

NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Your attendance is requested at a meeting to be held remotely
<https://www.youtube.com/user/northamptonbcTV> on Monday, 22 June
2020 at 6:00 pm.

George Candler
Chief Executive

AGENDA

1. APOLOGIES

Please contact Democratic Services on 01604 837722 or
democratic_services@northampton.gov.uk when submitting
apologies for absence.

2. MINUTES

3. DEPUTATIONS / PUBLIC ADDRESSES

4. DECLARATIONS OF INTEREST

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL
CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD
BE CONSIDERED

6. BDO INTERNAL AUDIT UPDATE

7. LGSS INTERNAL AUDIT UPDATE

Verbal update

8. CHIEF FINANCE OFFICER UPDATE

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9. EY EXTERNAL AUDIT UPDATE

Verbal update

10. GOVERNANCE REPORT

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11. EXCLUSION OF PUBLIC AND PRESS

THE CHAIR TO MOVE:

“THAT THE PUBLIC AND PRESS BE EXCLUDED FROM THE
REMAINDER OF THE MEETING ON THE GROUNDS THAT
THERE IS LIKELY TO BE DISCLOSURE TO THEM OF SUCH
CATEGORIES OF EXEMPT INFORMATION AS DEFINED BY
SECTION 100(1) OF THE LOCAL GOVERNMENT ACT 1972 AS
LISTED AGAINST SUCH ITEMS OF BUSINESS BY
REFERENCE TO THE APPROPRIATE PARAGRAPH OF
SCHEDULE 12A TO SUCH ACT.”

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NORTHAMPTON BOROUGH COUNCIL

AUDIT COMMITTEE

Thursday, 6 February 2020

PRESENT: Ian Orrell, (Independent Chair) Councillor Oldham (Deputy Chair);
Councillors Marriott, Stone, T Eales and Golby

APOLOGIES: Councillor M Markham and Councillor Bottwood

2. MINUTES

The Minutes of the meeting held on 23 September 2019 were confirmed and signed by the Chair as a true record.

3. DEPUTATIONS / PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST

There were none.

5. MATTERS OF URGENCY WHICH BY REASON OF SPECIAL CIRCUMSTANCES THE CHAIR IS OF THE OPINION SHOULD BE CONSIDERED

There were none.

6. INTERNAL AUDIT UPDATE

Greg Rubins, BDO, presented the progress report and highlighted the salient points. He emphasised that good progress had been made with 6 of 8 audits completed. One audit would be carried forward to 2020/2021 that was in respect of unitary status. The Committee's attention was drawn to the Audit Plan the Executive Summary.

The Committee made comment, asked questions and heard:

- In response to a query whether delivery is being impacted by staff turnover and reliance on interim staff, the Chief Finance Officer advised that there were currently six Interims engaged at the Organisation and a number of Agency staff, a number of which are grant funded and are located in Housing. The Corporate Management Board receives summaries of exit interviews and turnover of staff is not considered to be excessive.
- In response to a question around the audit of the Corporate Plan, Greg Rubins advised that a new Corporate Plan had been adopted recently and this would be audited.
- Northampton Borough Council compares well to other organisations in respect of potential cyberattacks, it has good procedures in place; however, there is no guarantee as the area of hackers is fast moving. There are recommendations in place to test systems.
- The Chief Finance Officer confirmed that all payments are up to date in respect of the LGSS contract; in addition, BDO is satisfied with the Veolia contract. Progress is checked against the scope of the contract and that there are processes and systems in place for it to run correctly.
- The Committee heard that 48% of staff had completed GDPR training and this was classed as low risk as training was in place. Key staff has received the training.

The Chair confirmed that there would be further audits in due course and he thanked Greg Rubins, BDO, for the progress update.

RESOLVED:

- 1 That the BDO reports are noted.
- 2 That the verbal update provided by the Internal Auditor on progress is noted.

7. EXTERNAL AUDIT UPDATE

Carol Ryan, EY, submitted a report, which provided an update on the progress of the external audit. The salient points were highlighted and the Committee's attention was drawn to the overview of the risks.

The Committee asked questions, made comment and heard:

- In response to a query regarding the loan to the Football Club, Carol Ryan confirmed that EY has been liaising with KPMG for some time and has been kept up to date on the matter. Steps have, and will be taken, to ensure there is no duplication of work.
- The Section 151 Officer for the Unitary Authority would be appointed prior to the inception of the Unitary Authority and would resolve such issues as the loan to the football club, if they remained ongoing.
- Carol Ryan confirmed that EY has received data in a usable format from Officers.
- Audits are being scheduled for 2019/2020.
- In answer to a comment that the Sovereign Councils will be wound up by 31 March 2020, the Chief Finance Officer confirmed that all Chief Finance Officers had met with EY and EY was aware of all the work streams. It is possible that an initial closedown of accounts would take place in period 11 2020-21, with reduced closedown crossing the financial years. EY would focus on the core audits. The assumption is that EY would be the Unitary Auditors.

RESOLVED:

- 1 That the Audit Plan as presented by the Council's external auditors, EY, is reviewed and noted.
- 2 That the verbal update on progress, provided by the external auditor, is noted.

8. GOVERNANCE UPDATE

The Senior Internal Controls Officer presented the quarterly Governance Report update to the Committee.

The Committee made comment, asked questions and heard:

- It was confirmed that there had been no fines to date for any breaches of GDPR. The Committee was advised that benchmarking could be undertaken against other Local Authorities.
- In answer to a question regarding aggressive behaviour and physical assault of staff, the Senior Internal Controls Officer advised that policies and procedures are in place; the Working Group meets regularly and there is the option to stop potentially violent people accessing the building.
- In response to a query about the recruitment of Agency staff, the Committee heard that there is grant funding for Agency staff in Housing. A register is kept regarding Interims and Agency staff that details funding and costings. Some Agency staff cover vacant posts.

- The Committee suggested that there was a need for it to have sight of more information about Interim and Agency Staff, including the length of contract. The Chair confirmed that further details would be included when this report was next received by the Committee. The Committee asked that at its next meeting, more details about Agency workers would be provided, such as the situation when they had been engaged for two years or more.
- The Chair added that the Risk Register would be presented to the Committee on a quarterly basis.

RESOLVED:

- 1 That the additional information as detailed above is requested for future quarterly Governance reports.
- 2 That the Governance report, with appendices, is presented to the Committee on a quarterly basis.

9. BUDGET MONITORING AP08 2019-2020

The Chief Finance Officer presented the Budget Monitoring AP08 2019-2020 to the Committee, confirming that this report had been requested by the Chair. The Chair added that he felt that the Committee should have regular insight into how the Council was performing, financially.

RESOLVED:

- 1 That the Committee noted the report that had been presented to Cabinet at its meeting on 22 January 2020.

10. BUDGET 2020-21 RISK REVIEW

The Chief Finance Officer presented the report and highlighted that the Overview and Scrutiny Committee had considered certain parts of the draft budget and had concentrated on risks; in particular homelessness and the fact that the budget had increased from £0.5 million to £1 million. Recruitment had taken longer than was anticipated.

The Committee was advised of the budget approval process.

The Committee made comment, asked questions and heard:

- The Vulcan works was subsidised by Euro grants
- Housing is the main risk, for example, can enough new homes be acquired, through buy backs and key worker construction etc. There was the assumption that the new homes bonus would continue but it will finish earlier than had been expected.

RESOLVED:

- 1 That the Audit Committee considered the issues in relation to risk within the budget proposals for 2020/2021 and provided comment as detailed above.

11. RISK BASED REVIEW

The Chief Finance Officer presented the Risk Based Review and highlighted the salient points.

In response to a query regarding the accuracy of the risk framework, it was confirmed that

this has been used for around two years now, it is a national process.

RESOLVED:

- 1 That the Risk Based Verification Policy, as at Appendix A to the report, is approved.

12. TREASURY MANAGEMENT STRATEGY

The Audit Committee considered the Treasury Management Strategy 2020-2021.

The Chief Finance Officer highlighted that there was one policy changed proposed within the report, which was to increase the investment limit for Pooled Property Funds (EG CCLA) from £10 million to £15 million.

The Chair advised that specific training on the Treasury Management Strategy would be arranged shortly and the Committee agreed that this training should be open to all Councillors.

RESOLVED:

- 1 That the proposed Treasury Management Strategy for 2020-2021 is noted.
- 2 That it is recommended to Council, at its meeting of 24 February 2020, that the Treasury Management Strategy is adopted, as part of the wider Budget and Council Tax setting agenda.

13. TREASURE MANAGEMENT PERFORMANCE

The Chief Finance Officer presented the report and explained the rationale for the end of year report 2019/2020 and the mid-year report for 2018/2019. The Committee was advised that monthly updates are provided to the Finance Team.

In answer to a question about loans, the Chief Finance Officer advised that £20 million had been paid back by the University of Northampton. Payments are made on time. It was also confirmed that payments in respect of the Northampton Town Rugby Football Club are also made on time. The Chief Finance Officer confirmed that the Authority's priority is security but liquidity is always considered.

RESOLVED:

- 1 That the Treasury Management Performance Reports are noted.

14. AUDIT COMMITTEE TERMS OF REFERENCE

The Committee considered Constitution Terms of Reference for the Audit Committee. The Chair commented that they are sufficiently broad Terms of Reference and cross referenced them with the reported analysis of Audit Committee agenda items.

RESOLVED:

- 1 That the brief on the Terms of Reference in relation to the role of the Audit Committee and previous Audit Committee agenda items is noted.
- 2 That the Committee continues to work within the current Terms of Reference until Vesting Day 2021.

The meeting concluded at 7:40 pm

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INTERNAL AUDIT ANNUAL PLAN

NORTHAMPTON BOROUGH COUNCIL

2020/21

IDEAS | PEOPLE | TRUST



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AUDIT RISK ASSESSMENT

Background

Our risk based approach to Internal Audit uses the Council's own risk management process and risk register as a starting point for audit planning as this represents the client's own assessment of the risks to it achieving its strategic objectives.

The extent to which we can rely on management's own perception of risk largely depends on the maturity and effectiveness of the Council's own risk management arrangements. In estimating the amount of audit resource required to address the most significant risks, we have also sought to confirm that senior management's own assessment of risk accurately reflects Northampton Borough Council's current risk profile.

Planned approach to internal audit 2020/21

The indicative Internal Audit programme for 2020/21 is shown from page 4. We have met with all Heads of Service and a draft version of the plan has been approved by Corporate Management Board (CMB) and we will meet with the Audit Chair in order to bring together a full plan which will be presented at the March Audit Committee. We will keep the programme under continuous review during the year and will introduce to the plan any significant areas of risk identified by management during that period.

The plan is set within the context of a single year approach to internal audit planning as it is expected that Northampton Borough Council will be part of the West Northamptonshire Unitary Council by next year. In setting the number of days in the plan we have assumed that the control environment within the Council will improve as we work with you to address the issues you have.

Individual audits

When we scope each review, we will reconsider our estimate for the number of days needed to achieve the objectives established for the work and to complete it to a satisfactory standard in light of the control environment identified within the Council. Where revisions are required we will obtain approval from the appropriate Head of Service prior to commencing fieldwork.

In determining the timing of our individual audits we will seek to agree a date which is convenient to the Council and which ensures availability of key management and staff.

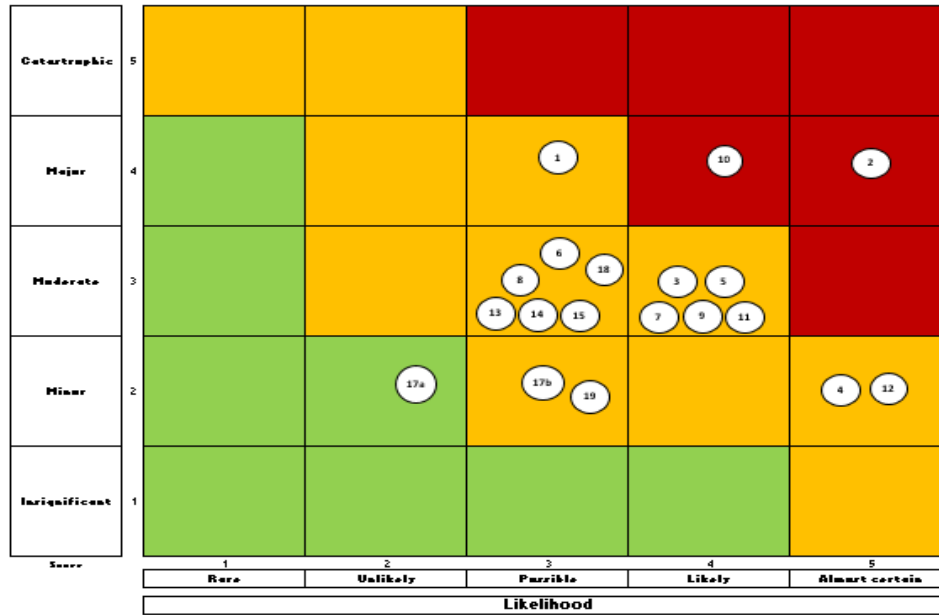
Variations to the Plan

We review the three year strategic plan each year to ensure we remain aware of your ongoing risks and opportunities. Over the coming pages we have mapped your key risks along with the audit work we are undertaking, demonstrating we are focussing on your most important issues.

