			Annual Review of the Constitution will take place each Autumn led by the Overview & Scrutiny Committee and approved by Full Council						

Name and Description of risk	Potential impact	Inherent risk level (no Controls)	Controls	Risk owner	Risk manager	Residual risk level (after controls)	Mitigating actions (to address control issues)	Comments	Last updated
L13 - Oxfordshire Housing and Growth Deal - (contract with HMG)	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.	20	Established programme structure and partnership ethos to support effective programme delivery.	Ian Boll	Robert Jolley	12	A CDC GD programme and programme board capability.	The Infrastructure and Homes from Infrastructure workstream (HfI) is the only remaining live workstream within the Oxfordshire Housing and Growth Deal Programme and is being reviewed to rebalance the programme within financial parameters; work continues with the various local authority partners and the Future Oxfordshire Partnership in pursuit of this objective. It should be noted that the Productivity workstream was completed when OxLEP finalised the Oxfordshire Industrial Strategy and the Affordable Housing workstream has also been completed. Oxfordshire Plan 2050 ceased in August 2022.	Risk reviewed and slight amendment made 03/02/2023.
	Failure to replace Programme Management Officer could adversely affect delivery and stability of the overall Cherwell programme.		Put suitable arrangements in place to deliver the Project Management function.				Meetings to take place with key colleagues to implement suitable arrangements to deliver the Project Management function.		
	Infrastructure milestone delivery late (for infrastructure linked to accelerated housing)		Engagement with housing developers to understand their commercial constraints.				Work stream plans of work (work stream brief, schedule, RAID log) .		
							Structured engagement with developers to better understand their needs.		
	Delivery of Infrastructure projects fail to accelerate housing delivery as commercial pressures impact house builders		Identify potential "top up" schemes to supplement GD affordable housing scheme.				Appropriate escalation of issues to agree programme flexibilities where required.		
	Oxfordshire Plan delivered late		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.				Ongoing work with partners to realistically reflect deliverable schemes within programme time frame.		
L14 - Workforce Strategy The lack of effective workforce strategies could impact on our ability to deliver Council priorities and services.	Limit our ability to recruit, retain and develop staff	12	Analysis of workforce data and on-going monitoring of issues.	Yvonne Rees	Claire Cox	12	Development of relevant workforce plans.	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 03/02/2023 - No changes.
	Impact on our ability to deliver high quality services		Key staff in post to address risks (e.g. strategic HR business partners)				Development of new L&D strategy, including apprenticeships.		
	Overreliance on temporary staff		Weekly Vacancy Management process in place				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.		
							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.		
	Additional training and development costs		Ongoing service redesign will set out long term service requirements				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.		

Cherwell District Council

Accounts Audit and Risk Committee

22 March 2023

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 November 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. A permanent arrangement is currently under review. We are continuing to support the two

Counter Fraud Team apprentices with their training (Data and Intelligence Apprentice and Counter Fraud Assistant)

3.2   The Counter Fraud team continue to meet regularly with the Department for Work & Pensions (DWP) and we currently have 7 open cases under joint investigation with them.

3.3   Regular meetings are 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	75 new cases – April 2022 to February 2023
Current open cases With the Police	34 cases currently open There are currently no cases with the Police
YTD New Cases by type	Council Tax: 6 Covid Business Grants: 1 Council Tax Support (CTS): 22 SPD & CTS: 9 Elections: 1 Employee: 1 Housing – Abandonment: 6 Housing Application: 3 Small Business Rates Relief: 2 SPD: 22 Subletting: 1 Whistleblowing: 1
YTD New Cases by referral source	Email – Member of Public: 4 Employee / Internal Control: 20 Government Agency: 2 Letter – Anonymous: 3 Letter – Member of Public: 1 Phone Call – Anonymous: 5 Phone Call – Member of Public: 3 Web Form – Anonymous: 35 Web Form – Member of Public: 2
Outcomes YTD (dismissals, prosecutions, repayments, Investigation Reports etc)	Out of the 41 cases closed so far this year, 23 were closed not proven NFA. Of the other 18 the outcomes were: CTS Recalculated and SPD removed: 1 CTS Recalculated: 1 SPD Removed: 5 Council Tax Exemption Removed: 1 Small Business Rates Relief Removed: 1 CTS Recalculated and SPD Removed: 2 CTS Recalculated: 1

