



AUDIT COMMITTEE

Wednesday, 22nd April, 2020

at 6.30 pm

Under the current emergency arrangements this meeting will be held remotely

Committee Membership

Cllr Nick Sharman (Chair)
Cllr Michelle Gregory (Vice-Chair)
Cllr Brian Bell
Cllr Clare Potter
Cllr Patrick Spence
Cllr Yvonne Maxwell
Cllr Harvey Odze

Tim Shields
Chief Executive

Contact:
Peter Gray
Governance Services Officer
Tel: 020 8356 3326
Email: Peter.Gray@hackney.gov.uk

The press and public are welcome to attend this meeting

AGENDA

Wednesday, 22nd April, 2020

ORDER OF BUSINESS

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Access and Information

Location

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Buses 30, 48, 55, 106, 236, 254, 277, 394, D6 and W15.

Facilities

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Those wishing to film, photograph or audio record a meeting are asked to notify the Council's Monitoring Officer by noon on the day of the meeting, if possible, or any time prior to the start of the meeting or notify the Chair at the start of the meeting.

The Monitoring Officer, or the Chair of the meeting, may designate a set area from which all recording must take place at a meeting.

The Council will endeavour to provide reasonable space and seating to view, hear and record the meeting. If those intending to record a meeting require any other reasonable facilities, notice should be given to the Monitoring Officer in advance of the meeting and will only be provided if practicable to do so.

The Chair shall have discretion to regulate the behaviour of all those present recording a meeting in the interests of the efficient conduct of the meeting. Anyone acting in a disruptive manner may be required by the Chair to cease recording or may be excluded from the meeting. Disruptive behaviour may include: moving from any designated recording area; causing excessive noise; intrusive lighting; interrupting the meeting; or filming members of the public who have asked not to be filmed.

All those visually recording a meeting are requested to only focus on recording councillors, officers and the public who are directly involved in the conduct of the meeting. The Chair of the meeting will ask any members of the public present if they have objections to being visually recorded. Those visually recording a meeting are asked to respect the wishes of those who do not wish to be filmed or photographed. Failure by someone recording a meeting to respect the wishes of those who do not wish to be filmed and photographed may result in the Chair instructing them to cease recording or in their exclusion from the meeting.

If a meeting passes a motion to exclude the press and public then in order to consider confidential or exempt information, all recording must cease and all recording equipment must be removed from the meeting room. The press and public are not permitted to use any means which might enable them to see or hear the proceedings whilst they are excluded from a meeting and confidential or exempt information is under consideration.

Providing oral commentary during a meeting is not permitted.

ADVICE TO MEMBERS ON DECLARING INTERESTS

Hackney Council's Code of Conduct applies to **all** Members of the Council, the Mayor and co-opted Members.

This note is intended to provide general guidance for Members on declaring interests. However, you may need to obtain specific advice on whether you have an interest in a particular matter. If you need advice, you can contact:

- The Director, Legal;
- The Legal Adviser to the committee; or
- Governance Services.

If at all possible, you should try to identify any potential interest you may have before the meeting so that you and the person you ask for advice can fully consider all the circumstances before reaching a conclusion on what action you should take.

1. Do you have a disclosable pecuniary interest in any matter on the agenda or which is being considered at the meeting?

You will have a disclosable pecuniary interest in a matter if it:

- relates to an interest that you have already registered in Parts A and C of the Register of Pecuniary Interests of you or your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner;
- relates to an interest that should be registered in Parts A and C of the Register of Pecuniary Interests of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner, but you have not yet done so; or
- affects your well-being or financial position or that of your spouse/civil partner, or anyone living with you as if they were your spouse/civil partner.

2. If you have a disclosable pecuniary interest in an item on the agenda you must:

- Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you (subject to the rules regarding sensitive interests).
- You must leave the room when the item in which you have an interest is being discussed. You cannot stay in the meeting room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision.
- If you have, however, obtained dispensation from the Monitoring Officer or Standards Committee you may remain in the room and participate in the meeting. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a pecuniary interest.

3. Do you have any other non-pecuniary interest on any matter on the agenda which is being considered at the meeting?

You will have 'other non-pecuniary interest' in a matter if:

- i. It relates to an external body that you have been appointed to as a Member or in another capacity; or
- ii. It relates to an organisation or individual which you have actively engaged in supporting.

4. If you have other non-pecuniary interest in an item on the agenda you must:

- i. Declare the existence and nature of the interest (in relation to the relevant agenda item) as soon as it becomes apparent to you.
- ii. You may remain in the room, participate in any discussion or vote provided that contractual, financial, consent, permission or licence matters are not under consideration relating to the item in which you have an interest.
- iii. If you have an interest in a contractual, financial, consent, permission or licence matter under consideration, you must leave the room unless you have obtained a dispensation from the Monitoring Officer or Standards Committee. You cannot stay in the room or public gallery whilst discussion of the item takes place and you cannot vote on the matter. In addition, you must not seek to improperly influence the decision. Where members of the public are allowed to make representations, or to give evidence or answer questions about the matter you may, with the permission of the meeting, speak on a matter then leave the room. Once you have finished making your representation, you must leave the room whilst the matter is being discussed.
- iv. If you have been granted dispensation, in accordance with the Council's dispensation procedure you may remain in the room. If dispensation has been granted it will stipulate the extent of your involvement, such as whether you can only be present to make representations, provide evidence or whether you are able to fully participate and vote on the matter in which you have a non pecuniary interest.

Further Information

Advice can be obtained from Dawn Carter-McDonald, Interim Director of Legal on 020 8356 6234 or email dawn.carter-mcdonald@hackney.gov.uk



FS 566728

AUDIT COMMITTEE

WEDNESDAY, 15TH JANUARY, 2020

Present:

**Cllr Nick Sharman in the Chair
Cllr Clare Potter, Cllr Patrick Spence and
Cllr Yvonne Maxwell**

**Officers: Ian Williams, Ajman Ali, Michael
Honeysett, Michael Sheffield, Bruce Devile,
Matthew Powell, Pradeep Waddon, Manja Grant**

Lucy Nutley – Mazars

1 Apologies for absence

1.1 Apologies for absence were submitted on behalf of Councillors Bell and Gregory.

2 Declarations of Interest

2.1 There were no declarations of interests.

3 Minutes of the previous meeting

3.1 The minutes of the previous meeting were agreed as a correct record.

Matters Arising:

3.2 *Responding to member enquiries (5.4):* Bruce Devile told the committee that performance on this varied between services and that this matter was currently being considered and input was being sought from Councillors.

4 Performance Review

4.1 Bruce Devile introduced the report providing an updated set of reports that were selected to be reviewed by the Committee on a regular basis as part of the Committee's overview of the Council's performance. The report provided an updated set of key performance indicators along with an update on risk management with a scorecard. The report also set out the latest capital programme monitoring with some enhanced analysis of the variances to the Budget.

4.2 Bruce Devile told the Committee that the data in the report had not changed significantly since the previous meeting. He confirmed that numbers in temporary accommodation remained high.

4.3 The Chair expressed concern that sickness levels continued to rise and the decline in top 5% earner's women. Dan Paul would be asked to report back on this matter.

Action: Dan Paul

4.4 The Chair asked for progress on rent arrears. Ajman Ali told the Committee that work was ongoing to ensure that rent was paid on time and that the maximum benefits were received. Measures introduced to address difficulties included changes to direct debit arrangements. Staff were very aware of the importance of improvement in this area. He confirmed that this area would receive increased resources in the new financial year. Councillor Maxwell spoke of the stress attached to not being able to pay rent. Ajman Ali told the Committee that patch officers were available to provide support in cases of difficulty. He would look into this matter in more detail.

Action: Ajman Ali

4.5 The Committee expressed concern that as part of the 'pay your rent campaign', tenants were told not to spend the money on presents and that this could be considered paternalistic.

4.6 Ian Williams told the Committee that Hackney's performance in relation to claims was on a par with Boroughs across London. Extensive work was being carried out on the council tax and one corporate debt approach. Councillor Rennison would be arranging a workshop with the Audit Committee on this.

4.7 The Chair expressed concern at the high percentage of open planning enforcement cases more than 4 years old. Ajman Ali agreed to report back on this matter.

Action: Ajman Ali

4.8 In relation to the overall financial performance report Michael Honeysett reported that a variance £42,784 was to be re-profiled. The Chair highlighted that half of the budget was out in the first six months and considered that this was a sign that profiling was not going far enough. Michael Honeysett agreed that there was a need for more accurate profiling and that much related to stability around contractors. Ian Williams highlighted that it was necessary to defer work if the contractor is unable to carry out the work. It was acknowledged that there was a need for improvement in this area and work was ongoing on how the Council delivered major schemes and cash flow forecasting. Current profiling arrangements was a possible area for a deep dive and was to be reviewed.

Action: Ian Williams

4.9 Ajman Ali told the Committee that in relation to asset management a Capital Monitoring Board was now in place for 12 months, receiving regular reports on appropriate schemes. The Chair referred to the current large underspend and asked if the systems in place were in place to improve this. In response, Ajman Ali acknowledged the need for improving forecasting. Ian Williams referred to the fact that

there was a requirement to monitor on a monthly basis and this had shown some risk. Ian Williams would produce a more detailed report on risks areas around Brexit.

Action: Ian Williams

4.10 In relation to the CIPFA financial management code, Ian Williams told the Committee that this would be used to embed good practice and financial planning going forward. Detailed guidance notes would be released on this. The Chair stressed that the Senior Management Team should take responsibility for embedding the good practice.

RESOLVED:

To note the performance indicator in appendix 1, the Risk Management Scorecard in appendix 2 and the current capital monitoring update in appendix 3.

5 Directorate Risk Register Review- Neighbourhoods & Housing

5.1 Ajman Ali introduced the report updating members on the current Corporate Risk Register of the Council as identified as at January 2020. The report also identified how risks within the Council are identified and managed throughout the financial year and the approach to embedding risk management. There had been an increase in cost in housing regeneration and a dip in property values. Brexit had had an impact on this. Fire safety continued to be a challenge.

5.2 In relation to the regeneration project, Councillor Potter asked if the tenure mix would change. Ajman Ali confirmed that there was a risk of this and stressed the need for more affordable housing. Councillor Maxwell stressed the need for as much social policy as possible.

5.3 The Chair stressed the need for targets and plans with deliverables in relation to climate change. Ajman Ali confirmed that much work was underway on gathering data for the new energy company with a session to consider climate change. An action plan would be produced with consideration being given to a gas strategy, looking at ways to improve energy efficiency. Ian Williams told the Committee of the work of the Sustainability Board around the strategy, referring to the tree planting programme in the Borough. It would be necessary to identify the resources necessary and to be realistic around costs. Ian Williams suggested that Councillor Burke attend the Board meeting to update on this. It was agreed to invite Councillor Burke to a future meeting to discuss his long term strategic outcome and resources plan.

Action: Ian Williams

5.4 In response to a question from Councillor Potter, Ajman Ali told the Committee that it would be necessary for the engineers to be equipped to carry out the job effectively with training being provided. In response to the Chair, Ajman Ali told the Committee that there was much improvement in how the Council manages assets. Project Managers meet regularly with contractors and at present there were no performance issues with existing contractors. There would be a need to build in mechanisms for new contracts to have appropriate KPIs.

5.5 The Chair highlighted the fact that the voluntary redundancy scheme may be a risk. Deirdre Worrell told the Committee that the scheme would result in personnel changes and the potential impact of the burden of work falling on those remaining was seen as a risk.

6 Corporate Risk Register

6.1 Ian Williams introduced the report updating members on the current Corporate Risk Register of the Council as at January 2020. It also identified how risks within the Council are identified and managed throughout the financial year and the approach to embedding risk management. Risks around universal credit, unregistered schools and climate change had been escalated to this iteration of the corporate register. Although there was more clarity on the impact of Brexit, this remained as a risk with the continuing concern of no deal. The Chair expressed concern at this possibility of a 'no deal brexit.' Ian Williams told the Committee that there was a need to ensure that the Council's plans were refreshed, feeding into cross London groups on this. It was considered that arrangements in place were satisfactory. The Committee noted the main changes from last year's register.

6.2 The Chair referred to SEND as a high risk. Ian Williams told the Committee that additional resources had been received from National Government to support SEND spending but this did not address the shortfall. The Council continued to lobby on this issue.

6.3 Michael Honeysett had confirmed that as at the end of August 2019 92.5% of active members had received Annual Benefits Statement and this increased to 99.5% by the end of October 2019. It had, therefore, not been necessary to report any breach to the Pensions regulator. Work was ongoing on bringing in automatic uploading to the pensions system that would help to ensure that the vast improvement was sustained.

6.4 In response to a question from Councillor Potter, Matthew Powell confirmed that the nature of risk 23, 'Person suffers significant harm', had not changed but that it was a sensitive area.

6.5 The Chair asked for progress on risk 18 'Workforce and recruitment' and the need for a more agile workforce. Ian Williams told the Committee that this formed part of the workforce strategy. He referred to work around making council roles more widely accessible attracting people from all backgrounds. He said that there was a need to ensure that staff were on board with the council's values. The chair asked that Dan Paul attend the committee to speak about the direction of travel of the workforce strategy and the overall approach.

Action: Dan Paul

6.6 Councillor Odze asked, in relation to risks 20 and 21, regarding ICT, whether a testing recovery plan was in place. Matthew Powell confirmed that a plan was in place.

7 Treasury Management Strategy 2018/19

7.1 Pradeep Waddon presented the report introducing the draft Treasury Management Strategy for 2020/21 for the Audit Committee, setting out the expected treasury operations for the 2020/21 financial year. He told the Committee that much depended on the impact of Brexit. Michael Honeysett said that investment strategy principles, however, would not change with Brexit and confirmed that the operational plans in place were robust to ensure the security of the capital sums invested.

RESOLVED:

To approve the draft treasury management strategy 2020/21 to 2022/23 for submission to Council, subject to Capital programme that is being finalised ahead of budget setting, with delegated powers to the Group Director of Finance and Resources to approve the final Treasury Management Strategy for submission to Council.

8 Treasury Management Update

8.1 Pradeep Waddon introduced the report that covered both the half year treasury activity report for 2019/20 and the Q3 treasury activity update for the period October 2019 to December 2019. Pradeep Waddon told the Committee that officers were in constant contact with advisors on this while monitoring any changes in the market.

RESOLVED:

To note the treasury management activity reports at appendices 1 and 2.

9 Audit & Anti Fraud Quarterly Progress Report

9.1 Michael Sheffield introduced the report on the performance of the Audit & Anti-Fraud Service, the areas of work undertaken, and information on current developments in Internal Audit and Anti-Frauds as well as statistical information about the work of the investigation teams. Michael Sheffield reported that:

- Estimated savings arising from enquiries was £1,795,000
- In relation to the 2019/20 Audit Plan, 47 assignments had been completed or in progress; this was 51 % of the original plan (there had been delay in appointing the IT analyst. The appointment was now made)
- In relation to Internal audit's performance for 2019/20 against key indicators the percentage of significant recommendations made which were agreed stood at 100%
- Of the 320 'medium' priority recommendations followed up, 86% were assessed as implemented as 9% partially implemented
- During the period from October to December 2019 a total of 25 tenancies had been recovered by the TFT compared to 64 in the previous full year
- 12 Right to Buy applications were withdrawn or cancelled in 2019/20 to date, following investigation
- That issues around access to the car pound had been resolved

9.2 Councillor Spence asked about the Brokerage audit in view of the overall audit opinion. Michael Sheffield explained the main areas of concern and that managers in the service area have agreed an action plan to resolve any issues identified.

9.3 The Chair asked of adequate staffing resources were in place. Ian Williams told the Committee that current staffing arrangements are being reviewed following the recent round of voluntary redundancy to ensure that the service is best placed to continue to deliver strong benefits for the coming 2/3 years. He told the Committee of the Council's new approach to recruitment, blind recruitment in which it was not possible to identify the candidates. The Committee asked for an update on this initiative. Ian Williams agreed to circulate details.

Action: Ian Williams

RESOLVED:

To note the Audit & Anti Fraud's progress and performance to 31 December 2019

10 Certification of Grants and Returns 2017/18

10.1 The report was withdrawn as it had been published in error.

11 External Audit Plan Programme 2019/20

11.1 Lucy Nutley (Mazars) introduced the 2019 /20 Audit Strategy Memorandums from Mazars, the Council's external auditors, in respect of both the Council's Accounts and the Pension Fund Accounts. These set out the details regarding the anticipated delivery of the audits. She referred the Committee to the audit scope, approach and timeline and that meetings had been held with officers of the Council on this. Lucy Nutley highlighted sections of the report the Committee. Lucy Nutley told the Committee that the significant risks were the same as in the previous year.

11.2 The Chair stressed the need for adequate mechanisms to be in place in regard to value to money and the need for a reporting mechanism providing oversight of the introduction and operation of hackney companies

11.3 Ian Williams agreed to circulate a briefing on setting up of hackney companies

Action: Ian Williams

12 Audit Committee Work Plan

RESOLVED

To note the report

13 Any other business that the Chair considers urgent

13.1 Ian Williams introduced the report of the Committee's deep dive into the insourcing of contracts. He stressed the importance of this exercise and the need to have mechanisms in place to ensure effective insourcing. There was a need to assess those contracts that were suitable for insourcing. A session would be arranged for the end of January with a live example.

13.2 The chair stressed the need to ensure that the insourcing of contract worked and referred the committee to a few of the contracts proposed for this exercise:

- Parking Enforcement Service
- Out of Hours Service
- Adult Social Care Homecare Service
- Fleet Maintenance Service
- Building Maintenance Service
- Young Hackney careers Advice Service

The Chair told the Committee that the working group would meet again in late February with a final report in April 2020.

13.2 The second phase of the exercise would be around performance oversight of the insourcing of services with exercises to look at testing possible insourcing possibilities. Councillor Maxwell said that as part of this process it would be necessary to consider what went wrong and learn from experience.

14 Date of next meeting - 22 April 2020

Duration of the meeting: 6:30 – 9pm

Chair at the meeting on
Wednesday, 15 January 2020

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PERFORMANCE OVERVIEW

AUDIT COMMITTEE MEETING DATE	CLASSIFICATION:
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2020/21

CLASSIFICATION:

Open

22 April 2020

WARD(S) AFFECTED

All Wards

Ian Williams, Group Director Finance and Corporate Resources

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1. This overview provides an updated set of reports that were selected to be reviewed by the Audit Committee on a regular basis as part of the Committee's overview of the Council's performance. It provides an updated set of key performance indicators along with an update on risk management with a Corporate Scorecard (summarising the highest risks to the organisation as a whole), and some accompanying commentary on the Council's risk approach.
- 1.2. The report also sets out the latest capital programme monitoring with some enhanced analysis of the variances to budget. Further enhancements to this section of the report are anticipated over future reports as discussed at previous Audit Committees, specifically in relation to the financing of the programme.

2. RECOMMENDATION(S)

2.1 The Audit Committee is recommended to:

- **Consider the performance indicators presented in Appendix 1, the Risk Management Scorecard in Appendix 2 and the current capital monitoring update in Appendix 3 (all attached to this report).**

3. REASONS FOR DECISION

- 3.1 The Audit Committee are deemed to be "those charged with governance" in respect of the Council's annual statement of accounts, treasury management strategy and other financial matters. As such, the Committee have asked for more overview of the Council's performance and risk management in order that they can be assured that value for money is being achieved and that they can fulfil their governance role in the widest sense.

4. BACKGROUND

4.1 Policy Context

The review of performance and the risks arising from the delivery of the capital programme are key areas for consideration of the Audit Committee in order for them to fulfil their overall governance role.

4.2 Equality Impact Assessment

This report does not require an equality impact assessment.

4.3. Sustainability

Not Applicable.

4.4 Consultations

The Chair of the Audit Committee has been consulted along with the Head of Business Intelligence and Members Services, Cabinet Member for Finance and the Group Director of Finance & Corporate Resources.

4.5 Risk Assessment

Not applicable

4.6 PERFORMANCE INDICATORS

4.6.1 Audit Committee have over several meetings discussed their requirement to be able to consider the performance of the Council on an ongoing basis. This leads on from the role of the Committee to approve the annual accounts of the authority, agree and monitor treasury management strategy and to keep under review risk management across the Council.

4.6.2 A set of high level indicators have been developed and agreed by Committee. The attached report (Appendix 1) is a summary of the Indicators which were agreed. Consideration of these will help to strengthen the governance role of the Committee in its wider sense.

4.7 CAPITAL PROGRAMME MONITORING

4.7.1 As part of the regular review of treasury management activity and approval of the annual Treasury Management Strategy, Audit Committee have sight of the capital financing requirement (underlying requirement to borrow) of the authority on an ongoing basis.

- 4.7.2 It has been noted by the Committee that the Council has moved from a debt free position to a substantial external borrowing position over the last few years, mainly due to the delivery of an ambitious capital programme that requires forward funding, pending future sales of private residential units on completion of regeneration and other mixed use development schemes.
- 4.7.3 Such a change brings additional risk to the delivery of the programme as well as potential impact on the finances of the Council. This risk arises mainly from two issues – potential volatility of the housing market affecting sales volume and value going forward, and increasing building costs as a result of the weaker GBP against other major currencies.
- 4.7.4 Audit Committee already receive quarterly updates on treasury management activity, including an overview of the level of investments and borrowing that have been undertaken by the Council to manage its cash flow position and ensure sufficient resources are available to meet the capital expenditure plans.
- 4.7.5 This reporting is now enhanced in this report to include an update on the main areas of the capital programme via inclusion of capital extract from the latest Overall Financial Position (OFP) Report to Cabinet. Work is underway that will enable us in future to supplement this with the latest forecast capital financing summary, thus allowing further insight into capital resources available to the Council and more detailed review of actual borrowing required.
- 4.7.6 It should be noted that the capital monitoring report to Cabinet and hence to Audit Committee now includes more discrete data regarding the actual delivery of the capital programme. This is in recognition that the previous reporting focused on the financial elements (i.e., actual outturn compared to budget expenditure) but did not give too much indication of progress of the schemes, although the RAG rating of individual schemes is intended to give a high level indication of this.
- 4.7.7 An extract from the latest OFP regarding the capital monitoring information is attached as **Appendix 3** to this report for information.

4.8 RISK MANAGEMENT

- 4.8.1 Audit Committee have over several meetings discussed their requirement to be able to also consider the wider picture of risk management within the Council on an ongoing basis. In addition to the Directorate and Corporate registers reviewed at Committee

meetings, it was felt some additional information and commentary would be helpful in painting a fuller picture and also increasing levels of assurance regarding how risks are identified and managed. At each meeting, an updated scorecard of the Corporate Risks will be presented, and this will form the main part **Appendix 2**. This will ensure a continual overview is supplied of the Council's strategic risks.

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 5.1 The contents of this report are a result of a number of discussions with the Chair and members of the Audit Committee regarding future enhanced performance reporting in order to strengthen the governance role of the Committee.
- 5.2 Officers will continue to work with the Chair and members of the Audit Committee, in conjunction with the Cabinet Member for Finance and the Head of Business Intelligence and Members Services, in order to enhance the reporting offer to ensure that it provides the strategic overview of Council performance and risk that the Committee require.

6. COMMENTS OF THE DIRECTOR, LEGAL

- 6.1 The Council has a general duty as a best value authority to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness under the Local Government Act 1999, section 3.
- 6.2 The Audit Committee has the responsibility to consider the Council's arrangements to secure value for money and review the assurances and assessments on the effectiveness of these arrangements. This Report is part of those arrangements.

APPENDICES

Appendix 1 - Performance Indicators

Appendix 2 - Corporate Risk Scorecard

Appendix 3 - Extract from OFP re Capital Monitoring

BACKGROUND PAPERS

None

Report Author	Matt Powell 020-8356 2624 matthew.powell@hackney.gov.uk
Comments of the Group Director, Finance and Corporate Resources	Michael Honeysett 020-8356 3332 michael.honeysett@hackney.gov.uk
Comments of Director, Legal	Dawn Carter-McDonald 020-8356 4817 dawn.carter-mcdonald@hackney.gov.uk

Audit Committee Report 2019/20



PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart																								
		Value	Value	Value	Value	Value	Note																												
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CE HROD 001	Sickness 12 month rolling average	7.82	8.39	9.17	9.43	9.71	Sickness is increasing. HMT held a detailed discussion about sickness rates in March 2020 where the causes and potential remedial action was discussed. It has been agreed that the sickness data will be reviewed by HMT, as a regular item, at future HMT meetings.	8.43	🔴	↓	<p>CE HROD 001 Sickness 12 month rolling average</p> <table border="1"> <caption>CE HROD 001 Sickness 12 month rolling average</caption> <thead> <tr> <th>Quarter</th> <th>Sickness Rate</th> </tr> </thead> <tbody> <tr> <td>Q1 2017/18</td> <td>6.53</td> </tr> <tr> <td>Q2 2017/18</td> <td>6.63</td> </tr> <tr> <td>Q3 2017/18</td> <td>6.94</td> </tr> <tr> <td>Q4 2017/18</td> <td>7.82</td> </tr> <tr> <td>Q1 2018/19</td> <td>7.79</td> </tr> <tr> <td>Q2 2018/19</td> <td>8.87</td> </tr> <tr> <td>Q3 2018/19</td> <td>8.8</td> </tr> <tr> <td>Q4 2018/19</td> <td>8.39</td> </tr> <tr> <td>Q1 2019/20</td> <td>9.17</td> </tr> <tr> <td>Q2 2019/20</td> <td>9.43</td> </tr> <tr> <td>Q3 2019/20</td> <td>9.71</td> </tr> </tbody> </table>	Quarter	Sickness Rate	Q1 2017/18	6.53	Q2 2017/18	6.63	Q3 2017/18	6.94	Q4 2017/18	7.82	Q1 2018/19	7.79	Q2 2018/19	8.87	Q3 2018/19	8.8	Q4 2018/19	8.39	Q1 2019/20	9.17	Q2 2019/20	9.43	Q3 2019/20	9.71
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PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart																								
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CE HROD 023	% of employees aged 50 or over	38.6%	38.8%	39.0%	38.8%	39.2%		Data Only			<p>CE HROD 023 % of employees aged 50 or over</p> <table border="1"> <caption>CE HROD 023 % of employees aged 50 or over</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>37.1%</td></tr> <tr><td>Q2 2017/18</td><td>38.0%</td></tr> <tr><td>Q3 2017/18</td><td>38.1%</td></tr> <tr><td>Q4 2017/18</td><td>38.6%</td></tr> <tr><td>Q1 2018/19</td><td>39.0%</td></tr> <tr><td>Q2 2018/19</td><td>38.6%</td></tr> <tr><td>Q3 2018/19</td><td>38.6%</td></tr> <tr><td>Q4 2018/19</td><td>38.6%</td></tr> <tr><td>Q1 2019/20</td><td>39.0%</td></tr> <tr><td>Q2 2019/20</td><td>38.8%</td></tr> <tr><td>Q3 2019/20</td><td>39.2%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	37.1%	Q2 2017/18	38.0%	Q3 2017/18	38.1%	Q4 2017/18	38.6%	Q1 2018/19	39.0%	Q2 2018/19	38.6%	Q3 2018/19	38.6%	Q4 2018/19	38.6%	Q1 2019/20	39.0%	Q2 2019/20	38.8%	Q3 2019/20	39.2%
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Page 16 CE HROD 029a	Top 5% of earners: Ethnic minorities (ex BV11b)	27.01%	29.21%	26.82%	28.16%	28.10%		25.00%			<p>CE HROD 029a Top 5% of earners: Ethnic minorities (ex BV11b)</p> <table border="1"> <caption>CE HROD 029a Top 5% of earners: Ethnic minorities (ex BV11b)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>26.46%</td></tr> <tr><td>Q2 2017/18</td><td>25.73%</td></tr> <tr><td>Q3 2017/18</td><td>25.43%</td></tr> <tr><td>Q4 2017/18</td><td>27.01%</td></tr> <tr><td>Q1 2018/19</td><td>25.23%</td></tr> <tr><td>Q2 2018/19</td><td>23.83%</td></tr> <tr><td>Q3 2018/19</td><td>29.15%</td></tr> <tr><td>Q4 2018/19</td><td>29.21%</td></tr> <tr><td>Q1 2019/20</td><td>26.82%</td></tr> <tr><td>Q2 2019/20</td><td>28.16%</td></tr> <tr><td>Q3 2019/20</td><td>28.10%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	26.46%	Q2 2017/18	25.73%	Q3 2017/18	25.43%	Q4 2017/18	27.01%	Q1 2018/19	25.23%	Q2 2018/19	23.83%	Q3 2018/19	29.15%	Q4 2018/19	29.21%	Q1 2019/20	26.82%	Q2 2019/20	28.16%	Q3 2019/20	28.10%
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CE HROD 030a	Top 5% of earners: Women (ex BV 11a)	52.41%	48.11%	49.78%	46.08%	46.79%		50.00%			<p>CE HROD 030a Top 5% of earners: Women (ex BV 11a)</p> <table border="1"> <caption>CE HROD 030a Top 5% of earners: Women (ex BV 11a)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>48.23%</td></tr> <tr><td>Q2 2017/18</td><td>51.00%</td></tr> <tr><td>Q3 2017/18</td><td>49.73%</td></tr> <tr><td>Q4 2017/18</td><td>52.41%</td></tr> <tr><td>Q1 2018/19</td><td>54.33%</td></tr> <tr><td>Q2 2018/19</td><td>49.28%</td></tr> <tr><td>Q3 2018/19</td><td>49.52%</td></tr> <tr><td>Q4 2018/19</td><td>48.11%</td></tr> <tr><td>Q1 2019/20</td><td>49.78%</td></tr> <tr><td>Q2 2019/20</td><td>46.08%</td></tr> <tr><td>Q3 2019/20</td><td>46.79%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	48.23%	Q2 2017/18	51.00%	Q3 2017/18	49.73%	Q4 2017/18	52.41%	Q1 2018/19	54.33%	Q2 2018/19	49.28%	Q3 2018/19	49.52%	Q4 2018/19	48.11%	Q1 2019/20	49.78%	Q2 2019/20	46.08%	Q3 2019/20	46.79%
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PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart																								
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CE PPD 021	Number of Resolution Stage complaints received by the Council	2967	2701	652	551	570		Data Only			<p>CE PPD 021 Number of Resolution Stage complaints received by the Council</p> <table border="1"> <caption>CE PPD 021 Quarterly Data</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>758</td></tr> <tr><td>Q2 2017/18</td><td>765</td></tr> <tr><td>Q3 2017/18</td><td>730</td></tr> <tr><td>Q4 2017/18</td><td>714</td></tr> <tr><td>Q1 2018/19</td><td>724</td></tr> <tr><td>Q2 2018/19</td><td>779</td></tr> <tr><td>Q3 2018/19</td><td>605</td></tr> <tr><td>Q4 2018/19</td><td>593</td></tr> <tr><td>Q1 2019/20</td><td>652</td></tr> <tr><td>Q2 2019/20</td><td>551</td></tr> <tr><td>Q3 2019/20</td><td>570</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	758	Q2 2017/18	765	Q3 2017/18	730	Q4 2017/18	714	Q1 2018/19	724	Q2 2018/19	779	Q3 2018/19	605	Q4 2018/19	593	Q1 2019/20	652	Q2 2019/20	551	Q3 2019/20	570
Quarter	Value																																		
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Q2 2017/18	765																																		
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Q2 2019/20	551																																		
Q3 2019/20	570																																		
Page 17 FCR RB BHN 002	Time taken to process Housing Benefit new claims and change events (ex NI 181) - reported as YTD figure	13.2 days (YTD)	7.7 days (YTD)	7.5 days (YTD)	7.7 days (YTD)	8.0 days (YTD)		15.0 days (YTD)			<p>FCR RB BHN 002 Time taken to process Housing Benefit new claims and change events (ex NI 181) - reported as YTD figure</p> <table border="1"> <caption>FCR RB BHN 002 Quarterly Data</caption> <thead> <tr> <th>Quarter</th> <th>Value (days)</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>15.7</td></tr> <tr><td>Q2 2017/18</td><td>17.4</td></tr> <tr><td>Q3 2017/18</td><td>17.4</td></tr> <tr><td>Q4 2017/18</td><td>13.2</td></tr> <tr><td>Q1 2018/19</td><td>8.7</td></tr> <tr><td>Q2 2018/19</td><td>7.9</td></tr> <tr><td>Q3 2018/19</td><td>9.1</td></tr> <tr><td>Q4 2018/19</td><td>7.7</td></tr> <tr><td>Q1 2019/20</td><td>7.5</td></tr> <tr><td>Q2 2019/20</td><td>7.7</td></tr> <tr><td>Q3 2019/20</td><td>8.0</td></tr> </tbody> </table>	Quarter	Value (days)	Q1 2017/18	15.7	Q2 2017/18	17.4	Q3 2017/18	17.4	Q4 2017/18	13.2	Q1 2018/19	8.7	Q2 2018/19	7.9	Q3 2018/19	9.1	Q4 2018/19	7.7	Q1 2019/20	7.5	Q2 2019/20	7.7	Q3 2019/20	8.0
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Q1 2019/20	7.5																																		
Q2 2019/20	7.7																																		
Q3 2019/20	8.0																																		
FCR RB BHN 007	Number of households living in temporary accommodation (ex NI 156)	2,867	3,133	3,159	3,168	3,206		Data Only			<p>FCR RB BHN 007 Number of households living in temporary accommodation (ex NI 156)</p> <table border="1"> <caption>FCR RB BHN 007 Quarterly Data</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>2,948</td></tr> <tr><td>Q2 2017/18</td><td>2,885</td></tr> <tr><td>Q3 2017/18</td><td>2,848</td></tr> <tr><td>Q4 2017/18</td><td>2,867</td></tr> <tr><td>Q1 2018/19</td><td>2,887</td></tr> <tr><td>Q2 2018/19</td><td>3,007</td></tr> <tr><td>Q3 2018/19</td><td>3,089</td></tr> <tr><td>Q4 2018/19</td><td>3,133</td></tr> <tr><td>Q1 2019/20</td><td>3,159</td></tr> <tr><td>Q2 2019/20</td><td>3,168</td></tr> <tr><td>Q3 2019/20</td><td>3,206</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	2,948	Q2 2017/18	2,885	Q3 2017/18	2,848	Q4 2017/18	2,867	Q1 2018/19	2,887	Q2 2018/19	3,007	Q3 2018/19	3,089	Q4 2018/19	3,133	Q1 2019/20	3,159	Q2 2019/20	3,168	Q3 2019/20	3,206
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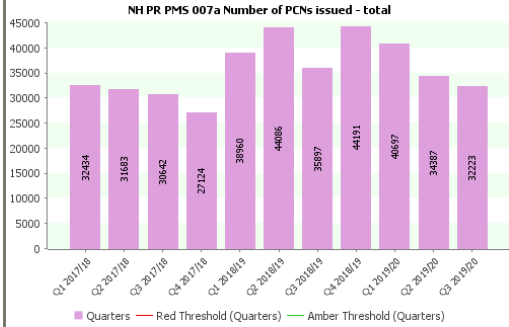
PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart
		Value	Value	Value	Value	Value	Note				
FCR RB REV 003	% of current year Council Tax collected (QRC basis)	95.0%	95.0%	26.8%	49.6%	73.3%		94.5%	🟢	⬆️	<p>FCR RB REV 003 % of current year Council Tax collected (QRC basis)</p>
Page 18 FCR RB REV 005	Percentage of non-domestic rates collected	97.87%	95.50%	29.30%	54.10%	81.10%		95.00%	🟢	⬆️	<p>FCR RB REV 005 Percentage of non-domestic rates collected</p>
NH H IM 005	Rent Arrears as a % of rent debit	3.52 %	3.68 %	3.85 %	3.86 %	3.81 %	In December 2019 the arrears % was 3.81% against the target of 3.4% and the collection rate was 96.30% against a target of 97.50%. This compares favourably to performance at the end of November 2019, when the arrears % and collection rate were 3.89% and 96.22%	3.40 %	🔴	⬆️	<p>NH H IM 005 Rent Arrears as a % of rent debit</p>

PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart																						
		Value	Value	Value	Value	Value	Note																										
NH H IM 006	Total value of rent arrears YTD (Total)	£4,414,846	£4,617,558	£4,937,180	£4,918,885	£4,832,538	<p>respectively.</p> <p>The number of Universal Credit (UC) cases have increased by 435 during Q3 2019/20. There are now 2,284 UC cases with a total debt of £1.7m - 67% of UC tenants have arrears on their accounts.</p> <p>The team will be contacting hard to reach tenants on Saturday mornings, between 8am and noon, in February and March 2020, with the aim of clearing their arrears or substantially reducing them.</p> <p>In terms of monthly activity in December 2019: 391 agreements were made, 349 office interviews were undertaken – 21 of which were Financial Inclusion, there were 1,440 outgoing calls and 609 incoming calls.</p> <p>It is forecasted that the end of year rent arrears will be close to £4.6 million, similar to the levels reported in Q1 2019/20. This will be considered stable against the context of the</p>	£4,366,787	🟡	⬆️	<table border="1"> <caption>NH H IM 006 Total value of rent arrears YTD (Total)</caption> <thead> <tr> <th>Quarter</th> <th>Value (£)</th> </tr> </thead> <tbody> <tr><td>Q2 2017/18</td><td>£4,220,589</td></tr> <tr><td>Q3 2017/18</td><td>£4,308,932</td></tr> <tr><td>Q4 2017/18</td><td>£4,598,598</td></tr> <tr><td>Q1 2018/19</td><td>£4,414,846</td></tr> <tr><td>Q2 2018/19</td><td>£4,516,847</td></tr> <tr><td>Q3 2018/19</td><td>£4,623,821</td></tr> <tr><td>Q4 2018/19</td><td>£4,952,007</td></tr> <tr><td>Q1 2019/20</td><td>£4,617,558</td></tr> <tr><td>Q2 2019/20</td><td>£4,937,180</td></tr> <tr><td>Q3 2019/20</td><td>£4,832,538</td></tr> </tbody> </table>	Quarter	Value (£)	Q2 2017/18	£4,220,589	Q3 2017/18	£4,308,932	Q4 2017/18	£4,598,598	Q1 2018/19	£4,414,846	Q2 2018/19	£4,516,847	Q3 2018/19	£4,623,821	Q4 2018/19	£4,952,007	Q1 2019/20	£4,617,558	Q2 2019/20	£4,937,180	Q3 2019/20	£4,832,538
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		Value	Value	Value	Value	Value	Note				
							increase in the number of UC claimants we have seen over the past 12 months.				
NH H RespRep 001	% of Repair Appointments Kept (DLO only)	92.82%	99.16%	100.00%	100.00%	100.00%	100% of appointments were kept using the current methodology. Under that methodology, the appointment is met if we attend on the agreed day. In addition, there are a number of scenarios which do not count as appointments being missed when this indicator is calculated. These include No Accesses and Leave To Return jobs. Finally, jobs that are rebooked (e.g. if an operative is sick) do not count as missed appointments. The Housing Service is currently undertaking a piece of work with the DLO to refine the current methodology. The aim is to report in future on whether the specific appointment slots (e.g. 8am-1pm) have been met. This new methodology is currently undergoing final data quality testing with the DLO.	98.00%	🟢		

PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart																						
		Value	Value	Value	Value	Value	Note																										
NH H RespRep 002	% of repairs completed on first visit (based on tenant satisfaction) - DLO and Contractors	67.08%	73.41%	75.35%	72.84%	70.53%	A Total of 1113 satisfaction survey responses were received for jobs completed in Q3 2019. Of this total, 70.53% (785) of residents said that they were satisfied that their repair had been completed on the first visit. This was a decrease of some 2.3 percentage points on Q2 2019. The Housing Service has set up a system whereby all survey responses received are emailed to the inboxes of both managers and supervisors each morning. The Head of Repairs requires his supervisors to immediately contact all residents who have expressed dissatisfaction with one of our repairs so that any issues can be resolved at source.	75%			<p>NH H RespRep 002 % of repairs completed on first visit (based on tenant satisfaction) - DLO and Contractors</p> <table border="1"> <caption>Performance Data Trend Chart Data</caption> <thead> <tr> <th>Quarter</th> <th>% of repairs completed on first visit</th> </tr> </thead> <tbody> <tr> <td>Q2 2017/18</td> <td>55.55%</td> </tr> <tr> <td>Q3 2017/18</td> <td>67.41%</td> </tr> <tr> <td>Q4 2017/18</td> <td>70.05%</td> </tr> <tr> <td>Q1 2018/19</td> <td>72.12%</td> </tr> <tr> <td>Q2 2018/19</td> <td>75.58%</td> </tr> <tr> <td>Q3 2018/19</td> <td>72.5%</td> </tr> <tr> <td>Q4 2018/19</td> <td>74.1%</td> </tr> <tr> <td>Q1 2019/20</td> <td>75.35%</td> </tr> <tr> <td>Q2 2019/20</td> <td>72.84%</td> </tr> <tr> <td>Q3 2019/20</td> <td>70.53%</td> </tr> </tbody> </table>	Quarter	% of repairs completed on first visit	Q2 2017/18	55.55%	Q3 2017/18	67.41%	Q4 2017/18	70.05%	Q1 2018/19	72.12%	Q2 2018/19	75.58%	Q3 2018/19	72.5%	Q4 2018/19	74.1%	Q1 2019/20	75.35%	Q2 2019/20	72.84%	Q3 2019/20	70.53%
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Page 22 NH H RespRep 003	% of repairs completed on first visit (based on system generated data) - DLO only	63.7%	86.15%	87.21%	91.48%	89.5%	The level of performance achieved in Q2 was largely maintained in October 2019, but there was a sharp fall in November 2019 to 86.54%. Some of this downturn can be attributed to a large number of planned sewer and maintenance jobs being captured by the system as right the first time jobs when they shouldn't have been. The Housing Service is working with ICT to investigate the reason for this. However, the quarter ended with December seeing performance levels return to just under the 90% level.	85%	🟢	⬇️	<p>NH H RespRep 003 % of repairs completed on first visit (based on system generated data) - DLO only</p> <table border="1"> <caption>NH H RespRep 003 % of repairs completed on first visit</caption> <thead> <tr> <th>Quarter</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>Q2 2017/18</td><td>69.8%</td></tr> <tr><td>Q2 2017/18</td><td>44.4%</td></tr> <tr><td>Q2 2017/18</td><td>64.9%</td></tr> <tr><td>Q4 2017/18</td><td>74.5%</td></tr> <tr><td>Q1 2018/19</td><td>82.6%</td></tr> <tr><td>Q2 2018/19</td><td>87.4%</td></tr> <tr><td>Q2 2018/19</td><td>88.4%</td></tr> <tr><td>Q4 2018/19</td><td>88.8%</td></tr> <tr><td>Q1 2019/20</td><td>87.21%</td></tr> <tr><td>Q2 2019/20</td><td>81.48%</td></tr> <tr><td>Q2 2019/20</td><td>89.5%</td></tr> </tbody> </table>	Quarter	Value (%)	Q2 2017/18	69.8%	Q2 2017/18	44.4%	Q2 2017/18	64.9%	Q4 2017/18	74.5%	Q1 2018/19	82.6%	Q2 2018/19	87.4%	Q2 2018/19	88.4%	Q4 2018/19	88.8%	Q1 2019/20	87.21%	Q2 2019/20	81.48%	Q2 2019/20	89.5%
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NH H Voids 001	Average time taken to re-let local authority housing (all voids including major & minor voids) - calendar days	70	59	56	53	52	97 properties were re-let during Q3 2019/20 with an average turnaround of 51.8 days. While October and November had excellent turnaround times of 44.5 and 47.5 days, December saw a turnaround of 64 days. While there were a number of individual issues with some voids that accounted for time lost, the biggest factor was the management of the works process with the contracts manager	55	🟢	⬆️	<p>NH H Voids 001 Average time taken to re-let local authority housing (all voids including major & minor voids) - days</p> <table border="1"> <caption>NH H Voids 001 Average time taken to re-let local authority housing</caption> <thead> <tr> <th>Quarter</th> <th>Value (days)</th> </tr> </thead> <tbody> <tr><td>Q2 2017/18</td><td>73</td></tr> <tr><td>Q2 2017/18</td><td>70</td></tr> <tr><td>Q2 2017/18</td><td>64</td></tr> <tr><td>Q2 2017/18</td><td>73</td></tr> <tr><td>Q1 2018/19</td><td>73</td></tr> <tr><td>Q2 2018/19</td><td>54</td></tr> <tr><td>Q2 2018/19</td><td>48</td></tr> <tr><td>Q2 2018/19</td><td>57</td></tr> <tr><td>Q2 2018/19</td><td>56</td></tr> <tr><td>Q2 2019/20</td><td>53</td></tr> <tr><td>Q2 2019/20</td><td>52</td></tr> </tbody> </table>	Quarter	Value (days)	Q2 2017/18	73	Q2 2017/18	70	Q2 2017/18	64	Q2 2017/18	73	Q1 2018/19	73	Q2 2018/19	54	Q2 2018/19	48	Q2 2018/19	57	Q2 2018/19	56	Q2 2019/20	53	Q2 2019/20	52
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							<p>moving on and supervisors unable to achieve the same efficiency.</p> <p>A recruitment process is underway to bring in a new contracts manager. In addition, the first two months of the calendar year have seen some capacity issues in the void works team which have affected the ability to create specifications and do post-works visits. This may have a negative impact on Q4 performance which will continue to be monitored.</p>																												
NH PR PMS 007a	Number of PCNs issued - total	118363	162934	40697	34387	32223		Data Only			 <p>NH PR PMS 007a Number of PCNs issued - total</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Number of PCNs</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>35494</td></tr> <tr><td>Q2 2017/18</td><td>31683</td></tr> <tr><td>Q3 2017/18</td><td>30642</td></tr> <tr><td>Q4 2017/18</td><td>27124</td></tr> <tr><td>Q1 2018/19</td><td>38960</td></tr> <tr><td>Q2 2018/19</td><td>44086</td></tr> <tr><td>Q3 2018/19</td><td>35897</td></tr> <tr><td>Q4 2018/19</td><td>44191</td></tr> <tr><td>Q1 2019/20</td><td>40697</td></tr> <tr><td>Q2 2019/20</td><td>34387</td></tr> <tr><td>Q3 2019/20</td><td>32223</td></tr> </tbody> </table>	Quarter	Number of PCNs	Q1 2017/18	35494	Q2 2017/18	31683	Q3 2017/18	30642	Q4 2017/18	27124	Q1 2018/19	38960	Q2 2018/19	44086	Q3 2018/19	35897	Q4 2018/19	44191	Q1 2019/20	40697	Q2 2019/20	34387	Q3 2019/20	32223
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NH PR PMS 010a	PCN recovery rate – including estates	66.5%	69.9%	79.9%	81.4%	80.6%	Number of PCN paid - 73863 Number of PCN issued - 91656	Data Only			<p>NH PR PMS 010a PCN recovery rate – including estates</p> <table border="1"> <caption>NH PR PMS 010a PCN recovery rate – including estates</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>70.7%</td></tr> <tr><td>Q2 2017/18</td><td>60.9%</td></tr> <tr><td>Q3 2017/18</td><td>65.8%</td></tr> <tr><td>Q4 2017/18</td><td>63.4%</td></tr> <tr><td>Q1 2018/19</td><td>64.4%</td></tr> <tr><td>Q2 2018/19</td><td>65.4%</td></tr> <tr><td>Q3 2018/19</td><td>71.0%</td></tr> <tr><td>Q4 2018/19</td><td>71.8%</td></tr> <tr><td>Q1 2019/20</td><td>79.9%</td></tr> <tr><td>Q2 2019/20</td><td>81.4%</td></tr> <tr><td>Q3 2019/20</td><td>80.6%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	70.7%	Q2 2017/18	60.9%	Q3 2017/18	65.8%	Q4 2017/18	63.4%	Q1 2018/19	64.4%	Q2 2018/19	65.4%	Q3 2018/19	71.0%	Q4 2018/19	71.8%	Q1 2019/20	79.9%	Q2 2019/20	81.4%	Q3 2019/20	80.6%
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Page 24 NH PR PRS 001a	% of Major planning applications determined within 13 weeks (ex NI 157a)	100.00%	90.00%	83.00%	100.00%	100.00%		70.00%			<p>NH PR PRS 001a % of Major planning applications determined within 13 weeks (ex NI 157a)</p> <table border="1"> <caption>NH PR PRS 001a % of Major planning applications determined within 13 weeks (ex NI 157a)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>100.00%</td></tr> <tr><td>Q2 2017/18</td><td>100.00%</td></tr> <tr><td>Q3 2017/18</td><td>100.00%</td></tr> <tr><td>Q4 2017/18</td><td>100.00%</td></tr> <tr><td>Q1 2018/19</td><td>100.00%</td></tr> <tr><td>Q2 2018/19</td><td>67.00%</td></tr> <tr><td>Q3 2018/19</td><td>100.00%</td></tr> <tr><td>Q4 2018/19</td><td>85.00%</td></tr> <tr><td>Q1 2019/20</td><td>83.00%</td></tr> <tr><td>Q2 2019/20</td><td>100.00%</td></tr> <tr><td>Q3 2019/20</td><td>100.00%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	100.00%	Q2 2017/18	100.00%	Q3 2017/18	100.00%	Q4 2017/18	100.00%	Q1 2018/19	100.00%	Q2 2018/19	67.00%	Q3 2018/19	100.00%	Q4 2018/19	85.00%	Q1 2019/20	83.00%	Q2 2019/20	100.00%	Q3 2019/20	100.00%
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NH PR PRS 001b	% of Minor planning applications determined within 8 weeks (ex NI 157b)	78.00%	82.00%	85.00%	81.00%	82.00%		75.00%			<p>NH PR PRS 001b % of Minor planning applications determined within 8 weeks (ex NI 157b)</p> <table border="1"> <caption>NH PR PRS 001b % of Minor planning applications determined within 8 weeks (ex NI 157b)</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>73.00%</td></tr> <tr><td>Q2 2017/18</td><td>80.00%</td></tr> <tr><td>Q3 2017/18</td><td>77.00%</td></tr> <tr><td>Q4 2017/18</td><td>83.00%</td></tr> <tr><td>Q1 2018/19</td><td>76.00%</td></tr> <tr><td>Q2 2018/19</td><td>82.00%</td></tr> <tr><td>Q3 2018/19</td><td>85.00%</td></tr> <tr><td>Q4 2018/19</td><td>87.00%</td></tr> <tr><td>Q1 2019/20</td><td>85.00%</td></tr> <tr><td>Q2 2019/20</td><td>81.00%</td></tr> <tr><td>Q3 2019/20</td><td>82.00%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	73.00%	Q2 2017/18	80.00%	Q3 2017/18	77.00%	Q4 2017/18	83.00%	Q1 2018/19	76.00%	Q2 2018/19	82.00%	Q3 2018/19	85.00%	Q4 2018/19	87.00%	Q1 2019/20	85.00%	Q2 2019/20	81.00%	Q3 2019/20	82.00%
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NH PR PRS 001c	% of Other planning applications determined within 8 weeks (ex NI 157c)	85.00%	88.00%	91.00%	86.00%	86.00%		80.00%	🟢	🟡	<p>NH PR PRS 001c % of Other planning applications determined within 8 weeks (ex NI 157c)</p> <table border="1"> <caption>Quarterly Data for NH PR PRS 001c</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1-2017/18</td><td>85.00%</td></tr> <tr><td>Q2-2017/18</td><td>88.00%</td></tr> <tr><td>Q3-2017/18</td><td>91.00%</td></tr> <tr><td>Q4-2017/18</td><td>86.00%</td></tr> <tr><td>Q1-2018/19</td><td>86.00%</td></tr> <tr><td>Q2-2018/19</td><td>86.00%</td></tr> <tr><td>Q3-2018/19</td><td>86.00%</td></tr> <tr><td>Q4-2018/19</td><td>86.00%</td></tr> <tr><td>Q1-2019/20</td><td>86.00%</td></tr> <tr><td>Q2-2019/20</td><td>86.00%</td></tr> <tr><td>Q3-2019/20</td><td>86.00%</td></tr> </tbody> </table>	Quarter	Value	Q1-2017/18	85.00%	Q2-2017/18	88.00%	Q3-2017/18	91.00%	Q4-2017/18	86.00%	Q1-2018/19	86.00%	Q2-2018/19	86.00%	Q3-2018/19	86.00%	Q4-2018/19	86.00%	Q1-2019/20	86.00%	Q2-2019/20	86.00%	Q3-2019/20	86.00%
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Q3-2019/20	86.00%																																		
Page 25 NH PR PRS 009	% of open planning enforcement cases less than 4 years old	61.0%	61.0%	59.0%	60.0%	61.0%	The Planning Service has put a strategy in place to meet this KPI target. A review of all live cases which are over 4yrs old is underway. It is expected that this review will lead to a reduction in the number of cases which are over 4yrs old, through compliance checks. Litigation support is also needed in order to support direct action and prosecutions.	80.0%	🔴	📈	<p>NH PR PRS 009 % of open planning enforcement cases less than 4 years old</p> <table border="1"> <caption>Quarterly Data for NH PR PRS 009</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1-2017/18</td><td>70.0%</td></tr> <tr><td>Q2-2017/18</td><td>67.0%</td></tr> <tr><td>Q3-2017/18</td><td>60.0%</td></tr> <tr><td>Q4-2017/18</td><td>61.0%</td></tr> <tr><td>Q1-2018/19</td><td>64.0%</td></tr> <tr><td>Q2-2018/19</td><td>68.0%</td></tr> <tr><td>Q3-2018/19</td><td>60.0%</td></tr> <tr><td>Q4-2018/19</td><td>61.0%</td></tr> <tr><td>Q1-2019/20</td><td>59.0%</td></tr> <tr><td>Q2-2019/20</td><td>60.0%</td></tr> <tr><td>Q3-2019/20</td><td>61.0%</td></tr> </tbody> </table>	Quarter	Value	Q1-2017/18	70.0%	Q2-2017/18	67.0%	Q3-2017/18	60.0%	Q4-2017/18	61.0%	Q1-2018/19	64.0%	Q2-2018/19	68.0%	Q3-2018/19	60.0%	Q4-2018/19	61.0%	Q1-2019/20	59.0%	Q2-2019/20	60.0%	Q3-2019/20	61.0%
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NH PR WS 045a	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter (ex NI 195a)	1.88%	2.50%	3.36%	N/A	3.13%	The litter performance outturn is 3.25% (an average of Q1 and Q3), which is only 0.75% off the very ambitious target of 2.5%. Furthermore at 3.25% it still means that nearly 97% of transects were scored acceptable or better. And to put this in context, a score of 3.25% still compares	2.50%	🔴	📈	<p>NH PR WS 045a Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Litter (ex NI 195a)</p> <table border="1"> <caption>Quarterly Data for NH PR WS 045a</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>Q1-2017/18</td><td>2.97%</td></tr> <tr><td>Q2-2017/18</td><td>1.41%</td></tr> <tr><td>Q3-2017/18</td><td>1.25%</td></tr> <tr><td>Q4-2017/18</td><td>2.64%</td></tr> <tr><td>Q1-2018/19</td><td>2.19%</td></tr> <tr><td>Q2-2018/19</td><td>2.66%</td></tr> <tr><td>Q3-2018/19</td><td>3.36%</td></tr> <tr><td>Q4-2018/19</td><td>3.13%</td></tr> <tr><td>Q1-2019/20</td><td>3.13%</td></tr> <tr><td>Q2-2019/20</td><td>3.13%</td></tr> <tr><td>Q3-2019/20</td><td>3.13%</td></tr> </tbody> </table>	Quarter	Value	Q1-2017/18	2.97%	Q2-2017/18	1.41%	Q3-2017/18	1.25%	Q4-2017/18	2.64%	Q1-2018/19	2.19%	Q2-2018/19	2.66%	Q3-2018/19	3.36%	Q4-2018/19	3.13%	Q1-2019/20	3.13%	Q2-2019/20	3.13%	Q3-2019/20	3.13%
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							very favourably to Keep Britain Tidy's latest benchmark scores of 7.45% for Greater London authorities (outer and inner boroughs) and 14% nationally. As such this marginally missed target is not considered a cause for concern																						
Page 26 NH PR S 045b	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus (ex NI 195b)	2.71%	5.26%	2.75%	N/A	.63%	Tranche 2 score	5.00%	🟢	⬆️	NH PR WS 045b Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Detritus (ex NI 195b) <table border="1"> <caption>Detritus Levels (ex NI 195b)</caption> <thead> <tr><th>Quarter</th><th>Value</th></tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>4.22%</td></tr> <tr><td>Q2 2017/18</td><td>1.88%</td></tr> <tr><td>Q3 2017/18</td><td>2.03%</td></tr> <tr><td>Q1 2018/19</td><td>4.84%</td></tr> <tr><td>Q2 2018/19</td><td>5.78%</td></tr> <tr><td>Q3 2018/19</td><td>5.13%</td></tr> <tr><td>Q1 2019/20</td><td>2.75%</td></tr> <tr><td>Q2 2019/20</td><td>1.28%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	4.22%	Q2 2017/18	1.88%	Q3 2017/18	2.03%	Q1 2018/19	4.84%	Q2 2018/19	5.78%	Q3 2018/19	5.13%	Q1 2019/20	2.75%	Q2 2019/20	1.28%
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NH PR WS 045c	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Graffiti (ex NI 195c)	.21%	3.23%	2.45%	N/A	2.50%	Tranche 2 score	3.00%	🟢	⬆️	NH PR WS 045c Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Graffiti (ex NI 195c) <table border="1"> <caption>Graffiti Levels (ex NI 195c)</caption> <thead> <tr><th>Quarter</th><th>Value</th></tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>2.66%</td></tr> <tr><td>Q2 2017/18</td><td>.9%</td></tr> <tr><td>Q3 2017/18</td><td>2.66%</td></tr> <tr><td>Q1 2018/19</td><td>4.92%</td></tr> <tr><td>Q2 2018/19</td><td>4.67%</td></tr> <tr><td>Q3 2018/19</td><td>.9%</td></tr> <tr><td>Q1 2019/20</td><td>2.46%</td></tr> <tr><td>Q2 2019/20</td><td>2.50%</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	2.66%	Q2 2017/18	.9%	Q3 2017/18	2.66%	Q1 2018/19	4.92%	Q2 2018/19	4.67%	Q3 2018/19	.9%	Q1 2019/20	2.46%	Q2 2019/20	2.50%
Quarter	Value																												
Q1 2017/18	2.66%																												
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PI Code	Short Name	2017/18	2018/19	Q1 2019/20	Q2 2019/20	Q3 2019/20		Annual Target 2019/20	Traffic Light	DOT	Performance Data Trend Chart																								
		Value	Value	Value	Value	Value	Note																												
NH PR WS 045d	Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Fly-posting (ex NI 195d)	2.29%	3.13%	0.31%	N/A	0.31%	Tranche 2 score	3.00%	🟢	🟡	<p>NH PR WS 045d Improved street and environmental cleanliness (levels of litter, detritus, graffiti and fly posting): Fly-posting (ex NI 195d)</p> <table border="1"> <caption>Fly-posting Data (ex NI 195d)</caption> <thead> <tr><th>Quarter</th><th>Value (%)</th></tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>0.47%</td></tr> <tr><td>Q2 2017/18</td><td>1.58%</td></tr> <tr><td>Q3 2017/18</td><td>0.5%</td></tr> <tr><td>Q4 2018/19</td><td>1.55%</td></tr> <tr><td>Q1 2019/20</td><td>5.94%</td></tr> <tr><td>Q2 2019/20</td><td>1.88%</td></tr> <tr><td>Q3 2019/20</td><td>0.1%</td></tr> <tr><td>Q4 2019/20</td><td>0.18%</td></tr> </tbody> </table>	Quarter	Value (%)	Q1 2017/18	0.47%	Q2 2017/18	1.58%	Q3 2017/18	0.5%	Q4 2018/19	1.55%	Q1 2019/20	5.94%	Q2 2019/20	1.88%	Q3 2019/20	0.1%	Q4 2019/20	0.18%						
Quarter	Value (%)																																		
Q1 2017/18	0.47%																																		
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Q3 2019/20	0.1%																																		
Q4 2019/20	0.18%																																		
NH PR WS 047	Residual household waste per household (ex NI 191)	545.1	521.9	132.3	127.7	137.5		519.0	🟡	🔻	<p>NH PR WS 047 Residual household waste per household (ex NI 191)</p> <table border="1"> <caption>Residual household waste per household (ex NI 191)</caption> <thead> <tr><th>Quarter</th><th>Value</th></tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>148.4</td></tr> <tr><td>Q2 2017/18</td><td>139.5</td></tr> <tr><td>Q3 2017/18</td><td>134.8</td></tr> <tr><td>Q4 2018/19</td><td>127.5</td></tr> <tr><td>Q1 2019/20</td><td>134.7</td></tr> <tr><td>Q2 2019/20</td><td>128.6</td></tr> <tr><td>Q3 2019/20</td><td>138.9</td></tr> <tr><td>Q4 2019/20</td><td>126.5</td></tr> <tr><td>Q1 2020/21</td><td>132.3</td></tr> <tr><td>Q2 2020/21</td><td>127.7</td></tr> <tr><td>Q3 2020/21</td><td>137.5</td></tr> </tbody> </table>	Quarter	Value	Q1 2017/18	148.4	Q2 2017/18	139.5	Q3 2017/18	134.8	Q4 2018/19	127.5	Q1 2019/20	134.7	Q2 2019/20	128.6	Q3 2019/20	138.9	Q4 2019/20	126.5	Q1 2020/21	132.3	Q2 2020/21	127.7	Q3 2020/21	137.5
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Q2 2020/21	127.7																																		
Q3 2020/21	137.5																																		
NH PR WS 048	Percentage of household waste sent for reuse, recycling and composting (ex NI 192)	27.40%	27.90%	28.01%	28.35%	27.31%		28.00%	🟡	🔻	<p>NH PR WS 048 Percentage of household waste sent for reuse, recycling and composting (ex NI 192)</p> <table border="1"> <caption>Percentage of household waste sent for reuse, recycling and composting (ex NI 192)</caption> <thead> <tr><th>Quarter</th><th>Value (%)</th></tr> </thead> <tbody> <tr><td>Q1 2017/18</td><td>27.09%</td></tr> <tr><td>Q2 2017/18</td><td>27.45%</td></tr> <tr><td>Q3 2017/18</td><td>27.65%</td></tr> <tr><td>Q4 2018/19</td><td>27.42%</td></tr> <tr><td>Q1 2019/20</td><td>28.00%</td></tr> <tr><td>Q2 2019/20</td><td>27.74%</td></tr> <tr><td>Q3 2019/20</td><td>27.69%</td></tr> <tr><td>Q4 2019/20</td><td>28.51%</td></tr> <tr><td>Q1 2020/21</td><td>28.01%</td></tr> <tr><td>Q2 2020/21</td><td>28.35%</td></tr> <tr><td>Q3 2020/21</td><td>27.31%</td></tr> </tbody> </table>	Quarter	Value (%)	Q1 2017/18	27.09%	Q2 2017/18	27.45%	Q3 2017/18	27.65%	Q4 2018/19	27.42%	Q1 2019/20	28.00%	Q2 2019/20	27.74%	Q3 2019/20	27.69%	Q4 2019/20	28.51%	Q1 2020/21	28.01%	Q2 2020/21	28.35%	Q3 2020/21	27.31%
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Q3 2020/21	27.31%																																		

PI Status	
	Alert
	Warning
	OK
	Unknown
	Data Only

Long Term Trends	
	Improving
	No Change
	Getting Worse

Short Term Trends	
	Improving
	No Change
	Getting Worse



**Corporate Risk Management
Performance Overview April 2020
(Appendix 2)**

1. INTRODUCTION

1.1 This report summarises the latest position in respect of Corporate Risk Management across the Council, providing an update on the overall Council's strategic risks, as well as some additional commentary on relevant areas of interest.

2. CORPORATE RISK REGISTER

2.1 The table below is a scorecard of the Council's Corporate Risks, as ratified by the Hackney Management Team in December 2019, and further reviewed just after this. The emergence of COVID-19 is a late entry to the register.

Corporate	Current Risk	Direction of Travel	Previous Score	Target Risk
1 National / International Economic Downturn (SRCR001)	20	↔	20	12
2 Brexit Implications(SRCR001A)	20	↑	15	12
3 Management of Major Capital Programmes (SRCR002)	15	↔	15	9
4 Regeneration Programmes (SRCR003)	16	↔	16	12
5 Pension fund (SRCR 0010)	15	↔	15	12
6 Impact of New Legislation / Welfare reform (SRCR 0013)	12	↔	12	12
7 Workforce (SRCR 0018)	8	↓	12	9
8 Recruitment and Retention (SRCR 0018B)	8	↔	9	9
9 Information Assets (SRCR 0020)	16	↔	16	9
10 Corporate Resilience (SRCR 0020B)	15	↔	15	12
11 Cyber / Information Security	8	↔	8	9
12 Person suffers significant harm, injury or death (SRCR 0023)	15	↔	15	12
13 Contract Procurement and Management (SRCR 0025)	12	↔	12	8
14 Impact of government reforms on education service delivery (SRCR 0027)	16	↓	20	12
15 SEND funding (SRCR 0028)	25	↔	25	12
16 Serious safeguarding failure in school (SRCR 0029)	16	↔	16	9
17 Fire Safety (SRCR 0031)	10	↔	10	12
18 Inaccurate or late pay information supplied to LGPS (SRCR 0033)	20	↔	25	12
19 Setting up Council owned companies (SRCR 0035)	12	↔	12	9
20 Insourcing (SRCR 0036)	12	↔	12	9
21 Risks posed by unregistered schools and settings	16	↔	16	9
22 Universal Credit (SRCR 0037)	20	↔	20	12
23 Climate Change / Climate Emergency	10	↔	10	8
24 Pandemic (COVID-19)	25	NEW	NEW	

Additional Risks	Current Risk	Direction of Travel	Previous Score	Target Risk
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1	North London Waste Authority (NLWA)	12	↔	12	9
2	Reputation Management (SRCR 009)	9	↔	9	6
3	Insurance: Premiums exceed budget	16	↔	16	12
4	Major Fraud not identified (SRCR 0034)	9	↔	9	6
5	Breach of Statutory Requirements on Elections and Electoral Registration	12	↔	12	8
6	Integrated Commissioning (SRCR 0032)	16	↔	16	12

2.2 The Scorecard provides a quarterly overview of the Council's Corporate risks, along with a selection of leading Directorate risks (to ensure a comprehensive overview is provided). These are assessed in advance of each Audit Committee meeting and after being ratified by HMT, are updated accordingly. There is sometimes as little as two months between updates which means that scores can remain static for periods of time. This is not a reflection of a lack of dynamism within the approach, but rather the fact that high level scores are unlikely to change dramatically within short spaces of time. New risks are regularly incorporated into the Corporate Register and will always be marked as 'new'. The Scorecard will contain clear reference as to the movement (of the score) of the risk, and clarity as to the exact nature of the risk (whether it is of an internal or external nature to the Council).

2.3 In terms of this latest iteration of the (Corporate) register, there are 14 red risks and 10 amber risks. Clearly, numerous external events and influences are having a considerable impact on the Council's objectives, whether budget cuts, security breaches, or political upheaval (notably Brexit, and the increased chance of elections, new legislation, interest rate changes). In light of the sudden spread of COVID-19 around the world, the likelihood of an international pandemic (till now rated on Council risk registers as very low) suddenly become very high (and was then formally declared by the WHO on March 13) and this is reflected by the immediate escalation to the Corporate register. The risks now relate to a further escalation of the virus and the massive impact it could continue to have on the country as a whole. Statistics are changing on a daily basis but the threat of this pandemic is beyond question. From an internal Council perspective there is a clear challenge to all Services, especially those of a more front facing nature and this is reflected in details on the Corporate register. An important control for the Council clearly lies in the detailed Business Continuity Plans which are up to date for every service area. These should provide assurance that in the case of closures of offices and potential absences of staff, services can still continue to operate as effectively as possible.

Brexit continues to have a major influence on risks throughout the Council. Since last reported on, Brexit occurred on 31st January, although the terms of the departure remain as unclear as ever, with deals expected to be arranged until the end of 2020. Clearly, the nature of any deal (or lack of one) will impact on the future work of the Council so the risk remains very highly rated whilst we await some clarity on exactly what will be agreed.

Some risks have remained red with no change – this score reflects the continued severity of both the impact and likelihood of the risk. For example, financial cuts (and their effects) are likely to remain a significant risk, simply because they will always have a high impact on service delivery, and in the light of the current economy the chances of this continuing remain very probable. COVID-19 itself, has been having detrimental impacts on the overall world economy and stock markets which will be felt by all. However, even in the light of this continued red rating, the controls should still be able to provide assurance that the risk is being managed so far as is possible, and that the Council is taking appropriate action to best position itself in the light of challenging circumstances. Areas which are alluded to in the Corporate register, such as Integrated Commissioning and major

programmes like Britannia, have their own separate registers going into much more detail with regards to all areas of risk.

In addition to the Corporate risks, the Scorecard also contains a selection of other major risks within the organisation. This assorted selection will usually be pulled from Directorate level and assist in providing an improved overview of risks around the Council, which don't necessarily always get escalated to Corporate level. This extra level of risks was requested by Committee and will usually be comprised of high scoring areas which have previously been on the Committee's radar, or areas of general importance (which may be on the threshold of being escalated to the Corporate Register). This should assist in providing an even more comprehensive overview.

3. FUTURE REPORTING TO AUDIT COMMITTEE

- 3.1 The reporting of the Corporate risks to Audit Committee will continue at future meetings, on a quarterly basis. With twice yearly updates of the full Corporate Register, the next one is scheduled for June 2020, so the full details on all risks will be provided then.

CAPITAL

This is the fourth OFF Capital Programme monitoring report for the financial year 2019/20. The actual year to date capital expenditure for the eleven months April 2019 to February 2020 is £159.8m and the forecast is currently £233.9m, £11.8m below the revised budget of £245.6m. A summary of the outturn by directorate is shown in the table below along with brief details of the reasons for the major variances.

Table 1 – London Borough of Hackney Capital Programme – Q4 2019-20	Revised Budget Position	Spend as at end of Q4	Forecast	Variance (Under/Over)
	£'000	£'000	£'000	£'000
Children, Adults & Community Health	9,816	7,611	9,865	48
Finance & Corporate Resources	90,184	69,500	90,990	805
Neighbourhoods & Housing (Non)	19,254	12,391	19,258	4
Total Non-Housing	119,254	89,501	120,112	858
AMP Capital Schemes HRA	60,894	28,140	49,971	(10,923)
Council Capital Schemes GF	2,976	1,770	2,602	(375)
Private Sector Housing	1,454	1,099	1,325	(129)
Estate Renewal	38,856	26,631	41,092	2,236
Housing Supply Programme	6,594	1,444	5,001	(1,593)
Other Council Regeneration	15,591	11,180	13,758	(1,833)
Total Housing	126,365	70,266	113,748	(12,617)
Total Capital Expenditure	245,619	159,767	233,861	(11,759)

CHILDREN, ADULTS AND COMMUNITY HEALTH

The overall forecast for Children, Adults and Community Health is £9.87m, £0.05m above the revised budget of £9.82m. More detailed commentary is outlined below.

CACH Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	£000	£000	£000
Adult Social Care	270	132	4	(266)
Education Asset Management Plan	3,306	3,038	3,433	127
Building Schools for the Future	66	(31)	57	(9)
Other Education & Children's Services	574	425	467	(107)
Primary School Programmes	3,202	2,039	3,299	97
Secondary School Programmes	2,398	2,007	2,606	208
TOTAL	9,816	7,611	9,865	48

Education Asset Management Plan

The overall scheme is forecasting an overspend of £0.13m against an in-year respective budget of £3.31m. The most significant variance relates to expenditure incurred to support the delivery of ICT at the Shoreditch Park Primary School.

Primary School Programmes

The overall scheme is forecasting a minor overspend of £0.10m against an in-year respective budget of £3.20m. The main scheme relates to Phase 3A of the rolling programme of health and safety remedial works to facades of 23 London School Board (LSB) schools that began in 2017. It was determined that no further spend was anticipated for a number of the schools. The minor variance will be slipped to 2020/21 to support the continuation of the works.

Secondary School Programmes

The overall scheme is forecasting an overspend of £0.21m against an in-year respective budget of £2.40m. The main scheme relates to Stoke Newington School Theatre Refurbishment of the Drama Theatre and associated ancillary spaces at the school. The variance is due to works completing earlier than anticipated. The variance will be slipped to 2020/2021.

FINANCE AND CORPORATE RESOURCES

The overall forecast in Finance and Corporate Resources is £91m, £0.8m above the revised budget of £90.2m. More detailed commentary is outlined below.

F&R Directorate Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	£000	£000	£000
Property Services	5,047	1,494	4,989	(58)
ICT	4,382	2,228	3,915	(468)
Financial Management	274	15	317	43
Other Schemes	886	14	194	(692)
Mixed Use Development	79,596	65,749	81,575	1,980
TOTAL	90,184	69,500	90,990	805

Strategic Property Services – Strategy & Projects

The main variance relates to the refurbishment of the Council's Office Building Christopher Addison House (Council's Corporate Estate Rationalisation (CER) Programme). The project has faced numerous delays but successfully appointed the main contractor in January who started on site in February. The original completion reoccupation was expected to be in the summer of 2020. This timeline has now been re-visited and reoccupation is likely to be autumn of 2020 due to works taking 6 months to complete.

ICT Capital

The main variance relates to End-user Mtg Rm Device Refresh which is the Council's rolling-out provision of new ICT equipment for staff and members and new ICT equipment for meeting rooms. There are still a few sites that need chrome devices but there are still issues with the legal team and their software requirements. There are also some network issues with smaller sites as there is no wifi on site and therefore making the chrome books not compatible. Enabling works are required before rolling out the devices. There is an increase in the amount of chrome boxes vs. chromebooks due to more desks identified and changes in demand. Some users across the council

are not using "zero client" as much as anticipated and therefore chrome devices are more suitable.

Digital Discharge to Social Care Project has been on hold for a number of months throughout the financial year due to issues with testing. During testing the team discovered some technical issues which were also affecting a number of other projects. This required fairly significant remedial work to our IT infrastructure which is now complete. This project is dependent on the upgrade of the Mosaic social care system go-live date. The Digital Discharge project team have been working through the remaining issues and are on target to complete before the end of this financial year.

Devices for Hackney Residents is forecasting an underspend. The new kiosk devices and public facing kiosk PCs for the libraries will be purchased in this financial year and the remaining items in 2020/21. The budget will, therefore, be slipped to 2020/21.

Members Device Refresh has found iPads to be the preferred choice. 40% so far have provided their device choice & the majority are choosing iPads. This is due to them already being familiar with the interface and, if required, the Members can also use a "grab and go" chromebook. The project is forecasting to come in line with the budget as this is the scenario where all Members will choose iPads.

Mixed Use Developments

Tiger Way Development is forecasting a minor overspend against the in-year respective budget of £5.99m. This development is complete and handed over and in the 2 year contract defects period in the Design and Build contract. The project works are complete and have been given a qualified-green status subject to final resolution of the roof remedial works and agreement of final account. The variance is due to void costs relating to empty apartments and will be resourced from the 2020/21 budget.

Nile Street is forecasting an underspend of £0.60m against the in-year respective budget of £27.5m. The New Regents College School is complete and handed over and the development is in the 2 year contract defects period in the Design and Build contract. The Practical Completion (PC) of New Regents College took place on 1 July 2019, the uncompleted (snagging) items were recorded and slowly rectified. This included the agreed replacement of some of the vinyl flooring due mainly to poor consistency of colour. This delay in replacing the vinyl was due to a strike at the manufacturer. The cost of these outstanding works were taken out of the PC valuation. The variance is due to Value Engineering and will be slipped to 2020/21.

Britannia Site is forecasting an overspend of £2.53m against the in-year respective £30.1m budget. Phase 1a (Leisure) is still on target for completion March 2021. Furniture, Fixtures and Equipment (FF&E) procurement Eastern Shires Purchasing Organisation (ESPO) framework confirmed for FFE package procurement. Phase 1b (School) is still on target for May 2021 completion. Both concrete cores are complete and the suspended ground floor is also complete. Steel frame and precast concrete floors progressing well. Three no cost variations issued for the reporting period. Phase 2a (Social rent homes, shared ownership homes, outright sale homes, early years centre, associated public realm and landscape works) has started the procurement process for a main construction contractor. The enabling works which involve site

clearance and demolition, hoarding and gates, ground investigation work, piling and removal of any obstructions in the ground, to start in the first half of 2020. Phase 2b has been put on hold until spring. The meeting with Jones Laing LaSalle (JLL) has been arranged to discuss options for progression. The variance will be supported by the 2020/21 budget.

NEIGHBOURHOODS AND HOUSING (NON-HOUSING)

The overall forecast in Neighbourhoods and Housing (Non) is largely coming in line with the revised budget of £19.3m. More detailed commentary is outlined below.

N&H – Non Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	£000	£000	£000
Museums and Libraries	350	233	285	(65)
Leisure Centres	375	0	160	(215)
Parks and Open Spaces	2,946	1,505	2,488	(457)
Infrastructure Programmes	9,995	6,258	10,156	161
EHPC Schemes	3,542	3,112	4,141	598
TFL	1,494	952	1,370	(124)
Parking and Market Schemes	52	198	252	200
Other Services	0	0	0	0
Regulatory Services	0	0	0	0
Safer Communities	183	0	152	(31)
Regeneration	317	132	255	(61)
Total	19,254	12,391	19,258	4

Parks and Open Spaces

Springfield Park Restoration is forecasting to come in line with the in-year respective budget of £1m. This is a joint capital project to restore Springfield House and the stables, replace the derelict glasshouses with a new community events building, create new landscaping, install new play facilities and create activity and volunteering programmes for the wider community. The Springfield House work is progressing well. Timber repairs, external facade repairs, first fix M&E works, extension drainage and slab are all complete. The Blockwork to the extension is to commence. The window refurbishments and lift shaft blockwork are ongoing. The Stable Block structural steel installation, chimney breast removal, drainage installation, floor screeding are all complete. The first fix M&E, the window refurbishments and carpentry works are ongoing. The Community Events building is taking shape. Steel frame installation and the brickwork is complete. The scaffolding is erected and the roof rafter/build up installation is in progress. The pond works are ongoing. The completion of this overall project is expected to be in Autumn 2020. The variance in this financial year will be slipped into 2020/21.

EHPC Schemes

The installation of Hostile Vehicle Mitigation Measures is forecasting a minor variance. This is the Council's measure to mitigate the risk at 8 key sites across the borough to areas which attract large numbers of people (Narrow Way, Kingsland Market,

Chatsworth Road Market, Hoxton Square, Rivington Street, Ridley Road Market, Broadway Market and Hoxton Street Market). This variance is caused by works accelerated due to increased security risks and the potential threat of terrorist activity. The variance in this financial year will be slipped and supported by the 2020/21 budget.

Safer Communities

There is no anticipated spend in this financial year on Shoreditch CCTV Cameras due to the delays in obtaining sign off to progress the scheme on the TfL routes. The majority of sites will be on red routes and will require significant coordination with TfL to meet their requirements. Without absolute TfL approval, the Council cannot order the works without risk of incurring abortive costs. £1m was reprofiled at the last reprofiling exercise. The variance will therefore be slipped to 2020/21.

Regeneration (Non-Housing)

Hackney Wick Regeneration plan to commission a public realm strategy this financial year, with public realm improvement works being undertaken during 2020/21. Dalston Regeneration will now take place in 2020/21. 80-80a Eastway (GLA) 2 Pods and a CNC machine will be purchased this year with the remaining expenditure reprofiled to future years. Trowbridge (GLA) budget this year will be mainly design work and remaining budget to be utilised in 2020/21. Any variance in this financial year will therefore be slipped to 2020/21.

HOUSING

The overall forecast in Housing is £113.7m, £12.6m below the revised budget of £126.4m. Some projects in the Estate Regeneration and Housing Supply Programme have taken longer to deliver than was anticipated at the time of the BCHfL bid and it has been necessary to reprofile the timelines for delivery projects that were originally expected to be underway in 2019/20 (the 'early schemes') and 2021/22 (the 'later schemes'). More detailed commentary is outlined below.

Housing Capital Forecast	Revised Budget	Spend	Forecast	Variance
	£000	£000	£000	£000
AMP Housing Schemes HRA	60,894	28,140	49,971	(10,923)
Council Schemes GF	2,976	1,770	2,602	(375)
Private Sector Housing	1,454	1,099	1,325	(129)
Estate Regeneration	38,856	26,631	41,092	2,236
Housing Supply Programme	6,594	1,444	5,001	(1,593)
Woodberry Down Regeneration	15,591	11,180	13,758	(1,833)
Total Housing	126,365	70,266	113,748	(12,617)

AMP Housing Schemes HRA

The overall scheme is forecasting an underspend of £10.92m against the in-year respective budget of £60.89m. The main variance relates to a total of £9.59m of SCA/Pipeline Works for HiPs North West, HiPs Central and HiPs South West being rolled into the next financial year.

Council Schemes GF

The overall scheme is forecasting an underspend of £0.37m against the in-year respective budget of £2.98m. The variance relates to Borough Wide Housing Under Occupation where the Regeneration voids continue to be used as Temporary Accommodation. The reduction in costs at 111 Clapton Common with the majority now to be incurred next financial year. The allowance is made for works at multiple Hostels (Housing Needs) properties. The majority of the spend relates to BAM, which will be allocated at the end of the financial year.

Private Sector Housing

The overall scheme is forecasting to come in line with the budget with a minor underspend. Disabled Facilities Grant expenditure is progressing well and remains on target to spend the in-year respective budget. General repairs forecast has reduced slightly based on expenditure to date. A few more grants will be paid during March alongside a large payment relating to Hackney leaseholders. There is a slight reduction in Warmth and Security Grant forecast compared to Quarter 3 expectations. A new policy is being implemented which has reduced the number of successful grant applications in the interim.

Estate Regeneration

The overall scheme is forecasting an overspend of £2.24m against the in-year respective budget of £38.86m.

Marian Court Phase 3 and Phase 4 projected start on site date of January 2021 subject to vacant possession; value engineering; planning approval for design changes; and satisfactory tender negotiations for construction work. Note that additional GLA funding has been requested to help close the viability gap in this strategically important project. In the event that it is not possible to secure additional GLA funding, the scheme would still be deliverable, however this will significantly impact the Council's ability to address viability challenges on other projects.

Kings Crescent Phase 3 and 4 vacant possession has been achieved. Project start on site of August 2021 date subject to confirmation of GLA planning approval and satisfactory tender returns for construction work.

Colville 2C and 2C SR projected start on site date of October 2021 subject to vacant possession; planning approval for design changes following resident feedback from earlier phases and satisfactory tender returns for construction work.

Nightingale Council Works A the vacant possession has been achieved. Projected start on site date of March 2022 subject to revise energy and fire safety strategy; planning approval for design changes; and satisfactory tender returns for construction work.

Former Frampton Park Hall, Tradescant (Woolridge Way), Downham Road East, 81 Downham Road, Balmes Road Downham Road West and Lincoln Court start on site

date not currently confirmed within the Building Council Homes for Londoners (BCHfL) programme period.

Housing Supply Programme

The overall scheme is forecasting an underspend of £1.59m against the in-year respective budget of £6.59m.

Daubeney vacant possession has been achieved. Contract award approved by Cabinet in January 2020. Projected start on site date of July 2020 subject to Party Wall Agreements in place by June 2020.

Pedro Street vacant possession has been achieved. Contract award approved by Cabinet in February 2020. Projected start on site date of July 2020 subject to signed contract by March 2020. Murray Grove (Fairbank Estate) vacant possession achieved. Projected start on site date of November 2021 subject to planning approval and satisfactory tender returns for construction work.