As such our strategic audit programme follows the risks identified during our planning processes and confirmed via discussions with the Heads of Service.

MAPPING YOUR RISKS 2020/21

10



The table below shows the audit number in the 2020/21 plan mapped

- | | |
|---|---|
| <p>Risks</p> <ol style="list-style-type: none"> 1. Failure to deliver a balanced budget. 2. Insufficient clarity around Member and Officer roles. 3. Inadequate succession planning and staff retention. 4. Inability to meet and manage the demands of homelessness. 5. Failure to manager or failure to deliver or expose new risks as a result of poor project management practice. 6. Legal obligations under GDPR are breached. 7. Plans for improving the economic prosperity and regeneration of Northampton are not delivered. 8. NBC fails to manage its partnerships (LGSS, NPH, NLT). 9. Major or large scale incident causes business interruption. | <p>Risks</p> <ol style="list-style-type: none"> 10. Impropriety or improper business activities leading to fraud or malpractice. 11. Decisions made at Council or Cabinet level are not robust to withstand legal challenge.. 12. Inability og IT to service future requirements due to cyber attack. 13. Non-compliance with Fire and Health & Safety legislation. 14. Safeguarding arrangements are not adequate to protect vulnerable adults and children. 15. Failure to deliver enough new housing. 16. REMOVED: LGR risk 17a. Impact of Brexit on NBC services. 17b. Impact of Brexit on Northampton economy. 18. NEW RISK: Climate change. 19. NEW RISK: Loss of LGSS services |
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Risk	Audit in 2020-21 plan	Risk	Audit in 2020-21 plan	Risk	Audit in 2020-21 plan
Risk 1	Treasury Management Capital Projects	Risk 6	-	Risk 14	HMO Licensing & Enforcement Licencing
Risk 2	Capital Projects	Risk 8	Northampton Partnership Homes (NPH) Service Level Agreement	Risk 15	Use of Volunteers (Nightshelter) Social Lettings Agency
Risk 4	Use of Volunteers (Nightshelter)	Risk 10	Gifts and Hospitality	Risk 18	Climate Emergency (Environment)
Risk 5	Capital Projects	Risk 11	Corporate Plan Progress Unitary		

INTERNAL AUDIT OPERATIONAL PLAN 2020/21

Area	Days	Timing	Risk Register Reference and colour coded per your register	Description of the Review	Reason for Inclusion
2020/21					
HMO Licensing & Enforcement	20	Q2	14	<ul style="list-style-type: none"> Assess how the Council are managing and promoting licensing for HMOs and how licenses are allocated to private rented housing landlords Review how the HMO enforcement department enforce local standards and manage cases of non-compliance Review the collection of civil penalties and assess whether the Council are undertaking appropriate measures to collect income 	<ul style="list-style-type: none"> Discussions with senior management raised this area that should be addressed as part of the internal audit plan The Council have a statutory duty to ensure HMO's are licensed and penalties are enforced to uphold legislative responsibilities
Licensing	10	Q2	14	<ul style="list-style-type: none"> This is linked but separate to the review above Review procedures for issuing licenses and assess whether they are compliant with regulatory requirements Sample test licenses issued with an emphasis on taxi licenses 	<ul style="list-style-type: none"> Discussions with senior management raised this as an area of risk Corporate risk register identifies licencing as part of the safeguarding risk regarding the Council's duty owed to vulnerable adults and children
Climate Emergency (Environment)	12	Q3	18	<ul style="list-style-type: none"> Assess the Council's arrangements for managing climate change/reducing emissions in the Borough from a corporate level (high level) Compare Council's arrangements to other authorities that have declared a climate emergency 	<ul style="list-style-type: none"> The Council have recently declared a climate emergency This is a high risk across local authorities based on current public views and the growth of groups such as Extinction Rebellion
Treasury Management	15	Q3	1	<ul style="list-style-type: none"> Review treasury management strategy and scheme of delegations in place for approvals of 	<ul style="list-style-type: none"> The risk of delivering a balanced budget is a high inherent risk on the corporate risk

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				<ul style="list-style-type: none"> treasury management processes We will review the monitoring of treasury management performance by management 	<ul style="list-style-type: none"> register Financial management is a key risk in local government following large funding cuts in recent years from central government 	
Northampton Partnership Homes (NPH) Service Level Agreement	20	Q1	8	<ul style="list-style-type: none"> We will review the Council's communication and interaction with NPH as well as the effectiveness of the monitoring of the SLA We will review the information that the Council receive from NPH and assess whether it is adequate We will review the SLA to the Articles of Association 	<ul style="list-style-type: none"> NPH provide a number of the Council's key services including building homes and managing the HRA account Discussions with senior management raised this area that should be addressed as part of the internal audit plan Management of contractual partnerships with NPH and other partners are a moderate risk on the risk register 	
Use of Volunteers (Nightshelter)	12	Q2	4, 15	<ul style="list-style-type: none"> We will review the Council's plans to ensure effective management of the nightshelter only We will assess the adequacy of the use of volunteers and whether they have had appropriate checks We will assess whether the volunteers are provided with appropriate training and whether the reliance on volunteers to manage the nightshelter is adequate 	<ul style="list-style-type: none"> Discussions with senior management raised this area that should be addressed as part of the internal audit plan 	
Capital Projects	15	Q3	1, 5	2	<ul style="list-style-type: none"> We will take a deep dive into the Delapré Abbey and Museums projects to assess whether they were managed adequately We will deploy a project management specialist to assess whether the projects as a whole were managed effectively 	<ul style="list-style-type: none"> Discussions with senior management raised this area that should be addressed as part of the internal audit plan These have been major capital projects for the Council which have suffered either budget or time overruns
Gifts and Hospitality	12	Q1	10	<ul style="list-style-type: none"> Review the robustness of the Council's policies for declaring any gifts or policies received We will assess whether the Council's policies on gifts and hospitalities ensure that they are 	<ul style="list-style-type: none"> Discussions with senior management raised this area that should be addressed as part of the internal audit plan 	

				not susceptible to bribery	
Corporate Plan Progress	15	Q1/2	11	<ul style="list-style-type: none"> Review the updated Corporate Plan against the Council's actions We will assess the adequacy of performance against the KPIs 	<ul style="list-style-type: none"> This review was originally planned for the 2019/20 plan but due to a delay in the update of the Corporate Plan it has been re-scheduled to 2020/21
Social Lettings Agency	15	Q2		<ul style="list-style-type: none"> Review how the Council identifies empty properties Assess the up-take of the Deposit Bond Scheme and whether the Council are effectively utilizing this to reduce the number of empty properties 	<ul style="list-style-type: none"> Discussions with senior management raised this area that should be addressed as part of the internal audit plan
Unitary	27	All	11	<ul style="list-style-type: none"> We will support the Council on Unitary plans and advisory work requested from the Council are vesting day approaches 	<ul style="list-style-type: none"> This is the largest change facing the Council and will have a significant impact on its delivery of services The Council have requested that we save days in the audit plan for Unitary work
Management Time	20	All	All	This includes all planning, liaison and management of the Internal Audit contract including preparation of internal audit opinion and attendance at all Audit Committees	
Follow Up	7	All	All	BDO will follow up on all Medium and High recommendations made and report these to the Audit Committee. This will be completed prior to each Audit Committee	
Total	200				

N.B deliberately no reviews have been timed for Q4 due to pending Unitary status. Our approach is to bring forward the reviews in the Plan into 3 quarters.

INTERNAL AUDIT ALTERNATIVE REVIEWS 2020/21

These reviews were discussed as part of our planning process however they have not been included in the final plan. They are included here for information:

Review Title	Description of the Review	Reason for Exclusion
Community Grants	<ul style="list-style-type: none"> We will assess whether grants such as Partnership Grants, Small Grants Fund, and the Councillor Community Grant are administered within accordance with policy guidance Assess whether there is adequate monitoring of grants and the way in which funds are spent 	<p>These have all been excluded as due to priority in the year leading up to Unitary there are not enough days so based on prioritisation these reviews have been removed.</p>
Planning Enforcement	<ul style="list-style-type: none"> Review the Council's strategy to planning enforcement We will review whether the Council have adequate arrangements to manage planning enforcement and whether enforcement officers are investigating cases where building work has been carried out without planning permission 	
Town Centre Management	<ul style="list-style-type: none"> We will review the market strategy in place at the Council and assess whether there are adequate controls to ensure that income is collected from the markets We will review the management of the car parks, including whether prices are set for car parking with adequate overview We will review whether there are adequate arrangements to enforce civil penalties in town centre operations 	
Case Management	<ul style="list-style-type: none"> We review the processes around how the legal team manage and prioritise legal cases brought to them Assess case management processes against best practice 	

For reference the table below shows the reviews in the 2018-19, and 2019-20 plans.

2018-19	2019-20
Audit 1. Senior Management Restructure	Audit 1. Planning Service + S106
Audit 2. Member Officer Relationship	Audit 2. Safeguarding
Audit 3. Corporate Fraud	Audit 3. Enterprise Zone (Economic Growth)
Audit. 4 Temporary Accommodation	Audit 4. Contract Management
Audit 5. Housing Rents	Audit 5. Corporate Plan Progress
Audit 6. Major Capital Projects	Audit 5. Asset Management
Audit 7. People	Audit 6. Health and Safety
Audit 8. Building control	Audit 7. GDPR
Audit 9. Cash Handling	Audit 8. Cyber
Audit 10. Procurement	Audit 9. Disabled Facilities Grant
Audit 11. Digital Strategy	

APPENDIX I

Internal Audit Charter - Role and Scope of Internal Audit

Purpose of this charter

This charter is a requirement of Public Sector Internal Audit Standards (PSIAS).

The charter formally defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within Northampton Borough Council and defines the scope of internal audit activities.

Final approval resides with the Board, in practice the charter shall be reviewed and approved annually by management and by the Audit Committee on behalf of the board of Northampton Borough Council.

Internal audit's mission

Internal audit's mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Standards of internal audit practice

To fulfil its mission, internal audit will perform its work in accordance with PSIAS, which encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF): Definition of Internal Auditing, Code of Ethics, and International Standards for the Professional Practice of Internal Auditing.

Internal audit definition and role

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal audit acts primarily to provide the Audit Committee with information necessary for it to fulfil its own responsibilities and duties. Implicit in internal audit's role is that it supports management to fulfil its own risk, control and compliance responsibilities. The range of work performed by internal audit is set out in PSIAS and not repeated here.

Internal audit's scope

The scope of internal audit activities includes all activities conducted by Northampton Borough Council. The Internal Audit Plan sets out those activities that have been identified as the subject of specific internal audit engagements.

The provision of assurance services is the primary role for internal audit in the UK public sector. This role requires the chief audit executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

Assurance engagements involve the objective assessment of evidence to provide an independent opinion or conclusions regarding an entity, operation, function, process, system or other subject matter. The nature and scope of the assurance engagement are determined by internal audit.

Consulting engagements are advisory in nature and are generally performed at the specific request of management, with the aim of improving governance, risk management and control and contributing to the overall opinion. The nature and scope of consulting engagement are subject to agreement with management. When performing consulting services, internal audit should maintain objectivity and not assume management responsibility.

Effective internal audit

Our internal audit function is effective when:

- It achieves the purpose and responsibility included in the internal audit charter
- It conforms with the Standards
- Its individual members conform with the Code of Ethics and the Standards
- It considers trends and emerging issues that could impact the organisation.

The internal audit activity adds value to Northampton Borough Council (and its stakeholders) when it considers strategies, objectives and risks, strives to offer ways to enhance governance, risk management and control processes and objectively provides relevant assurance.

We will agree with you an audit plan for a total number of days activity. Once agreed, we will turn this into a cash budget which we will work to, in order to ensure that you have certainty around the fees you will pay us.

Independence and internal audit's position within Northampton Borough Council

To provide for internal audit's independence, its personnel and external partners report to the Head of Internal Audit, who reports functionally to the Audit Committee. The Head of Internal Audit has free and full access to the Chair of the Audit Committee. The Head of Internal Audit reports administratively to the Director of Finance who provides day-to-day oversight.

The appointment or removal of the Head of Internal Audit will be performed in accordance with established procedures and subject to the approval of the Chair of the Audit Committee.

The internal audit service will have an impartial, unbiased attitude and will avoid conflicts of interest. The internal audit service is not ordinarily authorised to perform any operational duties for Northampton Borough Council.

In the event that internal audit undertakes non-audit activities, safeguards will be agreed to ensure that independence or objectivity of the internal audit activity are not impaired. This might include a separate partner review of the work or a different team undertaking the work. Approval of the arrangements for such engagements will be sought from the Audit Committee prior to commencement.

In the event that internal audit provides assurance services where it had previously performed consulting services, an assessment will be undertaken to confirm that the nature of the consulting activity did not impair objectivity and safeguards will be put in place to manage individual objectivity when assigning resources to the engagement. Such safeguards will be communicated to the Audit Committee.

Internal audit must be free from interference in determining the scope of internal auditing, performing work and communicating results. Should any interference take place, internal audit will disclose this to the Audit Committee to discuss the implications.

Internal audit's role in fraud, bribery and corruption

Management, not internal auditors are responsible for the prevention and detection of fraud, bribery and corruption. Auditors will, however, be alert in all their work to risks and exposures that could allow fraud or corruption as well as seeking to identify indications that fraud and corruption may have been occurring. Audit procedures alone, even when performed with due professional care, cannot guarantee that fraud and corruption will be detected. In the event that internal audit suspect a fraud, this will be referred to appropriate management in the first instance and then the audit committee.