	Council House Recovered by Housing Association: 2 SPD Removed: 11
Loss, recovery and prevented future loss YTD	CTS: Recovered = £5728.21; Future loss prevented = £2607.31 SPD: Recovered = £5076.91; Future loss prevented = £5179.73 Council Tax Exemptions: Future loss prevented: £1929.76
Fraud Awareness, Comms and Training sessions delivered YTD	Training: Revenues & Benefits Fraud Training Session Comms: International Fraud Awareness Week Comms completed during week of the 14 November 2022.

Update against the Counter-Fraud Plan 2022/23

Objective	Actions	Update Nov 2022
Strategic: Continue to build the Counter Fraud team to support the Council to prevent and detect fraud and irregularity. **Culture Capacity Competence**	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.	1. Interim team structure trial in place until end of April 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 completed and passed the ACFS training.
Proactive: Undertake proactive counter-fraud activities to reduce the risk of fraud in the Council. **Culture Capability Capacity Communication**	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	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 plan regularly reviewed.

Collaboration	9. Maintain fraud procedures, webpages and referral routes up to date (ongoing and by Q4)	9. Fraud procedures and referral routes subject to regular review.
Reactive: Manage fraud referrals and investigations **Capacity Competence Collaboration**	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.	10&11. Fraud referrals received and investigated ongoing as appropriate. 12. Sanctions applied as appropriate (see KPI's above). 13. Actions raised within investigation reports are tracked for completion. 14. Joint working and information sharing for fraud investigations has been improved between the council and multiple housing associations. Joint working with DWP now business as usual.
Data: Use data to detect and prevent fraud **Competence Collaboration**	15. Prepare for and undertake the 2022 NFI data upload (Q2) 16. Continue to participate into potential data matching exercise with other LA's.	15. NFI matches for 22/23 have been uploaded and match data now received. Programme of work in place to review matches. 16. Ongoing work with networks.

Other updates

3.5   The match data for the 2022/23 National Fraud Initiative (NFI) exercise has now been received. A programme of work is now in place to review matches and undertake any necessary investigations. Results will be reported back to the Accounts, Audit & Risk Committee in July 2023.

3.6   So far, the pro-active work undertaken has focused on staff training and awareness sessions. We have delivered a fraud awareness and risk identification session to the Revenues & Benefits team. We have developed more communication/joint working with the housing associations for cases.

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
Not applicable

7.0   Implications

Financial and Resource Implications

The 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 Law & Governance,
shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

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

Equalities and Inclusion Implications

There are no equalities and inclusion 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

Sustainability Implications

There are no sustainability implications arising directly from this report.

Comments checked by:
Jo Miskin, Climate Action Manager, 01295 221748,
jo.miskin@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

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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Cherwell District Council

Accounts, Audit and Risk Committee

22 March 2023

Draft Annual Report of Accounts, Audit and Risk Committee

Report of the Assistant Director of Finance

This report is public

Purpose of report

The report presents the draft report of the Accounts, Audit & Risk Committee.

1.0 Recommendations

The meeting is recommended:

1.1 To review the draft report, agree any amendments and finalise in preparation for presentation to Council by the Chair of the Accounts, Audit & Risk Committee.

2.0 Introduction

2.1 In accordance with CIPFA (The Chartered Institute of Public Finance & Accountancy) Guidelines for Local Authorities 2022, it is recommended practice for an annual public report to be produced and reported to Council demonstrating how the committee has discharged its responsibilities.

3.0 Report Details

3.1 A draft report of the activities of the committee for the financial year 2022/23 has been prepared and is included within Appendix 1. It is proposed that suggested amendments/additional comments are discussed and agreed at the committee.