Buckland Street vacant possession has been achieved. Projected start on site date of January 2022 subject to planning approval and satisfactory tender returns for construction work.

Wimbourne Street vacant possession has been achieved. Projected start on site date of February 2022 subject to planning approval and satisfactory tender returns for construction work.

Woodberry Down Regeneration

The overall scheme is forecasting an underspend of £1.83m against the in-year respective budget of £15.59m. The main variance relates to buybacks of leasehold properties on Woodberry Down. The costs will be reimbursed by Berkeley Homes. A further three Phase 3 Buybacks are expected before the end of the financial year. A slight reduction compared to Quarter 3 forecast with six more completing in early April 2020.

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CORPORATE STRATEGIC RISK REGISTER FOR CHILDREN, ADULTS AND COMMUNITY HEALTH SERVICES

**AUDIT COMMITTEE
MEETING DATE 2018/19**

22nd April 2020

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

Group Director

Anne Canning, Group Director of Children, Adults and Community Health Services

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1 This report updates members on the corporate risks for the Children's Adults and Community Health Services Directorate as at March 2020. It also identifies how risks within the Directorate are identified and managed throughout the year and our approach to embedding risk management.

2. RECOMMENDATION

- 2.1 The Audit Committee is recommended to note the contents of this report and the attached risk registers and controls in place.

3. REASONS FOR DECISION

- 3.1 Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate those as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process helps us to make such judgements, and as such it is important that the Audit Committee is aware of this.

4. BACKGROUND

- 4.1 The current Directorate risk profile was reviewed by the Directorate of Children's, Adults and Community Health Services Management Team in March 2020. Detailed risk registers, for Children's Services, Hackney Learning Trust (HLT), Adults Services and Public Health have been prepared and were reviewed by the Management Team and the high-level Directorate risks highlighted and included at Appendix one.

4.2 Policy Context

All risk related reporting is in line with the Council's Risk Policy, ratified biennially by the Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

4.3 Equality Impact Assessment

For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and associated duties) all work is carried out in adherence to the Council's Equality policies.

4.4 Sustainability

This report contains no new impacts on the physical and social environment.

4.5 **Consultations**

In order for Risk Registers to progress to Audit Committee, they will already have been reviewed by the relevant Senior Management team within the corresponding Directorate. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.6 **Risk Assessment**

The Risk Register is attached at Appendix one to this report.

5. DIRECTORATE RISK REVIEW

5.1 The Directorate Risk Register comprises those that represent the most significant risks faced by the Directorate. Separate risk registers for Public Health, Adult Services, Children's Services and the Hackney Learning Trust are maintained and sit beneath the Directorate Risk Register and are available for review on Pentana.

Children and Family Risks

5.2 There has been no significant change to the profile of risks for Children and Families set out in our report to Audit Committee last year. Further external pressures which may impact on expenditure are, however, highlighted in the risk register set out at Appendix one, namely:

- Demand for services is increasing due, in part, to the impact of austerity, benefit changes and housing issues on families within Hackney which are impacting on the level of need in the borough. We anticipate that Universal Credit may further increase the demand for services. New and emerging risks to young people, including those associated with criminal exploitation and serious violence are also resulting in increased identification and demand. Increasing demand is creating a need to expand staffing and associated support services. There are particular pressures in relation to the number of 16 and 17 year olds becoming looked after as a result of homelessness, which in turn is increasing pressures in relation to placements and leaving care services.

5.3 The impact of this increase in demand is captured through budget monitoring reported to Cabinet through the Overall Financial Position (OFP) report. It has also been built in to our budget planning for 2020/21.

5.4 Each year we categorise the risk of a 'Child or young person suffering significant harm, injury or death' as red. Despite our positive assessment of the controls in place to mitigate the likelihood of this occurring the impact of and the many external factors that have a bearing on such an event lead us to the conclusion that this is inevitably high risk.

5.5 It is also emphasised that controls in relation to the risk of harm, injury or death are subject to external review through the Ofsted inspection process. Our last inspection in November 2019 rated our Children's social care services as 'requires improvement' overall, with the impact of leaders on social work practice with children and families and the experiences and progress of children who need help and protection judged as 'requires improvement', while the experiences and progress of children in care and care leavers judged as 'good'. This is a decline in our rating compared to the last inspection in the summer of 2016.

5.6 The Children and Families Service will be submitting an action plan to Ofsted at the end of March 2020 to address the concerns they have highlighted. The implementation and impact of the action plan is subject to robust oversight and governance by the Mayor, councillors and senior officers. There is commitment from the Chief Executive and political leadership to set ambitious aspirations for the Service.

HLT Risks

5.7 **Downgraded risks:** Two risks have been downgraded since last year:

- The risk of **government reforms impacting on education service delivery** has reduced in light of the establishment of the Hackney Schools Group Board. This model, together with greater alignment of HLT to the Council, maintains the education service in Hackney as a single Council Education Department covering all areas of responsibility (including traded services and the Schools Requiring Additional Support function). Although the new government did not make any new policy announcements on education policy in the Queen's speech, this will be kept under review.
- The risk arising from anticipated **changes to the National Funding Formula (NFF) having a negative impact on HLT income & delivery** has also been downgraded. The 3 year education settlement provided by the government provides additional protection from any changes currently proposed to the NFF and the immediate likelihood of risk has, therefore, dropped. This will, however, be kept under review.

5.8 **New risks:** Two additional risks have been added

- Insufficient provision to meet growing demand for SEND places locally in the face of increasing EHCP referrals reflects the challenges in meeting statutory responsibilities efficiently (under the Children & Families Act). The lack of local provision is being addressed through the implementation of a SEND provision plan. The continued lack of sufficient resources to meet the growing demand for SEND support services in the borough also remains a challenge. This is being mitigated in part through a mixture of efficiencies and some additional funding.
- The exclusion of SEND children & young people has been separated

from the existing overall school exclusion risk because these are amongst the most vulnerable pupils and the mitigation is more specific to the EHCP annual review process or the use of alternative provision.

- 5.9 **Ongoing risks:** In addition to the new risks outlined above, a further 12 risks continue to present challenges and are reported on the attached register. Of these, the following have been identified as presenting particular challenge to HLT's operations and financial stability:
- **Rigg Approach** (SEND Transport Assistance) – Significant progress to mitigate this risk through the identification of Andrew's Road site as an alternative to Rigg Approach has been made. However, the risk of disruption of services to the 500 vulnerable children and young people transported by the SEND Travel Assistance Service pending the transfer of the SEND Transport Fleet to the Andrew's Road site, remains high.
 - **Meeting statutory requirements for SEND included in the Children and Families Act** - Concerns still remain regarding completion of EHC Plan assessments within 20 weeks. In addition, the service has experienced significant staffing challenges impacting on services delivery. It is, however, anticipated that a substantial recruitment programme for SEND Services will make a positive impact on meeting statutory requirements.
 - **Escalating SEND spend** – Whilst SEND budget pressures are currently being offset by some additional funding alongside savings in other areas of HLT, this remains an area of significant risk. Furthermore, although new proposals for funding pupils with EHC Plans have been formulated, these will require a period of testing and detailed refinement. Any new funding changes of this magnitude must, however, be carefully implemented and managed with effective governance arrangements in place to ensure transparency and accountability.
 - **Safeguarding considerations for those pupils who are not registered at a school** (this relates to Electively Home Educated (EHE) pupils, children missing from education, children attending unregistered settings, children who are yet to be allocated a school place, etc) – This remains a high profile issue and was identified as an area of concern in the recent inspection of Local Authority Children's Services. There is an expectation that the borough must work to ensure the safety and wellbeing of all such pupils, challenging existing legislative frameworks and guidance where necessary to do so, and working with partners to ensure effective and robust identification, tracking, consultation and referral.
 - **School Places** - The risk with regard to surplus primary school places remains high, posing significant risks to schools' financial viability. Projections of the demand for primary school places indicate an increasing and potentially substantial surplus, which carries with it significant financial risks to maintained schools, and therefore to the Council. Whilst the risk of insufficient secondary places also remains high, this will be kept under review and may be lowered in the light of further changes to demand.
 - **Pupil Exclusion** – Rates of exclusion in Hackney schools remain amongst the highest in the country. HLT has developed an action plan setting objectives to

maximise inclusion and minimise exclusion. To ensure delivery of these objectives, a Board chaired by the Group Director Children, Adults & Community Health and an Executive Group chaired by the Director of Education / Head of HLT have been implemented and is meeting regularly. In the meantime, this risk remains high

Public Health

- 5.11 Risks within commissioned Public Health services have not changed substantially since last reported to the Committee. The service's highest area of spend and risk relates to sexual health services, as set out in 'CACH PH 007 Sexual Health'. Testing for sexually transmitted disease is a demand-led service, delivered mainly by NHS providers in locations across London and beyond. The Council has limited control over that demand and the clinical imperative is for as many high risk, asymptomatic residents as possible to undertake regular tests. In order to manage the financial risk to the council, London boroughs have collectively undertaken a recommissioning exercise that aims to reduce the likelihood of the financial risk being realised. Controls include the introduction of an online service for residents to order self-testing kits that will be delivered to an address of their choosing (positive results will be dealt with in person rather than via automatic reply); and a sub-regional procurement of services from genitourinary medical (GUM) clinics that allows lead areas to contract manage NHS providers more clearly and apply an integrated tariff that is harmonised across London. This has already saved the council over £1m in the cost of services, but demand rises by roughly 10% every year.
- 5.12 Other risks that are being actively management are 'CACH PH010 Substance Misuse Recommissioning' and 'CACH PH009 Budget'. The substance misuse recommissioning is included largely because it is a vital services with a significant budget, and we are ambitious to keep delivering outcomes whilst having to achieve savings. The overarching budget risk remains relatively amber due to sustained reduction in income from external sources, and the dependency on a pan-London approach taking affect to secure sexual health savings. As noted in the risk register, the public health management team is monitoring regularly the implementation of plans to mitigate these pressures and deliver agreed savings over the medium term.
- 5.13 Coronavirus disease still remains a significant risk , some of the staff are working remotely and some staff are working at the Clinical Effectiveness group at Queen Mary University where they are doing vital work in support of our Covid response, the work includes daily Covid-19 monitoring from primary care, Identification of vulnerable at risk groups from Covid-19 and support to general practice in managing Covid-19 . Letters for critical staff and Agency workers have been issued so that their children can continue to go to school. Purchase orders are being signed off on time for providers to get paid appropriately, We also have a coronavirus expenditure log that we have created to keep track of our budget for

Public Health. The daily service update form is completed daily to keep Hackney Management team aware of all Covid-19 related developments in the borough.

Adult Services

- 5.14 The core Adult Services risks remain consistent with the risks highlighted to the Audit Committee last year and the likelihood of most risks has largely stayed the same. In two cases the risks have increased in likelihood due to fragility in the provider market, whilst in two other cases the risks have reduced in likelihood due to improvements in planning for the transition of cases from children's to adults. Reasons are highlighted in the description and updates on the risk register.
- 5.15 Within the service there remains a risk about the resilience and sustainability of the social care provider market in the context of rising demand and increased complexity and acuity of need for service users. Work is ongoing to remodel demand and pressures on social care, and this continues to be looked at as part of the work on integration with health and voluntary sector services. In 2017 the Government set expectations of a Green Paper on future long-term funding for social care but this has not yet been forthcoming. In March 2020 the Government announced that it would be consulting widely on ideas for future funding arrangements. The focus of these announcements to date has focused on support and funding for older adults and so far makes little mention of working age adults which is a concern as this represents a large proportion of people currently supported by Adult Services in Hackney.
- 5.16 There continues to be national concern about the sustainability of the provider market, including an increasing number of providers who are returning contracts to local authorities, and falling into administration. Work is continuing to support a healthy local provider market, as reflected in the risk register. This includes paying a fair but affordable rate to provide quality care, and a check of the financial health of organisations through the procurement process and robust, regular contract management and market development through provider networks.
- 5.17 We take the protection of our most vulnerable clients very seriously, which is why adults safeguarding remains an identified risk on the register. The local Safeguarding Adults Board, and the Head of Adult Safeguarding, has enabled strong multi-agency work to both prevent abuse and neglect, and to investigate and resolve safeguarding issues in a personalised way. The controls in place to manage this risk were assessed by a team of external reviewers organised by the Association of Directors of Adult Social Services in April 2018 as part of a Service Led Improvement Peer Review. This provided a constructive review of the effectiveness of the measures in place to prevent and manage safeguarding risks, and the team were very positive about what they observed. They also recommended some areas to improve on which have been added to local safeguarding delivery plans.

- 5.18 Management of the risk relating to the in-house provided Housing with Care service has led to a reduction in the likelihood rating. The service which is made up of 14 schemes across the borough supporting over 250 people is a registered service and is therefore subject to inspections by the CQC. There is a risk that when the CQC re-inspects the service again in 2020 as a follow up to the 'Requires Improvement' rating, that the service fails to demonstrate sufficient improvements. To mitigate this risk a number of controls have been put in place which includes the development of a detailed improvement plan with additional resources put in place to support its delivery and regular reporting to monitor risks and issues. As is the process with all providers, the findings of the inspection has also completed the Council's Provider Concerns process which is led by the Head of Commissioning for Adult Services and has previously been successful in supporting external providers to make significant improvements to quality.

Integrated Commissioning

- 5.19 Each of the four Integrated Commissioning Workstreams maintains a register of risks and issues relating to that area. These registers operate according to a standard 'RAG' risk-assessment matrix based on criteria approved by the Integrated Commissioning Board. This approach is aligned with the risk approach taken by the CCG, London Borough of Hackney and the City of London Corporation. Any risks within the four registers which are scored 'red' are escalated to the Integrated Commissioning Board (ICB) in a monthly summary report. The ICB also may ask for assurance around risks which are not 'red', as it sees fit.

Link to ICB papers from January 2020:

<http://www.cityandhackneyccg.nhs.uk/Downloads/About%20Us/Committees/Integrated%20Commissioning%20Board/ICB%20Agenda%20%20Papers%20-%2016%20January%202020.pdf>

- 5.20 The ICB has recently established a Risk Management Working Group to provide a forum for collective management of risks across all workstreams and enabler groups. The group is due to meet for the first time in March 2020, and will review workstream and enabler group risk registers and provide challenge to and discussion of the registers, to give a deeper level of assurance to the ICB, ensure consistency of scoring and monitoring of risk, and to identify any risks that need escalation to the ICB which do not meet the threshold for escalation.

6. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 The Directorate seeks to mitigate risks as they are identified. In some instances, where there are volatile external factors and uncertainty, this will be through

seeking access to reserves maintained by the Group Director of Finance and Corporate Resources.

6.3 There are no direct costs arising from this report.

7. COMMENTS OF THE DIRECTOR OF LEGAL SERVICES

7.1 The Accounts and Audit Regulations 2011 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.

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

APPENDICES

Appendix one – CACH risk register.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

None

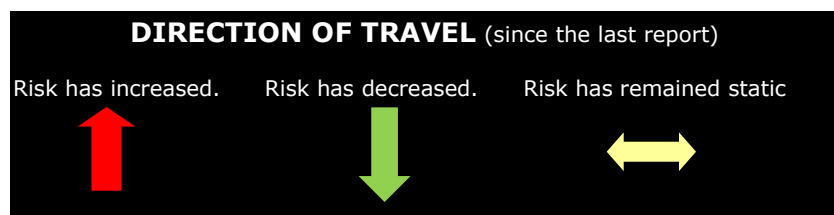
Report Author	Jackie Moylan ☐ 020 8356 3032
Comments of the Group Director of Finance and Corporate Resources	Michael Honeysett ☐ 020 8356 3332
Comments of the Director of Legal Services	Dawn Carter-McDonald ☐ 020 8356 4817

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Risk Register



Children and Families Risks



Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>Page 52</p> <p>CYP DR 0809 0005 Service demands exceed available resources</p>	<p>The directorate needs to manage demand within a climate of reducing resources. If demand is not managed, this could compromise service delivery. The directorate's services experience fluctuating demand, which can add to resource pressures. In addition, services need to be able to respond to new and emerging priorities.</p>	<p>Children & Young People's Services</p>		<p>The number of looked after children has consistently increased over recent years, and the profile of looked after children has also changed significantly over the past five years with more adolescents presenting complex behaviours and needs entering the care system and subsequently receiving support as care leavers. The change in profile of looked after children is placing increased pressure on the placement budget with a need for more specialised placements and is also making placement stability more difficult to achieve. Shortage of in-house foster carers adds to the cost pressure and the numbers of young people requiring more expensive residential placement has increased.</p> <p>The No Recourse to Public Funds Team (NRPF) continues to carefully manage the demand for high cost NRPF cases but there remain pressures on budgets in relation to these families. Southwark Judgement, LAPSO and UASC continue to bear cost pressures for 16/17 year olds who are afforded Looked After Children status by virtue of homelessness, remand or asylum claim. Hackney is now caring for a greater number of UASC than ever before.</p>

Appendix One CACH RISK REGISTER

					<p>Demand for services more generally is increasing due to the impact of austerity, benefit changes and housing issues on families within Hackney which are impacting on the level of need in the borough and more effective identification of young people at risk of exploitation and serious violence.</p> <p>There has also been an increase in the number of care proceedings issued over the last year.</p> <p>The legislative changes that provide care leaver support to age 25 (from April 2018) came with insufficient additional funding from Government.</p> <p>Recruitment to additional social worker roles to better manage demand is taking place. There are plans in place for managers within the Service and Finance colleagues to review the allocation of resources within the Service, including reviewing caseloads which will include exploring practice in other London Boroughs.</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CHDR 0809 0005 A Clearly defined protocols for referral to services.	Written protocol for referral to services agreed with all partner agencies. Review of FAST to further strengthen multi-agency decision-making and effective hand-off to early help services	Anne Canning	Sarah Wright	Ongoing	The Hackney Child Wellbeing Framework provides clear guidance for all professionals in understanding which services are best placed to meet the needs of children and young people, and has been agreed by all partners. This was updated in July 2019. The Children and Family Service (CFS) has a multi-agency and single front door called First Access Support Team (FAST) which is supported by a multi-agency steering group and good QA processes. FAST provides effective information sharing and access to appropriate services. Hackney's Local Assessment Protocol was published on-line and circulated to partner agencies in March 2016. This was updated in November 2019.

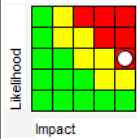

**Appendix One
CACH RISK REGISTER**

<p>CHDR 0809 0005 B Children's social care services assess risk to differentiate and prioritise need and refer appropriately</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 54</p>	<p>All referrals to Children's Social Care need to be appropriately assessed to ensure that the child and their family receive the most appropriate service.</p>	<p>Anne Canning</p>	<p>Sarah Wright</p>	<p>Ongoing</p>	<p>Update Feb 2020- FAST acts as a single point of contact for all referrals to CSC Services. Referrals are screened for a next step decision within 24 hours. FAST considers the information available across a range of co-located agencies to make timely and safe decisions about which agency is best placed to access and/or meet the needs of children and young people. This function is supported by the Hackney Child Wellbeing Framework and the Local Assessment Protocol. The service is reviewing early help pathways to ensure these are effective and aligned with other services in the borough. Early Help Services were re-evaluated positively by Ofsted in the ILACS inspection in November 2019, but the proportion of cases proceeding for a Children's Social Care assessment is relatively high compared to other London Boroughs.</p> <p>Following Hackney's ILACs inspection in November 2019, the experiences and progress of children who need help and protection were found to "require improvement". The actions to address these concerns will be included in the post-inspection improvement plan, due to be submitted to Ofsted at the end of March 2020, with strong governance and oversight by the Mayor, councillors and senior leaders.</p> <p>CSC undertakes all statutory assessments for children and young people in relation to risk and need and produce clear plans for protection and support in partnership with a wide range of agencies.</p>
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**Appendix One
CACH RISK REGISTER**

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 55</p> <p>YP DR 1011 005P Identify contingency funding</p>	<p>Additional funding to be identified to ensure Directorate can respond quickly to increased demand for services</p>	<p>Anne Canning</p>	<p>Jackie Moylan/ Sarah Wright</p>	<p>Ongoing</p>	<p>Budget pressures in relation to looked after children placements remain despite further allocation of growth in 2019/20 for LAC placement costs. This reflects an increase in numbers and a change in profile of need, associated with a greater number of adolescents with high levels of need and a change in the profile of placements (more private and voluntary fostering placements, less in-house, as well as increased use of residential placements).</p> <p>Locally, the service is focussed on increasing the number of in-house foster carers which will reduce the average unit cost of LAC placements. In addition, the aim is to reduce the number of high cost placements through innovative projects such as the Family Learning Intervention Project (FLIP) and Contextual Safeguarding.</p> <p>The Fostering Service launched the first hub home for the Mockingbird Model family project in August 2019, and will launch a second hub in 2020. This Model provides a network of support to carers and the children they look after to promote resilience in placements.</p> <p>The Fostering Service is also a partner in the North East London Residential Commissioning Group – looking to improve the quality and reduce the cost of residential placements to meet young people’s needs. Hackney is part of a group of local authorities in North East London, with Havering Council as the lead borough, working on a project to develop a sub-regional approach to commissioning children’s homes.</p> <p>Actions are also being taken to ensure our leaving care cohort are placed in appropriate and cost-effective settings, through, for example, recommissioning of the Young People’s Housing Pathway.</p> <p>The cost of families with no recourse to public funds also remains a pressure and this is being met by use of a specific reserve in the current year; growth was agreed for 2019/20 to part cover these costs.</p> <p>The team has made effective use of both Home Office and legal advice through an independent provider to assist families to achieve settled status in a timely way, reducing the burden on public funding.</p>
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**Appendix One
CACH RISK REGISTER**

					In addition to increases to the LAC budgets referred to above, each year the Finance Team works with the Service to identify significant financial risk and seek agreement from the Group Director of Finance and Resources to access reserve funding should risks materialise. In 2019/20 demands in both LAC numbers and activity across the Service led to these reserves being fully utilised and an overspend is forecast in the service. For the coming year these increased demands will be mitigated in part by the social care funding announced by the Chancellor, however, it is still anticipated that access to reserve funding will be required albeit at a lower level than for 2019/20.
CYP DR 1011 005Q Minimise impact of efficiency savings on frontline services	To ensure we can respond to any increases in demand, we aim to manage efficiency savings to ensure minimal impact on frontline services	Anne Canning	Jackie Moylan/ Sarah Wright	Ongoing	The Directorate has successfully delivered the majority of agreed savings for 2019/20 and have mitigating actions for those that remain.
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
CYP DR 0809 0006 Child or young person suffers significant harm, injury or death	Children and young people who use our services are at higher than usual risk of harm, injury or death. If risks are not adequately assessed and protected, a child or young person could suffer significant injury or death attributable to the Directorate's failure to take appropriate safeguarding and risk management measures.	Children & Young People's Services			
				Update November 2016 (confirmed Feb 2019 and February 2020)- This remains a high risk, and controls are in place to manage this.	

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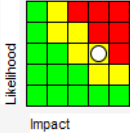

**Appendix One
CACH RISK REGISTER**

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p>CYP 0910 006 B Local Safeguarding Children Board (LSCB) reviewed and operating as an effective multi-agency forum.</p>	<p>The City & Hackney Safeguarding Children Board (CHSCB) has a remit to monitor safeguarding across all partner agencies, including the local authority.</p>	<p>Anne Canning</p>	<p>Rory McCallum</p>	<p>Ongoing</p>	<p>The government's response to the Wood Review of LSCBs published in May 2016 removed the requirement for local areas to have boards with set memberships. A new requirement has been placed on councils, the police and the NHS as 'key partners' to decide how boards are organised and what area they cover, while statutory functions will not change for individual agencies. Safeguarding partners are required to notify the Secretary of State for Education that they have agreed and published their new arrangements by June 2019 and have these arrangements up and running by September 2019. The new arrangements for the City & Hackney Safeguarding Children Partnership (CHSCP) were put in place before the deadline.</p> <p>A range of measures have been put in place to ensure the CHSCP is operating as an effective multi-agency forum. Independent chairing is in place, defined governance arrangements, regular attendance from partners at Executive and relevant sub / working groups and Hackney-specific self-assessment. CHSCP also maintains a risk register covering all key statutory requirements; these actions and progress are regularly reviewed through the CHSCP Executive and full CHSCP. The November 2019 Ofsted inspection found that "joint work across the partnership has not, however, consistently translated into operational improvement" - this will be addressed as part of the post-inspection action plan.</p>
<p>CYP 0910 006 D Ensure staff have the necessary skills to ensure risk and need are properly assessed</p>	<p>The Directorate as a whole understands areas of high risk and works together to mitigate risk in relation to individual children by joint training and development and joint monitoring of practices across the services.</p>	<p>Anne Canning</p>	<p>Sarah Wright</p>	<p>Ongoing</p>	<p>Ofsted inspectors noted in November 2019 that while there are good opportunities for staff training, the experiences and progress of children who need help and protection required improvement, with some specific actions being highlighted. The actions to address these concerns will be included in the post-inspection improvement plan, due to be submitted to Ofsted at the end of March 2020, with strong governance and oversight by the Mayor, councillors and senior leaders</p>

**Appendix One
CACH RISK REGISTER**

CYP 0910 006 E Child Protection procedures in place	Children subject to Child Protection Plans and Looked After Children are visited in line with statutory guidance & care plans are monitored, updated and amended as appropriate. Children are to be seen alone.	Anne Canning	Sarah Wright	Ongoing	Update November 2016 (confirmed Feb 2019 and Feb 2020) - Ongoing, monitored through management oversight and audit, monthly, quarterly and annual performance reports, including statutory returns to DfE and by Child Protection Conference Chairs and Independent Reviewing Officers.
CYP 0910 006 F Risk assessing activities for young people	All activities directly provided and commissioned by the directorate must be subject to rigorous risk assessments.	Anne Canning	Pauline Adams	Ongoing	Update August 2015 (confirmed Feb 2019 and Feb 2020) - All providers of proposed activities, including the local authority, are required to submit a written risk assessment which is scrutinised and approved / not approved by the service area. Where a risk assessment is not approved, the activity is not able to proceed. Minimum ratios of adults to young people are required. Our external commissioned providers are also expected to demonstrate that they meet health and safety standards as part of their contract including systems and processes for conducting risk assessments of premises and activities.

**Appendix One
CACH RISK REGISTER**

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CYP DR 010 Increased call on resources in respect of No Recourse to Public Funds (NRPF) cases	The Council might be unable to handle the increased call in NRPF cases. Children's Social Care has a duty to assess children's needs under section 17 of the Children Act 1989 if they are at risk of homelessness or destitution, even if their parent has no legal entitlement for services in the UK.	Children & Young People's Services		 <p>Hackney, like many local authorities, has a number of individuals living within its boundaries who are subject to immigration controls as defined by the Immigration & Asylum Act 1999. Such individuals are excluded from access to welfare benefits, public housing and Home Office asylum support and are collectively known as having No Recourse to Public Funds (NRPF). This group includes individuals who have overstayed their visa entitlement in the UK, and those who have leave to remain without recourse including EU Nationals. Hackney's approach is effective in protecting resources and avoiding costs. The impact of the U.K. leaving the EU on families who have NRPF is not yet clear. (Reviewed at Feb 2020)</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CYP DR 010a Robust assessment process in place.	To provide a comprehensive assessment and safeguarding service to this vulnerable group of children, additional resource was established in Children's Social Care to assess the specific needs of families with no recourse to public funds. The No	Anne Canning	Sarah Wright	Ongoing	<p>The issues relating to NRPF families presenting as destitute are often complex and the service recognises that there are many reasons why families may find it difficult to share information. Migrant children may be at risk of child trafficking, exploitation and fraudulent activities.</p> <p>In order to ensure the service is able to undertake comprehensive assessments of children's needs in a complex environment of law relating to housing, immigration, human rights and child safeguarding, the service works closely with other services including the UKBA, legal services, government embassies and anti-fraud to ensure that services are appropriately provided to</p>

**Appendix One
CACH RISK REGISTER**

	<p>Recourse to Public Funds Team was formed in 2012 as a pilot service but has now been embedded alongside the Access & Assessment Service in Children’s Social Care.</p>				<p>those that are entitled to them and need them. This joined up approach robustly mitigates against the risk of children in Hackney being exploited or trafficked for services. Ofsted inspectors found in November 2019 that NRPf team provide “ an effective holistic social work service”. Support is provided to families to resolve their status as quickly as possible through work with Praxis and the Home Office.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 60</p> <p>CYP DR 010b Cross-London management arrangements for unaccompanied asylum seeking children.</p>	<p>The Pan London unaccompanied asylum seeking children (UASC) dispersal rota is a voluntary arrangement that is supposed to operate in equal distribution order. There has been a recent drive across all London authorities to ensure that each borough takes their turn on the rota in the wake of a number of authorities having withdrawn over the past year. The withdrawal from some authorities had, had a negative impact of increasing the numbers of UASC being dispersed to Hackney. The government have introduced a National Transfer Scheme under which authorities will be expected to accept UASC up to the equivalent of</p>	<p>Anne Canning</p>	<p>Sarah Wright</p>	<p>Ongoing</p>	<p>The rota is managed by L.B. Croydon and monitored by the London ADs Group. The National Transfer Protocol set the maximum UASC population of each local authority at 0.08% of their child population. The number of UASC in Hackney has increased steadily, with 48 UASC as at December 2019. This means that Hackney have reached their maximum number of UASC and are therefore unable to accept additional UASC from the rota.</p> <p>Hackney has recently been successful in applying for additional funding from the Government to provide additional support to our UASC through the Controlling Migration Fund. (Reviewed at February 2020)</p>

	0.07% of their child population, after which they will be able refer young people to the NTS				
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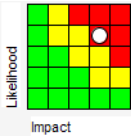

Hackney Learning Trust Risks

Generated on Thursday 31 January 2019

Reviewed by the Risk Review Group on Thursday 31 January 2019

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
<p>Page 51</p> <p>EDS 1617 003 Termination lease for the continued use of the Rigg Approach depot for the SEND transport fleet</p>	<p>Rigg Approach depot is a leased property that has recently been sold. There is some uncertainty regarding the new owner's intentions for the future use of the site. A new lease was being negotiated with the old owner when it was discovered that the site had been sold. Strategic Property Services will follow up with the new owner's agent to negotiate a new lease. As we don't currently have the lease and don't know what the intention of the new landlord is, we need to recognise this as a significant risk. There is a possibility we may be given notice to vacate the site. From an earlier exercise looking at depot alternatives for the SEND fleet, there appeared to be no obvious alternatives.</p>		<p style="text-align: center;"></p> <p>January 2020: The Risk Review Group notes the progress that has been made in developing Andrew's Road as an alternative to Rigg Approach. The Council Project Group's timeline for transferring the SEND Transport Fleet to Andrew's Road in August 2020 is noted. Ensuring there is no disruption of services to children and young people at the beginning of the new school year is essential.</p>

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1617 Risk 10 Agree a lease for current depot with the new owners of the Rigg Approach site	A new lease for the Rigg Approach site would provide certainty and continuation of the SEND transport service. A new lease would need to specify a sufficient notice period for SEND transport to vacate the site.	Andrew Lee (AD Education Services)	January 2020: The three-month rolling lease is still in operation, lessening the risk of eviction.
LT 1617 Risk 11 Identify feasible alternative options for the SEND transport depot	Contingency planning to move the SEND Transport service to a new site will have to be established.	Andrew Lee (AD Education Services)	January 2020: The former car pound at Andrew's Road has been identified as the agreed revised location for the depot. The Council's Project group, managed by Strategic Property Services, has approved a project plan which identifies 1 September 2020 as a worst case scenario for relocation. A transfer to Andrew's Road in August is more likely.

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT EDS 1415 0004 –The statutory requirements of the SEND aspects of the Children & Families Act are not met. Page 62	The Children & Families Act places a statutory requirement to implement Education Health & Care Plans, provide support for SEND up to 25 years old, joint commissioning, implementation of a local offer and person centred approaches to planning. Process and resources to support these changes must be implemented to ensure HLT meets its statutory requirements. In addition to the impact on vulnerable children and young people, any failure to meet their statutory responsibilities would result in significant reputational damage to HLT and LBH, leaving them open to challenge through SEND tribunals, the Local Government Ombudsman and possible Judicial Review.		<div style="text-align: center;"></div> <p>January 2020: The Risk Review Group notes the substantial recruiting programme for SEND Services. These will make a positive impact on meeting statutory requirements.</p> <p>Also noted, the upcoming management changes to the senior leadership of Pupil Services presents a risk to the continuity and effectiveness of the service.</p>

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1920 Risk 01 – Robust monitoring and challenge of arrangements in place with regular reporting process via SLT	Head of Service is responsible for implementing a comprehensive programme to ensure all statutory responsibilities are fully understood and met, including meeting the statutory 20 week deadline for completing an Education & Health Care Plan (EHCP). In order to achieve this the following will be undertaken: <ul style="list-style-type: none"> • Develop robust quality assurance of case management with external moderation; • Implement action plan based on self-evaluation/annual report and points 	Francesca Cannarella	<p>January 2020 – Recruitment is underway which will increase capacity within the SEND teams. This will help HLT meet the statutory 20-week deadline and improve the quality assurance of case management.</p> <p>A new SEND Development Plan is being developed with objectives being refined.</p>

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	<ul style="list-style-type: none"> identified in SEND inspection; Develop viable business case to increase capacity of Education Psychology team; Review SEND staffing levels to ensure sufficient capacity in face of increased demand Improve the quality and timeliness of advice from partner agencies; and Ensuring robust Post-16 Commissioning 		

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
Page 6 ED S 1617 01 CYPS: SEND Spending – Escalating SEND spend has an adverse impact on HLT and Council budgets.	The number of pupils eligible for SEN statements continues to increase at a significant rate exceeding the population growth in the Borough, the effect of which is to place the SEND budget in deficit.		 January 2020: The Risk Review Group recommends maintaining the risk rating at the highest possible level. The SEND Budget pressures are being offset by savings in other areas of HLT and some additional funding. A Co-Design Group, initiated by elected members, has formulated recommendations around incremental funding. These proposals require testing and further detailed refinement. Any funding change of this magnitude should be carefully implemented and managed, with effective governance arrangements in place to ensure transparency and accountability.

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1617 02 Ongoing work to develop plans/strategies to control/manage SEND spending.	SLT has approved a cost management plan to address the pressures placed on the SEND budget by increasing numbers of children and young people being eligible for SEN statements.	Andrew Lee	January 2020: The cost management plan remains in place and is due for scrutiny at the CACH Budget Board in February 2020 (note this has been now been rescheduled). The Co-Design Group has proposed recommendations that require

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	The cost management plan is regularly reviewed by STAG.		further, detailed assessment as to their viability and sustainability over the medium to long term.
LT 1617 06 - Forecasting of financial impact of SEND budget pressures.	Rapid, significant short term reductions in SEND costs and outlays will be difficult to achieve. Ensuring that the policy changes in the action plan result in medium term cost savings that relieve the pressures on the SEND budget, whilst ensuring the operational effectiveness of HLT is not detrimentally affected by the overspend, is imperative.	Yusuf Erol	January 2020: No changes to report. There continues to be very little progress. Short-term reductions in SEND costs have been difficult to achieve. A small reduction of 5% has been agreed and this was launched from April 2018, regarding SEND support paid to schools for new EHC plans. This has not resulted in significant savings.
LT 1617 07 - Changing the culture of SEND in schools and HLT to implement the action plan.	If the action plan is to control expenditure and distribute resources fairly, changes in the existing culture in HLT teams and schools must also change to critical assessment and the equitable distribution of limited resources. Collaborative working with schools will be necessary to ensure pupils SEND needs are met from delegated SEND resources, with EHCP referral only for exceptional needs.	Andrew Lee	January 2020: SEND managers have attended primary and secondary heads meetings to explain basis of inclusion concept, expectations of schools and how the legal framework operates in relation to them.
LT 1617 Risk 08 – The initiation of EHCP assessments is rigorously reviewed	The decision to initiate assessments needs to be rigorously reviewed to ensure the level of support is appropriate and sustainable. This may include senior managers signing off decisions, or refusing to do so.	Andrew Lee	January 2020: A monthly dashboard monitoring the total number of EHC Plans and new requests is reviewed regularly. There has been a steady increase in requests – which is reported nationally, mainly as part of legal cases which err on the side of the young person where there are possible needs.
LT 1617 Risk 09 – The costs of providing ECHPs is born equitably across agencies	All agencies need to contribute to the costs of the Education & Health Care Plans through the joint commissioning budget.	Andrew Lee	January 2020: The SEND Partnership Board has developed an action plan in which this is a key action. The post-16 transition process is now being Chaired by CACH Group Director to accelerate progress. SEND team are developing advice templates to standardise information from various agencies.

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT EDS 1920 0001 – Insufficient provision to meet growing demand for SEND services.	Lack of resources to meet the growing demand for SEND support services means that HLT is unable to meet its statutory responsibilities under the Children & Families Act.		<p style="text-align: center;"><u>New Risk</u></p> <p>January 2020 – We recommend the risk rating remains unchanged. There is evidence that referrals have increased dramatically which will risk our ability to reach statutory requirements.</p>

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Control Title	Control Description	Service Manager	Control - Latest Note
LT 1920 Risk 02:Implementation of a SEND Provision Plan	An HLT SEND provision plan is developed and implemented to address rising demand for SEND services. This will be monitored and updated on an annual basis.	Andrew Lee Emma Claridge	January 2020: The SEND Needs Analysis Paper (SNAP) has been circulated for sense checking with a restricted circulation. Response are due 21 Feb when the paper will be reviewed, amended and subsequently published. It will be reported to CACHSMT on 28 February 2020.

Hackney Schools Risks

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
<p>Page 65</p> <p>LTSCH 1617 001 CYPS: Serious Safeguarding failure in regard to pupils not in school</p>	<p>Safeguarding considerations for those pupils who are not registered at a school – Electively Home Educated pupils, children missing from education, children attending unregistered settings, children who are yet to be allocated a school place etc is increasing in importance.</p> <p>This is the particular focus for current Local Authority Safeguarding Inspection frameworks, and there is an expectation that HLT must work to ensure the safety and wellbeing of all such pupils, challenging existing legislative frameworks and guidance where necessary to do so, and working with partners to ensure effective and robust identification, tracking, consultation and referral.</p>		<p>January 2020 – HLT and LBH have limited powers to intervene in schools’ safeguarding practices. The risk controls reflect the fact that HLT has responsibility, but little authority. Risk Review Group recommends maintaining current risk.</p>

Control Title	Control Description	Service Manager	Control - Latest Note
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<p>LT 1617 Risk 03: Ongoing dialogue between HLT, DfE and Ofsted around necessary legislation to ensure safeguarding duties can be effectively carried out.</p>	<p>Currently, the roles and responsibilities of LAs, DfE and Ofsted are not clearly defined with regard to safeguarding duties.</p>	<p>Andrew Lee</p>	<p>January 2020: The urgent need for clear legislation was emphasised at the Children & Young People's Scrutiny Commission meeting in January 2020 HLT has produced and circulated a flow chart to clarify HLT's role with partners as to the actions following child not in school in order to pilot attendance orders.</p>
<p>LT 1617 Risk 04: Continuing attempts at engagement with unregistered settings are made by HLT to reduce the likelihood of pupils being put at risk.</p>	<p>In the absence of clearly defined statutory responsibility and given the numbers of CYP in such settings, the LA is seeking to raise awareness of safeguarding with all community groups through regular dialogue.</p>	<p>Andrew Lee</p>	<p>January 2020: The working group that has been overseeing the response to CYP Scrutiny Commission is to be reconvened as an unregistered settings oversight group and will expand its membership to all statutory partners e.g., Met police LFB and others.</p>

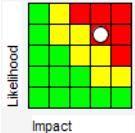

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Hackney Schools Risks

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LTSCCH 1415 0007 CYPS: Risks posed by unregistered schools and settings	Unregistered centres are neither known to, nor inspected by Ofsted, raising potential issues relating to the wellbeing and safeguarding of children and young people in the borough. HLT does not have any statutory powers or reporting requirements in regard to the registration of independent schools. As well as the potential risk around safeguarding and lack of knowledge and intervention in regard to those young people attending such settings, there are clear reputational risks for HLT in this area. Despite the fact that HLT holds no powers in regard to either registration or closure, there remains the perception that the Local Authority has not presented sufficient challenge to the status of such settings.		 January 2020- HLT and LBH have limited powers to intervene in schools' safeguarding practices. The risk controls reflect the fact that HLT has responsibility, but little authority. Risk Review Group recommends maintaining current risk rating.