Access to records and confidentiality

There are no limitations to internal audit's right of access to Northampton Borough Council officers, records, information, premises, or meetings which it considers necessary to fulfil its responsibilities.

When the auditors receive confidential information about your affairs it shall at all times be kept confidential, except as required by law or as provided for in regulatory, ethical or other professional pronouncements applicable. All information will be maintained in line with appropriate regulations, for example the Data Protection Act 1998.

Coordination and reliance with other assurance providers

In co-ordinating activities internal audit may rely on the work of other assurance and consulting service providers.

A consistent approach is adopted for the basis of reliance and internal audit will consider the competency, objectivity, and due professional care of the assurance and consulting service providers. Due regard will be given to understanding of the scope, objectives and results of the work performed by other providers of assurance and consulting services.

Where reliance is placed upon the work of others, internal audit is still accountable and responsible for ensuring adequate support for conclusions and opinions reached by the internal audit activity.

Internal audit's commitments to Northampton Borough Council

Internal audit commits to the following:

- working with management to improve risk management, controls and governance within the organisation
- performing work in accordance with PSIAS
- complying with the ethical requirements of PSIAS
- dealing in a professional manner with Council staff, recognising their other commitments and pressures
- raising issues as they are identified, so there are no surprises and providing practical recommendations

- liaising with external audit and other regulators to maximise the assurance provided to Northampton Borough Council
- Reporting honestly on performance against targets to the Audit Committee.

Internal audit performance measures and indicators

The tables on the right contain some of the performance measures and indicators that are considered to have the most value in assessing the efficiency and effectiveness of internal audit.

The Audit Committee should approve the measures which will be reported to each meeting and / or annually as appropriate. In addition to those listed here we also report on additional measures as agreed with management and included in our Progress Report.

Quality assurance and improvement programme

As required by PSIAS an external assessment of the service will be performed at least every five years. BDO also has an internal quality assurance review process in place, which takes place annually. This is performed by a separate team independent to the internal audit team.

The results of internal and external assessments will be communicated to the Audit Committee as part of the internal audit annual report, along with corrective action plans.

Table One: Performance measures for internal audit

Measure / Indicator
<p><i>Audit Coverage</i></p> <p>Annual Audit Plan delivered in line with timetable</p> <p>Actual days are in accordance with Annual Audit Plan</p>
<p><i>Relationships and customer satisfaction</i></p> <p>Customer satisfaction reports - overall score at average at least 3.5 / 5 for surveys issued at the end of each audit.</p> <p>Annual survey to Audit Committee to achieve score of at least 70%</p> <p>External audit can rely on the work undertaken by internal audit (where planned)</p>
<p><i>Staffing and Training</i></p> <p>At least 60% input from qualified staff</p>
<p><i>Audit Reporting</i></p> <p>Issuance of draft report within 3 weeks of fieldwork `closing` meeting</p> <p>Finalise internal audit report 1 week after management responses to report are received.</p>

90% recommendations to be accepted by management

Information is presented in the format requested by the customer.

Audit Quality

High quality documents produced by the auditor that are clear and concise and contain all the information requested.

Positive result from any external review

Management and staff commitments to Internal Audit

The management and staff of Northampton Borough Council commit to the following:

- providing unrestricted access to all of Northampton Borough Council's records, property, and personnel relevant to the performance of engagements
- responding to internal audit requests and reports within the agreed timeframe and in a professional manner
- implementing agreed recommendations within the agreed timeframe
- being open to internal audit about risks and issues within the organisation
- not requesting any service from internal audit that would impair its independence or objectivity
- providing honest and constructive feedback on the performance of internal audit

Management and staff performance measures and indicators

The following three indicators are considered good practice performance measures but we go beyond this and report on a suite of measures as included in each Audit Committee progress report.

Table Two: Performance measures for management and staff

Measure / Indicator

Response to Reports

Audit sponsor to respond to terms of reference within one week of receipt and to draft reports within two weeks of receipt

Implementation of recommendations

Audit sponsor to implement all audit recommendations within the agreed timeframe

Co-operation with internal audit

Internal audit to confirm to each meeting of the Audit Committee whether appropriate co-

operation has been provided by management and staff

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NORTHAMPTON BOROUGH COUNCIL

INTERNAL AUDIT PROGRESS REPORT

March 2020

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PROGRESS AGAINST PLAN

Internal Audit

This report is intended to inform the Audit Committee of progress made against the 2019-20 internal audit plan, which has been approved by Audit Committee in March 2019. It summarises the work we have done, together with our assessment of the systems reviewed and the recommendations we have raised. Our work complies with Public Sector Standards. As part of our audit approach, we have agreed terms of reference for each piece of work with the risk owner, identifying the headline and sub-risks, which have been covered as part of the assignment. This approach is designed to enable us to give assurance on the risk management and internal control processes in place to mitigate the risks identified.

Internal Audit Methodology

Our methodology is based on four assurance levels in respect of our overall conclusion as to the design and operational effectiveness of controls within the system reviewed. The assurance levels are set out in section 2 of this report, and are based on us giving either "substantial", "moderate", "limited" or "no". The four assurance levels are designed to ensure that the opinion given does not gravitate to a "satisfactory" or middle band grading. Under any system we are required to make a judgement when making our overall assessment.

Overview of 2019-20 work to date

- There are no new reports to update on:
 - We have completed our review of Asset Management and this has been issued in Draft
 - The Safeguarding review has been further pushed back to April 2020 by management however some testing will take place in March 2020
 - The additional Disable Facilities Grant review commenced w/c 23 March 2020.

Changes to the Plan:

- No new changes.

We are also presenting separately to this Committee:

- Internal Audit Follow-up tracker update
- Internal Audit Plan 2020-21.

INTERNAL AUDIT OPERATIONAL PLAN 19/20

Audit Area	Audit Days	Exec Lead	Status Update	Opinion	
				Design	Effectiveness
Audit 1. Planning Service + S106	20	Peter Baguley	Final	Substantial	Moderate
Audit 2. Safeguarding	15	Phil Harris	Fieldwork commences April 2020	TBC	TBC
Audit 3. Enterprise Zone (Economic Growth)	20	Kevin Langley	Final	Moderate	Moderate
Audit 4. Contract Management	15	Stuart McGregor	Final	Substantial	Moderate
Audit 5. Corporate Plan Progress	10	George Candler	Removed from plan		
Audit 5. Asset Management	20	Kevin Langley	Fieldwork completed and draft report issued	TBC	TBC
Audit 6. Health and Safety	15	Stuart McGregor	Final	Moderate	Moderate
Audit 7. GDPR	15	Stuart McGregor	Final	Moderate	Moderate
Audit 8. Cyber	15	Stuart McGregor	Final	Moderate	Moderate
Audit 9. Additional Unitary work	25	Stuart McGregor	Removed from Plan		
Audit 10. DFG	15	Stuart McGregor	Fieldwork commences 23 March 2020	TBC	TBC

LOCAL GOVERNMENT SECTOR UPDATE

Our quarterly Local Government briefing summarises recent publications and emerging issues relevant to Local Authorities that may be of interest to your organisation. It is intended to provide a snapshot of current issues for senior managers, directors and members.

FINANCE

'Alarm bells' ring over 14-fold boom in council commercial property investment

A report from the National Audit Office urged the government to look again at the framework in place to protect taxpayer money from risks involved in investing in property such as offices and shopping centres.

The watchdog found that town halls in England spent £6.6bn on commercial property between 2016-17 and 2018-19 - 14.4 times higher than the preceding three years.

Relying on this type of investment leaves councils open to risk caused by an economic recession.

Meg Hillier, chair of the Public Accounts Committee, said: "Given local authorities have faced such big cuts, it is understandable that many might take part in risky investments to get more money in. "However, a fourteen-fold increase in spend on commercial property raises serious alarm bells."

<https://www.publicfinance.co.uk/news/2020/02/alarm-bells-ring-over-14-fold-boom-council-commercial-property-investment>

LGA: £80m from PWLB rate hike should be given back to councils

In its 2020 Budget submission the Local Government Association estimated that the government could receive as much as £80m due to the rate hike and it should be used to support the sector.

"The income received by the government from the rate rise must be reused in the form of additional funding for local government," the LGA said.

As an alternative, the LGA called for a scheme similar to the Local Infrastructure Rate, introduced in the 2017 Autumn Budget, which allowed councils in England to borrow up to £1bn with a discounted interest rate of 60 basis points for infrastructure projects.

"Now that standard PWLB rates are higher it is vital that the opportunity is taken to implement a similar scheme in the 2020 Spring Budget for crucial projects, including housing, to enable councils to deliver schemes vital to the National Infrastructure Strategy which would otherwise be under threat," the group said.

The LGA noted that councils have increasingly been relying on their own resources to fund capital projects with central government grant falling by £600m between 2014-15 and 2018-19.

<https://www.publicfinance.co.uk/news/2020/02/lga-ps80m-pwlb-rate-hike-should-be-given-back-councils>

Nearly all local authorities expected to raise council tax and fees

Among the 152 councils that responded to research, released by the Local Government Information Unit, 93% plan to increase council tax by more than 1.5%. The 2019-20 threshold to which local authorities could raise council tax to avoid a referendum was 3%.

Of the respondents, 97% said they plan to increase fees and charges in 2020-21, with 14% feeling they will have to raise them by the "maximum possible amount", the think-tank found.

Jonathan Carr-West, chief executive of the LGiU, said in the report: "The state of local government finances is dire. It is simply unacceptable that the government has let things get to this point."

LOCAL GOVERNMENT - SECTOR UPDATE

<https://www.publicfinance.co.uk/news/2020/02/nearly-all-local-authorities-expected-raise-council-tax-and-fees>

Government ‘failing’ to act on audit changes two years after Carillion

Two years on from the collapse of outsourcing giant Carillion, Unite, the UK’s biggest union, has accused the government of failing to act on weaknesses in the UK audit system. Unite said that the government has done “exactly nothing” to overhaul the system after the firm’s demise left thousands without jobs and left major projects hanging in the balance. The union highlighted a Carillion-led project at the Royal Liverpool hospital, which was 85% complete when the firm collapsed in January 2018. The hospital was originally due to be completed in 2017 but will not be finished until 2022. Several reviews into Carillion’s collapse are currently underway including by the National Audit Office, the Financial Reporting Council and the Official Receiver. But none have been published yet.

<https://www.publicfinance.co.uk/news/2020/01/government-failing-act-audit-changes-two-years-after-carillion>

Public sector procurement grew by 17% last year

UK public sector spend on procurement increased by 17% to £93bn in the last year, according to a data provider on government contracts.

Tussell’s 2019 in UK public procurement report found that 2,076 public sector buyers awarded 45,216 contracts to 16,218 suppliers.

The total value of contracts grew from £79bn in 2018 to £93bn in 2019 “despite political uncertainty”, Tussell said.

Of the £93bn total, £40bn came from central government contracts followed by £23bn from local government.

Housing associations spent £9.3bn on procurement and the NHS spent £7.4bn. “other” public bodies, according to Tussell, spent a further £13bn.

The single largest buyer was the Ministry of Defence, which spent nearly £15bn on procurement, followed by Peabody housing association which spent £8.08bn. Tussell said that it expects the outsourcing market to grow again in 2020.

<https://www.publicfinance.co.uk/news/2020/01/public-sector-procurement-grew-17-last-year>

IT

Breaking from the herd to meet threat of cyber-attack

Last year we launched a white paper which reflected on digital and technology trends. The shift to truly digitally enabled services will become ubiquitous but these in turn bring new threats. Freedom of information requests have revealed that over the first half of 2019 UK councils suffered 263 million cyber-attacks. That’s an average of 800 an hour. The current model of cyber defence is a kind of ‘herd protection’. We learn from those that are breached and as quickly as possible we create a defence and share it.

Local government has done pretty well in cyber defence, but the model only works well if you are not the first to be attacked. So, as the internet of things takes off in care and other areas of our communities, it’s clear that the current reactive model to cyber defence will be severely tested. There are already some powerful lessons to be learned from other countries. It is now

LOCAL GOVERNMENT - SECTOR UPDATE

possible to put cyber defence on the front foot; you don't need to have seen the type of attack before to trap it and kill it.

<https://www.lgcplus.com/services/health-and-care/how-councils-can-collaborate-to-harness-the-power-of-social-care-data-05-02-2020/>

Environment

One in 19 deaths linked to air pollution in cities, research finds

A Centre for Cities report, out today, found that people living in southern cities are more likely to die from toxic air, and air pollution deaths are 25 times higher than the national rate of deaths from traffic accidents.

London and Slough have the highest percentage of deaths linked to the deadly toxin PM2.5, at 6.4%. Aberdeen has the lowest number of deaths linked to the toxin at just 3%, followed by Dundee at 3.1%. Centre for Cities found that 62% of roads monitored in UK cities exceed World Health Organisation guidelines for PM2.5, though these levels are still legal in England, Wales and Northern Ireland.

In 19 cities, all monitored roads are breaching the WHO guideline, potentially exposing 14 million people to the pollutant every day, the research unit said.