3.2 The final report will then be produced for the Chair of the committee, to schedule and present to Council.

3.3 Compliance with CIPFA's guidance for Local Authority Audit Committees 2022, demonstrates the committee's commitment to high standards and the production of the annual report demonstrates the role the committee exercises in being a key component of good governance for Cherwell District Council.

4.0   Conclusion and Reasons for Recommendations

4.1   This report provides the draft annual report of the work of the committee during the financial year 2022/23 for review and agreement by the committee members.

5.0   Consultation

Not applicable.

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: No alternative options have been identified as this report is for information only.

7.0   Implications

Financial and Resource Implications

The 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.

Comments checked by:
Shiraz Sheikh, Monitoring Officer & Assistant Director Law & Governance
shiraz.sheikh@cherwell-dc.gov.uk

Risk Implications

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

Equalities and Inclusion Implications

There are no equalities and inclusion 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

Sustainability Implications

There are no sustainability implications arising directly from this report.

Comments checked by:
Jo Miskin, Climate Action Manager, 01295 221748,
jo.miskin@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

All corporate plan themes.

Lead Councillor

Councillor Adam Nell – Portfolio Holder for Finance.

Document Information

Appendix number and title
- Appendix 1 – Draft Annual Report of Accounts, Audit and Risk Committee

Background papers
None

Report Author and contact details
Sarah Cox, Chief Internal Auditor, sarah.cox@cherwell-dc.gov.uk

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Accounts, Audit & Risk Committee Annual Report

Report of the work of the Accounts, Audit & Risk Committee during 2022-23

Contents

Section	Page

Annex

1. Accounts, Audit & Risk Committee Functions (terms of reference)

Chair's Introduction

As the Chair I am very pleased to present this annual report which sets out the role of the Accounts, Audit & Risk Committee and summarises the work we have undertaken during the financial year 2022/23.

The Committee is a key component of the council's governance framework, providing independent support to ensure good governance and strong public financial management.

The Committee continues to be well supported by Officers, providing a high standard of reports and presentations. I would like to thank the Finance Team, Risk & Performance Team, Internal Audit and External Audit for their input.

I should like to take this opportunity to give my personal thanks to all the officers, my Vice Chairman Cllr Hugo Brown and without exception, all fellow Committee members who have contributed and supported the work of the Committee in such a meaningful and positive way throughout the past year.

COUNCILLOR DONNA FORD
Chair, Accounts, Audit & Risk Committee

Role of the Accounts, Audit & Risk Committee

The Accounts, Audit & Risk Committee operates in accordance with the "Audit Committees, Practical Guidance for Local Authorities" produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2022. The Committee complies with the CIPFA's position statement. The Guidance defines the purpose of an Audit Committee as follows:

Audit committees are a key component of an authority's governance framework. Their purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

The key functions of the Account's Audit & Risk Committee are defined within its terms of reference, which is included within the council's constitution.

How the Committee has discharged its responsibilities during 2022/23

Key AARC Activities	May 22	July 22	Sept 22	Nov 22	Jan 23	March 23
Financial Reporting						
2022/23 Accounting Policies	X					
Treasury Management update		X	X	X	X	
Capital and Investment Strategy 2023/24					X	
Treasury Management Strategy 2023/24					X	
Treasury Management Training						X
Review of Support to Subsidiaries		X				
Internal Audit						
Annual Report of the Chief Internal Auditor 2021/22	X					
Internal Audit Strategy and Plan 2022/23	X					
Review of Internal Audit Reports and monitor of in-year progress			X		X	
Review of Internal Audit Charter and Quality Assurance Programme		X				
External Audit						
External Audit – Planning Report 2021/22			X			
External audit progress updates					X	X
Governance & Risk Management						
Risk Management Report		X	X	X		X
Approval of Annual Governance Statement (AGS) for 2021/22	X					
Annual Governance Statement – review of actions					X	
AARC – draft annual report						X
Local Code of Corporate Governance	X					
Local Government and Social Care Ombudsman annual report			X			
Regulatory Compliance Report		X				
Counter-Fraud						
Approval of Counter-Fraud Strategy and plan for 2022/23		X				
Counter-Fraud Plan update		X		X		X
Counter-Fraud Training			X			

Our work in 2022/23

The key activities of the Committee are captured in the table above. In summary:

Financial Reporting

The Committee reviewed the proposed accounting policies for the 2022/23 statement of accounts and considered the external auditors progress update report on the audit of the accounts.