Control Title	Control Description	Service Manager	Control - Latest Note
LT 1415 Risk 18: Co-ordinating multi-agency responses, HLT escalates any issues relating to the safeguarding of children or young people attending unregistered schools or settings.	HLT are aware of unregistered schools and settings within the borough, we escalating to the appropriate authorities Children and Social Care any issues of concern reported to them. HLT co-ordinates multi-agency responses in regard to those settings that do not comply with Ofsted registration requirements.	Andrew Lee	January 2020: HLT will continue make partner agencies aware of potentially serious concerns and support the Council and CHSCB in advocating for changes in the legal framework. HLT is currently drafting a paper to outline a recommended borough-wide approach to responding to alerts about settings.
LT 1617 Risk 04: Continuing attempts at engagement with unregistered settings are made by HLT to reduce the likelihood of pupils being put at risk.	In the absence of clearly defined statutory responsibility and given the numbers of CYP in such settings, the LA is seeking to raise awareness of safeguarding with all community groups through regular dialogue and through the Out of School setting	Andrew Lee	January 2020: The OOSS is working with Interlink who have identified a worker who will have dedicated responsibility to promote safeguarding arrangements and practices in the OOSS/Yeshivot

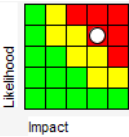

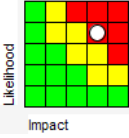

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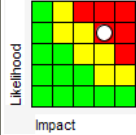

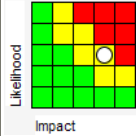

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
<p>LT SCH 1112 0008 CYPS Performance and/or quality of provision in nursery and primary schools or settings declines, stagnates or fails and goes into special measures</p>	<p>The overall effectiveness of schools or settings, or the:</p> <p>a. proportion of pupils attending good or better schools) reduces, leading the Trust to engage with Ofsted to challenge schools under the Good to great policy.</p> <p>b. Achievement in schools or settings fails to improve, leading to gaps not being narrowed from year to year at borough level and/or relevant to other LAs.</p> <p>c. The overall quality of provision in schools or settings fails to improve, leading to plateau and coasting year to year at borough level.</p>		<p style="text-align: center;"></p> <p>January 2020: Risk Review Group recommends no change to the risk rating</p> <p>Risk Review Group notes that Ofsted inspection grades for primary and nursery schools in Hackney in January 2020 are as follows:</p> <ul style="list-style-type: none"> • Outstanding – 28 schools (37.8%) • Good – 40 schools (54.1%) • Requires improvement – 4 schools (5.4%) • Inadequate – 2 schools (2.7%) <p>The current breakdown of overall effectiveness grades for those Hackney schools that have been inspected by Ofsted show 92% of nursery & Primary pupils attend an outstanding or good school.</p>
<p>LT SCH 1112 0009 CYPS Performance and/or quality of provision in secondary schools or settings declines, stagnates or fails and goes into special measures</p>	<p>d. From September 2012, poor performing schools will be subject to more regular inspections. Schools given a grade of 3 (currently "satisfactory", becomes "requires improvement") will receive two opportunities to remove themselves from the category before being placed in special measures.</p>		<p style="text-align: center;"></p> <p>January 2020 -Risk Review Group recommends no change to the risk rating.</p> <p>Risk Review Group notes that Ofsted inspection grades for secondary schools in Hackney in January 2020 are as follows:</p> <ul style="list-style-type: none"> Outstanding – 3 schools (21%) Good – 9 schools (64%) Satisfactory/Requires Improvement – 0 schools (0%) Inadequate – 2 schools (14%) <p>The current breakdown of overall effectiveness grades for those Hackney schools that have been inspected by Ofsted show 94% of Secondary pupils attend an outstanding or good school.</p>

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<p>LT SCH 1415 0001 CYPS Performance and/or quality of provision in special schools or settings declines, stagnates or fails and goes into special measures</p>			<p style="text-align: center;"></p> <p>January 2020 – Risk Review Group recommends no change to the risk rating. Risk Review Group notes that Ofsted inspection grades for special schools in Hackney are as follows: Outstanding – 2 schools (67%) Good – 1 schools (33%) Satisfactory/Requires Improvement – 0 school (0%) Inadequate – 0 schools (0%)</p> <p>The current breakdown of overall effectiveness grades for those Hackney schools that have been inspected by Ofsted show 100% of Special pupils attend an outstanding or good school.</p>
<p>LT SCH 1415 0002 CYPS Performance and/or quality of provision in Pupil Referral Unit declines, stagnates or fails and goes into special measures</p>	<p>PRUs are now self-governing, which may mean that inspection / greater scrutiny is imminent, which could lead to negative inspection outcomes</p>		<p style="text-align: center;"></p> <p>January 2020 – NRC is Ofsted rated 'good'</p>

Control Title	Control Description	Service Manager	Control - Latest Note
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LT 1112 Risk 17 Quality of provision of support by traded services offer	Quality of provision (particularly teaching, learning & assessment) and leadership and management (with a particular focus on sustained capacity for improvement) will be key aspects of the support provided. Increasing the levels of buy in from schools in Hackney and out-borough will increase the capacity for a viable school improvement service.	Jason Marantz- Primary Anton Francic - Secondary	January 2020: No change. Income targets for secondary have been revised downwards to better reflect capacity whilst also remaining ambitious.
LT 1112 Risk 02 SRAS continually reviewed	SRAS process continually reviewed to ensure it is fit for purpose.	Stephen Hall	January 2020: No change. Policy will be reviewed again in Summer 2020. The Heat Map will be used from April 2020 to ensure more robust and better informed risk assessment.
LT 1112 Risk 14 Pupil support	Pupil outcomes/underachieving pupils will be an aspect of the package of support provided.	Stephen Hall	January 2020: No change. Under Performing Groups funding is secured for 20/21 and a new strategy has been launched. Increased WAMHS funding has been secured and impacting on a greater number of schools from April 2020
LT 1112 Risk 15 Increased CPD and capacity	Seek to increase levels of professional development and capacity in schools.	Stephen Hall	January 2020: A three-year professional development strategy has been drafted, pending full implementation. The Leadership & Management Training Programme is being reviewed for launch in September 2020, incorporating a broader offer.

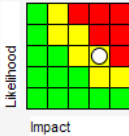

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LT SCH 1112 0011 CYPs Surplus school places (Primary)	Surplus primary school places result in financial pressure on schools and threatens their long-term viability.		<p>January 2020- The nature of the risk around primary school places has changed, going from a position of insufficient school places to a surplus of school places. This poses significant risks to schools' financial viability. Projections for primary school places indicate an increasing</p>

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			and potentially substantial surplus, which carries with it significant financial risks. The Surplus Places Planning Group is working to mitigate the impact of falling reception roll numbers through permanent or temporary reductions in some primary schools' PANs. We recommend retaining this risk rating.
LT SCH 1112 0012 CYPs Insufficient school places (Secondary)	Inability to meet demand for secondary school places if primary school rolls unexpectedly increase.		 January 2020- This risk will be kept under review and may be lowered in the light of further changes to demand. In the meantime, the risk review group recommends maintaining current risk rating.

Control Title	Control Description	Service Manager	Control - Latest Note
Page 71 1112 Risk 23 Revise forecast of pupil demand	Regular review of population data allows oversight and summary of changes to the potential pupil cohort and ultimately potential demand for places.	Marian Lavelle	January 2020: The current forecasts are based on the January 2019 school rolls. These provided data based on live births, housing developments, Olympic legacy area information, number of applications etc.
LT 1112 Risk 24 Clarify pupil demand projections	Pupil demand projections set out the numbers of pupil places required and available in the borough. Regular reporting to SLT to assure them risks have been identified and mitigating controls are working effectively	Marian Lavelle	January 2020: Primary For the 2019/20 academic year, there are 3035 reception places based on published admission numbers. The October 2019 census shows 2593 reception pupils on roll (442 surplus reception places- 15% not taking into account temporary caps). This represents an increase of 31reception pupils when compared to the January census (2562). Surplus reception places/ falling rolls, are monitored by the School Place Planning (SPP) Group. To reduce the level of reception surplus places the following schools permanently reduced their PANs from September 2019: <ul style="list-style-type: none"> • De Beauvoir from 60 to 30 places • Gainsborough from 90 to 60 places • Harrington Hill from 90 to 60 places • Halley House from 60 to 30 places

Document Number: 19087318

Document Name: 2017/01/03CACHriskregisterApril18Document Number: 17811315

Document Name: 2016/11/30cachRISKREPORTDocument Number: 17725198

Document Name: 2016/11/04CYPsriskregister

			<p>Further temporary PAN reductions have been agreed at the following schools in 2019/20 and for 2020/21 (Permanent PAN in brackets):</p> <ul style="list-style-type: none"> • Gainsborough capped at 30 (60) • Mandeville capped at 45 (60) • Princess May capped at 30 (60) • Thomas Fairchild capped at 30 (60) <p>The latest GLA projections using the January 2019 school rolls, projected 2635 reception pupils on roll in September 2019. The actual number on roll October 2019 was 2593 - 42 fewer than projected.</p> <p>Secondary Secondary projections (based on the October 2019 school census data), demonstrate falling roles coming through the system, hence the postponement of the planned second new secondary school. Projections are outlined fully in the School Organisation Plan and monitored by the School Place Planning Group. Although a shortfall of places (-39, -34 and -5) is projected in 2021, 2022 and 2023 respectively, this shortfall will be mitigated by a bulge class in 2020 at Haggerston and 'assumed' Year 7 over allocations in future years. Over allocation is an informal arrangement which provides a safeguard for schools ensuring that as pupils leave, or do not start, the final number on October census day or shortly afterwards is in line with the PAN. However, HLT cannot rely on or guarantee that schools will always choose to over allocate Year 7 places in the future. From a school place planning perspective, mitigating the risk of a Year 7 deficit in future years is crucial. The permanent expansion of The Urswick School planned from 2021 contributes to ensuring that HLT continues to mitigate this risk and carry out its statutory duty.</p>
LT 1112 Risk 25 Regular monitoring of reception applications	Primary applications are volatile in nature. Regular monitoring of numbers of applications received compared to numbers expected allows Admissions Team to identify and respond to any perceived under submission.	Marian Lavelle	<p>January 2020: there are currently 3055 reception places available. The number of reception pupils on roll in October 2019 was 2593. As stated above, this represents an increase of 31 reception aged pupils on the previous census taken in January 2019. The GLA projections indicated that 2635 would be on roll in September 2019.</p> <p>A final reception allocation of 2687 was made for the September 2019/20 academic year.</p>

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			2562 reception pupils were on roll on census day in January 2019 2,633 reception pupils were on roll on census day in January 2018 2759 reception pupils were on roll on census day in January 2017 2807 reception pupils were on roll on census day in January 2016 2,845 reception pupils were on roll on census day in January 2015
LT 1213 Risk 39 Funding and sites secured	Funding and sites secured for any required new provision	Marian Lavelle; Michael Coleman	January 2020: The temporary site for the City of London Academy Shoreditch Park continues to operate well. Substantive works are underway on the permanent site, by Shoreditch Park, and are on programme to allow the school to move into its new permanent home in September 2021.

Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
Page 73 SCH 1314 0001 High levels of pupil exclusion	<p>An increase in exclusions would affect HLT reputation and the organisation's financial position, as HLT is responsible for provision for permanently excluded pupils (cost implications of permanent exclusions). In addition to the financial and reputational risk to schools, there is also an increased risk of OFSTED focussing on Hackney schools for inspection.</p> <p>HLT cannot intervene in school decision making, but should seek to influence school policy and practice through existing and novel mechanisms, including SRAS secondary B&A, fair access. Strategies for an effective approach to exclusions must draw on the expertise of partner agencies such as Young Hackney.</p>		<p>January 2020: Rates of exclusion in Hackney schools remain amongst the highest in the country. The long-term 'No Need to Exclude' strategy is being implemented. Further initiatives are being taken, including an analysis of the causes of exclusion and engagement with preventative service, for example the Re-engagement unit. In the meantime, the Risk Review Group recommends maintaining the current risk rating.</p>

Control Title	Control Description	Service Manager	Control - Latest Note
		Andrew Lee	January 2020: The Exclusion Board and Exec receive and interrogate regular data updates. The number of exclusions in secondary is increasing but primary

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<p>LT 1112 Risk 20 Monitoring & sharing of exclusions, attendance and related data</p>	<p>Monitoring & sharing of exclusions, attendance and related data between schools and at Behaviour and Attendance (B&A) Partnerships to inform practice and develop strategies.</p> <p>Exclusions Executive Group monitors the exclusions strategy and regular reports based on Census Data and reports to the Exclusion Board.</p>		<p>remains low.</p>
<p>LT 1213 Risk 35 Alternative provision in place</p>	<p>HLT uses its commissioning role to work to ensure there is an adequate high quality alternative provision offer in place to meet statutory responsibilities and to minimise the potential impact on individual pupils following exclusion.</p>	<p>Andrew Lee</p>	<p>January 2020: There are a number of concerns regarding the reach and detail involved in the currently QA arrangements. There are additional concerns about the number of students that NRC feel they are unable to accommodate. These issue have been shared with NRC and remain under discussion</p>
<p>LT1112 Risk 21 Use of Local Partnerships</p>	<p>The Behaviour Partnership provides a forum for challenge, strategic planning and consultation for all secondary schools & academies and now primary schools. Partnership working with Young Hackney is encouraged to ensure a whole family approach to behaviour management.</p>	<p>Andrew Lee</p>	<p>October 2019: The secondary behaviour and attendance partnership meeting has been changed to a meeting for pastoral heads to ensure key operational leaders in schools are able to share practice in this arena. The meeting provides a forum for HLT to raise issues and develop policies.</p>
<p>LT1516 Risk 07 - Development & implementation of the No Need to Exclude initiative</p>	<p>HLT encourages engagement with schools and other partner agencies to ensure awareness and engagement with the implementation of the No Need to Exclude Initiative.</p>	<p>Andrew Lee</p>	<p>January 2020: The exclusions strategy is currently being reviewed by the Exclusions Executive Board.</p> <p>The new Strategic Plan focusses on the following:-</p> <ul style="list-style-type: none"> (i) Supporting governance – ensuring the governing bodies have information about groups vulnerable to exclusion; offering support and challenge; and strengthening IRPs (ii) Rebuilding the use of AP – looking at whether Schools are considering all options

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			<p>(iii) Managed Moves and In Year Fair Access processes – learning from the experience of other LAs with similar behavioural challenges but a different profile in regard to published exclusions data</p> <p>(iv) Partnership working with the Safer Neighbourhood Teams and Young Hackney, in regard to weapons related exclusions – interventions designed to raise awareness, and in accord with MOPAC Knife Crime Strategy - www.london.gov.uk/knife-crime</p> <p>(v) Undertaking an in-depth data analysis of excluded pupils in Hackney cross referenced with Young Hackney / Mosaic data and Health records. Seeks to identify common themes/ experiences/ risk factors/ influencing factors. When could we have intervened earlier? Links with YBM project.</p> <p>(vi) Focus on disproportionality- a range of activity across different forums to ask the difficult questions - identifying the reasons and causes of this in Hackney, identifying good practice.</p> <p>The plan has been revised for 2019/20 but still has the same emphases on the points outlined above. The No Need to Exclude document is under review by the Exclusions Executive Board. A decision is pending awaiting whether to completely rewrite or rebrand.</p>
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Risk Title	Description of Risk	Current Risk Matrix	Risk - Latest Note
LTSCH 1920 0001 Exclusion of SEND pupils	Disproportionate numbers of pupils with EHCPs are excluded from schools and settings. These are amongst the most vulnerable pupils in the Borough and places a strain on alternative provision.		<p><u>New Risk</u></p> <p>January 2020: The Risk Review Group recommends maintaining the risk rating of Likelihood 4, Impact 4 as this reflects the severity of the risk.</p>

Control Title	Control Description	Service Manager	Control - Latest Note
		Andrew Lee	January 2020: Settings frequently feel compelled to Permanently Exclude immediately after a serious incident rendering AR redundant. Where a trend towards exclusion is

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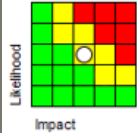

<p>LT 1920 Risk 03 Use of Annual /early reviews to pre-empt exclusions of pupils with EHCPs</p>	<p>Annual reviews are undertaken to evaluate the exclusions of pupils with EHCPs to:</p> <ul style="list-style-type: none"> -Ensure alternative provision is provided, and -Remind schools of the exclusion process. 		<p>evident, ARs do take place but there is often a time-lag in securing a change in provision due to the statutory consultation period.</p>
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Public Health Division risks

Report Type: Risks Report

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH PH - Public Health Workforce Page 77	<p>failure to achieve effective staff capacity post restructure</p> <p>IMPACT – reduced capacity to deliver existing public health programmes effectively the team has been unable to develop new ways of working to deliver on new areas of public health work insufficient capacity to develop effective stakeholder relationships, support health in all policies approach and deliver new public health strategy</p>	Children, Adults & Community Health		<p>Risk updated March 2020</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH PH-	<p>Recruitment and Team development Recruitment underway for the principal public health specialists, business manager, interim business support officer and senior commissioning officer -Firm plans to recruit deputy director, consultant, senior public health specialists and analyst -OD plan for team development</p>	Sandra Husbands	Joyce Powell	Sep 2020	added March 2020

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH PH 007 Sexual Health	<p>'failure to agree new baselines as part of the sexual health transformation programme'</p> <p><u>Impact</u> While the London Sexual Health e-service (SHL) was part of a cost efficiency drive no saving targets were stated. Part of the reason for this was because there was always a potential for activity to increase. As it stands, around 20% of SHL user had never attended a sexual health clinic</p> <p>1) uncontrolled increases in sexual health activity spend - Sexual Health providers, including Homerton, not receiving payment -negative working relationships with other London commissioners and sexual health providers</p> <p>2) Uneven access to services for residents across London.</p>	Children, Adults & Community Health	 <p>Likelihood</p> <p>Impact</p>	 <p>Risk updated following implementation of the Pan-London service using an integrated tariff, and the e-testing service. Residual risk of delivering associated savings remains.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH PH 007 Sexual Health	<p>Active participation and Director of Public Health leadership role in sexual health.</p> <p>Monitoring and supporting implementation of the pan-London e-testing service sited at the City of London.</p> <p>Ongoing dialogue with the Homerton as new lead provider for sexual health services on implementation of new contract.</p> <p>Ongoing services provided that target high risk communities with a range of support and advice.</p>	Sandra Husbands	Andy Liggins	2020	Sub-regional service implementation complete and clinical leadership from strategic board continues at a pan-London level to monitor outcomes and delivery of savings.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH PH 009 Budget	<p>Budget may not be managed effectively, may not align to Local Authority Public Health and Local priorities. There has been a further risk around the late announcement of the Public Health grant for 2020/21.</p> <p>Impact</p> <p>1) Spend not effectively controlled, creating overspends. 2) Failure to deliver a variance to be used in related local authority services.</p>	Children, Adults & Community Health		<p style="text-align: center;">↔</p> <p>Risk added in December 2016 and continues</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH PR 009 Budget	<p>Quarterly reports produced for the management team on performance and spend for each contract across the service. Options for future budget reductions across Public Health continue to be considered pending potential reduction to the ring-fenced grant.</p> <p>Develop governance processes to ensure assurance of public health grant expenditure within the Integrated Commissioning framework.</p> <p>Monitor changes to wider context of public health funding and implications for the budget plan, including: proposed removal of the ring-fence by April 2022 and for public health services to be funded through retained local business rates; and Public Health England's consultation on the services which are mandated for delivery by local authority public health services (referred to in the recent NHS Long Term Plan).</p>	Sandra Husbands	Joyce Powell	Ongoing	Added March 2020

ADULT SERVICES

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>CACH AS 001 Existing budget and resources are not sufficient to meet demand (Financial, reputational and poor service user outcomes and experience)</p>	<p>Key factors including an increase in demand as a result of the implementation of the Care Act 2014, demographic pressures and lack of in-Borough provision mean that the budget position is at risk.</p> <p>In addition to budgetary pressures, there is a risk that the social care workforce, and provision within the Provider market will be insufficient to meet and therefore support this growing demand.</p> <p>Whilst there are some emerging trends, predicting future demand is challenging and the current methodology does not support effective and accurate demand modelling.</p>	Children, Adults & Community Health		<p>Reviewed March 2020</p> <p>⇄</p> <p>Risk has remained the same</p> <p>The continued delay in the government's social green paper means there is still no clarity on the long term intentions of the government around a sustainable funding model for social care. In addition to this, it remains unclear how iBCF funding will be replaced and at what level for future years as this funding was announced pending proposals for a sustainable adult social care funding solution. The implications of any loss of funding will continue to be highlighted in order that these can be factored into the Council's financial plans. This will include ensuring that it is clear what funding is required to continue to run safe services for adults.</p>

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Control Title	Control Description	Responsible Officer	Service Manager
CACH AS 001a Recommissioning of Housing Related Support Services	The recommissioning of Housing Related Support Services has delivered savings annually since 2016/17 to support the sustainability of Adult Services. The services are also being redesigned to deliver better outcomes for individuals who use these services.	Simon Galczynski	Gareth Wall
CACH AS 001b Programme Management Office will oversee initiatives in place to manage demand and reduce/contain spend	A number of key initiatives have been developed by Adult Services to manage demand and contain spend which will be overseen by the department's Programme Management Board which meets 6 weekly to oversee progress. It will also report monthly to the directorate wide CACH Budget Board meeting providing additional governance overseeing delivery by the council's Section 151 officer.	Simon Galczynski	Heads of Service
CACH AS 001c Implementation of the 3 conversations practice model	In 2019 Adult Services has begun implementing a significant transformation of frontline practice. This approach supports demand management as it focuses on embedding a strengths based approach which promotes service user independence and has an evidence base from being implemented in other areas the demonstrates improved service user satisfaction, improved staff satisfaction and reduced numbers of people requiring ongoing care and support.	Simon Galczynski	Marion Willicome-Lang

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 002 – Provider Failure and local market sustainability (reputational, financial, poor service user outcomes and experience)	Within the continuing challenging financial climate the ability of Social Care providers to continue to deliver high quality, cost effective services is under pressure. These pressures may result in an increase in quality and safeguarding concerns.	Children, Adults & Community Health		<p>Reviewed and updated March 2020.</p> <p style="text-align: center;"></p> <p>This risk has increased. There continues to be instability in the homecare market nationally. Over the last year the effect of this has become more visible locally with two of the 10 providers on the Council's framework for homecare exiting the contract due to economic reasons. We have the below controls in place to manage this risk, but cost models developed with ADASS London and NICE (including input from Hackney staff) indicate that no boroughs are currently meeting the true cost of homecare according to our own criteria (e.g. including London Living Wage and the Ethical Care Charter).</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 002a Robust Procurement process	As part of the Council's procurement process all providers that tender for contracts must prove their financial standing, prior to any contract award. This approach is required to safeguard both adults receiving services and the Council.	Simon Galczynski	Gareth Wall	On-going	<p>March 2020 - Robust procurement processes continue to be in place however there is an increase in the number of providers challenging procurement outcomes, both formally and informally. This is currently being managed by Procurement and Strategic Commissioners.</p> <p>Contracted homecare providers continue to display capacity limits for urgent, complex packages of homecare, resulting in the frequent need to spot purchase provision. We are exploring the potential to joint the NHS' Any Qualified Provider framework to attract and manage a wider group of providers. We have also used the BCF process to fund a 'discharge to assess' model provided 'in-house' via Homerton but this is only for new packages of care.</p>
CACH AS 002b Fee uplift and commitment to London Living Wage	In recognition of the financial challenges that Providers are facing and to support them in attracting, recruiting and retaining high calibre staff, the Council has made a commitment to support payment of the	Simon Galczynski	Gareth Wall	On-going	<p>March 2020 - A detailed uplift procedure has been implemented however, there are continued pressures from providers that the 1% uplift is not enough. This is currently being managed by strategic commissioners, finance and procurement through a moderation and negotiation process.</p>

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	London Living Wage. In addition, the Council has also agreed to award a 1% uplift in fees to Providers annually. And a similar process for negotiating additional uplifts is being adopted for 20/21 and commissioners are working with providers to understand their financial challenges.				A local narrative is being developed on how the (limited) national uplifts to Adult Social Care funding, and increases via the local Council Tax precept are used to support providers, as part of the negotiation process noted above. This narrative is being developed in order to manage the local market in line with our responsibilities under the Care Act 2014.
CACH AS 002c Effective and robust contract management and monitoring arrangements	With a fully staffed team, Adult Services Commissioners are able to more effectively manage and monitor providers on a clear, risk based approach. Monitoring focuses on both quality and the financial stability of providers, so any key issues or concerns can be identified in a timely manner and action taken to mitigate or manage any safeguarding, quality or financial risks.	Simon Galczynski	Gareth Wall	Ongoing	<p>March 2020 – All providers are regularly quality assured through our contract management arrangements. The Commissioning Team has refreshed the “Provider Concerns” protocol and introduced a pathway to address concerns. Staff have also established an information sharing forum with the CCH, City of London and Care Quality Commission to provide advanced intelligence of provider risk and formulate cross agency responses as required.</p> <p>The Quality Assurance and Contract Monitoring process is also now applied to the Council’s own provided services, including Housing with Care, Shared Lives and ILDS.</p>
CACH AS 002d Market Position Statement refresh	The commissioning team will be looking at refreshing the Adult Social Care market position statement over the next 12 months to identify market strengths and weaknesses and define key market shaping activity required.	Simon Galczynski	Gareth Wall	Ongoing	<p>Following consultation with the local market, the Commissioning Team is taking an iterative approach to the publication of a refreshed statement via its new online platform: http://blogs.hackney.gov.uk/adults</p>

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 003 - The needs of vulnerable adults are not identified in a timely manner (poor service user outcomes and experience)	With the increase in demand at the front door in light of the Implementation of the Care Act 2014, the availability and capacity of suitably qualified staff is negatively impacted. The number of requests for assessment continues to exceed the availability and capacity of staff. As such there is a real risk that assessments and reviews to identify and support the needs of service users and their carers is not undertaken within the required statutory timeframes.	Childrens, Adults and Community Health		<p>Reviewed March 2020</p> <p>This risk has stayed the same.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
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<p>CACH AS 003a - A risk based approach to waiting list management</p>	<p>New duties under the Care Act 2014 were introduced in 2015 which require additional resources to ensure statutory responsibilities and legal compliance. This means that we are currently operating at an enhanced staffing level and despite having some additional capacity, we are still holding a waiting list for Care Act Assessments.</p> <p>To ensure that risks are managed effectively, waiting lists are reviewed and prioritised on a weekly basis. Services can be commissioned and provided urgently as a "Direct Service provision" on the same or next day if necessary. There is a Joint Referral Panel held weekly and cases are allocated to the appropriate discipline/s from that. There is almost no waiting list for OT which is very strong performance when benchmarked to other authorities.</p> <p>Most disciplines within the team have cases waiting to be allocated. The reasons can be varied e.g. staff vacancies; working on backlogs (reviews for instance); number of safeguarding cases requiring immediate action; home closures etc.</p>	<p>Simon Galczynski</p>	<p>Ilona Sarulakis</p>	<p>Ongoing</p>	<p>March 2020 - The team resources and structure are currently under review. It is anticipated that with a fully staffed service we would be able to meet the original performance criteria - Allocation of cases within 48 hours (non-urgent) and assessment complete (or substantially underway) within 28 days. Annual reviews are undertaken as per our statutory duty. Furthermore, the introduction of a strengths based approach to social care, use of multidisciplinary team approaches across social care and occupational therapy, and the establishment of neighbourhood working are leading to improvements in lead-in times and waiting list management.</p>
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>CACH AS 004 - Inability to attract and retain a stable, high calibre workforce for key roles within Adult Services</p> <p>(Financial and reputational risk, poor service user experience and outcomes)</p>	<p>Hackney has previously experienced challenges in being able to recruit and retain a stable, permanent workforce to key roles within Adult Services. Key areas include Social Workers, Commissioners and Procurement professionals.</p> <p>Whilst the number of vacancies have reduced across 2018/19 there remains a number of vacancies across frontline teams and in commissioning.</p> <p>This clearly impacts on the budget, but also negatively impacts on service delivery, service user experience and outcomes, staff morale/ wellbeing/ productivity, with the potential for reputational damage.</p>	<p>Children, Adults & Community Health</p>		<p>Reviewed March 2020</p> <p>This risk has reduced.</p> <p>During 2019/20 as part of Adult Services' People Strategy there has been a continued focus on developing a competitive, phased recruitment strategy and workforce offer to attract people to work in Hackney on a permanent basis with a specific focus on social workers. As a result of a first phase of recruitment Adult Services have filled 16 permanent frontline social work positions. There has also been work to retain</p>

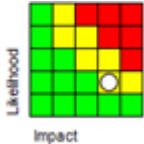
	<p>The lack of stable staffing and service pressures mean that staff are not always able to take up training opportunities.</p> <p>Many Adult Services staff require upskilling to support them to deliver the high quality care and support necessary in an increasingly complex landscape of changing legislation, reduced budgets and the drive towards person-centred care</p>			<p>existing staff which has seen an increase in pay for social workers to bring this in line with the offer for Children's social workers and ensure it is competitive compared to other boroughs.</p> <p>Whilst there are still a number of vacancies across frontline teams the success of the first phase of recruitment will help inform a second phase of recruitment to fill the remaining vacancies including those within the Integrated Learning Disability Service.</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 004a Continued delivery a People Strategy for Adult Services Page 85	Building on the successful delivery of the first phase of the Adult Services People Strategy this will continue to be delivered across 20/21 with the support of the Programme Management Office to continue to focus on recruitment and retention, future workforce planning and developing the professional workforce.	Simon Galczynski	Principal Social Worker Marion Willicome-Lang / HR / Adult Services Heads of Service / Workforce Development Manager	Ongoing	March 2020 - As summarised above in 2019/20 there was a specific focus on recruiting permanent frontline social workers, for which there was a successful first round of recruitment. Further recruitment drives are planned in Spring 2020 to fill further vacancies across frontline teams. In 19/20 there will also be a similar focus on ensuring a clear offer for Occupational Therapists and LD specialists to attract them to Hackney and then retain them going forward.
CACH AS 004b A training and development offer for Adult Services that is relevant and flexible.	Adult Services are incrementally establishing a new learning and development offer for staff across its services. This includes through the establishment of an innovative Hackney Adult Services Practice Academy which offers learning and development opportunities through a 'faculty' framework. A robust Learning Needs Analysis process is in place and will also inform plans for 2019/20.	Simon Galczynski	Simon Richardson/ Principal Social Worker - Marion Willicome-Lang/Adults Heads of Service	Ongoing	March 2020 - The establishment of a Hackney Adult Services Practice Academy is changing the way in which staff are developed and how they access learning and development opportunities with a focus on a clearly defined career progression. The first phase is primarily focusing on staff who do not have a social work qualification but may be interested in doing so such and then supporting social workers through their careers. The next phase will look at the offer for the rest of the department such as Occupational therapists and commissioners. A focus for the future will also be improving the learning and development offer and tracking and monitoring systems for staff within Provided Services and developing an offer for Commissioning.
CACH AS 004c	Adult Services will be implementing a new approach to practice throughout 2019 which empowers	Simon Galczynski	Principal Social Worker Marion Willicome-Lang	March 2020	The model has been rolled out across two units within the Information and Assessment Team, with positive

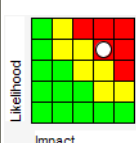

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Transformation of adult social work practice through the 3 conversations model	frontline workers and in which there is an evidence base from other areas that it increases staff satisfaction. This should support staff retention and attract people to come and work in Hackney.				outcomes. This is now being extended to two further units across both the existing team and the Long Term Care team, as part of ASC designing the local neighbourhood model for health and social care services.
CACH AS 004d Launch of the social work apprenticeship degree in 2019/20	The social work apprenticeship degree was being launched nationally in 2019/20. This supports Hackney to 'grow its own' social worker staff by offering to those who are interested a route into social work to those who work in Housing with Care services and those that work in other front line teams such as review officers and information and assessment officers.	Simon Galczynski	Principal Social Worker Marion Willicome-Lang	Ongoing	

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 005 - Adults at risk suffer significant harm, injury or death	<p>Adults at risk who use our services are at greater risk of harm, injury or death. If risks are not adequately assessed and protected the vulnerable person could suffer significant injury or death.</p> <p>Hackney has had 7 Safeguarding Adult Reviews (SARS), which are a multi-agency learning process following the death or serious abuse or neglect of a vulnerable adult. The SARS have resulted in action plans for the council and for its partners to deliver and help mitigate this risk.</p>	Children, Adults & Community Health		<p>Review and updated January 2019</p> <p>Risk has stayed the same</p> <p>In 2018/19 Adult Services in Hackney invited the London Association of Directors of Adult Social Services (ADASS) to conduct a Peer Review into Adult Safeguarding in order to test and validate the controls in place for how this risk is managed. The review was positive about how this risk is managed in Hackney but also provided areas for further consideration about more we could do. These areas have been built into ongoing adult safeguarding delivery plans within commissioning, operations and the work of the Safeguarding Adults Board.</p> <p>In 2019/20 the City & Hackney Safeguarding Adults Board have continued to work together to embed the learning from SARS to help mitigate this risk further. This included:</p> <ul style="list-style-type: none"> • Delivery of SAR learning sessions to multi-agency groups, including voluntary agencies • Development of Task & Finish group to promote service user engagement in the work of the CHSAB <p>The Board has also carried out awareness raising activities to help prevent adult safeguarding such as an awareness campaign co-produced with service users to raise awareness of financial abuse.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date
CACH AS 005 a The City and Hackney Safeguarding Adults Board is in place and operating as an effective multi-agency forum.	The City & Hackney Safeguarding Adults Board's (CHSAB) role is to monitor safeguarding across all partner agencies, including the local authority and has regular meetings of the Board to ensure safeguarding across the partners is being managed effectively and that relevant intelligence is appropriately shared.	Simon Galczynski	John Binding	On-going
CACH AS 005 b Staff are appropriately qualified and have the necessary skills and expertise to ensure risk and need are properly assessed	Adult Services has a clear annual training plan that is underpinned by a robust Learning Needs Analysis process, which ensures that staff within the Directorate and wider partners have access to the appropriate training. Learning and development with regard to safeguarding is monitored by the SAB	Simon Galczynski	Tessa Cole / John Binding	On-going
CACH AS 005 c Embedding the learning from Safeguarding Adults Reviews and embedding adult safeguarding within Integrated Commissioning	The Safeguarding Adults Board with the input and support of Adult Services' Head of Safeguarding will continue to oversee the delivery of the recommendations of the Safeguarding Adults Reviews. This will include working with existing projects within the Integrated Commissioning programme such as the Neighbourhood Programme to ensure they support the delivery of these recommendations.	Simon Galczynski	Iona Sarulakis and John Binding	On-going
CACH AS 005 d Ensuring that there is a shared strategic approach to recognising and responding to the needs of adults at risk across the borough.	Ongoing and consistent liaison with other formal boards, ie Community Safety Partnership, Children's Safeguarding Board, Health & Well-being Board. In order to promote awareness of adults at risk across the borough in the context of "adult safeguarding being everybody's business" which includes the development of regular cross board chairs meeting.	Simon Galczynski	John Binding + (CHSAB Manager)	On-going
CACH AS 005 e Ensuring that people who use our services are actively involved in the work that we do, via co-production, delivery of training, critical partner and "expert by experience" roles and functions.	Continued development and promotion of engagement / co-production with people who use our services in order to identify and implement a mechanism to build understanding from a user perspective and therefore implement better informed prevention activities.	Simon Galczynski	Tessa Cole	On-going

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 006 – Inability to control the increasing number of Delayed Transfers of Care	<p>The number of people delayed from leaving Hospital fluctuated significantly for the majority of the year with no single cause being identifiable on a consistent basis. While the peaks have been addressed it demonstrates that our performance is not yet stable. And that there remain times when there is an impact in the throughput in the Hospital as well as people not receiving the right care, support and interventions at the right time to enable them to remain healthy and well.</p> <p>This target is further exacerbated by a lack of "in-Borough" provision, capacity of providers to support the demand and patient choice issues - which is an intrinsic issue in Hackney.</p>	Children, Adults & Community Health		<p>Reviewed and updated March 2020</p> <p style="text-align: center;"></p> <p>This risk has increased</p>

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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 006a Whole systems working – Integrated Commissioning	<p>The proposed key strands underpinning Integration and wider Devolution, will ensure a stronger, more joined up approach to managing discharge from Hospital. This will provide the opportunity to review and jointly clearly articulate the choice available to service users and their families upon discharge from Hospital. This will continue to be taken forward as a key component of the Unplanned Workstream in 2020/21.</p> <p>In addition to that the Planned Care Workstream is looking at Housing as a 'big ticket' item and how health, social care and housing can work together to reduce delayed transfers of care arising from Housing issues.</p>	Simon Galczynski	Ilona Sarulakis / Gareth Wall	Ongoing	<p>March 2020 - As part of the Unplanned Care Workstream of Integrated Commissioning there has been a continued focus on DToC performance. Daily teleconferencing led by Operations and weekly huddle meetings continue, chaired by the Director of Adult Services and a monthly Discharge sub-group meets to oversee the High Impact Change Model implementation and DToC performance. Monthly meetings with Mental Health services are in place to oversee the Mental Health DToC Action plan, which has had a dramatic positive impact on performance. These controls will continue moving forward.</p> <p>As a result of the tasks described above when a spike in delays has arisen we have been able to react quickly and seen performance peak but then come down rapidly back to target. Further work is being done on trying to better stabilize performance month on month.</p>
CACH AS 006b Supporting the Home Care market to be more reactive	<p>One of the major delays is as a result of Home Care providers not being able to take on packages as quickly as we need them to. Or in some cases not taking on packages and this then causes an inherent delay in being able to discharge someone home. Measures to address include:</p> <ul style="list-style-type: none"> • A Task and Finish group to look at this set up to monitor performance against contract with Home Care providers has been set up • Contract/Performance review all current providers • Meet providers at monthly forum • Review current Framework 	Simon Galczynski	Gareth Wall	Ongoing	<p>March 2020 - A 90 day rapid review programme has been implemented to consider the DToC position end-to-end within our local system.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 007 - The needs of Vulnerable Young People moving from CYPS to Adults Services are not appropriately identified and planned for. (Financial, poor service user experience and outcomes and reputational risks)	The current transition process and poor planning could lead to budgetary pressures which have not been planned for and to insufficient staff resources to support these young people as well as a potential lack of	Children, Adults & Community Health		<p>Review and updated March 2020</p>

Document Number: 17149551

Document Name: 2016_06_ASC_Commissioning_Shared Risk Register



	<p>appropriate provision to meeting their needs.</p> <p>In addition policy decisions around education spend in Hackney Learning Trust may lead to increased spend in Adult Services if a new day opportunities offer is not developed to meet the need left by reduced education funding.</p>			<p>Risk has reduced slightly</p> <p>In 2019/20 there has been continued joined up working across Adults, Children's and Education to embed the transitions pathway and the launch of the new ILDS service with a specific Transitions team and Transitions team manager will ensure that there is dedicated Adult Services resource to effectively plan.</p>
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p>CACH AS 007a The Transitions Steering Group and sub-groups are providing ongoing governance to oversee and plan for effective transitions</p>	<p>Governance arrangements around transitions including decision making around funding arrangements and TORs have been finalised between key stakeholders and is in operation. The Steering Group is chaired by Anne Canning, Group Director for CACH</p> <p>The purpose of these groups is to bring together education, children's social care, adult social care and health in order to effectively plan joined up and coordinated transitions for young people.</p>	Simon Galczynski, Sarah Wright and Annie Gammon	Ann McGale and Gareth Wall	Ongoing	March 2020 - Since last year these groups are now operational and meeting regularly.
<p>CACH AS 007b Establishment of a Transitions Dashboard</p>	To help with better planning a Transitions Dashboard has been established in 19/20 which will pull data from Education and Children's and Young People's Services and Adult Services. Providing further intelligence to effectively plan for and manage transitions across the directorate.	Simon Galczynski, Sarah Wright and Annie Gammon	Ann McGale	Ongoing	March 2020 - in place and in regular use, Intelligence from this dashboard is informing future commissioning plans to meet the needs of this cohort.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>CACH AS 008 - Loss of confidential / personal information – (negative impact on service users confidence and the families and carers, reputational risk, financial risk through financial penalties</p>	Adult Services holds a great deal of sensitive information, which relates to vulnerable adults supported by the Council, their families and carers. This includes information other statutory agencies and third party information. There is a	Adult Services		<p>Review and updated January 2019</p> <p style="text-align: center;"></p> <p>This risk has stayed the same.</p>

	risk that this could be lost, stolen or fall into the wrong hands.			In light of the introduction of the General Data Protection Regulations there have been a number of corporate initiatives in the last year to raise awareness about the importance of handling personal data in the right way. This has included mandatory online training for all staff on how to handle and look after personal data and communications to all staff on how to avoid data breaches and what to do if there is a data breach. However, given the volume of sensitive data handled and processed by Adult Services on a daily basis the risk score remains the same.
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 008a Clear guidance and procedures are in place to ensure that staff are clear and understand their responsibilities in relation to handling and managing confidential and personal information in accordance with the law	Staff have access to clear procedures and guidance in relation to managing personal and sensitive information, as well as reporting any breaches. Training is provided to staff to ensure that their knowledge remains current and their awareness is regularly raised. All breaches are recorded and monitored and actions identified through the regular Caldicott Guardian meetings in order that any learning can be captured and fed into improvements.	Simon Galczynski	Adult Services Heads of Service	on-going	March 2020 - this is an ongoing control.
CACH AS 008b Continued communications with staff about preventing data breaches	Within the Business Hub team in Adult Services, there is a dedicated Business Services and Information Governance Officer who will be ensuring there is regular communication with the staff in the department to raise awareness on how to prevent data breaches. This will also have information on what to do if there is a data breach in order to minimise the impact and to share lessons learnt from previous breaches to help prevent them from happening again.	Simon Galczynski	Tessa Cole	on-going	March 2020 - New control added

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 009 – The risk of Judicial Review or Legal Challenge	Due to the nature of the work of Adult Services there is always a risk that decisions in relation to funding or not of care packages or other decisions may lead to a Judicial Review or Legal Challenge.	Children, Adults & Community Health		<p>Reviewed and updated in January 2019.</p>  <p>This risk has stayed the same.</p>

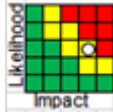
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Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 009a Working within existing guidance and frameworks and seeking Legal Support	<p>There is legislation, guidance and procedures to support staff to work appropriately.</p> <p>The Council also has Legal expertise that staff can seek advice and support from with complex cases and issues.</p> <p>Staff across Adult Services work in close liaison with Legal colleagues to ensure that the risk of legal challenge is mitigated as far as possible.</p>	Simon Galczynski	Adult Services Heads of Service and Legal colleagues	on-going	March 2020 - This control remains the same.