Researchers said that transport is a big source of pollution but burning fuels is another major cause. Half of deadly PM2.5 toxins generated in cities come from sources such as wood burning stoves and coal fires, the report said

<https://www.publicfinance.co.uk/news/2020/01/one-19-deaths-linked-air-pollution-cities-research-finds>

Government adviser cautions against 'deluded' net zero carbon goal

A government climate change adviser has warned councils that setting 'net zero' carbon emissions targets could create "very serious unintended consequences".

Dieter Helm, professor of energy policy at Oxford University, said the only form of net zero that should count is "net zero carbon consumption", which also takes into account the carbon cost of our consumer products imported in from abroad.

Prof Helm told the Local Government Association's climate emergency conference on Wednesday that he was "really concerned with deluding people with the idea that if we get to net zero on carbon territorial reduction by 2030, we will no longer be causing climate change".

<https://www.lgcplus.com/services/environment/government-adviser-cautions-against-deluded-net-zero-carbon-goal-24-01-2020/>

HOUSING

Government pledges £16.6m for domestic violence victims

The government has pledged £16.6m to fund 75 projects providing refuge to victims of domestic violence and their children.

LOCAL GOVERNMENT - SECTOR UPDATE

Housing and communities secretary Robert Jenrick today said the funding for councils would help up to 43,000 victims and end a “postcode lottery” of support for those fleeing abusive relationships.

The announcement follows a pledge by the government in last year’s Queen’s speech to impose a legal requirement on every council to provide accommodation-based support by amending the Domestic Abuse Bill, which will be reintroduced to the House of Commons shortly.

<https://www.lgcplus.com/services/housing/government-pledges-16-6m-for-domestic-violence-victims-17-02-2020/>

Councils must start cladding enforcement by end of the month

Councils will be expected to start enforcement against building owners who have not started remediation work to remove unsafe Aluminium Composite Material (ACM) cladding from their buildings by the end of this month, the government has announced.

Officials from the Ministry of Housing, Communities & Local Government will work with local authorities to “support enforcement options” if a clear plan for remediation is not provided by building owners by the end of January.

The government will also begin naming and shaming the building owners who have been “too slow to act”.

The announcement was made as part of a raft of new measures being proposed to improve fire safety in high rise buildings in the wake of the Grenfell Tower fire, including the creation of a new building and safety regulator and the appointment of a chief inspector of buildings to speed up remediation work . The government is also to consult on lowering the height threshold for buildings requiring sprinklers from the current 30 metres and for the use of combustible materials on buildings from the current 18 metres.

<https://www.lgcplus.com/services/housing/councils-must-start-cladding-enforcement-action-by-end-of-the-month-21-01-2020/>

APPENDIX I - DEFINITIONS

LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS	DESIGN	FINDINGS	EFFECTIVENESS
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.
RECOMMENDATION SIGNIFICANCE				
High	A weakness where there is substantial risk of loss, fraud, impropriety, poor value for money, or failure to achieve organisational objectives. Such risk could lead to an adverse impact on the business. Remedial action must be taken urgently.			
Medium	A weakness in control which, although not fundamental, relates to shortcomings which expose individual business systems to a less immediate level of threatening risk or poor value for money. Such a risk could impact on operational objectives and should be of concern to senior management and requires prompt specific action.			
Low	Areas that individually have no significant impact, but where management would benefit from improved controls and/or have the opportunity to achieve greater effectiveness and/or efficiency.			



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The matters raised in this report are only those which came to our attention during the course of our audit and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. The report has been prepared solely for the management of the organisation and should not be quoted in whole or in part without our prior written consent. BDO LLP neither owes nor accepts any duty to any third party whether in contract or in tort and shall not be liable, in respect of any loss, damage or expense which is caused by their reliance on this report.

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Northampton Borough Council

Year	Audit	Rec. No.	Recommendation	Priority	N/A or Low	Complete	Not Complete	Removed	NBC Responsible Officer	Original Due Date	Revised due date 1	Revised due date 2	Revised due date 3	Revised due date 4	Revised due date 5
2018 -19	10. Procurement	3.2	2. The Council should give procurement and contract refresher training for staff involved with high-value contracts				✓		Francis Fernandes	31-May-19	31-Aug-19	31-Oct-19	31-Jan-20	30-Apr-20	
2018 -19	2. Member Officer Protocol	1.1	When updating the Council's Member-Officer protocol, focus on providing clarity on those areas where the survey undertaken for this review suggests that aspirations set out in the current protocol do not match reality.				✓		Francis Fernandes	31-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	1.2	Convene an Officer-Member working group to focus on areas where disparity between Member perception of current roles, and Officer perception of current roles differ most - i.e. those highlighted by the survey for this review.				✓		Francis Fernandes	31-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	1.3	Run an organisation-wide training programme on the Protocol once it has been refreshed - cascading training down through political groups, Heads of Service and to CMT meetings run by Heads of Service.				✓		Francis Fernandes	31-May-19	29-Feb-20		30-Apr-20		
2018 -19	2. Member Officer Protocol	1.4	When updating the Council's Member-Officer Protocol, the Council should incorporate a description of a Member's role in the Member-Officer Protocol, building on the description currently set out in Article 2 of the Council's Constitution.				✓		Francis Fernandes	31-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	2.1	When updating the Council's Member-Officer Protocol, draw on expectations of Members and Officers highlighted for this review, and undertake a wider engagement exercise of Members and Officers to determine expectations which are bespoke to the needs and views of the Council.				✓		Francis Fernandes	31-May-19		30-Apr-20			
2018	2. Member Officer Protocol	2.2	The updated Member-Officer Protocol should make recommendations more understandable by couching them in everyday examples. For example "Councillors should not walk the floors of the Council and instruct Officers to undertake certain tasks".				✓		Francis Fernandes	01-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	2.3	Hold a joint Member-Officer session focussed on understanding respective expectations of one another. This would focus on developing an improved culture to underpin the refreshed Member-Officer Protocol.				✓		Francis Fernandes	01-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	3.1	When updating the Member-Officer Protocol, the Council should introduce a clear process for complaints by Officers about the conduct of individual Members. Such a process exists in protocols held by other Councils which were reviewed as part of this audit. This process should set out who Officers can raise complaints with, provide an appeal route if they are not happy with how this complaint has been treated, and a method for logging complaints received. The updated Protocol should also state that Group Leaders have a responsibility for the behaviour of their Group Members towards Officers.				✓		Francis Fernandes	01-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	4.2	When holding training for Members on the Officer-Member Protocol, the importance of appropriate tone, and not influencing Officer reports, should be emphasised through a series of scenario-based exercises to reduce the likelihood that either element of the Protocol is unintentionally breached.				✓		Francis Fernandes	01-May-19		30-Apr-20			
2018 -19	2. Member Officer Protocol	6.2	Update the Member-Officer Protocol to express that Members are entitled to receive a timely response to enquiries on behalf of ward residents, and agree with Members what this timescale might be.				✓		Francis Fernandes	01-May-19	31-Dec-19		30-Apr-20		
2018 -19	5. Homelessness and Temporary Accommodation	2.1	All TA and prevention officers and managers should receive specialist training on conducting interviews with applicants that may be dealing with sensitive issues to ensure they are capably equipped to identify and support the TA application for vulnerable individuals. The attendance for this training should be documented and the material retained for staff to refer to at a later date.				✓		Vijay Sirohi	31-Oct-19		30-Apr-20			
2018 -19	5. Homelessness and Temporary Accommodation	3.1	The Spend to Save Policy should be updated with limits on funds that can be granted/loaned to clients. Once updated, the Council should review the funds allocated to the Scheme and assess whether they are adequate				✓		Vijay Sirohi	31-Oct-19	29-Feb-20		31-May-20		
2018 -19	7. People	2.2	The Council should complete the Workforce Monitoring Report for 2018/19 and report on website.				✓		Jo Bonham	30-Sep-19	31-Oct-19	29-Feb-20		31-Mar-20	
2019-20	1. Planning & S106	1.3	Additionally, the Council should review a selection of older schemes, i.e. where the Agreement was signed before 2010, and trace any evidence to support the spending of the S106 income, focussing on the highest value and/or highest risk schemes. All evidence of expenditure found should be retained in Civica.				✓		Peter Baguetly	30-Nov-19	31-Mar-20		31-May-20		

2019-20	Cyber	1.1	Regular internal cyber security risks assessments are performed to identify cyber security threats. There is also a need to ensure alignment between IT risks identified by the Council on the Corporate Risk Register and those on the IT Risk register. The IT risk register may be further sub-divided into cyber security risks and other IT risks until the cyber security risk management becomes embedded.			✓		Andrew Brightwell	31-Dec-19	30-Apr-20				
2019-20	Cyber	2.1	A scheduled plan for major incident response scenario testing should be developed and approved by the Digitalisation, Cyber security and Data Protection Group. Regular comprehensive cyber security testing should be included in the plan.			✓		Andrew Brightwell	31-Dec-19	30-Apr-20				
2019-20	Cyber	3.1	Management should assess resource and time requirements for enabling authentication control for all wired access points to the corporate network. Progress should then be monitored internally by the Council's client manager.			✓		Andrew Brightwell	30-May-21					
2019-20	GDPR	1.1	Management should agree a contractual addendum as part of the outsourced agreement held with LGSS for the provision of revenues and benefits.			✓		David Taylor	30-Nov-19	31-Mar-20				
2019-20	Contract Management	1.1	The Council should ensure that the PDA extension with LGSS is signed by both parties			✓		Stuart McGregor	30-Nov-19	31-Mar-20				

LGSS Internal Audit Update – March 2020
1. Purpose

1.1 This report provides the Audit Committee with an update on work undertaken since the last report was considered in July 2019. In addition to progress with the 2019-20 Plan, it also outlines the planned LGSS internal audit coverage that will be undertaken on behalf of the Northampton Borough Council during 2020-21.

2. Background

2.1 Many financial activities transferred from Northampton Borough Council to LGSS during 2013-14 financial year. It was agreed with the S151 Officer and the Councils previous internal auditors that where LGSS have the responsibility to undertake the functions, LGSS Internal Audit would complete the assurance work, whilst the Councils internal auditors would continue to audit those aspects which remain in the direct control of the council.

3. 2019-20 Plan Update

3.1 The status and outcome of our audit work in 2019-20 is attached in the table below. The assurance levels are based upon the definitions in Appendix one.

Audit	Status	Control Environment Assurance	Compliance Assurance	Organisational Impact
Housing Benefits (18/19)	Final	Good	Good	Minor
Agresso IT Review (18/19)	Draft*	Satisfactory	Satisfactory	Minor
Northgate IT Review	Planning			
Academy IT Review	Planning			
Fixed Assets	Final	Good	Satisfactory	Minor
General Ledger	Fieldwork			
Treasury Management	Fieldwork			
Q1 Balance Sheet Review	Complete	n/a	n/a	n/a
Q2 Balance Sheet Review	Complete	n/a	n/a	n/a
Q3 Balance Sheet Review	Fieldwork			
Q4 Balance Sheet Review				

**This audit was still at draft report stage at the time of writing this report but the emerging opinions / are included.*

In terms of update:

- 3.2 Housing Benefits - The level of assurance reflect our finding that overall we have found there are robust processes in place covering activities considered within the scope of this review, based around a framework of staff being trained and kept up to date on changes in legislation; a comprehensive suite of procedural guides and accuracy checks undertaken by the Quality Assurance Team. A small number of controls weaknesses highlighted were included in the report to Committee in July 2019 and are considered in section four of the report as part of our follow up process.
- 3.3 Fixed Assets – This area was the subject of an audit in 2018 although the review was limited by the fact that as LGSS Finance were focused on completing work linked to the 2016-17 annual accounts and as a result no activity relating to fixed assets for 2017-18 had been added to the RAM Asset Register at the time of the audit. As a consequence, the audit was unable to test current year activity and could not provide an assurance level in respect of compliance.

Whilst this review has found that all activity relating to the financial years 2017-18 and 2018-19 have now been completed, some tasks were not undertaken on a timely basis, in line with expected working practices. Furthermore, key tasks (i.e. processing of depreciation charges, reconciliations) have not been completed during 2019-20. The level of assurance also reflects the following key findings:

- Whilst some guidance does exist to support the administration of fixed assets, this is not viewed as sufficient in terms of detail and does not provide clarity on roles and responsibilities in this area.
- No mechanism is in place to respond to officer's who fail to submit returns as part of the annual verification of vehicles, plant and equipment assets.

A copy of the agreed action plan for this audit is attached at Appendix two.

- 3.4 Agresso IT Review - Following consultation on the findings of audit work completed as at the end of May 2019, with the Chief Finance Officer and the Governance and Risk Manager, the original agreed scope of the review of the Agresso system was extended. Key client staff absences and their diary commitments has resulted in unplanned delays in completion of the audit. This report is currently at a draft stage.
- 3.5 Balance Sheet Review – Following on from work in 2018-19, a quarterly review of the balance sheet takes place which is focused on reviewing:
- Reconciliations of the four council bank accounts.
 - Control account reconciliations covering accounts payable, accounts receivable, payroll, rents, council tax and business rates.

Whilst a formal audit report will be issued after the quarter four review has been completed, updates are provided to management after each quarterly review. The quarter two review highlighted that reconciliations are being completed on a timely basis and are subject to independent review. The only issue identified is that no progress has been made in resolving historical unreconciled transactions, although the balance of these transactions is only £19k.