The Committee receives reports on Treasury Management throughout the year, exercising its stewardship role, including the Treasury Management Outturn Report for 2021/22 and quarterly Treasury Management monitoring reports for 2022/23. Additionally, the Committee considered the draft Capital and Investment Strategy and the draft Treasury Management Strategy 2023/24. The Committee have provided effective scrutiny of the treasury management strategy and policies through receiving regular reports of activity, reviewing the treasury risk profile and adequacy of treasury risk management. The Committee received Treasury Management training from its external treasury advisers.

The Committee was also kept updated on the support the Council provides to its subsidiary companies.

Internal Audit

The Committee approved the Internal Audit Strategy for 2022/23, including the annual audit plan.

The Committee receives regular progress reports from the Chief Internal Auditor, including summaries of the outcomes from Internal Audit work.

The Committee has continued to review, and monitor material weaknesses identified from the internal audit reports with Senior Managers attending to provide assurance on how the issues were being addressed. This has supported the implementation of the actions plans to deliver the required improvements in key areas for the Council.

The completion of the Internal Audit Plan and the annual statement of the Chief Internal Auditor is produced for the Committee at the end of the financial year. Based on the evidence of the reports presented to the Committee, the internal audit team continues to provide an effective challenge and therefore assurance on the key risk activities.

The Committee also met with the Chief Internal Auditor in a private session during November 2022 and are satisfied Internal Audit are free to carry out their duties without restrictions.

The Committee approves the Internal Audit Charter on an annual basis, this was approved at the July 2022 meeting.

External Audit

The Council's external auditors, Ernst and Young, attended some of the committee meetings during 2022/23, providing their work plan for the 2021/22 audit and a progress update in March 2023, along with any matters arising.

The Committee met with the external auditors in a private session in January 2023. The Committee is satisfied that they are free to carry out their duties without restrictions. We are also assured that if identified they would bring any material issues to the attention of the Committee.

Governance & Risk Management

The Committee approved the Annual Governance Statement (AGS) for 2021/22 to sit alongside the Council's 2021/22 accounts.

The Committee receives quarterly updates on risk management, considering the Leadership Risk Register element of the Performance, Risk and Finance Monitoring Report.

Counter-Fraud

The Committee receives regular updates from the Counter Fraud Team on outcomes of investigations. The Committee plays a key role in monitoring the effectiveness of the Council's counter fraud arrangements.

Overall, the Council has a strong system of internal control, so as expected, there is very little fraud identified; however nationally statistics show that fraud is on the increase, so it is important that the Council remains vigilant.

Accounts, Audit & Risk Committee self-assessment 2023

At the end of 2022, CIPFA (The Chartered Institute of Public Finance & Accountancy), issued updated guidelines and position statement to local authority audit committees. As part of those guidelines it is recommended that the committee undertake a regular self-assessment exercise against the recommended standards set out in the CIPFA 2022 guidelines. The Accounts, Audit and Risk Committee met in February 2023 and completed the self-assessment of good practice, which included review of core knowledge and skills.

The self-assessment exercise concluded that the committee has a high degree of performance against good practice principles, that it is soundly based and has in place knowledge membership. The committee complies with the CIPFA position statement 2022 and has fulfilled its terms of reference and the key issues escalated during the year.

Where matters for improvement were identified, these have been captured within an action plan. The Chair of the Accounts, Audit & Risk Committee and the Assistant Director of Finance are overseeing the completion of the planned actions.

One of the key recommendations of the CIPFA 2022 guidance is that all audit committees within local authorities have two independent members. The Accounts, Audit & Risk Committee had already identified this as a required action and have reported to Council at the 27 February 2023 meeting those two independent members have been appointed.

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