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
CACH AS 010 – The needs of vulnerable adults with learning disabilities are not identified and responded to in a timely manner (poor service user outcomes and experience) and the future funding arrangements for the learning disabilities service are not sustainable (Financial, poor service user experience and outcomes and reputational risk	<p>The implementation of the operating model for ILDS leads to a poor service for service users as the new way of working is embedded.</p> <p>In 2019/20 the implementation of a new integrated operating model and pathways for ILDS has been done collaboratively with staff and users and carers. However, the service is still working towards a permanent and stable workforce which impacts on service delivery.</p>	Children, Adults & Community Health		<p>Reviewed and updated in March 2020</p> <p>This risk has reduced slightly. In a new model for the Integrated Learning Disability Service was implemented which has led to greater stability within the service which should lead to greater outcomes for users continues to be implemented.</p>

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 010b Whole systems working – Integrated Commissioning	The Planned Care Workstream is now overseeing the delivery of the ILDS review. The Planned Care Workstream has representation from key stakeholders who have an interest in the delivery of a new operating model for ILDS. This will provide additional integrated oversight of the delivery of the ILDS programme moving forward.	Simon Galczynski	Ann McGale/Penny Heron/Tessa Cole	Ongoing	March 2020 - Throughout 2019/20 the redesign of ILDS has provided monthly progress updates to the Planned Care Core Leadership Group to ensure accountability on delivery of key milestones. This will continue in 2020/21.

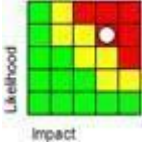
Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
NEW RISK CACH AS 011 - The council's in-house registered social care provision receives another poor Care Quality Commission (CQC) Inspection leading to enforcement action and possible loss of registration (continuity of service user care, reputational risk to council)	<p>In November - December 2018 the Council's in-house Housing with Care service that provides care and support to over 250 people living in supported living schemes in the borough was inspected by the CQC and subsequently received an 'inadequate' rating, which is the lowest rating within CQC's regulatory system.</p> <p>The council delivered a number of improvements to service delivery to ensure no enforcement action was taken. A further CQC inspection was completed at in 2019, leading to a revised rating of "requires improvement"..</p>	Children, Adults and Community Health		<p>Reviewed and updated in March 2020</p> <p>The CQC inspectors noted that the service provided good and compassionate care in many instances. However, some of the organisational and administrative practices needed to ensure a good quality of care delivery were not in place, and this represents a significant risk.</p> <p>Following the change of rating from "inadequate" to requires improvement, the service has continued to enhance its engagement mechanisms with residents and their families, recruited a Quality Manager as part of the direct service, and the Commissioning Team's quality assurance monitoring framework is applied to the service, as per an externally commissioned service.</p>

Control Title	Control Description	Responsible Group Director / Officer	Service Manager	Due Date	Control - Latest Note
CACH AS 011a Implementation of a robust improvement plan	A detailed and thorough improvement plan is being implemented	Simon Galczynski	Ilona Sarulakis	Ongoing	"Requires improvement" has been achieved. Improvement measures

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supported with additional capacity and expertise	<p>Additional resource has also been allocated to overseeing and delivering the action plan, including dedicated project management resource from the department's programme management office; additional operational capacity within the HwC service; and additional quality assurance support in commissioning.</p> <p>A working group to deliver the actions is in place, bringing together expertise and support from different teams, including Quality Assurance, Safeguarding, Provided Services, the Programme Management Office and Communications.</p>				aim to receive a "good" rating during 2020.
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0032 Integrated Commissioning INTERNAL RISK CURRENT RISK	As a result of a loss of direct control over some of the Council's social care and public health budgets, elements of the new service delivery are compromised and don't prove as effective as initially envisioned. Also, the impact of managing and resourcing additional governance structures (and adapting to them) would need to be addressed; and if it fails to be, the effectiveness and transparency of the process will be compromised.	Children, Adults and Community Health		Of course, Integrated Commissioning also presents numerous opportunities. If it continues to become effectively embedded within the organisations, it could offer a clear way of offering a more joined up and comprehensive way of working together. Health and social care partners across Hackney share an ambition to improve health outcomes for local people by commissioning these services in a more integrated way that makes the most of our shared investment at a time when public funding has experienced serious reductions and increasing budgetary pressures. Therefore, there could be clear financial benefits.

Control Title	Control Description	Responsible Group Director / Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0030a The ICB	The Integrated Commissioning Board is tasked with developing risk identification, monitoring and mitigation arrangements in line with the corporate approach. There are detailed schemes of delegation agreed between the separate bodies specifying exactly what individual and shared duties are.	Anne Canning		Ongoing	The ICB has recently established a Risk Management Working Group to provide a forum for collective management of risks across all workstreams and enabler groups. The group is due to meet for the first time in March 2020, and will review workstream and enabler group risk registers and provide challenge to and discussion of the registers, to give a deeper level of assurance to the ICB, ensure consistency of scoring and monitoring of risk, and to identify any risks that need escalation to the ICB which do not meet the threshold for escalation.

<p>SRCR 0030b Section 75</p>	<p>The Section 75 Agreement including the financial framework sets out: - Scope of pooled and aligned budget; - Ground rules for its use and treatment of overspends; and - How conflicts in budget-setting priorities would be settled. The Section 75 Agreement also sets out the risk share agreement; should there be an overspend, the party with statutory responsibility for the function or budget will be responsible.</p>	<p>Anne Canning</p>		<p>Ongoing</p>	<p>The budget for incorporation into the S75 and approach is negotiated and agreed each year to reflect changing circumstances.</p>
<p>SRCR 0030c Ensuring effective governance.</p>	<p>Ensure all arrangements and structures are properly organised and that the governance is sound.</p>	<p>Anne Canning</p>		<p>Ongoing</p>	<p>A governance review was undertaken by PWC in 2018 with resulting recommendations to streamline some existing processes. The recommendations are on track for implementation.</p>



FINANCE AND CORPORATE RESOURCES DIRECTORATE RISK REGISTER

AUDIT COMMITTEE MEETING DATE 2020/21	CLASSIFICATION:
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22 April 2020

Open

WARD(S) AFFECTED

All Wards

Ian Williams, Group Director Finance and Corporate Resources

1. INTRODUCTION AND PURPOSE

- 1.1 This report updates members on the current Finance and Corporate Resources Directorate Risk Register of the Council as at April 2020 (attached). It also identifies how risks within the Council are identified and managed throughout the financial year and our approach to embedding risk management.
- 1.2 This report assists the Committee in its role of overseeing corporate governance and is presented for information and comment.

2. RECOMMENDATION

Audit Committee is recommended:

- 2.1 To note the contents of this report and the attached risk registers and controls in place.

3. REASONS FOR DECISION

- 3.1 Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate these as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process helps us to make such judgements, and as such it is important that Audit Committee is aware of this.

4. BACKGROUND

- 4.1 This current Directorate risk profile was reviewed by the Directorate Management Team on February 20th 2020 in advance of it progressing to April's Audit Committee. The register was last reviewed by Audit Committee in January 2019. This current review is one which was postponed from the January 2020 meeting. In discussions and meetings with various Heads of Service / Directors and other managers in different services, ideas and proposals on new risks and the current risks have been discussed,

before the review being brought to FDMT (Finance and Corporate Resources Directorate Management team meeting). Numerous risks have changed or now exist in different circumstances compared to the last review, especially in light of the sudden outbreak of COVID-19. Given the speed at which things are moving, more up to date feedback can be provided at the meeting.

4.2 Policy Context

All risk related reporting is in line with the Council's Risk Policy, ratified biennially by Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

4.3 Equality Impact Assessment

For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and associated duties) all work is carried out in adherence to the Council's Equality policies.

4.4 Sustainability

This report contains no new impacts on the physical and social environment.

4.5 Consultations

In order for Risk Registers to progress to Committee, they will already have been reviewed by the relevant Senior Management team within the corresponding Directorate. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.6 Risk Assessment

The relevant Risk Register is attached at Appendix one.

5. DIRECTORATE RISK REVIEW

5.1 The Directorate Risk Register is comprised of risks that cut across the numerous divisions of Finance and Corporate Resources. The risks recognised at Directorate level would usually be of notable content, and often scored highly whilst impacting on overall Council strategic objectives.

5.2 The contents of the attached register tend to focus on the more negative, potentially threatening sides of risk to the Council – looking at the consequences that might happen if a particular event occurs. However, with risk management there is often an opportunity connected with a potential risk where an upside can be exploited. This is referred to explicitly in our Risk Strategy where it is stated: “if we focus on opportunities when assessing the merits of different possible solutions, this often allows us to look at bolder, more creative or innovative solutions - essentially to take greater risks, but calculated risks.” In the case of the Council, there have been situations (as referred to in the Risk Register) where potentially negative events like funding cuts have occurred, or new legislation has been issued. In fact, this has often led to improved efficiencies, and has served as an opportunity to sometimes streamline services, and encourage new and more effective approaches to an area of work. It should be stressed that the Council, in managing risks, strives to look for this positive angle within risk management.

5.3 Regarding the contents of this latest Directorate register, important areas to note are:

- In March 2020, the international outbreak of the COVID-19 virus (which had reached the UK in January) escalated to a critical level which necessitated dramatic state action impacting on every aspect of life in the UK. Clearly, this is still an ongoing issue which is predicted to worsen considerably before getting better, and the financial impacts are already proving seismic. As this happened so close to the deadline for this risk register, there are initial mentions of impacts on some of the risks, but clearly the situation will develop over the next few months, so the risks will further change before they are next reported. However, at this stage, it is clear that beyond the obvious threats of COVID-19 to people’s health and the country’s resources, there will be a whole range of associated (Finance and Corporate Resources) risks that may unfold (relating to budget setting, cyber security, supply chains, pensions risks connected to funding as a result of market volatility, a potential increase in fraud and a whole range of housing problems, whether relating to rental income to homelessness.) There is a detailed COVID-19 risk on the Corporate Risk register.
- A number of new risks relating to Accountancy were escalated in the last iteration of this register. This was after a complete refresh of the risk register by the Chief Accountant, who has once again reviewed all risks. The new deadlines for the completion of accounts were previously a high / red risk, but due to the work undertaken and progress achieved, assurance has now been provided that this has been well managed and should be comfortably achieved. Therefore the score for this risk has reduced. Also post COVID-19, deadlines are being moved back. There is considerable uncertainty lingering as a result of the Fair Funding review and the lack of knowledge at how much funding may be lost in the future. This, along with the continuing uncertainty about what deals may be reached regarding Brexit (by the end of 2020), is reflected in the budget setting risk. Clearly, COVID-19 will have a substantial impact on this, and the extent to which it will impact on budgets will only be known later this year. The new Financial Management Code, which CIPFA issued towards the end of 2019, should support good practice in financial management and

assist local authorities in demonstrating their financial sustainability. This was shared with Audit Committee at the meeting in January 2020.

- There remain some high level, cross cutting risks, the first of which (FR DR 0005) reflects potential problems with workforce (encompassing recruitment and potential impacts of restructures) and also problems with contractors and suppliers. Three pension related risks have been amended from their previous form to reflect the latest challenges facing the team (including the volatility of the markets as a result of COVID-19). A final cross cutting risk relates to Major Capital Programmes, and the financial exposures that the Council is subject to.
- In undertaking a complete review of all their risks, ICT's main Directorate risks are still broadly similar to the last time reviewed. A number of ICT risks have proved to be cross cutting and have been merged with other risks to produce high level, strategic risks (eg – recruitment issues, acutely felt in IT but also a recurring problem for select services across the Council.) In terms of the major risks relating to Assets, Resilience and Cyber / Information Security, these persist in a similar form and continue to be shaped by developments in law (GDPR) or new technologies (G-suite for example). Cyber risks brought about by COVID-19 are being managed by ICT, with extra diligence being paid to home working situations.
- Welfare Reforms are continuing to impact in numerous ways, both administratively and financially within the Council and also on residents within the Borough, particularly with the introduction of Universal Credit. A Universal Credit risk (and one relating to poverty in the Borough) featured on the last iteration of this register but have now been removed as corporate responsibility for these risks have shifted to the Policy team with the Chief Executives This is clearly an external risk and difficult to directly mitigate but the Council is trying to take proactive steps to address this problem, and especially the risk of it escalating further. There is also a risk relating to the Council's provision of Temporary Accommodation (which also features on the Corporate register) and this has been exacerbated by the Homelessness Reduction Act from 2018. Following on from the outbreak of COVID-19, and the increased threat of hardship and potential homelessness, the Council has guaranteed that none of its tenants will be evicted as a result of the coronavirus pandemic. Residents are being clearly reminded of the support available through hardship funds and the Council Tax Reduction Scheme as well as wider support from central government such as housing benefit.

6. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 6.1 Effective risk management is a key requirement for good financial management and stability. This becomes more significant as funds available to the Council are reduced and budget reductions are made.
- 6.2 Whilst consideration of the risk register has no direct financial impact, many of the risks identified therein would have financial impact if they were realised. They therefore

continue to be monitored to ensure that they are controlled to an acceptable level and that future actions to manage the risks are on track.

7. COMMENTS OF THE DIRECTOR, LEGAL

- 7.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.
- 7.2 Continuous review of the Risk register and impending legislation referred to is key to ensuring that the Council remain in control of the management of risk.

APPENDICES

Appendix 1 - Finance and Resources Directorate Register

BACKGROUND PAPERS

None

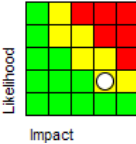

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Finance and Corporate Resources Directorate Risk Register

March 2020



Generated on: 14 February 2020

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 101</p> <p>FR AC 001 Budget Setting - Budgetary stability in relation to both budget setting and budgetary control and medium term financial planning INTERNAL & EXTERNAL RISK FUTURE RISK</p>	<p>Due to ineffective planning, the Council spends more money than it can finance through planned income streams and the annual financial settlement from central government. This then results in budget deficit or an unacceptable call on reserves.</p> <p>From an external risk perspective, there is also the Fair Funding Review which is currently taking place. This will affect how funding is allocated and redistributed between local authorities from 2020 onwards. The main risk for the Council is that this results in a greater loss to funding than anticipated which could have a severe impact on overall service delivery and strategic objectives. Also the Brexit negotiations for a deal by the end of 2020 could severely impact on future budgets, leading to more uncertainty and potential of cuts.</p> <p>The dramatic international escalation of the COVID-19 pandemic (creating seismic changes in the UK and international economy) will surely create impacts not just in short term budget setting, but over years to come. Income streams may be damaged and settlements may well be reduced, leading to challenges in the deliverance of services.</p>	<p>Finance & Corporate Resources</p>		<p style="text-align: center;"></p> <p>Updated and amended March 2020. As of February 2020, the Council has stayed within prescribed budgets. The escalation of the COVID-19 pandemic (at the time of writing this in mid-March) promises to have profoundly negative consequences on the economy worldwide.</p> <p>Other consequences of the risk being discharged may include:</p> <ul style="list-style-type: none"> • Adverse impact on future Council Tax levels in direct contradiction to Council policy. • Reductions in allocations to front-line services with consequent negative impact on service delivery. • Local community dissatisfaction with the overall financial management arrangements of the Council. <p>Regarding the fair funding review, the outcome of specific allocations is still unknown, so only when there is clarity will the exact nature of the risk become clear. As of February 2020, the</p>

					Communities Secretary said that it was "scaremongering" to say that the fair funding formula will see cash diverted from metropolitan councils to shire councils, but until allocations are known there is still uncertainty.
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
Page 102 AC 001A Accuracy of corporate financial planning	Long-term financial plans for capital and revenue are maintained by Central Accountancy function, which takes account of all known and material financial sources and changes for both income and expenditure (cost drivers), across all aspects of the Council (General Fund, HRA, HLT). . Medium-term financial plan is maintained by Central Accountancy function, and is reported to members regularly through appropriate forums (annual budget report) . Up to date Treasury Management Strategy is maintained and reported to members regularly through appropriate forums . Senior financial managers ensure they are well informed on changes to key financial issues, e.g. business rates retention pilot for 2018/19.	Michael Honeysett	James Newman	31-Jul-2020	Control updated February 2020
FR AC 001B Corporate savings delivery	Accountancy function provides accurate information to budget holders to inform appropriate decision making around corporate savings requirement.	Michael Honeysett	James Newman	31-Jul-2020	Control updated February 2020
FR AC 001C Delivery of annual budget setting process	Corporate Accountancy manages and co-ordinates mechanics of budget setting process for the council, in conjunction with directorate finance teams, ensuring services are allocated budgets as agreed through full Council.	Michael Honeysett	James Newman	31 July 2020	Control updated February 2020
FR AC 001D Elected members are well informed on council's financial position both current and future	Members regularly informed and updated on financial position and landscape through both formal meetings and more informal channels (training sessions)	Michael Honeysett	James Newman	31 July 2020	Control updated February 2020
FR AC 001E Changes to Prudential Code , and new Financial Management Code and also MRP guidance	Senior finance management keep themselves informed of changes to CIPFA Prudential Code, Also the new FMC was issued towards the end of 2019, and provides important guidance of the way forward with	Michael Honeysett	James Newman	31 July 2020	Control updated February 2020. All senior officers are particularly aware of the new Financial

	budget setting. CLG MRP guidance and ensure council's finances and processes take into account those changes which are formalised.				Management Codes. The first full year of compliance will be 2021/22.
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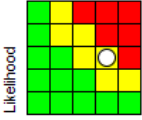

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
Page 03 FR AC 003 Accounts Closure INTERNAL RISK FUTURE RISK	Accounts are produced late, and the subsequent management of the audit then results in late production of the Council's accounts. The new deadlines introduced for 2017/18 closure of accounts have intensified this risk. Although this was a couple of year ago, it remains something to watch out for. If accounts are not closed on time, it would have legislative and reputational consequences and inhibit effective service delivery. Risk also applies to the (external) auditors not meeting their own challenging deadline at the end of July, with additional regulatory scrutiny adding to the pressure.	Finance & Corporate Resources		 Reviewed February 2020 - control ongoing. The score was red last year but has now lowered to amber due to a successful performance at the last closing. With the work undertaken this year and progress made, there is now clear assurance that the new deadlines are achievable. Accounts now need to be completed by the end of May, which will be a challenging deadline before passing onto the Auditors. Previously the auditors had until the end of September to complete their audit of accounts but the DCLG guidelines mean this now needs to be done by the end of July (the first year this was done was 2018/19). This could be extremely problematic as usually auditors are concentrating on NHS audits till mid-June so this will leave very little time in which to complete audits according to the deadlines. For the (external) auditors, regulatory scrutiny is making the process even more challenging. March 2020 - in the light of the sudden escalation of COVID-19, deadlines are being relaxed for this financial year.	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AC 003A Annual statement of accounts process meets new, shorter statutory deadlines (31 May for publication of draft accounts and 31 July for publication of audited accounts).	. Appropriate staff expertise and resource are in place to meet needs of process . Detailed plan which meets new statutory timetable is in place which covers all parts of process and all stakeholders	Michael Honeysett	James Newman	31 July 2020	Controls updated November 2019

	<ul style="list-style-type: none"> . Audit timetable is agreed with key stakeholders and monitored through process, with appropriate escalation processes where necessary . External Auditors are involved throughout, and well before the beginning of, the process . Interim audit is planned and agreed with external audit . Audit timetable for closing is agreed with external auditors which reflects need and appropriate scheduling of task relative to complexity (i.e. complex items the sooner the better). Lessons learned exercise from previous year takes place and informs timetable and processes for the following year. 				
FR AC 003C Annual statement of Accounts meet latest CIPFA accounting code guidance	Central Accountancy function keeps up to date with CIPFA codes through subscription to latest version, liaison with external audit and peers.	Michael Honeysett	James Newman	31 July 2020	Controls updated November 2019
Page 104 FR AC 003D Production of wholly owned subsidiary accounts and group accounts	Relevant officers given appropriate training Professional advice sought as necessary Appropriate accounting and audit processes, across LBH and subsidiaries are arranged well in advance of closing period, with any issues resolved in time. Relevant processes and interactions built into closing timetable.	Michael Honeysett	James Newman	31 July 2020	New Controls added – November 2019

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0002 Management of Capital Programmes / Schemes EXTERNAL RISK FUTURE RISK	From a financial perspective, as a result of substantial external borrowing to fund the ambitious capital programme, the Council moves from a debt free position and become more vulnerable to changes in the market (potential volatility of the housing market affecting sales volumes / value and increasing building costs as a result of weaker GBP against other currencies). This could lead to financial pressures as unexpected costs of borrowing would be incurred.	Chief Executive's; Children, Adults & Community Health; Finance & Corporate Resources; Neighbourhoods & Housing		 February 2020 - This risk is ongoing and intensifying somewhat in light of the quantity of high level programmes across the Council. Particularly in regards to property development, the ambitious capital programme requires forward funding, pending future sales of private

	<p>Additionally, Major Capital Schemes may not be managed or targeted effectively to maximise use of resources available and ensure delivery according to expectations. This poses a risk to the successful completion of such schemes, incurring losses and dissatisfied stakeholders.</p>			<p>residential units on completion of regeneration and other mixed use development schemes. In terms of this financial year, the (latest forecast) capital programme for 2019/20 is £245m (non-Housing schemes totalling £119m and Housing schemes totalling £126m). The plans for Britannia of course, go beyond Housing, which makes this scheme all the more important, and one of the most ambitious in the programme. There are detailed separate risk registers for projects such as Britannia. Britannia has a commercial lead on its senior Management Team and has contracted Arcadis to provide construction cost advice on the School, and financial viability advice for the project, and CoreFive to provide construction cost advice on the leisure centre and residential aspects of the project. This will provide greater financial certainty to Britannia, enabling more informed decision making by the Officer Steering Group and Project Board established to govern it. This should also provide extra assurance about how a major project is being managed. All major projects (another example being the long term plans for the Tesco site) contain detailed break clauses, which essentially provide guarantees that (even with the initial investment) the council cannot suffer serious losses.</p> <p>Because of the (recent) increased quantities of forward funding / borrowing here, the impact had to rise to a 5, however the likelihood decreased to a 3 as the controls (and previous experience) provided assurance that the Council was well positioned to manage this risk. Since June 2019, the risk has remained stable.</p>	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0002A Management of Capital Programmes / Schemes	All capital schemes are subject to review via capital budget monitoring process. Slippages can be identified via this process and appropriate action taken. The quarterly monitoring that is included in the regular Overall Financial Position (OFP) Report to Cabinet will also be included in future performance review report to Audit Committee. The Capital Monitoring Reports will include more discrete data regarding the actual delivery of the capital programme.	Tim Shields; Ian Williams; Ajman Ali; Anne Canning	Michael Honeysett	31-May-2020	February 2020 – ongoing. The latest Capital Programme has been agreed (at £245m) and no revisions announced as yet. Last year’s actual capital expenditure to March 2019 was at £282.6m, £13.7m below the

					current revised budget. Such regular (quarterly) reporting should provide increased assurance that everything is being astutely managed, especially with out-turns being below budget.
SRCR 0002B Management of Major Capital Schemes	Major schemes are managed via project boards to ensure appropriate actions are taken to ensure delivery of scheme to expected standards.	Tim Shields; Ian Williams; Ajman Ali; Anne Canning	Michael Honeysett	31-May-2020	February 2020 - ongoing.
SRCR 0002C Management of Major Capital Schemes	The Capital programme is currently subject to overall review in order to reduce the overall call on available resources and to ensure their use is prioritised in line with member decisions.	Tim Shields; Ian Williams; Ajman Ali; Anne Canning	Michael Honeysett	31-May-2020	February 2020 - ongoing. A refresh of the capital programme has been completed as part of the budget process for 19/20 - and a review of the overall corporate strategy.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0002 Failure and Poor Performance of Suppliers and Contractors / Partnerships EXTERNAL RISK CURRENT RISK	<p>The Council's mixed-sourcing model includes provision of essential services by third party providers, and these are used within Finance and Corporate Resources, especially ICT. Non-delivery by these suppliers would impact negatively the services LBH can deliver.</p> <p>Also more generally, many bodies are closely associated with the Council but are subject to separate governance and management structures (eg CCGs / building contractors, IT suppliers). They play an important role directly or in support of the corporate objectives of the Council.</p> <p>If these contracting and / or partnering arrangements fail, it could have serious impacts re cost, service delivery, and reputation.</p> <p>The outbreak of Coronavirus (COVID-19) in the UK continues to worsen, and begins to directly affect the local area, both in the community and staff within the Council. The Council's supply chain would also be</p>	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>March 2020 - At the last review, the Direction of Travel went down as a result of work already undertaken and systems in place. The risk is now stable, but liable to change now due to the sudden emergence of the Coronavirus.</p> <p>From an ICT perspective, mitigations for this risk will be factored into the service's commissioning and supplier management work.</p> <p>Internal reintegrations (e.g. Hackney Homes coming back 'in-house' to become Hackney Housing in April 2016) have gone well and been managed successfully providing good assurance as to how these relationships / arrangements are managed.</p> <p>The Council is also generally looking to Insource & bring more services back in-house, as a Manifesto commitment put forward by the Mayor in 2019.</p>

	<p>likely to be affected (with organisations out of the Council's control struggling both financially, and to provide their agreed service).</p>		<p>Brexit is also adding to the uncertainty and risks in this area, and is covered in detail in the Corporate Brexit risk (especially with still no clarity about the term of a deal). In terms of the potential for financial risks –this could be serious since the Council is supported by many of these bodies, or is implicitly responsible for their financial soundness. Consequences of this risk being realised may include: • Financial loss – additional resources spent on rectification of areas of non-compliance • High costs associated with re-letting contract if re-tender required • Service delivery/reputation compromised • Legal challenge from contractors dissatisfied with Council processes and decisions.</p> <p>Looking more specifically at ICT - following the ICT restructure the new Senior ICT Contracts Officer work is in progress to review contract management and commissioning arrangements across the ICT service to embed good practice and develop the service's strategic commissioning plan. The ICT contracts register has been updated. Contract management standards and training / development support for contract managers is in progress. Use of the UK Government Digital Marketplace and Technology Code of Practice continues to open up the Council's supplier base.</p> <p>As of Nov 2019, the contracts register is being used as the basis for action to mitigate this risk.</p> <p>After the sudden escalation of the Coronavirus in March 2020, Contract managers should review and have a clear understanding of contractual terms and conditions, in particular the force majeure provisions their contracts, to ensure that they can adequately deal with potential disruption to service should suppliers choose to trigger this clause. Key suppliers will need to be contacted.</p>
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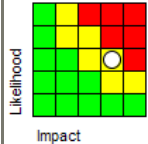

Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0002 Procurement to include definition of performance indicators and viability checks.	<p>Ensure that all procurements include definition of required performance indicators for the contract and financial viability checks before contracts are entered into.</p> <p>This will be an ongoing activity (no fixed end date).</p>	Rotimi Ajilore; Rob Miller	Stephen Addison	Ongoing	January 2020- : no further update or significant change - this is part of BAU. Analysis is taking place of exposure to risk due to Capita's recent profit warning. Adoption of Technology Code of Practice provides a clear basis for assessment of future technology providers.
FR IT 0002b Carry out regular reviews of identified key suppliers, including reviewing their financial viability.	<p>Ensure that supplier service reviews include supplier performance and independent validation of suppliers' financial viability (eg through credit checking). This should be used to identify any concerns re: the risk of supplier failure and poor performance so that appropriate mitigation plans can be made.</p>	Rotimi Ajilore; Rob Miller	Stephen Addison	30 May 2020	January 2020- : No further significant change. The contracts register is being used as the basis for action to mitigate this risk.
FR IT 0002c Identify opportunities for joined up supplier management with other Council services and external partners.	<p>Work with other Council services who share common suppliers and also with external partners to maximise the impact of supplier relationship management activity.</p> <p>This will be an ongoing activity (no fixed end date).</p>	Rotimi Ajilore; Rob Miller	Stephen Addison	Ongoing	Ongoing – continues as business as usual. January 2020. No further significant change. The contracts register is being used as the basis for action to mitigate this risk.
FRDR 0015 A Contracting / partnering	Council's financial management procedures extended to partners where possible (e.g. financial regulations)	Ian Williams	Michael Honeysett	30 May 2020	Reviewed January 2020-ongoing.
FRDR 0015 B Contracting / partnering	Monitoring of financial position by Section151 Officer and Director (Fin Man)	Ian Williams	Michael Honeysett	30 May 2020	Reviewed January 2020-ongoing.
FRDR 0015 C Contracting / partnering	Post-implementation reviews carried out. Also new Insourcing Guidance paper drafted.	Rotimi Ajilore	Procurement Manager	30 May 2020	Reviewed January 2020-ongoing.
FRDR 0015 D Contracting / partnering	Compliance with Contract Standing Orders.	Rotimi Ajilore	Procurement Manager	30 May 2020	Reviewed January 2020-ongoing.

FRDR 0015 E Contracting / partnering	Substantial Legal Services input into contract formulation and on-going advice.	Tim Shields	Rotimi Ajilore; Suki Binjal	30 May 2020	Reviewed January 2020-ongoing.
FRDR 0015 H Contracting / partnering	Improve and open information flows between the Council and its partners.	Tim Shields	Rotimi Ajilore	30 May 2020	Reviewed January 2020-ongoing.
FRDR 0015 I Contracting / partnering	Additional training on contract negotiation skills, contract management.	Rotimi Ajilore	Procurement	30 May 2020	Reviewed January 2020-ongoing.
FRDR0015J - Immediate Coronavirus response	Contract managers should review and have a clear understanding of contractual terms and conditions, in particular the force majeure provisions their contracts, to ensure that they can adequately deal with potential disruption to service should suppliers choose to trigger this clause	Rotimi Ajilore	All Contract Managers		March 2020

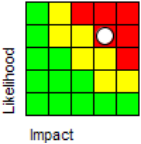

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
Page 109 FR DR / AAF 015 Major fraud not identified INTERNAL RISK FUTURE RISK	<p>The Council's response to a serious fraud is inadequate because either –</p> <p>(1) Management do not have adequate arrangements in place to identify irregularity in their service area;</p> <p>(2) Concerns are identified but they are not reported to AAF in accordance with the Anti-Fraud & Corruption Strategy; or</p> <p>(3) There is a failure in the investigation process.</p> <p>Any of the above could result in financial loss, severe reputational damage and an avoidable drain on resources through taking action to fix the problem.</p> <p>A failure to investigate a case in compliance with the prescribed legislation and Anti-Fraud & Corruption Policy could lead to damaging accusations against the Anti-Fraud Service and the possible prosecution of innocent parties or failure to prosecute fraudsters, which would negatively impact on the Council's reputation.</p>	Finance & Corporate Resources and Cross Council		 <p>March 2020 – After review, the score remains the same.</p> <p>In light of COVID-19, AAF are providing advice to services about sensible precautions and adjustments to procedures to ensure continued effective service delivery in difficult circumstances, while still protecting the Council's resources.</p> <p>No single management or audit control is likely to completely mitigate against a serious fraud, instead the overarching control environment must function effectively. Hackney has invested in its Audit and Anti-Fraud resources which has led to some notable recent</p>

	There is also a risk in the wake of the Coronavirus, that criminals may capitalise on the disruption to public sector operations and plan fraudulent activities, leading to further loss of money for the Council.			achievements to prevent and minimise the impact of fraud. To illustrate that the overall approach is up to date, the Audit and Anti-Fraud and Corruption Policy was revised and then ratified by Audit Committee in June 2019.	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR AAF 015A – Cross organisation working & proactive approach of managers.	Fraud doesn't recognise geographical boundaries and the Council's approach to fraud equally relies upon robust working arrangements between other organisations, including the police, OLAs, Cabinet Office (NFI), Borders Agency, HMRC etc) SLAs are in place with RSLs. Also all managers need to be aware of their duties regarding suspicious activity, and how to comply with the Council's overall approach.	Cross Council / Partnerships	All relevant managers	1 Dec 2020	March 2020 – ongoing.
FR AAF 015B – Robust Policy framework	The Council has in place a number of key policy documents setting out the Council's approach, standards and expectations when dealing with suspected fraudulent activity. These include: <ul style="list-style-type: none"> • Anti-Fraud and Corruption Strategy • Whistleblowing Policy • Codes of Conduct (staff and members) • Anti-Money-Laundering Policy • ICT policies & procedures • Financial Procedure Rules These are reviewed on a regular basis. In addition, Audit and Investigations teams have policy and procedure documents which map the specific methodologies with which they carry out their work.	Ian Williams	Michael Sheffield	1 Dec 2020	March 2020 - Recommendations arising from fraud reports are now tracked in the same way as those arising from audit reviews, so that progress toward rectifying any areas of concern that are identified can be better monitored. The AFCS has been updated and approved and is being readvertised to staff.
FR AAF 015C – Communication and awareness	Communication, both internally between teams and externally with other partners is crucial in developing a clear overall picture. This occurs through meetings and joint visits.	Ian Williams	Michael Sheffield	1 Dec 2020	March 2020

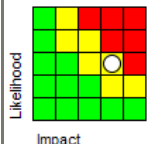

	<p>If procedural issues are identified through AAF reviews, they are reported as widely as necessary within Hackney. Staff induction stresses requirement to comply with Code of Conduct.</p> <p>Particularly close links are maintained between investigators and service areas that are targets for fraudsters, for example, housing, NRPF, contracts, etc. Specific high risk areas have received bespoke training. Notable investigation successes are reported to Committee and are advertised through the Comms team.</p>				In light of COVID-19, AAF are providing advice to services about sensible precautions and adjustments to procedures to ensure continued effective service delivery in difficult circumstances, while still protecting the Council's resources.
FR AAF 015D – Approach and training.	<p>Teams maintain a rigorous approach to their investigations, operating a clear system of diligently reviewing evidence and feeding back through the reporting framework. Performance in key areas is regularly reported to a senior level within the Council, including the Audit Committee. Investigators are all qualified or undergoing professional training. Team procedures are in place and casework is regularly reviewed and monitored by senior members of the team. Additional training is provided if a need is identified.</p>	Ian Williams	Michael Sheffield	1 Dec 2020	March 2020 – ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
FR DR 0001 Building Availability INTERNAL RISK FUTURE RISK	The Council is unable to conduct its business due to problems with the some buildings from which it operates. This could be caused by having to catch up on the historical lack of maintenance of buildings. This could result in incident with severe financial or reputational impacts.	Finance & Corporate Resources		 November 2019 – Risk reviewed by Strategic Property Services Management team. Ongoing.	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 001 A: Building Availability	Rolling programme of building surveys initiated to identify condition and risks.	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Jul-2020	November 2019 - ongoing. Also, testing and inspection works to civic buildings under the Directorate's financial control are ongoing, as

					well as 95% of voluntary sector properties.
FRDR 001 B: Building Availability	Funding for reactive maintenance included in the Capital Programme.	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Jul-2020	November 2019 ongoing. This is managed by Corporate Property & Asset Management, (CPAM), for buildings under the Directorates financial control, along with the management of buildings for some other directorates.
FRDR 001 C Building Availability	Planned maintenance arrangements for new campus covering whole building lifecycle has been introduced.	Ian Williams	Chris Pritchard; Karon West-Clarke	31-Jul-2020	Ongoing November 2019 - Planned maintenance contract now procured and on site. CPAM able to cater for all statutory inspections subject to funding availability.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR DR 0004 Rental Income INTERNAL RISK FUTURE RISK	As a result of a worsening economy and challenging economic conditions, rent from commercial properties is not received, leaving income dependent service with a budgetary overspend. This creates a considerable risk of a higher incidence of tenant default, void properties, and lower rents being achieved for new lettings, rent reviews and lease renewals. This could have very damaging financial implications for the Council.	Finance & Corporate Resources		 March 2020 - Risk reviewed by Strategic Property Services Senior Management Team. There has been a considerable toughening in the commercial property market over the last 24 months, which is adding to this risk and increasing the likelihood. The team are keeping this under review and will ensure that the impact is taken into account in rental income forecasts. Also Universal Credit roll out is impacting on domestic rentals.

					In the wake of the spread of the Coronavirus, protections have been announced for commercial and residential rents.
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRDR 004 A Rental Income (Commercial)	Cleansing historic debt as an ongoing process to address rental income	Chris Pritchard	Jonathan Angell	30-Nov-2020	November 2019 - ongoing.
FRDR 004 B Rental Income (Commercial)	Debt collection function located within property service to chase debt and escalate where necessary	Chris Pritchard	Jonathan Angell	30-Nov-2020	November 2019 - ongoing.
FRDR 004 C Rental Income (Commercial)	Regular reporting as part of the OFP on income levels and historic debt.	Chris Pritchard	Jonathan Angell	30-Nov-2020	November 2019 - ongoing.

Page 113	Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
	FR DR 0009 Utilities cost INTERNAL RISK FUTURE RISK	Increase in utility costs or usage causes budgetary overspends. Also Services are unable to cope with the demands of Climate Change, which could lead to severe financial losses, a damage to Hackney's reputation and a negative impact on the quality of services offered to stakeholders. If the Council fails to take steps to clearly reduce its carbon output, it may fail in its long term objectives.	Finance & Corporate Resources		 November 2019 - Risk ongoing and remaining stable. The Mayor's climate emergency declaration occurred in February 2019, and Councillors have subsequently approved a motion to do 'everything within the Council's power' to deliver net zero emissions across its functions by 2040. This will continue to inform Utility Cost decisions. Hackney Light and Power was launched in Autumn 2019. Costs now need to be balanced with carbon footprint.
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note

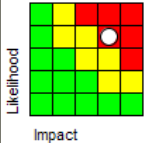

FRDR 0009 A Utilities Cost	EMU team reduce unit costs by monitoring the market and procuring utilities contracts when costs are lowest.	Ian Williams	Rotimi Ajilore	31-Jul-2020	November 2019 - ongoing.
FRDR 0009 B Utilities Cost	Reducing energy demand – a series of initiatives are underway across services. Hackney Light and Power has been launched, with its commitment to provide renewable energy, and emphasis on achieving positive change within the community.	Ian Williams	Rotimi Ajilore	31-Jul-2020	November 2019 - ongoing.- An example of this is in Fleet where greener options are starting to be procured.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note	
Page 114 FR FSV 0040 Pensions - Assets Risk EXTERNAL RISK FUTURE & CURRENT RISK	Asset risks include: . Concentration - The risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives. . Illiquidity - The risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets. . Currency risk – The risk that the currency of the Fund’s assets underperforms relative to Sterling (i.e. the currency of the liabilities). . Environmental, social and governance (“ESG”) – The risk that ESG related factors reduce the Fund’s ability to generate long-term returns. . Manager underperformance - The failure by the fund managers to achieve the rate of investment return assumed in setting their mandates. Asset risks are covered in more detail in the Fund’s Investment Strategy Statement.	Finance & Corporate Resources		 Reviewed March 2020 - ongoing. Asset risk includes a number of significant threats to the financial health of the fund. Likelihood remains high, as conditions for investment markets over the long term are likely to be challenging, especially in light of the sudden international emergence of Coronavirus and the impact it is having. Impact is also high, given the potential threat to the Fund’s ability to pay benefits as they fall due.	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note

FR FSV 0040 A Investment in a range of asset classes	<ul style="list-style-type: none"> . The Fund's strategic asset allocation benchmark invests in a diversified range of asset classes . Rebalancing arrangements in place to ensure the Fund's "actual allocation" does not deviate substantially from its target - The Fund invests in a range of investment mandates each of which has a defined objective, performance benchmark and manager process which, taken in aggregate, help reduce the Fund's asset concentration risk. 	Michael Honeysett	Rachel Cowburn	07-Dec-2020	Reviewed February 2020 - ongoing.
FR FSV 0040 B Regular cash flow monitoring	<ul style="list-style-type: none"> . Investment across a range of assets, including liquid quoted equities and bonds, as well as property . Majority of the Fund's assets realisable at short notice . Medium term future cash flow position assessed at least triennially to indicate likely future income requirements. - Actual cash flows monitored on a regular (quarterly) basis to provide early warning of any insufficient funds 	Michael Honeysett	Rachel Cowburn	07-Dec-2020	Reviewed February 2020 - ongoing. Also, cash flow monitoring is being aligned to business objectives.
FR FSV 0040 C Currency hedging	<ul style="list-style-type: none"> . Investment in a range of overseas markets, providing a diversified approach to currency markets. - Maintenance of a 50% hedge to USD, EUR and JPY exposures within active global equity mandates. 	Michael Honeysett	Rachel Cowburn	07-Dec-2020	Reviewed February 2020 - ongoing.
FR FSV 0040 D ESG Policy	The Fund has an ESG policy in place in its Investment Strategy Statement. More detail on the management of carbon specific ESG risks is provided in the 'Climate Change' risk section.	Michael Honeysett	Rachel Cowburn	07-Dec-2020	Reviewed February 2020 - ongoing.
FR FSV 0040 E Multiple Managers & Performance assessment	<ul style="list-style-type: none"> . Appointment of more than one manager . Having a proportion of the Scheme's assets managed on a passive basis. . Regular assessment of performance - Replacement of managers if underperformance persists. 	Michael Honeysett	Rachel Cowburn	07-Dec-2020	Reviewed February 2020 - ongoing.