4. Follow Up of Audit Recommendations

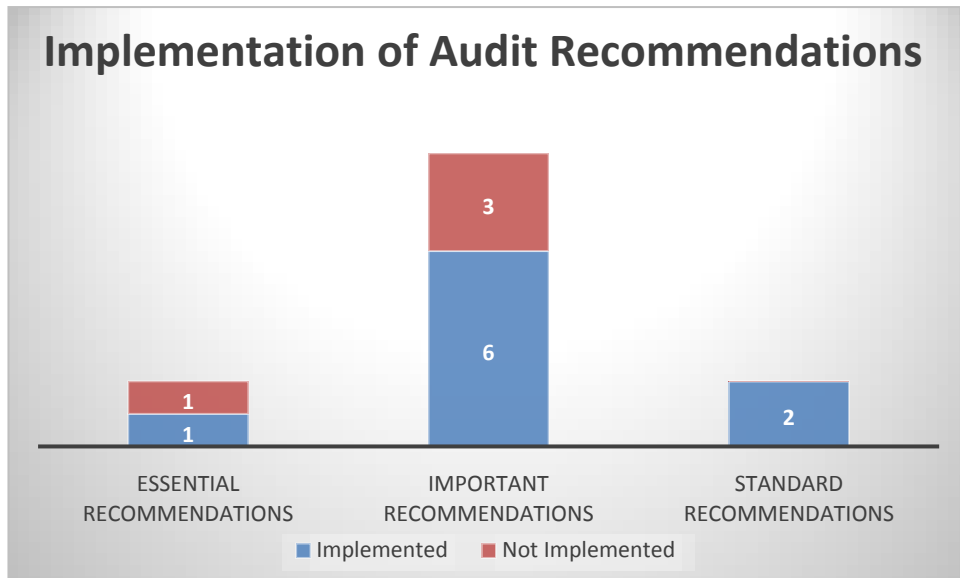
4.1 Follow up work has been undertaken on the following audits:

- 1) Accounts Payable – Focused on one remaining outstanding action

- 2) Housing Benefits
- 3) Fixed Assets Review*
- 4) Balance Sheet Review*

**These audits are not the reviews mentioned elsewhere in the report but relate to audits prior to 2019-20.*

4.2 13 actions were followed up and the results of follow up work are detailed below.



Overall, progress has been made in addressing audit recommendations with 69% of actions implemented. In respect of the four actions not implemented, these are split across the four audit reviews. A revised follow up date has been agreed and assurance that these recommendations have been implemented will be included in future update reports to the Audit Committee.

5. 2020-21 Plan

5.1 Based on discussions with the Chief Finance Officer and the Governance and Risk Manager, the following reviews will be undertaken during 2020-21:

- Accounts Payable
- Quarterly Balance Sheet Review
- Council Tax
- Business Rates

Update on this work will be reported to the Audit Committee during 2020-21.

Duncan Wilkinson
 Chief Internal Auditor, LGSS

Appendix One: How Internal Control is reviewed

Each Internal Audit review has three key elements. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables Internal Audit to give an assurance on the control environment.

However, controls are not always complied with, which will in itself increase risk, so the second part of an audit is to ascertain the extent to which the controls are being complied with in practice. This enables Internal Audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.

Finally, where there are significant control environment weaknesses or where key controls are not being complied with, further substantive testing is undertaken to ascertain the impact these control weaknesses are likely to have on the organisations' control environment as a whole.

To ensure consistency in reporting, the following definitions of audit assurance are used:

Control Environment Assurance	
Level	Definition
Substantial	There are minimal control weaknesses that present very low risk to the control environment.
Good	There are minor control weaknesses that present low risk to the control environment.
Satisfactory	There are some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance	
Level	Definition
Substantial	The control environment has substantially operated as intended although some minor errors have been detected.
Good	The control environment has largely operated as intended although some errors have been detected.
Satisfactory	The control environment has mainly operated as intended although errors have been detected.
Limited	The control environment has not operated as intended. Significant errors have been detected.

No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse.
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Organisational Impact	
Level	Definition
Major	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole
Minor	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

When assessing findings in the Management Action Plan, reference is made to the Risk Management matrix which scores the impact and likelihood of identified risks arising from the control weakness found. For ease of reference, we have used the following system to prioritise our recommendations, as follows:

ESSENTIAL (E)	Important (I)	Standard (S)
Failure to address the weakness has a high probability of leading to the occurrence or recurrence of an identified high-risk event that would have a serious impact on the achievement of service or organisational objectives, or may lead to significant financial/reputational loss. The improvement is critical to the system of internal control and action should be implemented as quickly as possible.	Failure to respond to the finding may lead to the occurrence or recurrence of an identified risk event that would have a significant impact on achievement of service or organisational objectives, or may lead to material financial/reputational loss. The improvement will have a significant effect on the system of internal control and action should be prioritised appropriately.	The finding is important to maintain good control, provide better value for money or improve efficiency. Failure to take action may diminish the ability to achieve service objectives effectively and efficiently. Management should implement promptly or formally agree to accept the risks.

Appendix Two: Fixed Assets Review Action Plan

Ref.	Issues & Risks (Precis)	Agreed Action / management comments	Manager Responsible & Target Date
1.	<p><u>Procedures</u> Whilst some guidance does exist to support the administration of fixed assets (e.g. how to use the RAM System and key tasks defined in the financial accounts timetable), this is not viewed as sufficient in terms of detail and does not provide clarity on roles and responsibilities in this area.</p> <p><u>Risk</u> Lack of clarity around roles and responsibilities for fixed assets at the Council.</p>	<p>Important To enhance current guidance to ensure detailed guidance is in place to support the administration of fixed assets. This should include defining roles and responsibilities between LGSS Finance and Council services.</p>	<p>Group Accountant – Closedown May 2020</p>
2.	<p><u>Annual verification of vehicles, plant and equipment assets</u> An annual verification exercise was undertaken in both 2017-18 and 2018-19 to verify vehicles, plant and equipment assets. A review of records for these exercises identified that 25% (10 out of 40) of returns has not been received.</p> <p><u>Risk</u> RAM is not an accurate record of assets held by the Council with potential risk of inaccurate information in the accounts.</p>	<p>Important A process will be put in place to ensure those returns not received are escalated for management to address. Such issues will be raised with the Strategic Finance Business Partner in the first instance.</p>	<p>Group Accountant – Closedown May 2020</p>
3.	<p><u>Reconciliation between RAM and the general ledger</u> A corrective journal to the value of £2,399 which was required as a result of the 2018-19 reconciliation had not been processed at the time of the audit.</p> <p><u>Risk</u> RAM / General Ledger are not accurate with potential risk of inaccurate information in the accounts</p>	<p>Standard The journal will be processed as part of the changes to the final statement of accounts for 2018-19.</p>	<p>Group Accountant – Closedown May 2020</p>

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AUDIT COMMITTEE REPORT

Report Title	Chief Finance Officer Report to the Audit Committee
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	22 June 2020
Policy Document:	No
Directorate:	Chief Finance Officer
Accountable Cabinet Member:	Cllr Brandon Eldred

1. Purpose

- 1.1 To inform the Audit Committee about the work undertaken by the Finance team, in conjunction with the external auditors KPMG and EY in respect of the 2018-19 Statement of Accounts and progress for 2019-20 Statement of Accounts.
- 1.2 To update the Committee in respect of the budget risk for 2020-21, as a result of the Covid 19 pandemic.
- 1.3 To inform the Committee of any changes to accounting policies and Treasury Management.

2. Recommendations

- 2.1 It is recommended that the Audit Committee note:
 - 2.1.1 The progress towards completing the Statement of Accounts for 2018-19 and 2019-20.
 - 2.1.2 To note the risks to the 2020-21 budget
 - 2.1.3 That there have been no changes to Accounting Policies.
 - 2.1.4 That there have been no reportable incidents in respect of Treasury Management, or requirements to change Treasury Management Policies.

3. Issues and Choices

3.1 Report Background

- 3.1.1 This report provides an overview of the current position in respect of the Statements of Accounts due for Northampton Borough Council and other accounting or treasury policy items requiring reporting. In addition it provides an update on budget risk relating to the 2020-21 budget.

3.2 Accounting Policy Changes

- 3.2.1 There have been no Accounting Policy changes since the last Audit Committee, nor are there anticipated to be any during 2020/21.

3.3 Treasury Management

- 3.3.1 There have been no reportable incidents, the LGSS Treasury Management Team continue to work hard to maximise the interest earned through the investment vehicles available and reduce the interest paid on borrowing where possible.
- 3.3.2 It should be noted that the Council is holding material sums in short term deposit and on call. The Council received £37.374M as an initial allocation to deliver Government Grants (BEIS Grants) to local businesses through a centrally determined scheme. The funds were held in 'on call' deposits to ensure they were available to drawdown as the grants were distributed. At the time of writing in excess of £32M has been distributed, to over 2,500 businesses, of a revised allowance of £34.5M. With a further £1.7M allocated by Government for a second scheme (The Discretionary Fund).

3.4 Completing 2018/19 Statement of Accounts

- 3.4.1 The 2018-19 Statement of Accounts continue to be in the process of being audited. The External Auditor EY, will provide a verbal update to the Committee on progress and resources. EY have currently indicated they will recommence the audit in October 2020, with an intention to complete and progress directly on to the 2019-20 Audit.
- 3.4.2 The Council has also received a revised indicative fee, which is materially higher than the standard fee of £62K. Due to historic issues and complexity an additional c£200K had been assumed, however the current indication is a fee of c£400K plus.

3.5 Preparation of 2019/20 Statement of Accounts

- 3.5.1 The work required to deliver the 2019/20 Statement of Accounts has progressed. The formal Draft Statement of Accounts for 2019-20 will be presented for Audit Committee to note at an extra meeting in July 2020.

3.6 Housing Benefit Subsidy Claim Audit

- 3.6.1 KPMG continue to be engaged to conduct this separate audit to ensure certainty of delivery. They are commissioned to do this standalone piece of work for 2018-19 and 2019-20.

3.7 Budget Risk 2020-21

- 3.7.1 At its meeting on 6 February 2020, the Committee considered the budget risks for 2020-21 and associated reserves (see 5.2 for reference and link).
- 3.7.2 However, since reviewing the budget risks, the Covid19 pandemic has had a material impact on the Councils activities, services and associated budgets. Cabinet were provided with an initial view of these impacts and risks at a special Cabinet held on 27 May 2020 (see 5.3 for reference and link).
- 3.7.3 Cabinet were advised that after the current Government funding of £2.381M there remains an indicative budget risk in 2020-21 of £2M to £3M. The key pressures being highlighted in Appendix 1 to the Cabinet Report. Cabinet were advised that it was still too early to fully identify all cost pressures associated with the pandemic and that it remains unclear whether further funding may be made available, be it targeted or un-ringfenced.
- 3.7.4 The pressures arise in several service areas and are a mixture of additional cost pressures (particularly within the Housing Service) and reduced/lost income (particularly from Car Park and Bus Station income). No further information is available to provide a further update to this Committee at this time.
- 3.7.5 Cabinet will receive a further update on the costs, pressures and Government Finding, at its meeting on 22 July 2020.
- 3.7.6 The Council has General Fund Reserves of £4M, should further funding not be forthcoming there is risk that the General Fund Reserves could be drawn down to a level below the minimum recommended for normal 'Business As Usual' risks. Which may impact on the opening risk for General Fund Reserves for the new West Northants Unitary Council.

3.8 Choices (Options)

- 3.8.1 Although this report is just for noting, Audit Committee have the opportunity to ask questions directly to Officers on issues associated with the completion of the statutory accounts for 2017/18 and 2018/19

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None to report.

4.2 Resources and Risk

- 4.2.1 The Council continues to divert resources to deliver the audit of 2018-19.
- 4.2.2 As activity to launch the new West Northants Unitary Council increases there is increased risk around resources to address audit concerns for 2018-19 and 2019-20.
- 4.2.3 The delay in completing the audit of 2018-19 Statement of Accounts has a knock-on effect to the audit of 2019-20 Statement of Accounts and may impact on assumptions and financial planning for the new Unitary Council for 2020-21.

4.3 Legal

- 4.3.1 There are no specific legal aspects to this report.

4.4 Equality

- 4.4.1 There are no specific equality impacts relating to this report.

4.5 Consultees (Internal and External)

- 4.5.1 External Auditors, EY
- 4.5.2 Corporate Management Board

4.6 Other Implications

- 4.6.1 None.

5. Background Papers

- 5.1** Audit Committee 06 February 2020 – Risk Review of Budget 2020/21
<http://www.NBC-Audit Committee- Risk Review- Budget 2020-21>
- 5.2** Cabinet Report 27 May 2020 – Finance and Monitoring – Provisional Impacts – Covid 2020/21.
<http://www.NBC-Cabinet- Finance Monitoring- Provisional Impact Covid19>

Stuart McGregor
Chief Finance Officer

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Appendices:

1. Governance Report
2. Q4 19/20 Corporate risk register
3. Temporary workers register



AUDIT COMMITTEE REPORT

Report Title	Governance Report Update
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date: 22nd June 2020

Policy Document: Governance Report

Services: Chief Finance Officer

Accountable Cabinet Member: Jonathan Nunn - Leader

1. Purpose

1.1.1 This report presents the quarterly Governance Report.

2. Recommendations

2.1 That the Committee review, comment and request additional information be included or, if not required, items are omitted for future quarterly Governance Reports.