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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
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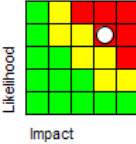

<p>FR FSV 0043 Pensions – Poor Membership Data</p> <p>Inaccurate or Late Pay Information Supplied to Hackney Pension Fund (LGPS)/Local Pensions Partnership (LGPS)/Teachers Pensions</p> <p>INTERNAL RISK CURRENT RISK</p> <p>Page 116</p>	<p>Inaccurate payroll data supplied to the Hackney Pension Fund results in poor membership data.</p> <p>This poor administration could result in inaccurate data giving rise to financial and reputational risks. Without the correct figures and information, actuaries may be unable to set contribution rates, which could result in higher contribution rates and overall member dissatisfaction. Inaccurate benefit statements might be produced, which could result in the overpayment of benefits.</p> <p>Enforcement action against the Council by the Pensions Regulator.</p>	<p>Finance & Corporate Resources</p>		<p style="text-align: center;"></p> <p>Reviewed February 2020 – the likelihood of this risk remains high, however the likelihood has slightly reduced. Significant problems with the payroll data being provided by the Council has meant that the quality of membership data has deteriorated since the introduction of the 2014 scheme. The complexity of the scheme has increased significantly and the Council’s payroll provider has been unable to respond to these changes, resulting in consistently poor provision of vital data across the Fund’s largest employer. A new payroll system was introduced in July 2017; although material progress has been made since the last review on developing pension reporting between the Council and Equiniti, there remain problems to work through. There are still issues on providing some data, but efforts at improving and obtaining better data for reports etc have started to be more successful.</p>	
<p>Control Title</p>	<p>Control Description</p>	<p>Responsible Officer</p>	<p>Service Manager</p>	<p>Due Date</p>	<p>Control - Latest Note</p>
<p>F RTP 0043 A Monitoring of membership data</p>	<p>Annual monitoring of membership records, valuation checks, external data validations</p>	<p>Michael Honeysett</p>	<p>Rachel Cowburn; Lorraine Robinson</p>	<p>30-May-2020</p>	<p>Reviewed December 2019</p>
<p>F RTP 0043 B Contributions monitoring</p>	<p>Monthly monitoring of contributions to ensure that employers paying across correct contributions along with membership data being supplied.</p>	<p>Michael Honeysett; Dan Paul</p>	<p>Rachel Cowburn; Lorraine Robinson</p>	<p>30-May-2020</p>	<p>Reviewed December 2019 - Good communication with payroll, as accurate data is very important.</p>

F RTP 0043 C Performance Monitoring	Service Level Agreement with external administrator and monthly monitoring of contract. Monitoring of employers and Pensions Administration Strategy which enables Fund to recoup additional administration costs for sub-standard performance.	Michael Honeysett	Rachel Cowburn	30-May-2020	Reviewed December 2019
F RTP 0043 D Support & Payroll development	<p>Provision of employer support to ensure employers have the knowledge and understanding necessary to provide correct information.</p> <p>Ongoing work with the Council's payroll team to assist in developing Business As Usual processes for iTrent (payroll system) which are then owned and run by the payroll team. The Council's payroll supplies data for the vast majority of the Fund – the Fund's involvement with the implementation helps ensure the importance of good quality pension reporting is recognised.</p>	Michael Honeysett; Dan Paul	Rachel Cowburn; Julie Stacey	30-May-2020	<p>December 2019 - the employer portal is in the process of being rolled out to all employees. Team is also liaising with Hackney payroll team to roll out a new contribution monitoring report.</p> <p>Also ensuring that equiniti roll out the employer strategy in line with the contract.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR FSV 0053 Pension Funding Risk EXTERNAL RISK FUTURE RISK	<p>Funding risks include:</p> <ul style="list-style-type: none"> . Financial mismatch – The risk that Fund assets fail to grow in line with the developing cost of meeting the liabilities. . Inflation risk. The risk that price and pay inflation is significantly more than anticipated, increasing the value of pension benefits accrued by active and deferred members of the Fund as well as increasing the value of pensions in payment. . Changing demographics –The risk that longevity improves and other demographic factors change, increasing the cost of Fund benefits. . Systemic risk - The possibility of an interlinked and simultaneous failure of several asset classes and/or investment managers, possibly compounded by financial 'contagion', resulting in an increase in the cost of meeting the Fund's liabilities. 	Finance & Corporate Resources		<div style="text-align: center;"> </div> <p>Reviewed March 2020– likelihood of risk materialising remains high, given the likelihood of challenging conditions in investment markets and the ongoing impact of changing demographics. This is particularly true in the aftermath of the Coronavirus outbreak and the worldwide impact it is creating.</p> <p>Long term, this will pose a significant risk to the fund (and all funds worldwide), as illustrated by the initial dramatic falls.</p>

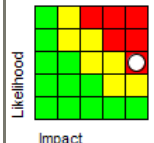

	<p>The sudden emergence of COVID-19 (hitting the UK in March 2020), has had an immediate and seismic impact on finances worldwide, with stock markets immediately falling substantially and continuing to drop. Long term, the risk here is that the economy fails to recover and the fund suffers considerable losses.</p> <p>Further detail on the treatment of funding risks can be found within the Funding Strategy Statement</p>				
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FRFSV 0053B Pension - Valuation Monitoring	<p>Assessment of liabilities at the triennial valuation and the roll-forward of liabilities between valuations helps identify:</p> <ul style="list-style-type: none"> . financial mismatch . falling risk free returns on government bonds . higher than anticipated inflation. . Increasing fund maturity . Insufficient deficit reduction payments <p>Consistent monitoring of asset allocation and investment returns.</p>	Michael Honeysett	Rachel Cowburn	30-May-2020	Reviewed December 2019 – ongoing. Currently reassessing liabilities and requirements for matching assets at the triennial valuation.
FRFSV 0053C Diversified Portfolio	<p>The Fund seeks to mitigate systemic risk through a diversified portfolio but it is not possible to make specific provision for all possible eventualities that may arise under this heading. Some assessment in bonds assists in liability matching. Also, stabilisation modelling at whole fund level allows for the probability that risk free returns on government bonds will fail.</p>	Michael Honeysett	Rachel Cowburn	30-May-2020	Reviewed December 2019 – ongoing.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
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<p>FR IT 0001 Information Assets INTERNAL RISK FUTURE RISK</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 119</p>	<p>The Council holds a wealth of information assets across its services. It is essential that this is managed in compliance with requirements such as the Data Protection Act, the NHS IG Toolkit and also the General Data Protection Regulation (which came into effect from May 2018). It is also essential that the Council is able to use these information assets effectively to commission and deliver high quality services, reduce costs and work in partnership with other agencies and providers.</p>	<p>Finance & Corporate Resources</p>		<p style="text-align: center;"></p> <p>November 2019: The programme of work to implement enhancements to the Council's information governance arrangements in line with the requirements of the new Data Protection Act and the General Data Protection Regulation is continuing and progress is reported into the Council's Information Governance Group which meets quarterly. A recent internal audit review of the Council's preparations for GDPR gave an assessment of Reasonable Assurance.</p> <p>The Council's accreditation for the NHS IG Toolkit (which is being replaced by a new assurance framework) is up to date and renewing these is part of BAU activity coordinated by the ICT Services division.</p> <p>The Council's PSN accreditation is currently being renewed. Mitigation of this risk continues to be monitored by the Council's Information Governance Group.</p>	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0001a Information management	<p>Ensure effective information management policy and processes are in place so that the Council meets the requirements of the Data Protection Act / other legal and regulatory compliance arrangements.</p> <p>Ensure that the Council's information assets are managed robustly and used effectively to provide insight and to integrate Council and partner services, and deliver the maximum benefit to residents and businesses.</p>	Ian Williams	Matthew Cain	01-Jul-2020	November 2019: The programme of work to implement enhancements to the Council's information governance arrangements in line with the requirements of the new Data Protection Act and the General Data

	This will be an ongoing activity (no fixed end date).				Protection Regulation is continuing and progress is reported into the Council's Information Governance Group which meets quarterly. A recent internal audit review of the Council's preparations for GDPR gave an assessment of Reasonable Assurance. As of November 2019, there is no further significant change. The Council's PSN accreditation is currently being renewed. Mitigation of this risk continues to be monitored by the Council's Information Governance Group.
FR IT 0001c EU General Data Protection Regulation: preparing for compliance from May 2018	Implement the programme of preparatory activity to support Hackney's compliance with the GDPR. This will include changes to the Council's information management arrangements, data retention, privacy provisions and practise across all Council teams who handle people's personal information.	Ian Williams	Matthew Cain	01-Jul-2020	November 2019: The programme of work to implement enhancements to the Council's information governance arrangements in line with the requirements of the new Data Protection Act and the General Data Protection Regulation is continuing and progress is reported into the Council's Information Governance Group which meets quarterly. A recent internal audit review of the Council's preparations for GDPR gave an assessment of Reasonable Assurance.

FR IT 0001d Third party information sharing	<p>Ensure that we can do business efficiently and seamlessly by having appropriate data sharing agreements in place.</p> <p>It will be critical to ensure that control requirements are assessed and the implications for Hackney users are clear and proportionate (eg. some third parties require controls that would excessively restrict the Council's use of systems and buildings etc, and these may be barriers to information sharing).</p> <p>This is an ongoing activity (no fixed end date).</p>	Ian Williams	Matthew Cain	01-Jul-2020	<p>November 2019 : The Council's ongoing work to develop information sharing agreements in response to service needs is reported to the quarterly Information Governance Group.</p> <p>No further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group.</p>
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
FR IT 0003 Resilience of ICT systems / Disaster Recovery INTERNAL RISK FUTURE RISK	<p>The risk that the Council does not currently have (reviewed, tested and fit for purpose) disaster recovery provision in place for recovery of critical ICT systems in the event of a major failure affecting the Council's hosting facility provider (Advanced 365). The clear risk here would be the loss/unavailability of the external data centre (single point of failure).</p> <p>There is also a risk that Business Continuity Plans across the Council's services do not accurately reflect the disaster recovery provision that is available. This could result in services not being able to invoke their continuity plans effectively due to incorrect assumptions.</p>	Finance & Corporate Resources		<p style="text-align: center;"></p> <p>December 2019 – A year ago, the score reduced from 20 to 15 as a result of likelihood dropping from 4 to 3. This was a reflection of the work that had taken place to improve resilience / DR provision. This remains stable, and so the score is unchanged.</p> <p>DR provision is in place for critical systems and 1200 <i>myoffice</i> desktop sessions as additional infrastructure capacity has been added. Successful DR testing has recently taken place, providing assurance of overall resilience.</p>

				<p>It is essential for the Council to provide some assurance that we are suitably prepared to respond and adapt to incremental change and sudden disruptions. Clearly this could impact massively on our ability to effectively deliver services, so resilience is a critical part of future planning. Recent incidents emphasise the importance of careful management within this area.</p> <p>The COVID-19 is dramatically testing Council provisions here, but so far continuity has been achieved and resilience shown.</p>		
	Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
Page 122	FR IT 0003a Resilience of ICT systems / Disaster Recovery	<p>Work is currently in progress to commission resilient hosting arrangements in the Council's Stoke Newington offices. This will provide the facility to restore critical systems (based on a previously agreed list of corporate priority applications) so that priority Council services will have access to their systems within 4 hours of a major outage with loss of data limited to 15 minutes (Recovery Point Objective). A test on 1 key application has already proved successful.</p> <p>It must be noted that this provision will not give instant seamless failover for these services - so Council services must ensure that their Business Continuity Plans include plans in the event that ICT systems are not available - other services whose systems are not included in the resilience provision must ensure that their Business Continuity Plans include plans for extended unavailability of their ICT systems.</p>	Ian Williams	Henry Lewis	01-Jul-2020	<p>March 2020: no further update - the Council has tested DR provision in place and the ICT Services division's Business Continuity Plan has been signed off and tested. A review of the DR provision (from the ICT perspective) was internally audited and the report was completed at the end of 2018. The final level assurance was significant, suggesting a robust approach is in operation.</p> <p>The ICT service's business continuity arrangements</p>

					are kept under regular review and reported to the Council's Business Continuity Management Group which meets quarterly.
FR IT 0003b Review of Business Continuity Plans across the Council's services.	<p>The Business Continuity Manager is supporting service managers across the Council in carrying out a review of their Business Continuity Plans. This is designed to identify critical services and their continuity requirements, and will help ensure that their plans are based on accurate expectations of the provision available.</p> <p>It is planned to implement a rolling 18 month schedule of review for all the council's BCPs. This has been taking place and all plans are up to date, with a new review cycle underway.</p>	Rob Miller; Ian Williams	Henry Lewis	01-Jul-2020	<p>A Business Continuity Management Group started regular meetings as of July 2017. These continue.</p> <p>Nov 2019: No further significant change. The ICT service's business continuity arrangements are kept under regular review and reported to the Council's Business Continuity Management Group which meets quarterly.</p>

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
SRCR 0021 Cyber / Information Security INTERNAL /EXTERNAL RISK FUTURE RISK	There is a risk that the security of Council's systems, network and devices could be compromised. This would have very damaging, widespread implications. The sudden spread of the Coronavirus has increased risks here with the increased reliance on home working.	Finance & Corporate Resources		<p>March 2020: No further specific updates to report. The Council's accreditations with external information security standards are up to date and ongoing work from the ICT service is reported to the quarterly Information Governance Group. The Council's ICT team are also introducing proactive security assessment for new cloud based digital</p>

				<p>services and working with the Cabinet Office, National Cyber Security Centre and Local Government Association to help shape future government security standards.</p> <p>The likelihood slightly decreased (4 to 3) at the previous review in light of positive progress made in making cyber security more robust. This remains stable. This is an ongoing risk and of increasing importance as more Council services are dependent on ICT and electronic information. Also, there is an increasing internal awareness (of staff) of the concept of cyber risks (and what precautions to take). With the move to the new system on G-suite, all transitions have been in line with Information Security risk management. The Council's accreditations for the NHS IG Toolkit (which is being replaced by a new assurance framework) and the PSN Code of Connection are up to date and renewing these is part of BAU activity coordinated by the ICT Services division.</p>	
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
FR IT 0006a Ensure compliance with the PSN Code of Connection and other applicable standards (including the ICT security requirements for compliance with the NHS IGSOC).	<p>Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members). This will be an ongoing activity (no fixed end date).</p> <p>In the wake of Coronavirus emerging and the new need for most Council staff to home work, all the protocols have been reiterated to staff, to ensure that in the environment of home working, standards are upheld and any security risks continue to be minimised. Regular support is on hand to deal with any uncertainties.</p>	Rob Miller; Ian Williams	Henry Lewis	31-May-2020	<p>March 2020: Enhanced end-user training for information security and data protection was developed as part of the preparation for the General Data Protection Regulation.</p> <p>On a national scale, attacks have recently been reported in the media and a reminder</p>

	This will be an ongoing annual activity (no fixed end date).				<p>was issued to all staff about the need to take care when clicking on links in emails. Systems have also been checked to ensure that the specific patch which closes this vulnerability has been applied.</p> <p>By the summer of 2019, the enhanced training has now been rolled out to 3271 officers and roll out to Members will take place soon. Enforcement of the mandatory training is also in place. This should help ensure full compliance (with annual refreshers thereafter).</p> <p>Mitigation of this risk continues to be monitored by the Council's Information Governance Group.</p>
FR IT 0006b Ensure that all users of the Council's systems and data take appropriate measures to protect these.	Ensure that the Council has effective policies, guidance, training and measures to enforce compliance for all users (including Members). This will be an ongoing activity (no fixed end date).	Rob Miller; Ian Williams	Henry Lewis	31-May-2020	November 2019: the enhanced training has now been rolled out to 3271 officers (at the time of writing) and roll out to Members will take place soon. Enforcement of the mandatory training is also in place.
FR IT 0006c Ensure that all hardware and software is supported for security updates.	Ensure that infrastructure and application lifecycle management practices are in place and functioning effectively so that the Council's systems remain supported. This will be an ongoing activity (no fixed end date).	Rob Miller; Ian Williams	Henry Lewis	31-May-2020	Updates have been completed in line with the PSN Code of Connection submission. The ICT Security Group are

					<p>reviewing the processes for management of security patches and planned refresh of out of data software and hardware. This is ongoing as part of continuous maintenance and patching.</p> <p>The Council's PSN accreditation was renewed in August 2018 and the ICT Security Group will continue to monitor activity to deliver continual improvement to the Council's systems security and maintenance.</p> <p>November 2019: No further specific updates to report. The Council's accreditations with external information security standards are up to date and ongoing work from the ICT service is reported to the quarterly Information Governance Group.</p>
FR IT 0006d Plan for upgrade required to end use of Windows 7 ahead of the end of Microsoft support (January 2020).	Upgrading the Council's desktop environment is a major activity and this will require careful planning and preparation, as well as significant allocation of funding.	Rob Miller; Ian Williams	Henry Lewis	31-May-2020	<p>November 2019: Work to plan the upgrade from Windows 7 began in June this year. Recent work undertaken to successfully upgrade the VDI desktop has provided valuable learning opportunities for the</p>

					<p>team. We are now confident that we have an approach that will allow us to progress the upgrade to Windows 10 in a relatively short timeframe by January 2020.</p> <p>No further significant change. Mitigation of this risk continues to be monitored by the Council's Information Governance Group. Work is in progress to upgrade the Council's Windows desktop service, although this is now expected to complete by January 2020.</p>
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Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
<p>SRCR 0030 Pressures on Temporary Accommodation INTERNAL RISK CURRENT RISK</p>	<p>The demand on temporary accommodation (TA) for homeless households exceeds the supply of property suitable for use, and also causes a clear shortfall between the subsidy provided and the actual cost of meeting TA need. This could result in serious difficulties in providing an effective provision for the accommodation of vulnerable children and adults, and also impact adversely on available budgets. This all produce financial, reputational and legislative (in terms of abiding by the Homelessness Reduction Act) risks.</p>	<p>Finance and Corporate Resources</p>		<p style="text-align: center;"></p> <p>December 2019 – Local authorities have a statutory duty to provide accommodation for homeless households that have been defined as being in priority need and unintentionally homeless, and are obliged to secure temporary accommodation (TA) for that household as an interim measure whilst a longer-term alternative becomes available. Councils in Britain have spent more than £3.5bn on temporary accommodation for homeless families in the last five years, with the annual cost rising 43% in that time. The Local Government Association has commented that these costs are “unsustainable”.</p>

The Government's new Homelessness Reduction Act took effect from April 2018. Overall, the Act decisively modifies and extends existing homelessness protection.

The amount of temporary accommodation property needed to fulfil demand for homeless households continues to increase. During 2018/19 total increase in demand was 17% and the total demand is expected to be greater for 2019/20. The Council now houses the highest amount of households in temporary accommodation for a decade, at 3224 households (including children). The cost of temporary accommodation is managed through the type of property procured, however, the sheer volume needed is expected to mean that the cost will keep increasing. The cost of delivering the service is now exceeding £10m per annum, broadly split as 35% direct provision of TA and 65% other resources required to deliver and administer the service, most of which is staff costs which are increasing annually to meet demand.

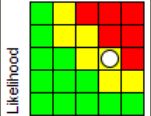

Despite delivery of 36 hostels within the borough, due to the ever increasing property prices in borough, 1286 of these households are placed outside the borough and London. Homeless households still appear on the day and are placed wherever there is accommodation available, more often than not in Essex, Kent, Bedfordshire and Hertfordshire. The Benefits and Housing Needs Service continue to look at ways to boost affordable temporary housing by pursuing hostel leases with private landlords and developers. 1 large hostel (Dalston) in borough is expected to open next Spring and another has passed planning permission stage for completion in 2021. Further thought is being given to a housing supply strategy, as all social lettings in the borough have dwindled to an expected total of 400 homes for 2019/20 and therefore the waiting times for social housing and length of stay in temporary accommodation is increasing. Current waiting times suggest 10 years for a homeless family requiring a 2 bed home and 8 years for a family requiring a 3 bed home. The strategy will consider purchase of further properties, a cash incentive scheme and the usage of modular housing on meanwhile sites.

Risk score remains the same to reflect the severity of the challenge to the Council here.

The outbreak of COVID-19 is impacting on all elements of UK society. Initially, some support (eg hotel accommodation for the homeless) has been announced for the vulnerable, but long term the impacts could be seismic, with people potentially losing their homes and becoming increasingly reliant on welfare.

Control Title	Control Description	Responsible Group Director / Officer	Service Manager	Due Date	Control - Latest Note
SRCR 0030a Utilising all available accommodation	Utilise 100% of all regeneration voids as additional temporary accommodation reducing the need for costly nightly paid TA provision.	Ian Williams	Jennifer Wynter	31-Jul-2020	Control ongoing December 2019 The Benefits and Housing Needs Service continues to utilise all Council owned void properties as temporary accommodation wherever possible and affordable to do so. However, due to the recent fire risk issues resulting in decanting of various properties ie Bridport House, this resource is now not forthcoming in the short term. The Housing Delivery Board are re-examining all void properties with a refreshed budgetary level costed against the cost of temporary accommodation to see if any further properties can be released.
SRCR 0030b Make best use of the provision of discharge of duty into the private rented sector	Additional duty afforded LA's to discharge our homeless duty with provision of an affordable 1 year monthly PRS let, albeit if further homelessness within 2 years we retain the duty. TA strategy in place and agreed way forward with Mayor & Members on OOL placements.	Ian Williams	Jennifer Wynter	31-Jul-2020	Control ongoing December 2020. The benefits and Housing Needs Service continue to make use of this wherever possible and affordable for homeless residents. Private Sector rented properties available outside the borough are the only realistic short term rehousing option. Various options to boost procurement in this area are being explored.
SRCR 0030c Observe pan London cap on nightly paid accommodation procurement	Maintain influence on the rental market by continued observation and no breaches (except emergency disabled accommodation) of the agreed Pan London TA rent cap.	Ian Williams	Jennifer Wynter	31-Jul-2020	Control ongoing December 2020.

Risk Title	Description of Risk	Directorate	Current Risk Matrix	Risk - Latest Note
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<p>PSDR DR 0005 Recruitment and Retention / Workforce.</p> <p>EXTERNAL / INTERNAL RISK</p> <p>CURRENT RISK</p>	<p>Within a competitive market, areas of the Directorate (particularly ICT) struggle to successfully recruit for important positions. Failure to do so could impact seriously on service delivery.</p> <p>Also, with various restructures within the Directorate planned or ongoing, there is a period of uncertainty and adjustment which may affect the quality of service delivery and impact on overall objectives and targets.</p> <p>Additionally, the ability to carry out work efficiently, on time and in compliance with applicable standards could be affected by the loss of experienced staff following the Corporate level restructure and the possible long term absence of key staff.</p>	<p>Finance & Corporate Resources</p>		<p style="text-align: center;"></p> <p>In a competitive market for technology skills the Council has experienced difficulties recruiting to a range of ICT roles essential to delivery of services and planned service improvements (including delivery of digital services). This is exacerbated by the changes to IR35, which is driving some skilled specialist workers to the private sector (as many ICT skills are transferable across sectors).</p> <p>The first phase of the ICT restructure finished last year with senior positions having been successfully filled through a creative campaign, emphasising the benefits of Hackney as a place to work and also offering market supplements to ensure the organisation is able to be competitive with wages across the market. Overall, the Council enjoyed some very positive results in terms of attracting high calibre candidates and filling many roles that were expected to be tricky. Therefore, there is now increased assurance that going forward, this risk can be effectively managed.</p> <p>Further background on the ICT recruitment risk –</p> <ul style="list-style-type: none"> -Following the completion of the ICT restructure we have successfully recruited permanently to 29 posts. The sources for the successful candidates were: <ul style="list-style-type: none"> o External: 20 o Internal: 5 (existing Hackney employees) o Agency: 4 (existing agency staff who are now permanent) -The staffing for our establishment once all new recruits have started will now be: <ul style="list-style-type: none"> o Permanent staff: 100 o Agency cover: 2 o Vacant posts: 39 -The vacancies include 18 apprenticeships which are currently being recruited to. -Areas which have proven hardest to fill and which we'll be doing further targeted recruitment for are: <ul style="list-style-type: none"> o Data analytics o Development o Infrastructure engineers <p>Ongoing work is taking place to assess the recruitment strategy for technology and data roles and identify further steps that can be</p>
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					<p>taken to fill vacancies that arise. The ICT team have contributed to the development of the Council's new recruitment website.</p> <p>As of December 2019, recruitment and retention continues to be challenging in key roles (especially data, development and delivery roles). Use of longer fixed term commitments and effective recruitment activity has enabled a reduction in agency staffing to one third of the January 2018 (pre-restructure) level.</p>
Control Title	Control Description	Responsible Officer	Service Manager	Due Date	Control - Latest Note
<p>Page 131</p> <p>FR DR 0005 Recruitment and Retention (ICT)</p>	<p>Services are continuing to work with HR / OD to carry out the following suggested mitigations:</p> <ul style="list-style-type: none"> - review recruitment strategy and identify other measures which can be taken to promote Hackney Council as a great place to work in technology and attract high quality candidates - review salary supplements to ensure that these are providing market competitive salaries and are also fair and transparent - review career development paths within the service and also ensure that apprenticeships / graduate trainee opportunities are being used effectively to develop internal talent. 	Ian Williams	Rob Miller	30-May-2020	<p>November 2019: This is ongoing around the Directorate with some success. The recent update to the Council's salary supplement scheme reflects the requirements of Services to compete in the open market and is working successfully.</p> <p>All roles are now benchmarked against the market, in line with the new Council salary supplement scheme. A prototype for an improved approach to recruitment advertising has been tested over the last year, and this will be reviewed ahead of recruitment arising from the restructure.</p> <p>ICT restructure is completed. ICT is working with recruitment and communications colleagues to ensure the Council has a digital recruitment offer that supports its aspirations to be the best local authority in London. Further recruitment is ongoing. Recruitment to vacant posts is continuing as part of BAU service management and recruitment to the new apprentice posts has been successful, with all posts filled.</p> <p>As of November 2019, work is ongoing with the update to the salary supplement model, working closely with HR. This is on track for the April 2020 renewal date.</p>
FR DR 007 A Training and development	Training and development needs for all staff have been captured from yearly appraisals and 1-2-1	Ian Williams	All managers	30-May-2020	November 2019: the ICT service's training and development plan was consulted on through the

	<p>documents. All HR procedures are followed correctly to ensure staff are valued and treated appropriately whilst at work.</p> <p>Where possible acting up and secondment opportunities are made available to staff. This helps contribute to an improved experience of working at Hackney and to an extent, mitigates the risks of absences and departures.</p>				<p>restructure consultation and has received positive feedback from staff. Work is now in progress to implement the new strategy, which is being led by the Head of Delivery. Identification of training and development needs and provision of training / learning support is ongoing.</p> <p>As of Nov 2019, there is no significant change, and the risk remains scored the same. Training and development is reviewed by staff and their managers through their Check-In meetings.</p>
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SURY MANAGEMENT ACTIVITY REPORT 2019/20 (1st Jan 2020 – 31st March 2020) 22nd April 2020 AUDIT COMMITTEE	Classification: Public
Ward(s) affected None	
Group Director Ian Williams, Group Director Finance & Corporate Resources	

1. Introduction

This report provides Members of the Audit Committee with a quarterly update on Treasury Management.

2. Recommendation(s)

The Audit Committee is recommended to:

- **Note the report**

3. Background

This report is the fourth of the treasury reports relating to the financial year 2019/20 for the Audit Committee. It sets out the background for treasury management activity from January 2020 to March 2020 and the action taken during this period.

4.1 Policy Context

Ensuring that the Treasury Management function is governed effectively means that it is essential for those charged with governance to review the operations of treasury management on a regular basis. This report forms part of the regular reporting cycle for Audit Committee, which includes reviewing the Annual Treasury Management Strategy, and enables the Committee to monitor treasury activity throughout the financial year.

4.2 Equality Impact Assessment

There are no equality impact issues arising from this report

4.3 Sustainability

There are no sustainability issues arising from this report

4.4 Consultations

No consultations have taken place in respect of this report.

4.5 Risk Assessment

There are no risks arising from this report as it sets out past events. Clearly though, the treasury management function is a significant area of potential risk for the Council if the function is not properly carried out and monitored by those charged with responsibility for oversight of treasury management. Regular reporting on treasury management ensures that the Committee is kept informed.

5. Comments of the Group Director, Finance and Corporate Resources

There are no direct financial consequences arising from this report as it reflects the performance from January to March 2020. Whilst investment interest is not used to underpin the Council's base revenue budget, as in some other authorities, there will be an impact on the ability to fund additional discretionary expenditure and capital programmes. The information contained in this report will assist Members of this Committee in monitoring the treasury management activities and enable better understanding of such operations.

Officers are paying even closer attention to cash flow given the current situation relating to Covid-19. This has resulted in a virtual drying up of short term cash available on the inter local authority market as LAs retain cash in order to cover the inevitable impact of additional expenditure and loss of income in the short to medium term. In order to ease the impact of this, we have taken a further £15m of medium term borrowing from PWLB replacing some of the internal borrowing previously utilised by the Housing Revenue Account.

6. Comments of the Director Legal Services

The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. In addition the Council within its Annual Treasury Management Strategy has agreed to comply with the CIPFA Code of Practice on Treasury Management. This report demonstrates that Treasury Management is meeting these requirements and adapting to changes as they arise.

7. Economic Highlights

- **Growth:** The Quarterly National Accounts by the ONS suggest that GDP was flat in Quarter 4 as the underlying momentum continues to slow. When compared to the same quarter a year ago, UK GDP increased by 1.1% to Q4 2019, unrevised from the first estimate.
- **Inflation:** The Consumer Price Index (CPI) 12-month rate was 1.7% in February 2020, down from 1.8% in January 2020. The Consumer Price Index including owner occupiers' housing costs (CPIH) 12-month inflation rate was 1.7% in February 2020, decreasing from 1.8% in January 2020. Core inflation increased to 1.7% from 1.6%.

- **Monetary Policy:** Following the reduction to base lending rates in order to help protect the economy from some effects of Covid-19, the Bank of England's Monetary Policy Committee (MPC) announced an unchanged Bank Rate of 0.1% and a continuation of £200bn of asset purchases (Gilts and investment grade corporate bonds) financed by the issuance of central bank reserves. The minutes of the meeting were largely a reflection of the precarious economic consequences of the COVID-19 pandemic. In that regard, economic growth will sharply reduce, unemployment will rise, earnings will deteriorate, business investment will fall and inflation will drop. The relatively rapid and significant steps taken by the Bank throughout March alongside the steps taken by the Government and the Chancellor of the Exchequer's fiscal package(s) are all designed to ensure that society and financial markets are protected in terms of their continuing functionality. The Bank is ready to move further. We do not expect further reductions in Bank Rate although a move to zero is quite possible, moreover an extension to the scale of asset purchases and potential direct purchase of Gilts from HM Treasury in a process known as Monetary Financing. Indeed the Bank has already said that it will keep under review the case for operations in the primary market (alongside existing secondary market operations). The MPC also stated that it will monitor closely the pass through to banks and building societies' lending rates of the recent reductions in Bank Rate. The economic consequences of COVID-19 are widespread and have resulted in severe volatility in financial markets but what is most obvious in the minutes – and understandably so – is the societal impact of the crisis and the effect it is having on all our lives. To that end, we hardly need reminding of what issues the MPC is wrestling with as we are all experiencing it day-by-day.

8. Borrowing & Debt Activity

- 8.1 The Authority currently has £125.4m in external borrowing. This is made up of a single £2.4m London Energy Efficiency Fund (LEEF) loan from the European Investment Bank to fund housing regeneration, along with £45m short term to cover liquid cash flow requirements and £78m long term used to finance part of the borrowing requirement within the Housing Revenue Account associated with the delivery of the housing capital programme, particularly in respect of regeneration. £15m was borrowed in March 2020 from PWLB on the new HRA lending rate which was made available to local authorities on 12th March 2020 as part of Spring Budget 2020, in order to ease cash flow issues arising from the impact of Covid-19 forward/additional expenditure and potential loss of income.
- 8.2 Close analysis of Councils Capital Financing Requirement (CFR is an indicator of an overall need to borrow) indicates that further borrowing will be required, even without the impact of Covid-19, although this requirement will be continually monitored given the potential for the slowdown in the delivery of some aspects of the capital [programme, also arising from the current situation.

9. Investment Policy and Activity

- 9.1 The Council held average cash balances of £72 million during the reported period, compared to an average £111 million in the same period last financial year.

Movement in Investment Balances 01/01/20 to 31/03/20

	Balance as at 01/01/2020 £'000	Average Rate of Interest %	Balance as at 31/03/2020 £'000	Average Rate of Interest %
Short term Investments	35,424	-	28,354	
Long term Investments	3,500	-	3,500	
AAA-rated Stable Net Asset Value Money Market Funds	9,200	-	19,250	
AAA rated Cash enhanced Variable Net Asset Value Money Market Funds	13,000		13,000	
Housing Associations	15,000		15,000	
	76,124	1.2	79,104	0.74

- 9.2 Due to the volatility of available creditworthy counterparties, investments have been placed in highly rated UK Government institutions. Thus ensuring creditworthiness whilst increasing yield due to the duration of the deposits.
- 9.3 The Council had already placed four long term investments with Housing Associations assisting both diversification and yield. However, the focus in the short to medium term will be on short term liquid investments in order that cash will be available to the authority as required during the Covid-19 crisis.
- 9.4 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles.
- 9.5 The Council's specific policy objective is to invest its surplus funds prudently. The Council's investment priorities are:
- security of the invested capital; liquidity of the invested capital; and,
 - An optimum yield which is commensurate with security and liquidity.

10. Counterparty Update

- 10.1 In light of the developing coronavirus situation and the volatility in global financial markets, Arlingclose has cut duration advice on deposits at all the banks and building societies on the counterparty list to 35 days. This remains under Arlingclose constant review. Arlingclose is now only comfortable with their clients making bank deposits for

periods up to 35 days. No banks have been removed from their counterparty list. Existing deposits meeting their previous advice can be left to run to maturity. As per Arlingclose, clients should hold additional liquid cash for unexpected outflows and this should be diversified over several counterparties and/or money market funds in case of operational difficulties. Arlingclose is now only comfortable with their clients making deposits for up to 35 days with all non-UK banks on their counterparty list. CCLA has suspended redemptions and subscriptions in the Local Authorities' Property Fund as well as its property funds for charities for the March 2020 dealing day due to material uncertainty in the values of their property holdings. This was on advice from the valuer that an accurate fund price cannot be calculated and CCLA's duty to treat customers fairly. The suspension will be kept under review and will be lifted when market conditions permit. Fitch downgraded the United Kingdom sovereign rating to AA- from AA. The outlook remains negative. Arlingclose remains comfortable with their clients making investments of unlimited amounts for up to 50 years with the UK Government, including the Debt Management Account Deposit Facility, treasury bills and gilts.

- 10.2 Whilst the ongoing investment strategy remained cautious counterparty credit quality remains relatively strong, as can be demonstrated by the Credit Score Analysis summarised below:

Credit Score Analysis

Date	Value Weighted Average – Credit Risk Score	Value Weighted Average – Credit Rating	Time Weighted Average – Credit Risk Score	Time Weighted Average – Credit Rating
31/01/2020	4.9	A+	4.6	A+
29/02/2020	5.1	A+	6.2	A
31/03/2020	5.0	A+	5.9	A

Scoring:

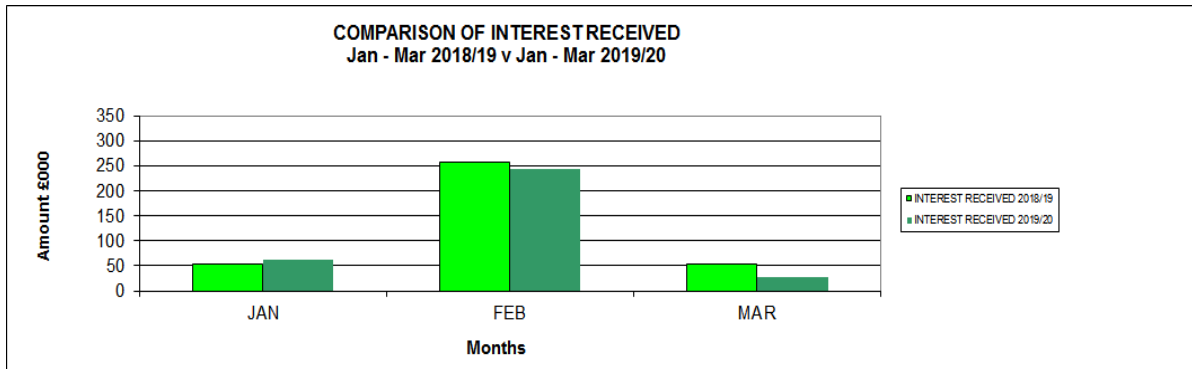
- Value weighted average reflects the credit quality of investments according to the size of the deposit
- Time weighted average reflects the credit quality of investments according to the maturity of the deposit
- AAA = highest credit quality = 1
- D = lowest credit quality = 27

- 10.3 The Council continues to utilise AAmmf/Aaa/AAAm rated Money Market Funds for its very short, liquidity-related surplus balances. This type of investment vehicle has continued to provide very good security and liquidity, although yield suffers as a result.

11. Comparison of Interest Earnings

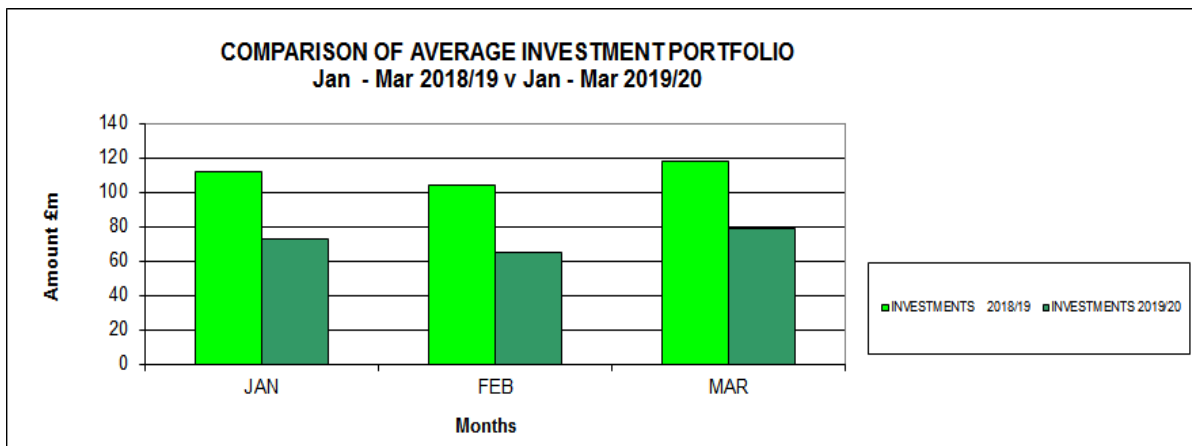
- 11.1 The Council continues to adopt a fairly cautious strategy in terms of investment counterparties and periods. Due to the volatility of available creditworthy counterparties, investments have been placed in highly rated UK Government institutions or corporate Bonds, thus ensuring creditworthiness whilst increasing yield's through the duration of the deposits.

11.2 The graph below provides a comparison of average interest earnings for 2019/20 against the same period for 2018/19. Average interest received for the period January to March 2020 was £111k compared to £121k for the same period last financial year.



12. Movement in Investment Portfolio

12.1 Investment levels have decreased to £79 million at the end of March in comparison to the end of March last year of £118 million. The decrease in the investment balance year on year is the result of the continued approach of maintaining borrowing and investments below their underlying levels i.e. use of internal borrowing.



13. Summary

13.1 In compliance with the requirements of the CIPFA Code of Practice this report provides members with a summary report of the treasury management activity during the last quarter of the financial year 2019/20. As indicated in this report, a prudent approach has been taking in relation investment activity with priority being given to security and liquidity over yield.

Report Author

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AUDIT AND ANTI-FRAUD PROGRESS REPORT 31 MARCH 2020

**AUDIT COMMITTEE
MEETING DATE**

22 April 2020

CLASSIFICATION:

Open

If exempt, the reason will be listed in the main body of this report.

WARD(S) AFFECTED

All Wards

GROUP DIRECTOR

Ian Williams, Group Director of Finance & Corporate Resources

1. INTRODUCTION AND PURPOSE

1.1 The purpose of this report is for the Audit Committee to consider the performance of the Audit & Anti-Fraud Service, the areas of work undertaken, and information on current developments in Internal Audit and Anti-Fraud as well as statistical information about the work of the investigation teams.

1.2 This is part of the Committee's role in overseeing corporate governance and the report is presented for information and comment.

2. RECOMMENDATION

2.1. The Audit Committee is recommended to note and consider Audit & Anti Fraud's progress and performance to 31 March 2020 (Appendices 1 to 4).

3. REASONS FOR DECISION

3.1. The Public Sector Internal Audit Standards (PSIAS) came into force in April 2013 and apply to all internal audit service providers. These Standards were updated in April 2016 and again in April 2017.

3.2. The PSIAS requires the Chief Audit Executive (or equivalent) to report functionally to a board and to communicate the internal audit service's performance relative to its plan and other matters. For the purposes of the PSIAS the Audit Committee has been designated the 'board'.

4. BACKGROUND

4.1 The Audit Committee approved the Internal Audit Plan 2019/20 on 10 April 2019 and this report notes the progress against that plan and progress against high and medium priority recommendations. The Progress Report of the Internal Audit Service is provided in Appendix 1 and includes a summary of: -

- Performance against key performance indicator targets
- Internal Audit work carried out up to the end of March 2020
- Implementation of high and medium audit recommendations
- School audits

Details of progress with planned audits are provided in Appendix 2.
Definitions of the assurance levels used are provided in Appendix 3.

4.2 A statistical summary of the work undertaken by the Audit Investigation Service for the period January to March 2020 is provided in Appendix 4. In summary, the key financial benefits to arise from selected key areas of enquiry are as follows:

Investigation area	Estimated saving arising from enquiries
---------------------------	------------------------------------------------

	£
Tenancy Fraud	737,000 (minimum)
No Recourse to Public Funds	322,000
Blue Badge/Parking	11,075
Total	1,070,075

4.3 There has been a necessary recent shift in corporate priorities as the Council provides maximum support to residents and businesses in response to the Covid 19 pandemic. This is drawing resources from secondary services, including Audit and Anti-Fraud (AAF), to support key front line teams. There has been an impact on the internal audit team's performance as a result of service managers needing to focus on the Council's response to the pandemic. There has been a minimal impact on the performance reported in this quarter for the anti fraud teams. The Division has been proactive in moving officers to support the Borough Emergency Command Centre and Customer Services quickly, this took place from the end of March onwards. It is inevitable that much of the work of the Division will be suspended in the short to medium term which will strongly impact performance in the next quarter at least.

4.4 Policy Context

The work of the Internal Audit Service complies with the Public Sector Internal Audit Standards. Internal Audit reviews consider all applicable policies of the Council.

4.5 Equality Impact Assessment

This report does not require an equality impact assessment but where applicable equality issues and adherence to corporate policies would be considered in audit reviews

4.6 Sustainability

Not applicable.

4.7 Consultations

Consultation on the internal audit plan took place with senior management and the Audit Committee.

4.8 Risk Assessment

The work of Internal Audit is based upon a risk assessment which covers all areas of the Council's activity and is continually changing to reflect new initiatives, emerging risk areas and new legislation. There is also continuous reassessment of risk as audits are undertaken, plus regular consultation with directors, chief officers and senior managers to ensure that account is taken of any concerns they raised during the year.

5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

5.1. There are no financial implications arising from this report as the costs of providing the audit service are included within the Council's base budgets.

5.2 However, an effective audit service is important in order to ensure that key internal controls are assessed, thereby aiding the prevention and detection of fraud and other occurrences that could otherwise result in budget pressures.

6. COMMENTS OF THE DIRECTOR OF LEGAL

6.1. The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. An adequate system of internal audit is inherent. This report demonstrates how the Council is fulfilling its obligations in this regard.

6.2 The Audit Committee is asked to note the report on Audit and Anti-Fraud's performance and opinion. There are no immediate legal implications arising from the report.

Appendices

Appendix 1 - Internal Audit Progress Report to March 2020

Appendix 2 - Progress with planned audits 2019/20

Appendix 3 - Definitions of audit assurance levels

Appendix 4 - Audit Investigation Service statistics to March 2020

BACKGROUND PAPERS

Publication of background papers used in the preparation of reports is required.

Description of document

None

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Comments of the Director of Legal	Dawn Carter-McDonald ☐ 020-8356 4817 Dawn.carter-mcDonald@hackney.gov.uk

Audit & Anti-Fraud Progress Report

1 January – 31 March 2020

1. INTRODUCTION

1.1 The purpose of this report is to present the performance of the Audit & Anti-Fraud Service for the period April 2019 – March 2020. It covers the areas of work undertaken, progress with implementing audit recommendations and information on current developments in the service area.

1.2 Internal Audit provides an independent continuous review of key and high-risk activities across the Council. It is important that the effectiveness of the work of Internal Audit is monitored and reported in order to comply with the requirements of the Accounts & Audit Regulations 2015 and to provide the necessary assurance on the adequacy of the Internal Audit service. This report, in part, meets these requirements.

2. INTERNAL AUDIT RESOURCES AVAILABLE

2.1 The Internal Audit function is an in-house service consisting of two Principal Auditors and four Auditors and is supplemented by specialist IT skills from an external provider in order to undertake technical IT audit reviews. Internal Audit supports the Council's CIPFA trainee programme, trainees rotate every six months. Resources have been impacted by the resignation of one internal auditor at the end of October 2019 and two auditors who left following the Council's voluntary redundancy scheme in February 2020. Additionally, performance has been affected by the Council's response to the coronavirus crisis which hampered the ability of auditors to complete planned work in the final quarter.

2.2 The 2019/20 Audit Plan consisted of 106 audits (of which 40 are schools/children's centres), 30 audits have been postponed or cancelled and six (two schools plus four others) were added since the plan was agreed. These changes are reflected in the Audit Plan at Appendix 2.

3. INTERNAL AUDIT KEY PERFORMANCE INDICATORS

3.1 Internal Audit's performance for 2019/20 against key indicators is shown in Table 1. Post audit survey results are summarised in paragraphs 3.2 – 3.4.

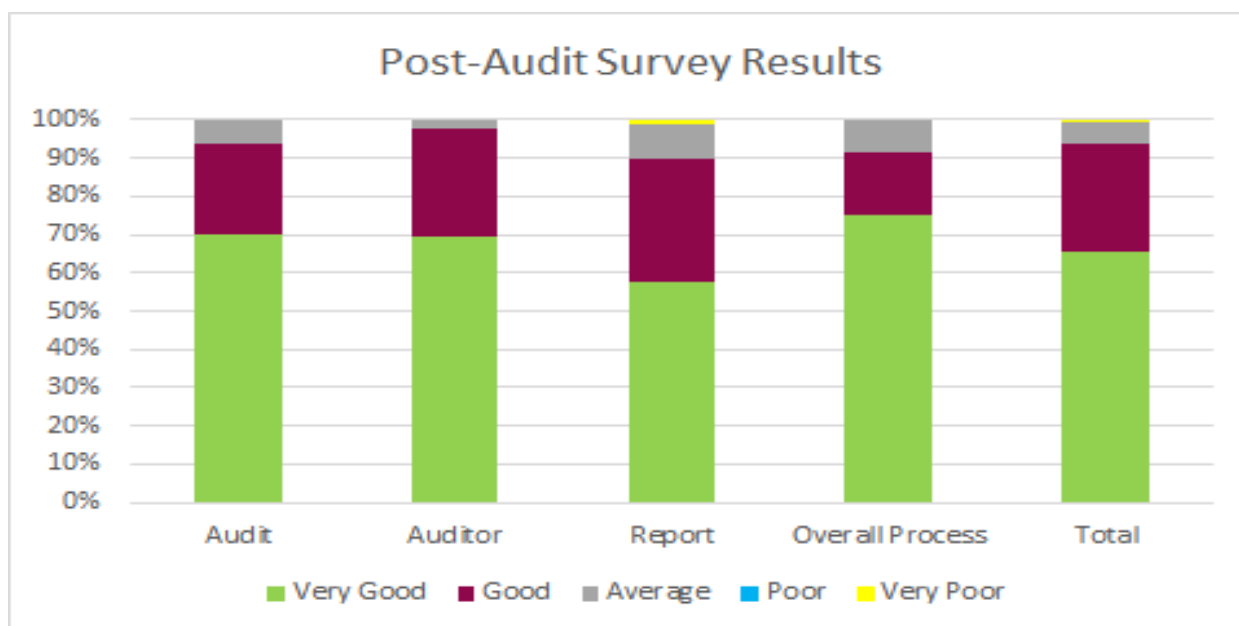
Objective	KPIs	Targets	Actual
Cost & Efficiency <i>To ensure the service provides Value for Money</i>	1) Percentage of planned audits completed to final/draft report stage 2) Average days between the end of fieldwork & issue of the draft report.	1) 90% by year end 2) Less than 15 working days	1) 79% complete or in progress by 31 March 2020 2) 17 days
Quality <i>To ensure recommendations made by the service are agreed and implemented</i>	1) Percentage of significant recommendations made which are agreed 2) Percentage of agreed high priority recommendations which are implemented	1) 100% 2) 90%	1) 100% 2) 78% - fully implemented** 16% - partially implemented
Client Satisfaction <i>To ensure that clients are satisfied with the service and consider it to be good quality</i>	1) Results of Post Audit Questionnaires 2) Results of other Questionnaires 3) No. of Complaints / Compliments	1) Responses meeting or exceeding expectations 2) Satisfactory 3) Actual numbers reported	1) 100% (94% exceeded expectations and excellent) 2) N/A 3) None

** See paragraph 6.2 for explanation

Table 1

3.2 As at 31 March 2020 a total of 65 internal audit reviews have been started from the 2019/20 Plan, 42 have been finalised and a further 5 are at draft report stage. In addition 12 reviews carried forward from the 2018/19 annual plan were completed.

3.3 Post Audit Survey results continue to show that overall expectations of auditees are met or exceeded with 94% responding that expectations were exceeded, see bar chart below.



4. SUMMARY OF INTERNAL AUDIT WORK

4.1 Progress with 2019/20 planned audits is summarised in Table 2 below and detailed in Appendix 2.

2019/20 Audit Plan Stage of Audit Activity	Number of assignments	% of the original plan
Scoping/TOR agreed	8	10
Fieldwork in progress	6	7
Draft report issued	9	11
Completed	42	51
Total work completed and in progress	65	79
Original Plan	106	
Cancelled and Postponed	30	
Additional requests	6	
Total Revised Plan	82	

Table 2

4.2 The table shows 65% of the planned assignments have been completed or are in progress.

4.3 Please see details of cancelled/postponed audits in Table 3 below.

Review	Reason for Deferral
Pension Fund	Deferred - management request
Commercialisation	Deferred - management request
Savings Tracking	Deferred
Electoral Services	Deferred due to unexpected elections
Environmental Sustainability	Deferred
Grants	Deferred - management request

NNDR/Business Rates	Deferred - revised audit risk assessment
Adults with Learning Difficulties	Deferred
Health & Social Care Commissioning/Integrated Commissioning	Deferred
Housing with Care	Deferred
Adults Homecare Payments Team	Deferred
Use of UASC-Controlling Migration Fund	Cancelled - management request
Early Years Setting - 15 hours free entitlement	Deferred
Looked After Children Incidentals	Deferred
Consultants	Deferred - management request
Budget Monitoring	Deferred - revised audit risk assessment
Treasury & Investments	Deferred - revised audit risk assessment
Council Tax	Deferred - revised audit risk assessment
IT - Back Office Side (e.g. Licensing, Parking)	Deferred
Capital Schemes- monitoring/PM	Deferred - management request
Build Quality of New Builds	Cancelled
Direct Payments follow-up	On hold
FM in Schools follow-up	Deferred - management request
Wick TMO Follow Up	On hold - management request
Brook Children's Centre	Cancelled - No longer funded by LBH
Gainsborough Primary School & Children's Centre	Deferred - management request
Lubavitch Children's Centre	Cancelled - moved to academy
Colvestone Primary School	Deferred - management request
St John the Baptiste CE Primary School	Deferred - new federation
St Matthias CE Primary School	Deferred - new federation

Table 3

4.4 Each completed audit is given an overall assurance grading. These are categorised as 'Significant', 'Reasonable', 'Limited' or 'No' assurance. The assurances given this year are included in Appendix 2. Full definitions can be found in Appendix 3. For those audits finalised this year, including 12 carried forward from the 2018/19 plan, the assurance levels are as follows in Table 4.

Assurance Level	2019/20	2018/19
No	0	0
Limited	2	2
Reasonable	13	7
Significant	27	3
Not Applicable	0	0
Total	42	12

Table 4

4.5 Where Internal Audit work identifies areas for improvement, recommendations are made to manage the level of risk. These are categorised as 'High', 'Medium' or 'Low' priority. The numbers of High and Medium recommendations issued up to 31 March 2020 are shown in Table 5.

Categorisation of Risk	Definition	Number 2019/20 Plan	Number 2018/19 Plan not previously reported
High	Major issues that we consider need to be brought to the attention of senior management.	16	N/A

Medium	Important issues which should be addressed by management in their areas of responsibility.	82	N/A
Total		98	N/A

Table 5

5. SCHOOLS

5.1 The results of schools' audits are reported to the Hackney Learning Trust (HLT) within the Children's, Adults and Community Health Directorate. In addition, progress with the implementation of agreed recommendations from 2016/17 to the current date are regularly followed up and reported.

5.2 As at 31 March 2020, twentyfour school and children centre audits had been completed, five had been issued with draft reports and terms of reference/fieldwork had started at two schools. The audits focus on the existence and compliance with key financial controls and the adequacy of governance arrangements.

6. IMPLEMENTATION OF RECOMMENDATIONS

6.1 In order to track the Council's response to improving the control environment, progress with implementation of agreed internal audit recommendations is tracked. The results of this work for the 'High' priority recommendations from audits undertaken from 2016/17 that were due to be implemented by 31 March 2020 are presented in Table 6.

Directorate	Implemented (including no longer relevant)	Partially Implemented	Not implemented /No response	Not Yet Due	Total*
Children's, Adults and Community Health	15	0	4	0	19
Neighbourhoods and Housing	37	11	0	0	48
Finance & Corporate Resources	16	4	1	0	21
Chief Executive's	5	0	0	0	5
Corporate	3	1	1	0	5
Total number	76	16	6	0	98
Percentage (%)*	78%	16%	6%	n/a	100%

* Does not include "Not Yet Due"

Table 6

6.2 The Council's target for 2019/20 is 90% of 'High' priority recommendations should be implemented in accordance with agreed timescale. Audit followed up 76 'High' priority recommendations, the implementation rate currently stands at 78% fully implemented, with a further 16% partially implemented.

6.3 Of the 276 'Medium' priority recommendations followed up 81% were assessed as implemented and 11% partially implemented. Details are shown in Table 7.

Directorate	Implemented (including no longer relevant)	Partially Implemented	Not implemented /No Response	Not yet due	Total*
Children's, Adults & Community Health	66	2	4	4	72

Neighbourhoods and Housing	99	18	5	3	122
Finance & Corporate Resources	106	22	16	1	144
Chief Executive's	25	0	0	0	25
Corporate	15	1	3	2	19
Total number	311	43	28	10	382
Percentage (%)	81%	11%	8%	n/a	100%

* Does not include "Not Yet Due"

Table 7

6.4. SCHOOLS

Recommendations made during school audits are followed up in the same way as for other recommendations. In circumstances where audits are categorised as 'No' or 'Limited' assurance, or where the school fails to provide progress updates with implementation of 'High' category recommendations, a follow up review is scheduled.

Recommendation Priority	Implemented (including no longer relevant)	Partially Implemented	Not implemented /No Response	Not yet due	Total*
High	45	4	1	0	50
Medium	249	7	6	1	262
Total Number	294	11	7	1	312
Percentage (%)	94%	4%	2%	n/a	100%

* Does not include "Not Yet Due"

Table 8

7. DEVELOPMENTS WITHIN INTERNAL AUDIT

7.1 The Head of Internal Audit & Risk Management remains vacant, covered by an interim. The service, like many services in the Council, was subject to changes resulting from the current voluntary redundancy scheme. This resulted in two auditor posts being deleted. The management, resources and approach adopted by the internal audit team will need to be reviewed as a result of the reduction in resources, however, this has been deferred until the current Covid-19 crisis has passed. Temporary cover was organised from the end of December to assist with completing the audit plan, this resource has been transferred to assist front line services during the crisis.

7.2 The completion of ICT audits have been impacted by the Council's response to the Covid-19 pandemic. These had been scheduled to be completed during Q4 however although work did start this had to be put on hold to allow IT to focus on supporting the Council's management of its workforce. The audits not completed from the 2019/20 plan will be included in the 2020/21 plan if they are still considered relevant.

8. ANTI FRAUD SERVICE

8.1 The Anti-Fraud Service consists of three distinct teams; the Audit Investigation Team (AIT), the Tenancy Fraud Team (TFT) and the Pro-Active Fraud Team (PAFT). Following the outcomes of the Council's Voluntary Redundancy Scheme there will be a need to review the structures and resources allocated to these teams. This has also been deferred as a result of the Covid-19 pandemic.

8.2 Statistical information relating to all the work of the Council's Anti-Fraud Teams is attached as Appendix 4.

9. CONCLUSIONS

9.1 This report provides details of the performance of the Council's Internal Audit and Anti Fraud Services. It provides assurance that the service is being delivered to meet statutory responsibilities and is continually seeking to improve the standard of its service.

9.2 The ability to complete internal audit reviews has been hampered by the Covid-19 pandemic which has affected the whole country. Where it is possible to undertake work virtually this is being done. Work that has been put on hold will recommence as appropriate when the Council returns to normal.

9.3 Using the cumulative knowledge and experience of the systems and controls in place, including the results of previous audit work and the work undertaken to date, it is considered that overall, throughout the Council there continues to be a sound internal control environment.

Internal Audit Annual Plan Progress to 31 March 2020 (including 2018/19 audits completed in the year)					
Code	Description	High Priority Recs	Medium Priority Recs	Audit Assurance	Status
2018/19 Audits					
1819LBH03	Subject Access Requests (SARs)	0	2	Reasonable	Final
1819CE01	Disclosure & Barring Service (DBS) Checks	0	3	Reasonable	Final
1819CACH06	SEN 2017/18 Follow up	2	4	Reasonable	Final
1819FCR01	Health & Safety	0	4	Reasonable	Final
1819FCR04	Commercial Property – Debt Management	0	2	Reasonable	Final
1819FCR05	VAT (HLT)	0	4	Reasonable	Final
1819FCR07	Accounts Payable	0	5	Reasonable	Final
1819FCR12	Cash Receipting/banking				Deferred to 2020/21
1819ICT02	iTrent application post implementation review	2	3	Limited	Final
1819ICT05	End user devices - security (incl. mobile devices, remote access)	0	1	Significant	Final
1819NH05	Housing Asset Management				Deferred to 2020/21

Appendix 2

1819NH06	Housing Service Control Framework				Deferred to 2020/21
1819NH08	Libraries	0	1	Significant	Final
1819NH13	Waste Collection	0	0	Significant	Final
1819SCH12	Yesodey Hatorah SGS	4	4	Limited	Final
2019/20 Audit Plan					
Corporate / Cross Cutting					
1920LBH01	AGS Co-ordination 2018/19 & 2019/20	N/A	N/A	N/A	Completed for 2018/19
1920LBH02	Pension Fund				Deferred to 2020/21
1920LBH03	Payroll	1	3	Reasonable	Final
1920LBH04	Equal Pay				ToR
1920LBH05	Recruitment & Retention Payments	0	1	Significant	Final
1920LBH06	Savings Tracking				
1920LBH07	Contract Management - Performance				ToR
1920LBH08	Commercialisation				Deferred
1920LBH09	IR35				Draft

Chief Executive's					
1920CE01	Electoral Services				Deferred due to unexpected elections
1920CE02	Environmental Sustainability				Deferred
1920CE03	Grants				Deferred
Children, Adults & Community Health					
Adult Services/Public Health					
1920CACH01	ALD				ToR
1920CACH02	Residential Care				Deferred
1920CACH04	Health & Social Care/Integrated Commissioning				ToR
1920CACH05	Agencies Supplying Care	0	3	Reasonable	Final
1920CACH06	Housing with Care				ToR
1920CACH07	Payments Team for Adults Homecare				Deferred
1920CACH08	Panel Processes	0	2	Significant	Final
1920CACH09	Brokerage	4	2	Limited	Final
Children & Families					

Appendix 2

1920CACH10	Safeguarding – New Arrangements	2	9	Limited	Final
1920CACH11	Use of UASC - Controlling Migration Fund				Cancelled at Management request
1920CACH12	LAC Incidentals				Deferred
1920CACH13	Children Leaving Care				WiP
1920CACH14	Children's Disability Payments				WiP
Education					
1920CACH15	Schools Overview Report 2018/19				WiP
1920CACH16	Special Educational Needs (SEN) Transport				Draft
1920CACH17	Themed audit Early Years Setting -15 hrs free entitlement for 2 yr olds				Deferred
Public Health					
1920CACH03	Mortuary Statutory Review				Draft
Follow Up					
1920CACH18	Direct Payments				On Hold
FINANCE & CORPORATE RESOURCES					
Strategic Property					

1920FCR01	Consultants				Deferred to 2020/21
1920FCR02	Management Companies				ToR
Financial Management					
1920FCR03	Budget Monitoring				Deferred
1920FCR04	NNDR/Business Rates				Deferred
1920FCR05	Creditors/Accounts Payable				Draft
1920FCR06	Treasury and Investments				Deferred
1920FCR07	General Ledger	0	2	Significant	Final
1920FCR08	C/Tax & Hackney Housing - Cautionary Contact				Deferred at management request
1920FCR09	Financial Resilience	0	0	Significant	Final
Follow Up					
1920FCR14	Accounts Receivable – ASC Debt	1	1	Significant	Final
1920FCR15	FM in Schools				Deferred at management request
Customer Services					
1920FCR10	Council Tax				Deferred

1920FCR11	Housing Benefits	0	1	Significant	Final
1920FCR12	Cash Receipting/Banking	0	2	Significant	Final
Procurement					
1920FCR13	Single Tender Action (STA) Process	0	4	Reasonable	Final
ICT					
1920ICT01	Back Office Side (e.g. Licensing & Parking)				Deferred
1920ICT02	Cyber Resilience				Draft
1920ICT03	Programme & Project Governance, Delivery & QA				ToR
1920ICT04	GDPR - Information/Data Security				ToR
Neighbourhoods & Housing					
Housing					
1920NH01	Arden TMO	1	9	Reasonable	Final
1920NH02	Lordship South TMO	1	8	Reasonable	Final
1920NH03	Wick TMO				On hold at management request
1920NH04	Housing Rents	0	3	Significant	Final

Appendix 2

1920NH05	DLO				WIP
1920NH06	Right To Buy	0	0	Significant	Final
1920NH07	Major Works				WIP
1920NH08	Resident Safety Compliance & Testing Team				Deferred
1920NH09	Housing Capital Budget	0	2	Reasonable	Final
Public Realm					
1920NH10	Capital Schemes - Monitoring/Project Management				Deferred to 2020/21 at management request
1920NH12	Parking Income				Draft
1920NH13	Markets Management				WIP
Regeneration					
1920NH11	Build Quality on New Builds				Deferred
1920NH14	Disability Facilities Grant - Private Sector Housing	2	3	Reasonable	Final
Schools					
Children's Centres					
1920SCH01	Ann Tayler Children's Centre	0	0	Significant	Final

Appendix 2

1920SCH02	Brook Children's Centre (With School)				Cancelled to do audit with school
1920SCH03	Clapton Park Children's Centre			Significant	Final
1920SCH04	Comberton Children's Centre	0	2	Significant	Final
1920SCH05	Comet Children's Centre			Significant	Final
1920SCH06	Daubeney Children's Centre	-	-	-	See info for Duabney Primary
1920SCH07	Fernbank Children's Centre (linked to Jubilee)	-	-	-	See info for Jubilee Primary
1920SCH08	Gainsborough Children's Centre	-	-	-	See info for Gainsborough Primary
1920SCH09	Hillside Children's Centre			Significant	Final
1920SCH10	Linden Children's Centre			Significant	Final
1920SCH11	Lubavitch Children's Centre (New to LBH)				Cancelled - moved to Academy
1920SCH12	Mapledene Children's Centre				See info for Queensbridge Primary
1920SCH13	Morningside Children's Centre	-	-	-	See info for Morningside Primary
1920SCH14	Sebright Children's Centre	-	-	-	See info for Sebright Primary
1920SCH15	Tyssen Children's Centre	-	-	-	See info for Tyssen Primary
Primary Schools					

Appendix 2

1920SCH16	Betty Layward Primary School	0	4	Reasonable	Final
1920SCH17	Colvestone Primary School				Deferred to 2020/21
1920SCH06	Daubeney Primary School				ToR
1920SCH08	Gainsborough Community School				Deferred
1920SCH19	Gayhurst Community School (Leap Federation)	0	3	Reasonable	Final
1920SCH20	Holy Trinity CE Primary School	0	0	Significant	Final
1920SCH07	Jubilee School (incl Fernbank CC)	0	2	Significant	Final
1920SCH22	Kingsmead Primary School (Leap Federation)	0	0	Reasonable	Final
1920SCH23	Lauriston Primary School				Draft
1920SCH24	Mandeville Primary School (Leap Federation)	0	0	Reasonable	Final
1920SCH13	Morningside Primary School	0	2	Significant	Final
1920SCH26	Our Lady and St Joseph's RC Primary School	0	1	Significant	Final
1920SCH27	Princess May Primary School	1	0	Significant	Final
1920SCH28	Queensbridge Primary School				Deferred
1920SCH29	Randal Cremer Primary School				Draft

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1920SCH14	Sebright School				Draft
1920SCH31	Simon Marks Jewish Primary School	1	1	Significant	Final
1920SCH32	Sir Thomas Abney School	0	0	Significant	Final
1920SCH33	St. John the Baptist CE Primary School				Deferred to 2020/21
1920SCH34	St. Matthias CE Primary School				Deferred to 2020/21
1920SCH35	St. Monica's Roman Catholic Primary School	0	0	Reasonable	Final
1920SCH15	Tyssen Community Primary School	0	3	Reasonable	Final
1920SCH37	Shoreditch Park Primary School	0	2	Significant	Final
1920SCH41	St Scholastica Catholic Primary School	0	0	Significant	Final
Secondary Schools					
1920SCH38	Cardinal Pole Catholic School	0	2	Significant	Final
1920SCH39	Our Lady's Convent High School	0	0	Significant	Final
1920SCH40	The Urswick School	0	0	Significant	Final

The **Overall Assurance** given in respect of an audit is categorised as follows:

Level of assurance	Description	Link to risk ratings
Significant	Our work found some low impact control weaknesses which, if addressed would improve overall control. However, these weaknesses do not affect key controls and are unlikely to impair the achievement of the objectives of the system. Therefore we can conclude that the key controls have been adequately designed and are operating effectively to deliver the objectives of the system, function or process.	There are two or less medium-rated issues or only low rated or no findings to report.
Reasonable	There are some weaknesses in the design and/or operation of controls which could impair the achievement of the objectives of the system, function or process. However, either their impact would be less than critical or they would be unlikely to occur.	There is no more than one high priority finding and/or a low number of medium rated findings. However, where there are many medium rated findings, consideration will be given as to whether the effect is to reduce the assurance to Limited.
Limited	There are some weaknesses in the design and / or operation of controls which could have a significant impact on the achievement of key system, function or process objectives but should not have a significant impact on the achievement of organisational objectives. However, there are discrete elements of the key system, function or process where we have not identified any significant weaknesses in the design and / or operation of controls which could impair the achievement of the objectives of the system, function or process. We are therefore able to give limited assurance over certain discrete aspects of the system, function or process.	There are up to three high-rated findings. However, if there are three high priority findings and many medium rated findings, consideration will be given as to whether in aggregate the effect is to reduce the opinion to No assurance.
No	There are weaknesses in the design and/or operation of controls which [in aggregate] have a significant impact on the achievement of key system, function or process objectives and may put at risk the achievement of organisation objectives.	There are a significant number of high rated findings (i.e. four or more).

Anti-Fraud Service:

Statistical Information 1 January to 31 March 2020

1. Investigations Referred

The Anti-Fraud service received 620 referrals during 2019/20, which represents a small increase on 2018/19. As new fraud threats have emerged, investigative responses have been developed in partnership with other Council teams and external partners.

Group	Department	Number of Cases Referred in Period	Number of Cases Closed in Period	Cases Currently Under Investigation	Referrals 2019/20 to date	Referrals 2018/19
Neighbourhoods & Housing (N&H)	Neighbourhoods & Housing	0	3	3	6	9
	Hackney Homes	2	3	4	12	5
	Tenancy Fraud	55	75	240	266	263
	Parking	58	67	70	220	198
Children, Adults & Community Health (CACH)	Children, Adults & Community Health	2	2	10	10	6
	Overstaying Families Intervention Team (NRPF)	23	32	22	89	75
	Hackney Learning Trust	3	2	4	5	5
Finance & Corporate Resources (F&CR)	Finance & Resources	0	1	9	12	9
Chief Executive Directorate	Chief Executive Directorate	0	3	1	0	10
Total		143	186	363	620	580

Table 1

Note 1: Fraud reporting is provided at Group Directorate level, with additional detail being provided for areas that were previously separate organisations (Hackney Homes and The Learning Trust) and specific Anti-Fraud projects (Tenancy, Parking and NRPF).

Note 2: Cases closed/under investigation may include those carried forward from previous reporting periods.

2. Fraud Enquiries

Investigative support is provided to other bodies undertaking criminal enquiries, including the Police, Home Office and other Local Authorities. The team also supports other LBH teams to obtain information where they do not have direct access and it is available under the Data Protection Act crime prevention and detection gateways.

Source	Number of Cases Referred in period	Number of Cases Closed in period	Cases Currently Under Investigation	2019/20 to date	2018/19
Internal	23	23	0	184	145
Other Local Authorities	14	15	1	64	56
HMRC	2	1	1	16	0
Police	7	8	0	32	68
Immigration	1	1	0	3	11
DWP	148	147	1	708	866
Other	4	3	1	35	77
Total	199	198	4	1042	1223

Table 2

3. National Fraud Initiative (NFI) Matches

The NFI is a biennial data matching exercise, the majority of datasets were most recently received in January 2019. Matches are investigated by various LBH teams over the 2 year cycle, AAF investigate some matches and coordinate the Council's overall response. The total number of matches includes a number of recommended cases that are identified as high priority, participants are expected to further risk assess the results to determine which are followed up.

Type of Match	Number of Matches	Cases Under Investigation	Number Matches Cleared NFI2018	Number Matches Cleared NFI2016
Payroll	145	4	81	63
Housing Benefit	3376	6	128	51
Housing Tenants	1443	13	32	68
Right to Buy	55	0	10	1
Housing Waiting List	2614	1	38	88
Concessionary travel / parking	203	0	187	169
Creditors	6,428	0	sample	638
Pensions	217	9	207	171
Council Tax	22608	7,302	2617	3,163
Council Tax Reduction Scheme	2453	32	114	22
Other	72	3	50	29
Total	39,614	7,370	3,464	4,463

Table 3

Council Tax discounts totalling £29,448 have been cancelled following review of the most recent NFI data matches.

The Council is no longer responsible for undertaking Housing Benefit investigations, however, Audit & Anti-Fraud (AAF) are required to undertake a large volume of enquiries in support of DWP investigations into Housing Benefit fraud.

DWP advised Hackney that limited financial support would be provided to the Council to support Housing Benefit investigations in 2019/20. Hackney has continued to fund a part time resource to address specific investigation enquiries, but this is insufficient to allow for review of the thousands of benefit concerns identified by the NFI. The officers that previously undertook this work have all transferred to DWP.

Hackney will be taking part in a national trial with DWP where they will be granted direct access to Hackney's Housing Benefit records. If this trial is successful it is expected that this will reduce the financial burden in providing support to Housing Benefit investigations undertaken by the DWP.

4. Analysis of Outcomes

Investigations can result in differing outcomes from prosecution to no further action. Table 4 below details the most common outcomes that result from investigations conducted by the Anti-Fraud Teams.

Outcome	Reporting Period	2019/20 to date	2018/19
Disciplinary action	0	3	8
Resigned as a result of the investigation	1	9	9
Referred to Police or other external body	0	1	12
Prosecution	1	1	1
Referred to Legal Services	6	9	0
Investigation Report/ Management Letter issued	0	10	19
Council service or discount cancelled	16	87	71
Blue Badges recovered	24	41	35
Other fraudulent parking permit recovered	0	0	6
Parking misuse warnings issued	3	19	19
Penalty Charge Notice (PCN) issued	35	71	29
Vehicle removed for parking fraud	32	38	2
Recovery of tenancy	21	85	63
Housing application cancelled or downgraded	7	42	47
Legal action to recover tenancy in progress	81	81	n/a
Right to Buy application withdrawn or cancelled	3	15	13

Table 4

Resigned as a result of the investigation

As a result of the investigations conducted by the Audit Investigation Team (AIT) one person was prosecuted and a member of staff left while they were under investigation: -

- 1 prosecution for displaying a blue badge that had been reported as stolen
- A staff investigation concerning an undeclared second job

5. Financial Losses as a Result of Fraud

The most apparent consequence of many frauds is a financial loss, however, it needs to be noted that it is not always possible to put a value in monetary terms. In many cases the financial loss accounts for only a small amount of the total cost of the fraud, with the additional amount comprising intangibles such as reputational damage, the cost of the investigation and

prosecution, additional workplace controls, replacing staff involved and management time taken to deal with the event and its' aftermath.

The following are estimates of the monetary cost for some of Hackney's priority investigation areas based (where relevant) upon the values that the Audit Commission previously calculated as a reasonable estimate of the value nationwide:

5.1 Tenancy Fraud Team (TFT)

During the period January to March 2020 a total of 21 tenancies have been recovered by the TFT. Using the Audit Commission figure for the estimated cost of temporary accommodation of £18,000 pa, this equates to a saving of £378,000.

In the same period seven housing applications have been cancelled following TFT review. These investigations help to ensure that Hackney's social housing is only allocated to those in genuine need. The Audit Commission has variously reported the potential benefit to the public purse of each cancelled application as between £4,000 and £18,000, so the value of this work represents a potential saving of between £28,000 and £126,000.

During this period three Right to Buy (RTB) applications were cancelled following investigation. Each RTB represents a discount of £110,500 on the sale of a Council asset. The value of the discount for the RTBs that were declined represents a total of £331,500.

5.2 No Recourse to Public Funds Team (NRPF)

An average weekly support package valued at c£387 is paid to each family supported (applicable to the 'service cancelled' category in Table 4). In the period January to March 2020 sixteen support packages were cancelled or refused following AAF investigations. This equates to a saving in the region of £6,192 per week, if these had been paid for the full financial year it would have cost Hackney approximately £322,868.

5.3 Parking Concessions

The Audit Commission estimated the cost of each fraudulently used Blue Badge to be £100 (equivalent to on-street parking costs in the Hackney Central parking zone for less than 39 hours). Fees of £65 are also payable where a Penalty Charge Notice is issued as part of the enforcement process, or £265 if the vehicle is also removed. In this period AIT recovered 24 Blue Badges, this equates to £2,400, and enforcement charges of £8,675 also arose.

The cost for these types of fraud is far greater in terms of the denial of dedicated parking areas to genuine blue badge holders and residents, and the reputational damage that could be caused to Hackney if we were seen not to be tackling the abuse of parking concessions within the borough.

5.4 Proactive Fraud Team

AAF has investigated the project management of the former Hackney Homes decent homes and planned maintenance contracts. Some of these works were re-performed at the contractors' expense following our investigation. Evidence of substantial over-claiming for work has been collected which is informing the Council's claim against the contractor's assets following the company going into liquidation.

Our investigation led to further enquiries by the Police which recently concluded with six people being found guilty of charges of bribery, theft and money laundering. One of the defendants was sentenced to six years imprisonment.

6. **Matters Referred from the Whistleblowing Hotline**

All Hackney staff (including Hackney Homes and Hackney Learning Trust) can report concerns about suspected fraud and other serious matters in confidence to a third party whistleblowing hotline. Other referral methods are available (and may indeed be preferable from an investigatory perspective), however, the hotline allows officers to raise a concern that they might not otherwise feel able to report. Two referrals were received via the hotline in the reporting period, neither concerned fraud.

7. Regulation of Investigatory Powers Act (RIPA) Authorisations

RIPA is the legislation that regulates the use of surveillance by public bodies. Surveillance is one tool that may be used to obtain evidence in support of an investigation, where it can be demonstrated to be proportionate to the seriousness of the matter concerned, and where there is no other less intrusive means of obtaining the same information.

Because surveillance has the potential to be a particularly intrusive means of evidence gathering, the approval process requires authorisation by a nominated senior Hackney officer (Corporate Head of Audit, Investigations & Risk Management/Director/Chief Executive) and approval by a magistrate. Although Hackney will use its surveillance powers conferred by RIPA when it is appropriate to do so, no application has been made in the current financial year.

8. Proceeds of Crime Act (POCA) Investigations

POCA investigations can only be undertaken by accredited officers, as are currently employed by AAF. The Council's investigation processes are supported by POCA in four principal ways: -

- Providing access to financial information in connection with a criminal enquiry, subject to approval by Crown Court by way of a **Production Order**.
- Preventing the subject of a criminal enquiry from disposing of assets prior to a trial, where these may have been obtained from criminal activity, by use of a **Restraint Order**, subject to Court approval.
- Recognising that offenders should not be able to benefit from their criminal conduct through the use of **Confiscation Orders**. These allow the courts to confiscate any benefit that a defendant may have received as a result of their crime.
- Under the confiscation process the courts are also able to ensure that victims are compensated for their loss by way of a **Compensation Order**.

Type of Order	Number authorised in period	2019/20 to date	2018/19 total
Production	4	10	4
Restraint	0	0	0
Compensation	0	1	0
Confiscation	1	2	2
Total	5	13	6

Table 5

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REPORT OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES		
WHISTLE-BLOWING PROGRESS REPORT AUDIT COMMITTEE - 22 April 2020	Classification Public	Enclosures AGENDA ITEM No
	Ward(s) affected ALL	

1. INTRODUCTION

1.1 This report summarises the Council’s corporate arrangements for Whistleblowing and provides members with an update of the cases received in 2019/20.

1.2 An effective whistleblowing hotline procedure is an essential part of the Council’s corporate governance arrangements. It helps promote an open, honest and accountable culture amongst all workers where they can express their concerns without fear of victimisation or termination of employment.

1.3 The Audit Committee receives regular updates relating to whistle-blowing at its quarterly meetings as part of the Internal Audit Quarterly Update Report. This report is produced to provide members with an annual overview of whistleblowing arrangements within Hackney.

1.4 As part of the Council’s whistle-blowing arrangements, a telephone hotline service is managed by the external provider Expolink, who operate a 24 hour, 7 day a week reporting service. This facility is advertised throughout Council buildings on staff notice boards as well as on the intranet. Details are also provided to all new recruits as part of their induction process.

2. SUMMARY

2.1 In keeping with previous years the level of whistleblowing referrals remains a low percentage of overall referrals to the Audit Investigation Team. Nevertheless, whistleblowing is an important component in the Council’s reporting arrangements because it provides those who might otherwise be reluctant to do so with a process to raise their concerns.

2.2 A considerable number of referrals to Audit & Anti Fraud could fit the criteria for whistleblowing but in general, managers and staff tend to refer matters of concern under the requirements of the Council’s Financial Procedure Rule 4.12 which states: -

“All issues of potential fraud/financial irregularity will be investigated in accordance with the Council’s Anti-Fraud and Corruption Policy. Concerns should be reported at the earliest opportunity (to the Corporate Head of Audit, Anti- Fraud & Risk Management) who will have lead responsibility for any subsequent investigation, in certain circumstances investigations may be carried out in collaboration with individual Group Directors.”

2.3 For clarity any member of staff referring irregularities to the Audit & Anti-Fraud Service could expect to be afforded the same protection as if they were claiming to be a whistleblower.

3. RECOMMENDATIONS

3.1 The Audit Committee is recommended to note the contents of this report.

4. RELATED DECISIONS

None

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

There are no financial implications arising from this report.

6. COMMENTS OF THE DIRECTOR, LEGAL

6.1 The law on whistleblowing is contained in the Employment Rights Act 1996, as amended by the Public Interest Disclosure Act 1998. Whistleblowers have a right not to be dismissed or suffer any detriment as a result of making a protected disclosure. To be protected, the whistleblower must make a disclosure of information and reasonably believe that the information tends to show that one or more of the following has occurred or is likely to occur: -

- (i) a criminal offence;
- (ii) breach of any legal obligation;
- (iii) a miscarriage of justice;
- (iv) danger to the health and safety of any individual;
- (v) damage to the environment; or
- (vi) the deliberate concealment of information about any of the above.

6.2 The whistleblower is protected if the disclosure is made in any one of the prescribed ways laid down by law, one of which is to the employer. The Employment Rights Act 1996, section 47B provides that a worker has the right not to be subjected to any detriment by any act, or any deliberate failure to act, by the employer done on the ground that the worker has made a protected disclosure. A whistle-blowing policy is therefore recognised as essential to encourage and facilitate this.

6.3 The Council must satisfy itself that:-

- (i) that matters raised under the whistleblowing procedures are being properly dealt with and within reasonable timescales;
- (ii) that persons using the procedures are not in any way subject to reprisals for raising matters;
- (iii) that where complaints are substantiated that prompt and effective action is taken including the application of the Council’s disciplinary procedures and any others of relevance;

- (iv) that where financial and other irregularities are uncovered that a prompt and robust review of systems and processes takes place to mitigate the risk or opportunities for recurrence;
- (v) that any compliance lessons for the Council from the reported cases are being captured, disseminated and implemented.

6.4 Consideration of this Report is within the role of the Audit Committee to monitor the Council's policies on 'Raising Concerns at Work' in respect of the Anti-Fraud and Anti-Corruption Strategy.

7. BACKGROUND

7.1 Whistleblowing occurs when an employee reports a genuine concern that is in the public interest to be resolved. The Council encourages issues of concern to be raised, providing this is done in good faith (i.e. not maliciously). There is a legal framework in place to support those who blow the whistle to help to ensure that they do not suffer a detriment from doing so. The following are some of the things that concerns may be raised about: -

- Fraud and corruption within or against the Council
- A danger in the workplace
- Deliberate neglect of people in care
- Dumping damaging material in the environment

These are wide-ranging areas of concern, and the expertise to deal effectively with them lies with different Council departments.

7.2 Anyone who works for the Council, or who has recently worked for the Council, can 'blow the whistle'. Whilst protection afforded to whistleblowing only covers issues where there is a degree of public interest in reality many reports received relate to disgruntled staff and often do not result in the allegation being upheld. A whistleblowing policy is in place which was most recently updated in April 2018.

7.3 The Whistleblowing Policy does not extend to members of the public or service users because the confidentiality and protection from reprisal issues either do not extend to these groups, or they operate in a very different way to how they affect staff. The Council has a complaints system through which the public and service users can report concerns. The public are also able to report concerns about fraud against the Council through the tenancy fraud and blue badge parking hotlines, or by reporting concerns directly to the Audit & Anti-Fraud Division.

7.4 Hackney Learning Trust staff are also covered by the Council arrangements following their reintegration, as are workers at the community maintained schools. Any investigations into allegations of fraud or irregularity arising from whistleblowing reports are carried out by the Council's Audit & Anti-Fraud Division.

7.5 Hackney Learning Trust staff also have access to Expolink as a means of reporting concerns, in addition to reporting to line management or Audit & Anti-Fraud.

7.6 There are no implications for the equalities policies of the Council as the whistleblowing policy is accessible to all staff and partners across the Council.

8. REFERRALS FOR THE PERIOD APRIL 2019 TO MARCH 2020

8.1 Whistleblowing reports to Expolink are reported as part of the quarterly Audit & Anti-Fraud Progress Reports. A specific summary of all whistleblowing activity was last

reported to Members in April 2019. Table 1 below summarises Expolink activity in recent years.

	2015/16	2016/17	2017/18	2018/19	2019/20
Fraud & Corruption referrals	2	0	2	1	4
Other referrals	0	1	3	2	5
Total referrals	2	1	5	3	9

Table 1

8.2 The Expolink Fraud and Corruption concerns that have been reported during the last 12 months comprise one allegation of a procedural irregularity, a report of staff misconduct and two matters allegedly involving contractors. The other five referrals comprised three HR issues, one data protection concern and one Health and Safety report.