2.2 That the Committee agree that the Governance report continue to be presented quarterly with appendices where relevant.

3. Issues of note

3.1 Report Background

Previously, the Audit Committee was presented with the Governance Action plan that was introduced in 2016. This has now been completed and it has been identified that a quarterly governance statement is required to give assurance of controls and process improvements within NBC.

3.2 Issues

Q4 Corporate Risk register (refresh)

Risk management is a key priority for the Council. Critical to the development of better risk management is the development of a tighter culture of risk identification, assessment and mitigation at all levels of the Council, including at the corporate level, with proper and regular updates to assessments of potential risks.

- 3.2.1 20 risks were stated on the corporate risk register as of March 2020. Of these 11% are rated red, 84% amber and 5% rated green.
- 3.2.2 Two new risks were identified and added in Q3:
 - :
 - 1. Climate change
 - 2. The impact of the loss of LGSS services.
- 3.2.3 There has been no movement in the risk ratings from Q3 to Q4. This has been a refresh of Q3.
- 3.2.4 The corporate risk register will be updated for Q1 2020/2021 during July 2020. Any significant changes will be reported to Cabinet.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are no policy changes as a result of this report.
- 4.1.2 There may be various impacts and changes to current policies. The governance report will assure Audit Committee that policies and procedures are being strengthened to contribute to building a strong control environment at the Council.
- 4.1.3 Compliance with policies will be monitored through the Internal Control reviews and reported upon through the governance structure and to the Audit Committee starting in the new financial year.

4.2 Resources and Risk

- 4.2.1 The Governance team are fully resourced to cover the areas reported within the Governance report. Financial implications will be reported through the budget process.

4.3 Legal

- 4.3.1 None to report at present.

4.4 Equality

4.4.1 Whilst there are no specific equality implications at this stage, various policies will be reviewed through the improvements in procedures throughout NBC. All reviews will be supported by equality and community impact assessments.

4.5 Consultees (Internal and External)

4.5.1 Internal consultation has taken place with Corporate Management Board and other senior officers where required.

4.6 Other Implications

4.6.1 None specifically

5. Background Papers

5.1 None at present

Joanne Bonham, Governance & Risk Manager

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NORTHAMPTON
BOROUGH COUNCIL

Governance Report to Audit Committee

23 March 2020 (refreshed for 23 June 2020)

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CONTRIBUTION LIST

Service Area:	Responsible:
LGSS Contract Management Risk/policies/emergency planning/AOB Temporary workers GDPR H & S	Stuart McGregor Jo Bonham Karen Middleton David Taylor Julian Bissaker

1. LGSS Contract Management:

- LGSS Contract meetings ongoing
- Previous KPI's and management information improved through discussions between both parties
- Highlighted issues mainly within IT service delivery and HR Agresso issues and reporting
- Working relationship with LGSS very positive

2. Risk registers:

- Brexit risk register – ongoing live document.
- Corporate risk register – Q4 refresh completed as of 31 March 2020
- Corporate risk register – Q1 2020/2021 to be completed during July 2020

3. Emergency Planning:

- Business continuity plans to be finalised – Covid-19
- Duty rota updated to Unitary 2021
- Involvement with LGR unitary team to discuss how emergency planning will be delivered in the new world
- Task and finish group set up to deal with Covid-19 planning – plans are in place to deal with any potential issues
- Covid-19 FAQ's prepared and communicated to all staff
- SCG and TCG in place to deal with the Covid response

4. Temporary workers register

See appendix 3

5. Health & Safety:

Accident / Incident Statistics 2019/20													
	April	May	June	July	August	September	October	November	December	January	February	March	
Borough Secretary		1		1	0					1			3
Customers and Communities	3	2	1	1	5	7	7	3	4	5	4		42
Housing & Wellbeing	2			2	0		2		1	6			13
LGSS					0				1		1		2
Chief Finance Officer					0			1					1
Chief Executive					0								0
Planning	1			1	0	2		1			1		6
Economy, Assets & Culture	2		1	3	4	6		3	4	8	7	1	39
Grand Total	8	3	2	8	9	15	9	8	10	20	13	1	106

Type of Accident / Incident 2019/20													
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Aggressive behaviour including verbal abuse	5	2	1	3	4	4	5	3	2	8	3		40
Dangerous occurrence								1	1	1			3
Exposed to fire or explosion													0
Exposed to, or in contact with hazardous substance					1					3		1	5
Fall from Height					2								2
Hit by a moving vehicle													0
Injured by an animal or insect													0
Injured while handling, lifting, and carrying	1					2							3
Medical condition				1		2	1	1			4		9
Near miss					1		1						2
Other									1	2			3
Physical assault						1	2						3
Property and plant damage as a result of an accident				1	1					1			3
Needle Stick Injury			1										1
Road traffic accident								2	1		1		4
Slip, trip and fall on the same level	2	1		2		2		1	3	4	3		18
Struck by moving, flying, falling parts or objects				1		1				1	2		5
Struck, caught, trapped by something fixed or stationery						3			2				5
Grand Total	8	3	2	8	9	15	9	8	10	20	13	1	106
Month on Month Difference from 2018/2019	-2	-8	-9	-2	-3	3	1	3	2	13	10	-6	2

6. GDPR:

1st April 2019 to 29 th February 2020											
Overall							Improvement				
Service	Total	Reportable Breaches	Non Reportable	Non Breaches	Deferred to another controller	Investigation ongoing	Procedure improvement	Correct Data Set	Update contact details	Staff Training	Notes
Borough Secretary	2	0	1	1	0	0	0	0	0	1	* Data subjects name published in LGBT online Committee Meeting minutes

Customers and Communities	2	0	1	1	0	0	0	0	0	1	* Front and back of payment card copied and added to electronic document management system as proof of ID.
Economy Assets and Culture	1	0	0	1	0	0	0	0	0	0	
Finance and Governance	2	0	2	0	0	0	2	0	0	0	* Email response to police including DWP request in email chain. Police confirmed deletion within 20 minutes. * File Transfer Protocol issue with the NBC computer network.
Planning	8	0	6	2	0	0	5	0	0	1	* Published applicants signature online *Document not fully redacted published online *Email intended for Cllr sent to a member of the public *Member of public sent copy of third party comments as part of confirmation that comments had been received. *Email containing confidential advice on an application sent to wrong address. *Addresses for unauthorised works published in Cabinet papers.
CTax & HB (LGSS)	13	1	8	4	0	0	4	0	1	4	* Reportable Breach. Income and Expenditure form sent to wrong

												address. * Council Tax Demand sent to estate agent rather than landlord. * Guildhall printer defaulted to Angel Square and printed CTax letter without requiring PIN. * Document to wrong address * Child care form sent to wrong address (no child details on form or would be reportable) * Email sent to wrong email address * Wrong attachment sent out with outline Universal Credit, named and NI number. * Screenshots of system sent to wrong applicant. * Income and Expenditure sent to wrong address.
Cllr	0	0	0	0	0	0	0	0	0	0	0	
Environmental Health	1	0	0	1	0	0	0	0	0	0	0	
HR and Payroll	1	0	0	1	0	0	0	0	0	0	0	
Post Room	2	1	0	0	1	0	0	0	0	0	2	*Benefits documentation sent to wrong person. *Housing application details sent to wrong person (NPH)
Housing and Wellbeing	8	1	4	2	0	1	3	0	0	0	2	* Reportable breach. Letter notifying tenant of landlords impending loss of property due to failure

GDPR Benchmarking

	Period	Data Incidents notified to DPO	Incidents not considered breaches	Non reportable breaches after investigation	Breaches reported to the ICO
NBC	Nov19 - Jan20	14*	5	8	0
NCC	Nov19 - Jan20	21	2	19	2
Colchester	Nov19 - Jan20	12	2	10	0
Ipswich	Nov19 - Jan20	7	0	7	0
Wellingborough	Nov19 - Jan20	2	1	1	0
Daventry	Nov19 - Jan20	1	0	1	0
		*(1 breach deferred to another controller)			
Full Year to date					
NBC	April19 - Jan20	48**	16	26	3
Corby	April19 - Jan20	25	3	15	0
		** (3 breaches deferred to another controller)			

A small comparison exercise has been completed to consider if NBC's breach numbers are comparable to other authorities locally and nationally. The results do not take into account local factors which may increase or decrease the risk of a breach such as location, software, hardware, training and security.

7. AOB:

- Performance reporting to be updated following the issue of the new Corporate Plan.
- Service plans are being updated to accurately reflect the objectives of the Corporate Plan and to clearly show progress against the plan through the measures identified and reported quarterly.

CORPORATE RISK REGISTER
Q3 DECEMBER 2019

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No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
1	Failure to deliver a balanced budget 20/21 – 23/24	<ul style="list-style-type: none"> • Council unable to deliver sufficient savings to balance budget • Major projects don't deliver planned benefits • Complacency in the organisation • Increased organisational change and complexity • Changes in govt. funding particularly NNDR and NHB including late Government Financial Settlement due to change in Prime minister/Cabinet • Complex challenges of addressing both the controllable and uncontrollable pressures and events that can act on both income and expenditure • Challenges of working with partnership or arms- length organisations where there is a loss of direct management control 	<ul style="list-style-type: none"> • Inability to set a legal budget • Depleted Reserves • Need to realise capital receipts • Inability to deliver services to meet customer need/demand and expectations of the Council 	16	<ul style="list-style-type: none"> • Review reserves strategically • Robust monitoring of budgets by services and taking early remedial action where issues identified. • Management Board action to limit spending where appropriate and communicate to staff on spending restrictions • Bi-monthly financial reporting to Cabinet • Monthly financial reporting to the Management Board • Finance Away Days for Boards and HoS • Bi-monthly meetings between LGSS Contract Managers and the S151 officer. Improved management reporting and KPI's. • Cabinet/CMB awayday held 3rd October and 7th November 2019. 	12	12	<ul style="list-style-type: none"> • Change in Government funding restricts District & Borough council tax increase to 1.99%, previously increase limit was 2.99% • Draft balanced budget to Cabinet 23/12/19 • Public consultation to 31/1/20 	4	CFO (S151)	Updated by CFO December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
2	<p>Projects may be instigated outside normal process where there is a lack of clarity around Member and Officer roles.</p> <p>Reputational damage may occur should promises to the public by Members not be realised.</p>	<ul style="list-style-type: none"> Members and Senior Officers roles (formulating and administrating policy respectively) are not always clear The culture does not resonantly promote a separation of the respective roles and duties of members and officers Officers feel inhibited in giving full, objective, professional and technical advice to Members in charged political atmospheres Officers in their role seek to frustrate the strategic choices, policy and direction-setting of Members Weak management of Members by leadership in the past 	<ul style="list-style-type: none"> Significant decision-making with significant outcomes and impacts is not robust and is not properly administered or processed by the organisation The intended outcomes and objectives of decisions are not achieved or are achieved in sub-optimal terms Maladministration occurs The control environment is weakened and controls could be bypassed Potential for reputational damage and loss of public and stakeholder confidence Regulatory criticism Legal challenge may be made and increased costs incurred 	20	<ul style="list-style-type: none"> Council Constitution (incl. the Member-Officer Protocol) Cabinet reporting system Scheme of Delegation Contract Procedure Rules EPB set up to aid interface between Members and Officers. Weekly meeting with CMB and Cabinet to discuss general updates and any potential issues/gaps in information communicated. Review of EPB terms of reference (Sept 2018) Independent review by BDO as the internal auditors. 	20	20	<ul style="list-style-type: none"> Implementation of Member-Officer Protocol audit recommendations following BDO review (by Mar 20) Provision of training on Member-Officer Protocol (by April 20) Corporate training to Officers plus briefings to all staff to reiterate the standards to be enforced (by April 20) Political skills training took place 17th October. 	12	Borough Secretary	Updated by Borough Secretary December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
3	Inadequate succession planning, capacity and retention leading to service disruptions/non delivery	<ul style="list-style-type: none"> Salaries not competitive with LAs outside the local catchment area Reputation of the Council is not positive Perception of organisational instability Continual cost cutting Drift in staff morale Differing levels of engagement within the organisation Historic failure and disconnect of leadership to engage with staff Impact of unitary causing uncertainty Lack of HR strategic profile in the organisation Extension to Unitary launch 2020 to 2021 	<ul style="list-style-type: none"> Inability to recruit to roles (particularly key roles) Inability to retain staff (particularly key talent staff) Depressed staff morale Increased staffing costs due to agency/interim costs Staff leaving (particularly key staff) take their organisational knowledge out of the organisation when they leave No succession planning is possible particularly around specialist and qualified posts Reduced organisational effectiveness and performance Lack of organisational resilience 	20	<ul style="list-style-type: none"> Recruitment process changed eg. to advertise more widely, use of dynamic job ads and increase use of specialised agencies to find permanent staff or fixed term applicants Benefit of council pension scheme headlined to attract staff Performance appraisal rewards highly effective staff Family friendly policies, eg maternity and paternity leave Generous holiday allowance Subsidised car-parking Guildhall location Flexible working hours Inflation pay rises provided Learning and Development strategy including succession planning in draft, due to be finalised Spring 2020. 	12	12	<ul style="list-style-type: none"> Review of staff Terms and Conditions (ongoing) Review of performance appraisal process (ongoing) A number of initiatives in wellbeing and communication being considered for deployment (On-going) Roll-out of Leadership Development Programme (On-going) Promote unitary as an opportunity for development CMB is considering all options to reduce the risk and any impact, CMB is being informed by views from MTUCM Uncertainty around Unitary may increase risk. Regular reporting on use of interims and spend to CMB CMB through OD & HR identifying risks and mitigations Further CMB/Cabinet review Jan/Feb 2020 - priorities and implication of unitary 	9	CFO (S151)	Updated by CFO December 2019
4	Inability to meet and manage the demands of homelessness in the Borough	<ul style="list-style-type: none"> Significant increases in the numbers of people who are homeless Significant increases in the number of people in temporary accommodation (TA) Welfare reform, eg. extension of the benefit cap reducing affordability of housing Households loss of private rented accommodation Difficulty in accessing private rented accommodation Shortage of social rented housing Homelessness Reduction Act increasing use of TA 	<ul style="list-style-type: none"> Increased demand leads to significantly greater costs for the Council Follow-on significant budgetary overspend occurs Pressure of financial impact of overspend of c£1.5m More homelessness applications Increased statutory duty to rehouse Increases of numbers of people in BB and TA accommodation 	16	<ul style="list-style-type: none"> Rigorous budget monitoring in place Regular financial reporting to Management Board, Portfolio-Holder & Cabinet Budget increases 19/20 for service provision and improved staffing levels. 3/4/19 - Cabinet approved a 14 point action plan for reducing the use and cost of TA Further mitigate cost <ul style="list-style-type: none"> Strategy for procuring cheap accommodation Slow demand Fortnightly meetings of multi-disciplinary TA Action Plan Implementation Group Restructure of Housing & options team Consultation completed August 2019. Restructure focussed on increasing management capacity, homelessness prevention and more effective management of homelessness and TA 	10	10	<ul style="list-style-type: none"> Recruitment of additional posts commenced October 2019 and is due to be completed January 2020 Implemented property acquisitions scheme (initially for 30 properties) to provide extra 'settled' housing for homeless households. Developing business case for purchasing up to 120 apartments (in two office block conversions) for use as temporary accommodation 	10	Head of Housing	Updated by Head of Housing December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
5	<p>Failure to manage, deliver or expose new risks as result of poor project management practice.</p> <p>Reputational damage possible.</p>	<ul style="list-style-type: none"> Lack of a clearly-defined project management governance structure Lack of written procedures and related compliance as a source of assurance Inadequate checks and balances Inadequate project documentation maintained - business cases in particular 	<ul style="list-style-type: none"> Wrong decisions made on an unviable business case Continual review of projects – stopping unviable projects Reputation Financial costs Pressure on resources Pay back on investment funds if not delivering 	16	<ul style="list-style-type: none"> Gateway reviews conducted and reported to CMB for approval More robust governance processes (as per above risk on governance) Completion of Project Management Framework document Highlight reports reported monthly to CMB Project Managers are made accountable for reporting issues and risks to the Head of Economy, Assets and Culture Review of project management documentation to simplify and make it easier for reporting purposes (April 2019). 	12	12	<ul style="list-style-type: none"> Continue to develop and install more robust governance processes (On-going) 	4	Economic Growth & Regeneration Manager	Updated by Economic Growth & Regeneration Manager December 2019
6	<p>Legal obligations under the Data Protection Act 1998 (and also the superseding GDPR EU Regulations in 2018) are breached and there is inappropriate access and/or disclosure, corruption or loss of data</p>	<ul style="list-style-type: none"> Not implementing the new EU data protection legislation Lack of staff knowledge of policy and procedure Ineffective implementation of GDPR Regulation requirements Lack of an implementation plan for GDPR 	<ul style="list-style-type: none"> Data breaches Prosecution Fines Lack of confidence and public trust Reputational issues Member criticism 	20	<ul style="list-style-type: none"> Data sweeps Data governance Staff awareness Campaigns/refresher online training Data Protection Policy update May 2018 Follow up actions and lessons learnt communication to all staff through newsletters/all staff emails GDPR implementation plan in place Inclusion within re-launched corporate induction BDO Internal Audit review (June 2019) 	9	9	<ul style="list-style-type: none"> Continue with training on GDPR refresher courses for officers and members (ongoing) e-learning module available to all staff review and update of all policies and procedures (ongoing) Implement improved management of data storage (ongoing) Data audits (ongoing) 	3	Governance & Risk Manager	Reviewed by Governance & Risk Manager December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
7	There are no clear plans for improving the economic prosperity and regeneration of Northampton.	<ul style="list-style-type: none"> Lack of skilled resource and vision Lack of local knowledge LGR creates political uncertainties No cohesive decision making in relation to regeneration strategy for Northampton between Officers and Members. 	<ul style="list-style-type: none"> Investors not investing in the town or pulling out of partnership arrangements Jeopardising current and future regeneration and growth projects Damage to Northampton as a place of choice 	16	<ul style="list-style-type: none"> Lessons-learned reviews being held Improved reporting through to CMB and EPB Plans being developed in terms of QA and process and service capability in structure Town Centre Masterplan developed by 'Northampton Forward' and adopted by The Council in October 2019. Development of growth team 	8	8	<ul style="list-style-type: none"> Delivery of Economic Growth Strategy (April 2020) Expression of interest for Government Town Centre Fund successful with full business case being developed for an April 2020 submission Further development of growth team 	2	Economic Growth & Regeneration Manager	Updated by Economic Growth & Regeneration Manager December 2019
8	NBC fails to manage its contractual partnerships with: <ul style="list-style-type: none"> LGSS NPH Veolia 	<ul style="list-style-type: none"> Loss of direct management control over activities Poor governance Lack of contract monitoring at officer level Lack of quality control Performance monitoring information is not developed Poor contract specification and understanding LGSS Services and structure review by owners 	<ul style="list-style-type: none"> Services not delivered to quality, time and cost Failure in fulfilling legal responsibilities Hindering the achievement of the councils objectives Negative impact to customers and stakeholders reputational risk to NBC Drop in services from LGSS 	12	<ul style="list-style-type: none"> Taking remedial action where required e.g. HR and Payroll coming back in-house Quarterly reports and meetings 	9	9	<ul style="list-style-type: none"> robust contract monitoring and quality control Continual review of LGSS contract Holistic/virtual team of contract managers to share good practice Internal audit report confirms adequate processes Regular discussions with LGSS MD/NCC S151/MK S151 	8	CFO (S151)	Updated by CFO December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
9	Major or large scale incident (accident, natural hazard, riot or act of terrorism) business interruption affecting the council resources and its ability to deliver services and risk to safety of staff and loss of staff	<ul style="list-style-type: none"> Accident, natural hazard, riot or act of terrorism or other business interruption 	<ul style="list-style-type: none"> Lack of business continuity Council not able to deliver front-line services Council failing to meet statutory responsibilities Risk of safety to staff and loss of staff Customer needs not being met 	20	<ul style="list-style-type: none"> Updated business continuity strategy and business continuity plans partially in place with some services remaining outstanding Refreshed Critical Incident Plan Emergency Planning Work-streams facilitated by Emergency Planning lead including town centre evacuation procedures Establishment of Gold and Silver duty rota Review of high-rise buildings in the borough post-Grenfell On-going improvements identified and implemented as a result of participation in national and local exercises eg Cygnus (flu-pandemic) and Jerboa (flooding) exercises Involved in London Bridge preparedness Incident room manual reviewed and updated October 2019 Request for further nominees for EP roles circulated September 2019 Further training for emergency planning volunteers organised for October 2019 	12	12	<ul style="list-style-type: none"> Continuing work to ensure all services at the Council put in place a business continuity strategy and plan (On-going) Continuing improvements to BC and Emergency Planning procedures to be implemented post operations e.g. 2018 Floods (on-going) Clarify arrangements for business continuity responsibility for key partner organisations (On-Going) Identification and risk assessments of reception centres (On-going) London Bridge Protocol updated October 2019 London bridge exercise 17th December 2019 	9	CEO	Governance & Risk Manager December 2019
10	Impropriety or improper business activities leading to fraudulent activity or malpractice	<ul style="list-style-type: none"> LGSS services returning - HR and Payroll - shifting accountabilities Lack of robust governance, procedure or process Lack of robust internal controls Inadequate reviews by internal audit on financial controls No assurance from LGSS on effectiveness of controls 	<ul style="list-style-type: none"> Avoidable financial loss Criminal prosecution Civil litigation Fines Lack of confidence from staff or public Reputational damage Member criticism 	15	<ul style="list-style-type: none"> Counter-fraud strategy in place NBC Fraud policy in place Section 151 controls Review of policy and procedure Review of LGSS Finance SLA and process Whistleblowing Policy approved by Council New suite of KPI's developed NBC fraud policy updated October 2019 	16	16	<ul style="list-style-type: none"> Quarterly balance sheet reviews of financial controls within LGSS Continued assurance of controls through bi-monthly contract management meetings with LGSS Targetted use of internal audit (BDO) in risk areas/services 	10	Governance & Risk Manager	Updated by Governance & Risk Manager December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
11	Significant decisions made at Council and Cabinet level are not sufficiently robust leading to ill informed decisions being made.	<ul style="list-style-type: none"> Inadequate governance Inadequate checks and balances 	<ul style="list-style-type: none"> Civil litigation, including judicial review Lack of confidence from staff or public Court cases Ombudsman reviews 	15	<ul style="list-style-type: none"> Additional/Increased cabinet clearance protocols in place Reworked clearance processes EPB Officer/Member interface in operation to ensure greater understanding prior to cabinet/council meetings Cabinet reports cleared by CMB 	12	12	<ul style="list-style-type: none"> Completeness now a higher indicator than recorded date. Recruitment of additional staff members in Democratic Services January 2020. Workshop to be arranged with staff in legal and democratic services to renew the cabinet clearance process 	10	Borough Secretary	Updated by Borough secretary December 2019
12	Inability of IT to service future requirements and or loss of IT due to failure or cyber-attack	<ul style="list-style-type: none"> Poor governance Lack of contract monitoring Lack of quality control Increased external cyber attack numbers and complexity 	<ul style="list-style-type: none"> Services not being delivered to customers Business interruption Inefficient business processes and technology not adequately exploited 	15	<ul style="list-style-type: none"> Review of current LGSS SLA with IT to see what can be improved and remedial action taken IT policies and procedures reviewed and refreshed Review of IT equipment and infrastructure PSN Compliance achieved Lessons-learned review implemented following ransomware attacks in 2016/17 LGS Cyber self assessment completion completed October 2019 Cyber attack exercise 26th July 2019 to test staff and systems with a positive outcome 	10	10	<ul style="list-style-type: none"> ICT Governance Meetings (On-going) ICT Client Meetings to assess relationships and risks (On-going) LGA stocktake results action plan implementation and ongoing work - 76% completed as at 30/11/19 	10	CFO (S151)	Reviewed by CFO December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
13	There is non-compliance with fire and Health and Safety legislation.	<ul style="list-style-type: none"> Lack of a clear strategy Processes not followed Audits and inspections not completed in a timely manner Recommendations not escalated or followed up by service areas 	<ul style="list-style-type: none"> Continuing lack of a clear strategy /strategic direction Death or injury to public or staff Criminal prosecution or civil litigation Service stopped Loss of public trust Action by H & S executive or Northants Fire and Rescue Fines to organisation Corporate manslaughter charges Insurance claims Financial loss 	20	<ul style="list-style-type: none"> Corporate Health & Safety Group set up and in place Upskilling of managers in terms of H&S responsibilities Audit & Inspection Framework in place H&S Matrix in place cross-referencing role profiles to required H&S training Review of H&S policies and procedures and refreshed where appropriate Refresher staff comms and training Fire Marshal training completed Implementation of mandatory on-line training courses for all staff Corporate Health Safety and Wellbeing Policy presented to Council and signed off on 9th July 2018. Creation of a H & S Committee Restructure of the H & S delivery and service (2018) Mandatory e-learning modules 	9	9	<ul style="list-style-type: none"> Communication and engagement with staff through information/training sessions (On-going) Continued progress with H & S audits and inspections Active engagement through H & S Committee of management, H & S Officers, staff and TU's. 	6	Governance & Risk Manager	Updated by Governance & Risk Manager December 2019

No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
14	Safeguarding arrangements are not adequate to protect or address concerns of vulnerable adults and children.	<ul style="list-style-type: none"> Staff lack of awareness of procedure or referral route 	<ul style="list-style-type: none"> Children or vulnerable adults harmed or put at risk of harm Criminal prosecution or civil litigation Seriously damaging reputation or NBC 	20	<ul style="list-style-type: none"> Procedures and referral routes reviewed and refreshed where necessary Refreshed procedures and referral routes communicated Designated Officer for Safeguarding as point of contact in place Series of presentations on CSE, including with Members and staff, to build awareness Increased joint working with County Council (Rise Team), other boroughs and districts, including with community safety, licencing and social landlords Scrutiny Review of CSE in the Borough Scrutiny Review gone to Cabinet Established an NBC officer group for tackling CSE. Commenced implementation of recommendations arising from the above Cabinet report (June 2019) Response to scrutiny review (December 2018) Identification of a Safeguarding Champion within each service area (June 2019). 	9	9	<ul style="list-style-type: none"> Implementation of key audit recommendations from Safeguarding audit (December 2019) Development of a programme of e-learning training for staff (January 2020) BDO audit due March 2020 	9	Head of Housing	Updated by Head of Housing December 2019
15	Failure to deliver enough new housing to meet targets and needs	<ul style="list-style-type: none"> Local housing market housebuilders not wanting to devalue their product by flooding the market increasing land values Scarcity of experienced trades people and of materials. 	<ul style="list-style-type: none"> Not delivering enough housing to meet local demand Increase in homelessness and demand for temporary housing Failure to meet local targets Failure to meet Housing Delivery Test resulting in increased targets Potential loss of decision making role Inability to resist housing proposals in unsustainable locations 	16	<ul style="list-style-type: none"> Secured Planning Delivery Funding to recruit Housing Delivery Manager to liaise with housebuilders and establish what is delaying delivery Regular monitoring of local and market area delivery Flexible approach to planning applications Investigating investment in infrastructure to open up allocated sites and accelerate delivery Development of a Growth Deal to secure additional resources for affordable housing, infrastructure and capacity, and planning freedoms Promotion of role within Growth Corridor Cabinet approval of £4.2m Dallington relief road September 2018. HRA cap lifted. Limitation now is capacity to deliver and the sites available. 	9	9	<ul style="list-style-type: none"> Re-focus the Housing Delivery project to develop the Strategic Plan evidence base. Issues and options consultation has taken place (Dec 2019) and will be reported in January 2020 Discussing Growth Package with MHCLG as part of Central Area of the OxCam Growth Arc, including infrastructure funding to accelerate existing and future housing and employment opportunities. (Ongoing) 	9	Head of Planning	Updated by Head of Planning December 2019

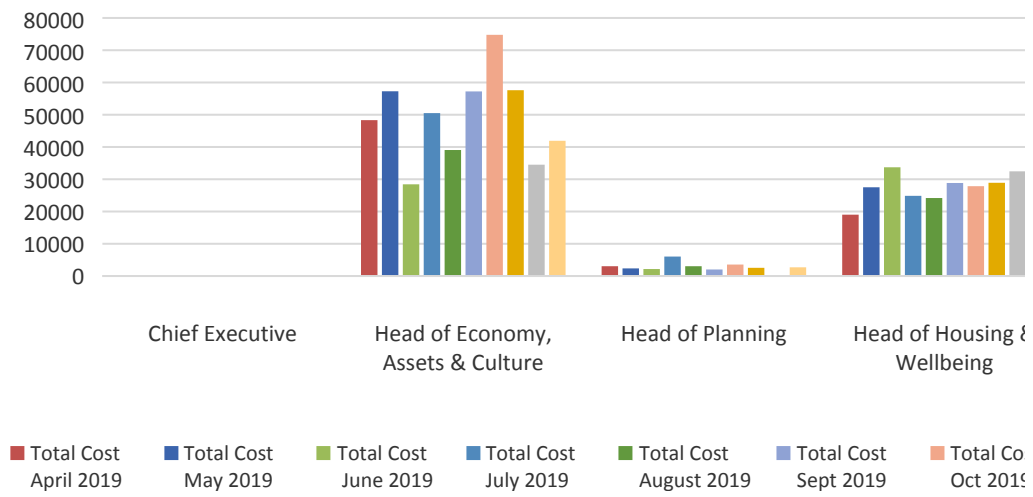
No	Risk Description	Risk Causes	Risk Consequences	Inherent Risk Rating	Key Measures in Place to Manage The Risk (Key Controls)	Current Risk Rating		Further Action & Implementation Date	Target Risk Rating	Risk Owner	Update & date
						Q2 19/20	Q3 19/20				
16	REMOVED Q3 2018: LGR risk, to be included within the main LGR project risk register										
17a	Impact of Brexit on NBC services.	<ul style="list-style-type: none"> Brexit deal/no deal 	<ul style="list-style-type: none"> Has a direct impact on NBC services directly 	4	<ul style="list-style-type: none"> Monitoring Brexit information Continual CMB checking on services/staffing 2 hour training for all of CMB in Jan/Feb 2019 Brexit lead for NBC identified Creation of a dedicated Brexit Risk Register 	4	4	<ul style="list-style-type: none"> Regular Government and Regional updates Engagement with MHCLG re Brexit regular calls throughout September/October 2019 Weekly brexit bulletins Engagement with LRF training in September 2019 	4	CMB	See Brexit risk register
17b	Impact of Brexit on Northampton economy.	<ul style="list-style-type: none"> Brexit deal/no deal Uncertainty of timing of Brexit 	<ul style="list-style-type: none"> Supply chain and people impact on businesses Economic impact drives up benefit claims 	6	<ul style="list-style-type: none"> Monitoring Brexit information Continual CMB checking on services/staffing 2 hour training for all of CMB in Jan/Feb 2019 Brexit lead for NBC identified Creation of a dedicated Brexit Risk Register 	6	6	<ul style="list-style-type: none"> Regular Government and Regional updates Engagement with MHCLG re Brexit regular calls throughout September/October 2019 Weekly brexit bulletins Engagement with LRF training in September 2019 	6	CMB	See Brexit risk register
18	<p>NEW RISK: Climate change: Failure to comply with:</p> <p>a) the Climate Change (2008) Act to reduce carbon omissions below 1990 levels by 2050.</p> <p>b) Making the Borough carbon neutral by 2030</p>	<ul style="list-style-type: none"> Low resources Rapid and large scale changes to operations outside NBC's control 	<ul style="list-style-type: none"> Contributing to the decline in short term changes to the climate 	9	<ul style="list-style-type: none"> Engagement with other local authorities in the quarterly 'Climate Change Strategy Group' 	n/a	9	<ul style="list-style-type: none"> Baseline report to Council in January 2020 Strategic approach and policy to Cabinet February 2020 	4	Head of Planning	Updated December 2019
19	NEW RISK: Loss of LGSS services	<ul style="list-style-type: none"> Collapse of LGSS as an entity LA's are requested to repatriate the services provided by LGSS i.e. finance, insurance, procurement, IT 	<ul style="list-style-type: none"> Impact on ICT Impact on finance/budgets Year end accounts Procurement Staffing challenges 	6	<ul style="list-style-type: none"> Monitor LGSS performance quality/volume Turnover of key LGSS staff 	n/a	6	<ul style="list-style-type: none"> Regular discussions with LGSS MD/NCC S151/MK S151 	6	CFO (S151)	Added December 2019

April 2019 to March 2020

	Total Cost April 2019 - March 2020	Total Cost April 2019	Total Cost May 2019
Chief Executive	£0	£0	£0
Head of Economy, Assets & Culture	£482,020	£48,322	£57,271
Head of Planning	£38,476	£3,038	£2,363
Head of Housing & Wellbeing	£331,502	£19,017	£27,510
Borough Secretary & Monitoring Officer	£202,774	£9,934	£18,318
Chief Finance Officer (S151)	£74,000	£0	£0
Head of Customers & Communities	£0	£0	£0
Overall Total:	£1,128,771	£80,311	£105,462

Service Area	Apr-19	May-19	Jun-19
Chief Executive's Office	0	0	0
Head of Economy, Assets & Culture	7	8	8
Head of Planning	1	2	2
Head of Housing & Wellbeing	5	12	13
Borough Secretary & Monitoring Officer	3	4	4
Chief Finance Officer (S151)	2	2	2
Head of Customers & Communities	0	0	0
Total	18	28	29

Temporary Worker Cost

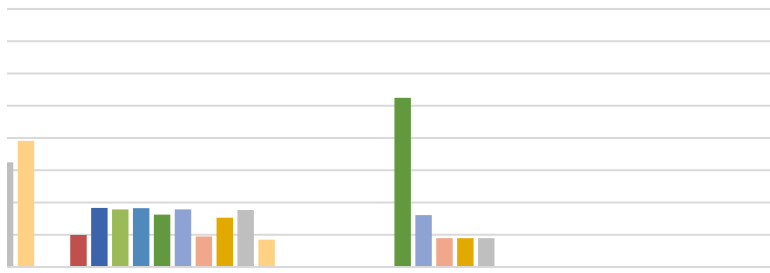


Register of Temporary Workers

Total Cost June 2019	Total Cost July 2019	Total Cost August 2019	Total Cost Sept 2019	Total Cost Oct 2019	Total Cost Nov 2019	Total Cost Dec 2019
£0	£0	£0	£0	£0	£0	£0
£28,428	£50,500	£39,063	£57,226	£74,772	£57,599	£34,510
£2,166	£6,034	£3,038	£2,025	£3,555	£2,543	£0
£33,709	£24,859	£24,178	£28,841	£27,848	£28,904	£32,453
£17,850	£18,243	£16,247	£17,866	£9,469	£15,295	£17,666
£0	£0	£52,451	£16,093	£8,940	£8,940	£8,940
£0	£0	£0	£0	£0	£0	£0
£82,154	£99,636	£134,977	£122,051	£124,585	£113,282	£93,569

Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20
0	0	0	0	0	0	0
8	8	10	9	10	9	7
2	1	1	1	1	1	1
12	10	13	10	11	12	12
3	3	3	4	5	6	6
2	2	2	2	2	2	2
0	0	0	0	0	0	0
27	24	29	26	29	30	28

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& Borough Secretary & Monitoring Officer Chief Finance Officer (\$151) Head of Customers & Communities

st 9 ■ Total Cost Nov 2019 ■ Total Cost Dec 2019 ■ Total Cost Jan 2020

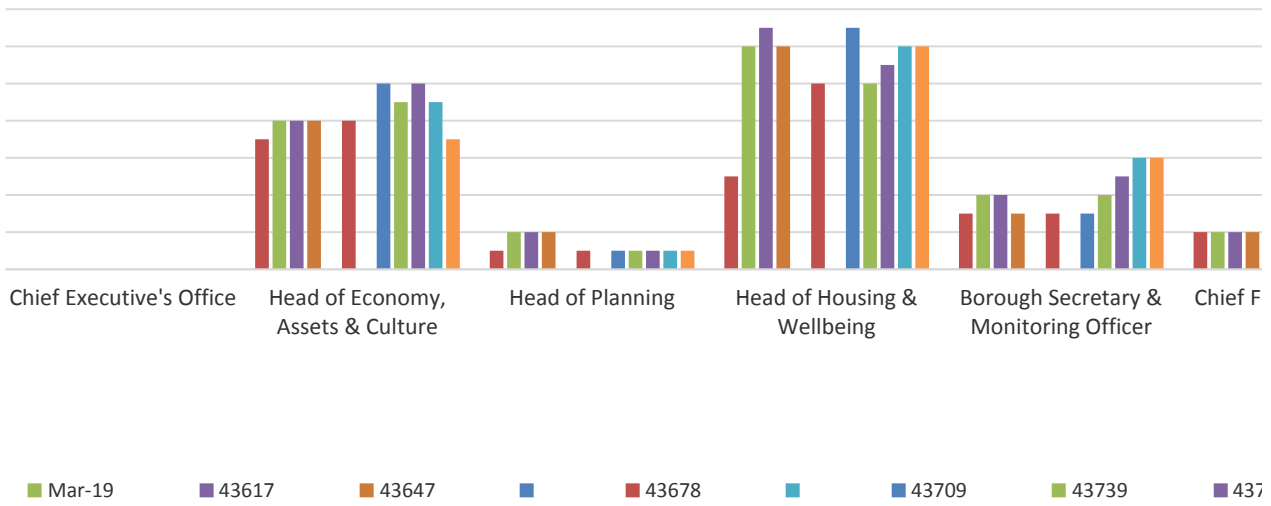
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Total Cost Jan 2020	Comment
£0	
£41,921	Total cost for 2019/20 includes the full cost for all assets interims
£2,700	Total cost for 2019/20 includes the full cost of the Aboricultural Officer
£39,116	
£8,482	
£0	Total cost for 2019/20 includes the full cost of the person supporting the closedown team
£0	
£92,219	

Comment
<p>Consultancy support for economic development (1) and regeneration (1)</p> <p>Agency cover for facilities management (1)</p> <p>Cover for vacant posts within the estates team (4). As at 12/03 1 has left and 2 are due to leave at the end of the year. All vacant posts are in the process of being filled (2 are now in post and 2 roles have been advertised)</p>
<p>Cover for the Aboricultural Officer vacancy</p> <p>As at 12/03 the number has increased to 15:</p> <p>Housing Enforcement Team (9) - all posts are funded by MHCLG monies (ASB/Tenancy Relations Officer; Housing Enforcement Officers; Intelligence Officer; Licensing Officer and Project Officer)</p> <p>Housing Advice and Options Team (5) - cover for vacant posts (Team Leaders; Prevention Officer; Housing Strategy Officer and Homeless Strategy Officer)</p> <p>Housing Strategy Officer - additional support to develop housing/homelessness strategy</p>
<p>As at 12/03 this has reduced to 5</p> <p>Legal (3) cover for vacant posts (Executive Secretary to the Borough Secretary; Senior Commercial Solicitor (Contract & Procurement)</p> <p>Democratic Services (2) - cover for vacant posts (Political Assistant and Democratic Services Officer)</p>
<p>Additional support for the finance closedown team</p>
29

No. of Temporary Workers





the end of March. (offered)
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Finance Officer
(S151)

Head of Customers &
Communities

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