8.3 Concerns of fraud or corruption can be reported in a number of ways. In addition to the matters raised through the Expolink telephone hotline (see section 1.4), workers may raise whistleblowing concerns through alternative channels and still be entitled to the same degree of protection that would be afforded if they had used the telephone hotline. Of the 42 internal investigations referred in 2019/20, eight have been raised in this way (i.e. four via Expolink, four by other whistleblowing routes). The following table shows all referrals by department and fraud type, with whistleblowing cases identified in brackets:

Description	Neighbourhoods & Housing	Children, Adults & Community Health		Finance & Resources	Chief Executives	Total
		CACH	HLT			
Theft	1	2	1	0	0	4
Cheque/Credit card fraud	0	0	0	2	0	2
Immigration/ID issues	0	0	0	0	0	0
Employee issues	8 (1E)	4	2 (2)	2 (1E)	0	16
Payments, contracts, procurement	4 (2 +2E)	0	0	0	1	5
Housing irregularities	0	0	0	3	0	3
Staff parking	1	1	0	0	0	2
Other	2	3	1	4	0	10
Total	16 (2 + 3E)	10	4 (2)	11 (1E)	1	42 (4 + 4E)

Table 2

8.4 Whistleblowing referrals investigated by Audit & Anti-Fraud are dealt with under normal investigative procedures and outcomes regularly include recommendations on appropriate disciplinary action, advice on measures to be taken to address system weaknesses, and referrals to internal audit for follow-up action wherever more significant problems are identified. If concerns are more appropriately dealt with by another service (e.g. Human Resources) a referral is made. The current status of the 8 whistleblowing cases identified at section 8.3 (Table 2) are as follows:

- Procedural recommendations arose as a consequence of 2 investigations;
- Management advice was issued in one case;
- Three cases remain under investigation;
- No further action arose following two investigations.

8.5 In relation to the legal comments contained in this report, it should be noted that every effort is made to protect the identity of the whistleblower in order to guard against the possibility of reprisals. It is not always possible to keep the identity confidential, but it is clear in the policy that any detrimental retaliatory actions arising from a whistleblowing concern being raised (for example, threats, disciplinary action or dismissal) will be regarded as a serious disciplinary offence.

9. FUTURE DEVELOPMENTS

9.1 New staff will continue to be provided with information about relevant Hackney procedures as part of the induction process (e.g. The Anti-Fraud & Corruption Policy, Code of Conduct, Whistleblowing Policy), together with contact details and information about the Expolink hotline service.

9.2 Contact details for Expolink will continue to be advertised electronically and on staff noticeboards.

9.3 The Audit Committee will continue to receive quarterly progress reports and an annual report on whistleblowing arrangements and investigation outcomes.

IAN WILLIAMS

Group Director of Finance and Corporate Resources

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REPORT OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES		
ANNUAL REPORT OF THE AUDIT COMMITTEE Audit Committee 22 April 2020	Classification Public	Enclosures Appendix 1 AGENDA ITEM No
	Ward(s) affected All	

1. GROUP DIRECTOR'S INTRODUCTION

The purpose of this report is to detail the role of the Audit Committee (the Committee) and summarise the key activities and achievements in 2019/20 that demonstrate how the Committee has fulfilled this role effectively and to measure consistency with the guidance issued by the Public Sector Internal Audit Standards (PSIAS) and other statutory requirements.

2. RECOMMENDATION(S)

The Council is recommended to note the Annual Report of the Audit Committee set out in Appendix 1.

3. SUMMARY

3.1 The Annual Report of the Audit Committee outlines key developments in: -

- Internal Control
- Internal Audit
- Risk Management
- External Audit
- Anti-Fraud & Corruption
- Financial Reporting

3.3 In reviewing the performance of the Audit Committee against the Public Sector Internal Audit Standards (PSIAS) and in the areas mentioned above, the judgement is that the Committee has fulfilled its role effectively.

3.4 The report is a self-assessment of the activities of the Audit Committee during 2019/20.

4. OVERALL CONCLUSION

- 4.1 As detailed and evidenced in the Annual Report, the Audit Committee discharged its duties effectively and has played a significant role in developing and improving internal control and governance arrangements within the Council.
- 4.2 Opportunities for further strengthening the performance and effectiveness of the Audit Committee have been identified throughout the year through a programme of development sessions and deep dive reviews on issues including:
- 1) Regeneration
 - 2) Human Resources monitoring
 - 3) Special Educational Needs
 - 4) Insourcing

5. COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

- 5.1 This report looks back over the last year and as such there are no financial effects arising from the recommendation. It is recognised however that an effective Audit Committee can help to both reduce risk and strengthen the control environment in which the services are provided. Through its consideration and approval of the accounts, the risk and treasury management strategies, it can also help to ensure that the financial risks to the Council arising in the future are appropriately managed.

6. COMMENTS OF THE DIRECTOR, LEGAL SERVICES

- 6.1 The Council has a best value duty under the Local Government Act 1999 to ensure that it is securing economy, efficiency and effectiveness in the use of its resources.
- 6.2 Section 151 of the Local Government Act 1972 provides that 'every local authority shall make arrangements for the proper administration of its financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs'.
- 6.3 Part of the proper administration of the Council's affairs must encompass the obligation on the Council to have its accounts audited in accordance with the Audit Commission Act 1998 by an appointed party.
- 6.4 The Council's Constitution gives the Audit Committee responsibility for considering reports dealing with the management and performance of the providers of internal and external audit services. The annual report of the Audit Committee details how the audit matters in this Report and Appendix 1 have been addressed to discharge the statutory obligations.
- 6.5 There are no immediate legal implications arising from the Report.

Ian Williams

CORPORATE DIRECTOR OF FINANCE & RESOURCES

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List of Appendices

Appendix 1 Annual Report of the Audit Committee 2019/20

Appendix 1 - ANNUAL REPORT OF THE AUDIT COMMITTEE 2019/20

1. CHAIR'S INTRODUCTION

- 1.1 The Audit Committee has had another active and successful year. We have continued our essential job of monitoring the Council's overall performance and its capacity to deliver value for money services. The relentless pressure on local government as demand for services has gone up and Government support has gone down, has meant Council services continue to be under great strain. This made it vital that the Committee develop its initiatives to deepen our monitoring of the Council's performance and its capacity to deal with the growing risks facing key services.
- 1.2 A central initiative has been our 'deep dive' reviews of high-risk services. These have involved the Committee meeting as a working group to take evidence from officers about issues where there are significant political and financial impacts. Over the year we conducted three of these deep dive reviews. In September we completed our investigation of the financial and resource planning behind the SEND budget. Our report concluded that the Council had robust and credible plans in place to manage the pressure of increasing (and legally required) service provision in the face of wholly inadequate government funding.
- 1.3 The two other deep dive reviews this year have investigated the Council's capacity to define and deliver its policy commitments in the use of contract workers, and its promise to insource the provision of its services wherever feasible. In the case of contract workers, we were satisfied that the processes are in place to ensure they are employed only where there is a clear case for doing so and where employment terms and conditions are protected. The review of insourced services has looked at the criteria the Council use to justify employment of external contractors where these are necessary and at how both insourced and external contracts are both strategically and performance managed.
- 1.4 In a second key initiative, we reinforced the depth and range of our reports on service performance and the Council's corporate risks. For example, with capital spending now playing a much bigger role in the Council's budget, we have significantly tightened our monitoring of capital schemes. One result of this closer monitoring is to highlight the need to improve our departmental systems for planning and scheduling capital works. We will therefore be launching a deep-dive investigation of the way departments manage their pipeline of capital schemes later in the year.
- 1.5 Thirdly, we have established a reporting system for the Council's joint Boards which deliver complex projects and cut across the reporting and accountability of individual Council departments. We were impressed with the approach taken in the comprehensive risk and performance report of the complex Britannia development project in Shoreditch. It is reassuring to note that this model is also followed on other similarly complex projects.
- 1.6 Over the past two years, widespread national concerns over shortcomings in the external auditing of both commercial (Carillion) and public sector (Northamptonshire Council) bodies has meant the audit function has been subject to an extensive (and unusual) level of political debate. There has been added concern in the local government sector this year with the failure of many private external auditors to meet the terms of the new audit contracts. This has highlighted the gap left by the abolition of the public sector District Audit function and more recently, the Audit Commission itself. Reforms to strengthen the external audit system are expected later in the year but it is likely that more rigorous processes will add to the audit costs.

- 1.7 Fortunately, in Hackney our officers were this year able to work well alongside our external auditors, Mazars, and our annual accounts were completed on time. This was the third year in succession we have achieved this, a tribute to our excellent staff. It is important we retain the commitment to rapid reporting of annual results if the accounts are to act as a useful form of political and public oversight of the Council. We therefore do not believe the Government should relax this important target in its proposed reforms, as some of the private auditors are suggesting.
- 1.8 In our core oversight role, the Committee has worked hard during the year to ensure we have strong, well-embedded internal control and governance arrangements in place. These are critical for the Council's service improvement programme and for public credibility. We reviewed each directorate's risk register in detail (twice in the case of the corporate risk register) in the course of the year. We also evaluated the Council's key performance each quarter, by reviewing in detail the key indicators from each of the Council's core services and following up issues with local managers where necessary. We can report that risk management appears to be generally well embedded as a normal management function that helps services achieve their objectives. There is however still a need for services to achieve a better standard of consistency in their reporting of risk.
- 1.9 Finally, I'd like once again to thank all my fellow Council members for their enthusiastic support, in both the main meetings and our deep dive investigations. As always, we owe much of the Committee's success to the keen and supportive team of officers especially in the different parts of the Finance Directorate.

2. COMMITTEE MEMBERSHIP & ATTENDANCE

- 2.1 The composition of the committee has been largely stable during the year. There was one change in personnel when we welcomed Cllr Clare Potter to replace Cllr Ajay Chauhan. The following Councillors were members of the Audit Committee during the 2019/20 municipal year:

Cllr Nick Sharman (Chair)	Cllr Yvonne Maxwell
Cllr Michelle Gregory	Cllr Harvey Odze
Cllr Brian Bell (Vice Chair)	Cllr Clare Potter
Cllr Patrick Spence	Cllr Ajay Chauhan

- 2.2 The table below outlines members' attendance at committee meetings during the 2019/20 municipal year. As ever, members had a significant number of alternative commitments such as other public meetings and ward commitments and surgeries, and were therefore not always available to attend meetings.

Members	Meeting Dates				
	10/04/19	19/06/19	24/07/19	10/10/19	15/01/20
Cllr Nick Sharman	P	P	P	P	P
Cllr Michelle Gregory	P	P	P	P	A
Cllr Brian Bell	P	A	P	A	A
Cllr Ajay Chauhan	P	n/a	n/a	n/a	n/a
Cllr Patrick Spence	A	P	P	A	P
Cllr Yvonne Maxwell	?	P	P	P	P

Cllr Harvey Odze	A	P	P	A	P
Cllr Clare Potter	n/a	P	P	P	P

Key: P = Present A = Absent L = Late

3. WORK UNDERTAKEN IN THE 2019/20 MUNICIPAL YEAR

3.1 The Audit Committee operates in accordance with the CIPFA publication *Audit Committees, Practical Guidance for Local Authorities and Police*, 2018 Edition. The guidance defines the purpose of an Audit Committee as follows:

“To provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.”

3.2 Internal Control

3.2.1 The Committee plays a key role in developing and improving the Council’s internal control and assurance framework.

3.2.2 The Accounts and Audit Regulations 2015 require the Council to conduct annual reviews of the system of internal control and publish an Annual Governance Statement (AGS) within its annual financial statements.

3.2.3 The AGS process in 2018/19 continued to reflect the current requirements as set out in the Framework/Guidance issued by CIPFA/SOLACE in 2016 and a revised Hackney Code of Governance. Each department produces a local statement which is used to support the corporate AGS. As part of the assurance process, Internal Audit review the local AGSs and verify that any actions identified in the previous year AGS have been actioned. The 2018/19 corporate AGS was included in the final accounts and reviewed by the Committee with future actions for improvement noted. This process will continue for 2019/20.

3.2.4 The Committee contributed to the process of providing assurance of the Council’s internal control and governance framework by receiving and reviewing regular progress reports on Internal Audit and Risk Management including service performance information.

3.3 Internal Audit

3.3.1 In accordance with the Accounts and Audit Regulations 2015 the Committee continuously reviewed the effectiveness of the Internal Audit service. This comprised of: -

- Review and approval of the Internal Audit Annual Plan 2019/20 which includes Internal Audit’s key performance measures and outlines audit work for the Council and Associated Bodies for which the Council has a lead responsibility. I am pleased to say that management take the implementation of recommendations arising from audit work seriously with the result that we only rarely need to pursue managers for non-compliance.
- Review of quarterly progress reports of the Corporate Head of Audit, Anti-Fraud & Risk Management detailing the performance and progress of the Internal Audit

Service against the Internal Audit Plan and performance targets.

- Review of the Internal Audit Service Annual Report by the Corporate Director of Finance and Corporate Resources.

3.3.2 The Committee noted that the Internal Audit Service expects to meet its' key performance measures again this year.

3.4 Risk Management

3.4.1 A robust risk management framework is an essential element of good management and enables the Council to effectively manage strategic decision-making, service planning and delivery to safeguard the wellbeing of its stakeholders and increase the likelihood of achieving objectives. It is an essential element of good management and a sound internal control system and is necessary for the Council to demonstrate that it has sound systems of corporate governance. The Committee contributed to this by: -

- Reviewing and endorsing the Risk Management Annual Report 2018/19 detailing arrangements for the management of risk in place during 2019/20.
- Proposing measures for developing the Council's approach to managing its risks to assist future improvement.
- During the reporting year the Committee reviewed the risk registers for Neighbourhoods and Housing, Children Adults and Community Health and Chief Executives, as well as fully reviewing the corporate risk register on two occasions. The Finance and Resources risk register will be reviewed in April 2020. This top-level review helps to ensure that risk management remains a meaningful and on-going activity across all service areas.
- Reviewing a summary of the corporate risk register on a quarterly basis as part of the Performance Management report that was introduced in 2017/18.

3.5 Treasury Management

3.5.1 Ensuring treasury management is governed effectively is an essential element of the work of the Audit Committee. A regular cycle of reports is presented to the Committee to enable them to comment upon and monitor treasury action throughout the year.

3.5.2 The Committee considered the following reports during the Year:-

- Reviewed a draft Treasury Management Strategy for 2020/21.
- Review of quarterly and half-yearly updates on treasury management detailing performance.

3.6 External Audit

3.6.1 The Council's external auditor, Mazars, attended the Committee's meetings at which they present an external audit progress report for review and comment. There have been no additional reviews undertaken by the external auditors.

3.6.2 The Committee has considered the following reports from External Audit: -

- Annual Audit and Inspection Letter 2019 – Mazars issued an unqualified opinion on the Council's accounts; subsequently, an unqualified opinion on the pension fund was also received.

- The report also concluded that the Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

3.7 Anti-Fraud and Corruption Arrangements

3.7.1 The Committee reviewed the quarterly and annual performance of the anti-fraud teams in tackling fraud against the authority and the contribution this made to strengthen the system of internal control.

3.7.2 During the year up to 31 December 2019 the following savings were made as a direct result of the work of the anti-fraud teams:

Outcome	Outcomes 2019/20 to date	Savings Realised
Council service or discount cancelled	71	(1) £1,288,295
Blue Badges recovered	17	(2) £1,700
Other fraudulent parking permits recovered		n/a
Parking misuse warnings issued	16	n/a
Penalty Charge Notice (PCN) issued	36	(3) £2,340
Vehicle removed for parking fraud	6	(4) £1,200
Recovery of tenancy	64	(5) £1,152,000
Housing application cancelled or downgraded	35	(6) £140,000 - £630,000
Right to Buy application withdrawn or cancelled	12	(7) £1,326,000
National Fraud Initiative	Multiple	(8) £29,448
Total	257	Minimum £3,940,983

1. No Recourse to Public Funds Team (NRPF) savings – 71 support packages cancelled, average saving £348 per week and assuming saving of one year support

2. Calculated using Audit Commission figure of £100 per badge recovered

3. 36 x £65 PCN charge

4. £200 per removal in addition to the PCN charge

5. Calculated using Audit Commission figure of £18,000

6. Calculated using Audit Commission estimated values of either £4,000 or 18,000

7. Calculation based on discount of £110,500

8. Savings in various area arising from NFI data matching, including minimum 80 SPD removals

3.7.2 The corporate responsibility for the Regulation of Investigatory Powers Act (RIPA) and Proceeds of Crime Act (POCA) rests with the Corporate Head of Audit, Anti-Fraud & Risk Management. During the year the Committee was provided with quarterly monitoring information on the activities undertaken by the Council.

3.8 Whistleblowing Arrangements

During the year the Committee received quarterly updates on whistleblowing referrals regarding fraud/irregularity in addition to an annual report on the Council's whistleblowing arrangements and activity.

3.9 Financial Reporting

The Committee scrutinised and approved the 2018/19 Statement of Accounts prior to the completion of the audit by Mazars. The Committee also considered Mazars Governance Report regarding the audit of the accounts and significant issues arising

during the audit of the accounts. The External Auditors reassured us that our plans to cope with the expected level of resource reduction are soundly based.

3.10 Performance Reporting

Quarterly updates to Committee on a range of Council activities were introduced in 2017. The report covers three key areas of activity and has resulted in both a wider span of oversight and increased knowledge of key areas. Firstly, a performance report of selected key indicators provides coverage of activities of importance to the Committee and our residents; where concerns about performance have been identified, officers have attended meetings to provide explanation of how issues are being resolved. Secondly, the Corporate Risk Register is now reported quarterly (in addition to the biannual in-depth review of the register), so that emerging concerns and changes to existing risks are immediately on the Committee's radar. Thirdly, oversight of capital expenditure is now achieved by inclusion of a Capital Programme Monitoring Report.

3.11 Audit Committee Deep Dive Reviews

The Chair has initiated and led a series of 'deep dives' into areas of activity that are particularly topical or which have been considered by the Committee previously and it was felt that a more forensic understanding of the issue was needed. In doing so, more detailed assurance has been provided over areas of greater concern. Areas reviewed in 2019/20 were SEND Funding, Agency Staff and Insourcing of Services. These reviews are a new initiative and have been carried out as an additional activity to the scheduled Committee meetings.

4. PROPOSED WORK PROGRAMME FOR 2020/21

- 4.1 The Committee will review and, if appropriate, approve the External Auditor's Annual Governance statement covering the Council's main and the Pension Fund accounts and value for money judgements.
- 4.2 The Audit Committee will continue to receive and examine the Council's Statement of Accounts and Annual Governance Statement and approve these if it is appropriate to do so. To maintain our capacity to review past compliance and correct any issues, the Council's final accounts will again be published in draft and ready for audit by the end of May and subsequently audited by the end of July, just four months after year end.
- 4.3 The Committee will continue to receive regular performance reports from the Internal Audit Service, the Anti-Fraud Teams, Treasury Management, directorate and corporate risk registers. As well as reviewing corporate policies and strategies relating to these services.
- 4.4 The Chair will continue to act as Risk Management Champion taking responsibility for advocating the embedding of risk management throughout the Council. The Committee is keen to take a pro-active approach to overseeing the Council's management of risks and will work closely with the Corporate Risk Advisor and senior managers for continual improvement in our corporate risk management processes.
- 4.5 The Committee will continue to focus attention on the high risk areas which are identified from the risk management framework.
- 4.6 The Committee will receive and approve the Internal Audit annual plan to ensure that Audit work provides an appropriate coverage during the year.

- 4.7 We will continue to improve our assessment of current performance by receiving regular reports on a small range of key performance indicators of selected Council services and financial performance, and obtaining further explanation where appropriate. This will help provide both us as Councillors, and the public to have a sense of how the Council is performing overall and give an early warning of any problems. Another initiative to reassure the Council about our ability to cope with current threats and opportunities is our quarterly review of progress in the areas of high risk identified in our service reviews.
- 4.8 The Council's whistleblowing arrangements and performance will be reviewed annually and as part of the quarterly reporting process.
- 4.9 The Audit Committee will continue to be proactive and engage wherever necessary to further strengthen the Council's assurance processes. In particular, there will be focus on areas highlighted through the risk management process as presenting a concern at the corporate level.
- 4.10 The programme of deep dive reviews will continue, to focus on areas of specific concern.

5. SUMMARY OF ACHIEVEMENTS OF AUDIT COMMITTEE

- 5.1 The Audit Committee has contributed to the Council's overall internal control process in 2019/20 through the challenge and monitoring it has performed on governance, internal audit, anti-fraud, risk management, treasury and financial management processes.
- 5.2 Risk management at corporate and strategic service levels continues to support business processes.
- 5.3 Internal Audit has continued to develop and strengthen with support from the Committee. It received positive assurance from KPMG in its annual report.
- 5.4 The Committee has played a significant role in highlighting the importance of implementing Internal Audit recommendations to agreed timeframes.
- 5.5 The Committee also undertook the role of oversight of the Council's use of Regulation of Investigatory Powers Act (RIPA).



REPORT OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES		
INTERNAL AUDIT ANNUAL PLAN 2020/21 COVERING REPORT Audit Committee 22 April 2020	Classification Public	Enclosures Appendix 1 AGENDA ITEM No
	Ward(s) affected All	

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1. This report enables the Audit Committee to consider and approve the proposed Internal Audit Annual Plan and resources for 2020/21 as part of its role in overseeing corporate governance.

2. RECOMMENDATION

- 2.1 The Audit Committee is recommended to:

Consider and approve the proposed Internal Audit Annual Plan 2020/21 and key performance measures (attached as Appendix 1).

3. REASONS FOR DECISION

- 3.1 The Terms of Reference for the Audit Committee set out the key roles of the Committee including the requirement to: -

‘Provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Hackney’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place’.

- 3.2 The Public Sector Internal Audit Standards 2017 (PSIAS) set out what is meant by ‘proper internal audit practices’. The PSIAS require a risk-based plan that sets out how the internal audit service will be provided and developed in accordance with the Charter and how it will link to the Council’s objectives and priorities. They also require that the appropriate ‘Board’ approves the plan. The London Borough of Hackney has designated the Audit Committee as the ‘Board’ for this purpose.

4. BACKGROUND

The operational plan for the Internal Audit Service is provided in Appendix 1 and sets out the division of responsibilities between the Internal Audit Service and managers. It presents the Annual Internal Audit Plan and Key Performance Measures for 2020/21 and is submitted to Members for approval.

4.1 Policy Context

The work of the Internal Audit Service complies with the Public Sector Internal Audit Standards. Internal Audit reviews consider all applicable policies of the Council.

4.2 Equality Impact Assessment

This report does not require an equality impact assessment but where applicable equality issues and adherence to corporate policies would be considered in audit reviews.

4.3 Sustainability

Not Applicable.

4.4 Consultations

Consultation on the Internal Audit Plan has taken place with senior management through a combination of individual discussion and consideration by directorate management teams.

4.5 Risk Assessment

The work of Internal Audit is based upon a risk assessment which covers all areas of the Council's activity and is continually changing to reflect new initiatives, emerging risk areas and new legislation. There is also continuous reassessment of risk as audits are undertaken, plus regular consultation with directors and senior managers to ensure that account is taken of any concerns they raise.

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

5.1 The Council is required to provide sufficient resources to enable an adequate and effective internal audit service to be provided that meets its objectives. Internal Audit should have appropriate resources in order to meet its objectives and comply with the standards contained in the PSIAS.

5.2 The current level of resources is considered sufficient to develop and ensure delivery of the Internal Audit Annual Plan as set out in this report and provide the necessary assurance on the effectiveness of the system of internal control.

6. COMMENTS OF THE DIRECTOR, LEGAL

6.1 The Accounts and Audit Regulations 2015 place obligations on the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for management of risk. The Internal Audit Annual Plan together with the recommendation in this report facilitates the Council in discharging the obligation.

6.2 The provisions of Regulation 5 of the Accounts and Audit Regulations 2015 require the Council to undertake an effective internal audit function.

6.3 There are no immediate legal implications arising from the report.

APPENDICES

Appendix 1 - Internal Audit Annual Plan 2020/21

BACKGROUND PAPERS

None

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London Borough of Hackney

Internal Audit Annual Plan 2020/21

1. Introduction

1.1 The remit of the Audit Committee as detailed in the terms of reference is: -

‘To provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of Hackney’s governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.’

1.2 A key element of this consideration is the Annual Internal Audit Plan which provides details of the audit service’s operational approach, working methods and specific audits to be undertaken.

1.3 This document sets out the division of responsibilities between the Internal Audit Service and managers, and presents the Annual Internal Audit Plan and Key Performance Measures for 2020/21.

2. Statutory Requirements

2.1 The Council’s Internal Audit Service is delivered in accordance with a regulatory framework comprising: -

- Section 151 of the Local Government Act 1972 which requires every local authority to ‘make arrangements for the proper administration of their financial affairs’.
- The Accounts and Audit Regulations 2015 require that all local authorities must “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”
- The Public Sector Internal Auditing Standards 2013 (PSIAS), as updated in 2017. These standards set out what is meant by ‘proper internal audit practices’. These are mandatory standards.
- The Council has delegated to the Group Director of Finance & Corporate Resources (the Council’s Section 151 Officer) day to day responsibility to ensure the provision of a high quality internal audit service. The service is therefore required to work to professionally defined standards and in close liaison with the Group Director of Finance & Corporate Resources.
- The regulations also require the Council to undertake an annual review of its corporate governance arrangements which includes its internal control systems and publish as part of its final accounts arrangement, an Annual Governance Statement (AGS) that provides assurance with regard to governance arrangements.

2.2. The key elements utilised to meet the statutory requirements are: -

- The agreed strategic approach to the provision of audit services in the longer term
- The Internal Audit Annual Plan covering specific reviews for a given year
- The incorporation of best practice information/publications produced by relevant professional bodies

- The provision of working procedures within the Internal Audit Service
- 2.3 The Internal Audit Charter and the Internal Audit Strategy both reflect the requirements of the PSIAS. These standards require a risk-based plan that sets out how the internal audit service will be provided and developed in accordance with the Charter and how it links to the Council's objectives and priorities.

3. Main Objectives

- 3.1 The overall objective of the Internal Audit Service is the provision of a high quality, independent and objective service that effectively meets: -
- The statutory requirements placed on the Council
 - The individual needs of customers and stakeholders
 - The wider needs of Hackney and its community
 - The professional standards set for the provision of internal audit services.
- 3.2 Internal Audit's key objectives are to:
- Add value, improve operations and help protect public resources.
 - Provide assurance that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.
 - Provide assurance that significant risks to the Council's objectives are being identified and managed through delivery of the Audit Plan covering key areas of Council activity.
 - Provide independent assurance over the Council's risk management, internal control and governance processes.
 - Provide advice and support to management to enable an effective control environment to be maintained.
 - Promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud.
 - Investigate allegations of fraud, bribery and corruption (this is undertaken by the Audit Investigation Team).
 - Promote and develop risk management processes and awareness across the Council.
 - To provide an annual audit opinion based on the work of internal audit together with other sources of assurance.
 - To ensure that the statutory requirements of the Accounts and Audit Regulations 2015 in relation to a published Annual Governance Statement (AGS) are met.
 - To provide a comprehensive service to management in the specialist areas of computer audit and special investigations.
 - To ensure a planned approach to anti-fraud initiatives and develop this function as an expanded initiative in the work of the Anti-Fraud Service.
 - To undertake work in developing our partnership working arrangements with external agencies, Metropolitan Police and our External Auditors.

4. Division of Responsibilities

- 4.1 It is management's responsibility to establish and maintain a sound system of internal control and to prevent and detect irregularities and fraud by ensuring that risks are properly managed. Their responsibility involves:
- ensuring the plans and intentions of the Council are delivered, (including those outlined in plans, policies and procedures) and are in compliance with

- the laws/regulations under which the organisation operates;
- ensuring the reliability of data and information used either internally or reported externally;
- safeguarding the Council's resources; and
- promoting efficient and effective operations which safeguard against the risk of fraud.

4.2 Internal control is an integral part of managing operations and as such internal auditors independently review how effectively management discharges this aspect of its responsibilities by evaluating the effectiveness of systems and controls and providing objective analysis and constructive recommendations. Management retains full ownership and responsibility for the implementation of any such recommendations.

5. Audit Resources

5.1 The Council is required to provide sufficient resources to enable an adequate and effective Internal Audit service to be delivered that meets its objectives. Internal Audit should have appropriate resources in order to meet its objectives and comply with the PSIAS. The current level of resources is considered sufficient to develop and ensure delivery of the Audit Annual Plan and provide the necessary assurance on the effectiveness of the system of internal control.

5.2 Audit Establishment

The Corporate Head of Audit, Anti-Fraud & Risk Management oversees the work of the Division. At the time of reporting the Audit and Anti-Fraud Service consists of two distinct functions, a restructure of the service is expected to be undertaken during the reporting year as a result of establishment changes following the 2019 voluntary redundancy scheme, this has been delayed as a result of the corporate need to focus on providing key support services during the Covid-19 pandemic. While the resources reported below have taken account of the reduction in staffing levels further changes to the structure may occur.

Internal Audit Team

An in-house team has been in place since 2011 and is responsible for the delivery of the Annual Audit Plan. Following the reduction of two auditor posts as a result of the Council's 2019 voluntary redundancy scheme the team comprises the Head of Internal Audit and Corporate Risk Management, four auditors and a corporate risk advisor. The Council also has a three year contract in place with an independent company which provides specialist IT audit skills to perform the technical aspects of ICT audits within the plan.

Anti-Fraud Teams

The Audit Investigation Team (AIT) and Proactive Anti-Fraud Teams (PAFT) are responsible for carrying out anti-fraud work and investigations into fraud and irregularity across all Council directorates. The teams comprise two investigation managers and 14.6 investigators. The service also has responsibility for overseeing a number of corporate functions [i.e. Regulation of Investigatory Powers Act (RIPA), Proceeds of Crime Act (POCA), Whistleblowing and Money Laundering].

Dedicated personnel are in place within the AIT to deal with the following specific fraud threats:

- One full time investigator from the AIT is dedicated to supporting the Childrens, Adults & Community Health Directorate No Recourse to Public Funds (NRPF). This post is funded by CACH.
- The equivalent of one full time investigator from the AIT is dedicated to undertaking investigations into parking related abuse.
- One part time investigator (0.6 FTE) acting as a liaison officer between the DWP and the Housing Benefit service.

The PAFT incorporates the Tenancy Fraud Team (TFT) which comprising five investigation officers. The Council continues to support this work at the current resourcing level despite a central government grant that had been in place for several years being withdrawn at the end of March 2015. There has been a reduction of one investigator on this team as a result of the voluntary redundancy scheme.

5.3 Analysis of Operational Time

An analysis of operational time has been performed to calculate the resource available for audit and counter fraud activity. This analysis makes allowance for 'non-available' time (corporate management, external audit liaison, staff meetings/briefings, training, etc) and non-operational time for annual leave, bank holidays. After making allowances for these areas, a net amount of productive operational time is available for audit/project work.

5.4 Available Audit Time

During 2020/21 it is estimated that operational time available, taking account of a possible disruption of services lasting up to 12 weeks, for internal audit work will be 630 days, and operational time available for anti-fraud activity is estimated to be 1657 days. Should the current measures introduced to combat Covid-19 be reduced then it is anticipated that the number of operational days available will increase. The Division also supports the development of the Council's Chartered Institute of Public Finance & Accountancy (CIPFA) graduate trainees.

Table 1: Operational Days Available 2020/21

	Internal Audit Team	Investigation Teams	Total Days	Percentage %
Gross Days Available	1390	3690	5080	100
Less Indirect Time: Management/Advice* Leave, training, etc.	520	1313	1833	36
Less contingency allowance for disruption to services from Covid-19	240	720	960	19

Operational Days Available	630	1657	2287	45
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**This includes all of the available time of the Corporate Head of Audit, Anti-Fraud & Risk Management.*

6. The Audit Approach

- 6.1 Internal Audit is responsible for providing independent assurance on the adequacy of the Council's internal control framework. This is delivered through an opinion included as part of the Annual Audit Report. The opinion is derived from the results of audit activity as set out in the Annual Audit Plan, which focuses on areas of highest risk. Following each audit a report is produced for management with recommendations (categorised as High, Medium or Low) for improvement.
- 6.2 Each report contains an opinion on the level of internal control operating within the area being audited, ranging from Significant to No Assurance. The annual assessment of the Council's overall internal control environment is based on an overview of the level of assurance applied to each area audited. The annual opinion then forms part of the review of the effectiveness of the Council's governance framework and is included in the Annual Governance Statement.
- 6.3 The Audit Plan is a flexible and dynamic resource planning tool which, in order to remain relevant, may be revised and adjusted during the year in response to a constantly changing environment and the need to reflect changes in the Council's risks, operations, systems and controls. Where such changes are required, details will be reported to management and the Audit Committee as part of the regular progress reports.
- 6.4 The Audit Plan is prepared based upon a risk assessment methodology which takes into account the size of the risk or exposure, the likelihood that the risk will materialise, any mitigating controls in place. Known areas of change within the Council and externally (e.g. legislation) are also considered. The main factors taken into account in compiling the Audit Plan consist of:
- Materiality and significance based upon budgets and volumes of transactions.
 - Consideration of the Council's strategic risk register, directorate/service level risk registers and corporate objectives.
 - Changes to the control environment and significant legislative changes.
 - Key governance issues as identified during the previous year's AGS process.
 - Concerns and emerging risks as identified through consultation with management teams, external audit and other relevant bodies.
 - National and London wide horizon scanning which identifies public sector emerging risks and themes for consideration as part of audit planning.
 - Cross fertilisation of risks and themes with Counter fraud work, to ensure that significant fraud risks are managed.
 - The need to comply with the PSIAS.
 - Previous audit history and assurance level in specific areas including follow up work.
 - Other sources of assurance.
- 6.5 Wherever possible, Internal Audit will take assurance from management's oversight of the control framework, and the results of the inspections performed by any other review bodies, for example Care Quality Commission and Ofsted.

- 6.6 The service places great emphasis on an integrated approach to its work that links systems, regularity and computer reviews for specific areas to the service's work on anti-fraud initiatives in what are considered key risk areas.
- 6.7 The approach outlined above ensures that the Audit Plan is supportive of Directors and Senior Management in delivering the strategic priorities and corporate improvement priorities of the Council, provides an opinion on the overall internal control environment and gives assurance that all directorates/services are covered in a given period and that the approach is consistent throughout the Council. All of which are key to good corporate governance.
- 6.8 Individual risk assessments on project work are also undertaken and audit reports provide management with advice on risk issues as part of the scope developed for each audit review.
- 6.9 In addition to ensuring that audit resources are directed to those areas of greatest risk to the Council achieving its objectives, audit activity will also include the following strands:
- Coverage of the Council's key financial systems on a regular basis, to ensure that core assurance is provided.
 - Compliance reviews in certain areas, such as the Borough's schools to ensure that every school receives a review at least once every 4 years, but more frequently where a risk assessment indicates that the risk landscape has changed (such as a change in school leadership, impending academisation, discussions with HLT). In appropriate circumstances school reviews will be undertaken through the use of Internal Control Questionnaires.
 - Follow up audit work to ensure that recommendations are addressed within the agreed timescales and that where audits received no or limited assurance, a subsequent visit can provide assurance that control weaknesses have been addressed.
 - Unforeseen work can arise due to new areas of service provision, management requests or emerging risks which are appropriate to audit within the year. In order to allow some flexibility, a contingency allowance is included to enable such work to be undertaken without adversely affecting delivery of the planned audit work.
 - Whilst the majority of audit work can be planned ahead, there are occasions when audits cannot be undertaken (for example, significant change takes place in the audit area). In these circumstances, the audit may need to be deferred, or may be replaced in agreement with the relevant manager.
- 6.10 Details of the projects included in the Annual Audit Plan for 2020/21 are attached as Annex 1. Key areas of activity that in the past were reviewed annually will in future be reviewed as indicated by a risk assessment, other audits are included which reflect key risks identified through the risk management process and which were considered by the Audit Committee during the year.

7. Audit Investigations Work

- Reactive counter-fraud referrals are received regularly. These invariably require urgent priority attention and sometimes develop into more wide-ranging projects which might encompass entire systems or business areas.

- Resources from the investigation teams will also be used to carry out proactive reviews. During the year the team will target a variety of particular areas within the many services run by the Council and will carry out anti-fraud initiatives utilising a variety of audit techniques and link this with the work of Internal Audit.
- As in previous years, the team will be involved in the Cabinet Office National Fraud Initiative (NFI). This is an ongoing exercise which involves a national computer data match of information held by all local authorities, the NHS and other public sector bodies in order to detect potential fraud and irregularity. The latest datasets were provided to councils at the end of 2018/19. The service has started work on the new matches and will continue to investigate matches from the previous dataset.
- The Public Interest Disclosure Act 1998 requires all public bodies to put in place a system for dealing with anonymous allegations against members of staff within the organisation. The Council has in place an independent 'Whistleblowing' telephone hotline in order to meet its obligations under this Act. The Audit Investigation Team is responsible for investigating any issues of potential fraud and irregularity that arise through this facility.
- The Corporate Head of Audit, Anti-Fraud & Risk Management is responsible for overseeing the Council's activities under the Regulation of Investigatory Powers Act (RIPA). One officer on the Audit Investigation Team has specific responsibilities for maintaining the corporate records and ensuring compliance.
- The Corporate Head of Audit, Anti-Fraud & Risk Management has corporate responsibility for activities under the Proceeds of Crime Act (POCA). This is an expanding area of activity for the Council. The powers enable accredited officers to apply to the courts to confiscate funds in criminal cases. Two members of the team have been accredited as Financial Investigators under the powers of POCA, one of these is also responsible for overseeing the administration of the Council's use of the powers. Officers in other departments such as Trading Standards are also accredited to undertake this work.
- Members of the team will continue to represent the Council in corporate initiatives both within the authority and on London wide steering groups (e.g. London Public Sector Counter Fraud Partnership and London Boroughs Fraud Investigators Group). Representation on these groups ensures the team remains at the forefront of investigations work across London.

8. Performance Management

- 8.1 It is important that the effectiveness of the work of Internal Audit is monitored and reported in order to comply with the requirements of the Accounts & Audit Regulations 2015, and to provide the necessary assurance to Members and Management as to the adequacy of the Internal Audit function. There is a range of performance criteria for Internal Audit which is monitored throughout the year and reported to the Audit Committee as part of the regular progress reports for the service.

8.2 Client Liaison

The Internal Audit Service issues satisfaction surveys to auditees at the end of each review. Responses received are used to assess any problem areas regarding the quality of our product and enable action to be taken to rectify matters.

8.3 **Key Performance Indicators (KPIs)**

The objectives of the service for 2020/21 and the KPIs which will be used to measure cost and efficiency, quality, client satisfaction and continuous improvement throughout the year are shown in Annex 2.

9. **Audit Skills and Experience**

9.1 Members of the Internal Audit Team have appropriate skills through holding relevant professional qualifications including CIPFA, IIA and AAT, and have considerable experience in internal audit both in the public and private sector.

9.2 Members of the Anti-Fraud Teams hold various qualifications including Accredited Counter Fraud Specialist (ACFS) or equivalent, PiNS, POCA Financial Investigator and Senior Authorising Officer.

9.3 Individual officers have a personal responsibility to undertake a programme of continuing professional development to maintain and develop their competence. This is achieved through professional training, attendance at ad-hoc seminars and in-house training courses. The Division also supports the Corporate Professional Training Programme. Training needs are assessed on an ongoing basis and are formally reviewed annually as part of the Council's staff appraisal processes.

9.4 Staff will continue to be trained to ensure that the needs of the service and personal development requirements are met. A variety of training initiatives for Audit & Anti Fraud staff to be undertaken during the year include: -

- Continuous Personal Development opportunities for all members of the division
- Refresher training in respect of RIPA and Money Laundering for relevant officers
- Training/Accreditation for relevant officers in respect of POCA
- Membership benefits of CIPFA's Better Governance Forum include a programme of events and day courses during the year designed to ensure that audit and fraud staff keep up to date
- Participation in the London Audit Group to keep abreast of pan London initiatives
- Training on IDEA, a software tool which supports computer assisted audit techniques, enabling databases to be analysed

These training and development initiatives will provide members of the division with the necessary skills to assist in the achievement of the audit plan.

9.5 On occasions when technical skills are required and it is not cost effective to develop and maintain these skills in house, an external provider is used (e.g. specialist IT auditing skills are bought in to cover the technical IT audits).

INTERNAL AUDIT PLAN 2020/21			
Assignment	Days	High Level Scope/Coverage	Reason for Audit
CORPORATE - CROSS CUTTING			
AGS co-ordination 2019/20 & 2020/21	25	Information gathering from across the organisation to support the production of the Council's AGS.	Core Compliance
Pension Fund	15	Deferred from 2019/20 at management request	Core Financial System
Equal Pay	15	Review of systems and processes to ensure that the Council is complying with equal pay legislation, jobs identified and evaluated, etc Deferred from 2019/20 at management request	Risk Register
Commercialisation	20	Deferred from 2019/20 at management request	Risk Register
Company Governance (e.g. Hackney Light & Power)	15	Council as main stakeholder, how is it exercising control	Risk Register
Climate Change - Zero Carbon Footprint	15	Assurance of how the Council is managing this commitment - Is there a strategy & plans in place to deliver this commitment	Risk Register
SUB TOTAL CROSS CUTTING	105		
CHIEF EXECUTIVE'S			
Electoral Services	15	Risk Register	Deferred from 2019/20 due to the general election in 2019 and the pending local election in May 2020.
Grants	15	Key controls ensure grants are paid & monitored appropriately	Audit Plan Cycle
Establishment	15	Effect of reduction in resources following 2019 VR scheme	Management request
Environmental Sustainability	15	Plans and policies in place to deliver expectations	Deferred from 2019/20
SUB TOTAL CHIEF EXEC'S	60		
CHILDREN, ADULT & COMMUNITY HEALTH			
Adult Services/Public Health			
Mortuary	10	Statutory Review	Annual Audit

Annex 1

ALD	15	Cyclical review, not audit for at least 5 years	Deferred from 2019/20
Direct Payments	15	Key controls in place to administer payments and protect against fraud	Deferred from 2019/20 at management request
Residential Care	15	Never audited on its own, services outsourced	Deferred from 2019/20
Adults Homecare Payments Team	10	Risk assessment	Deferred from 2019/20 at management request
Housing with Care	15	Previous QCC review resulted in assessment of 'no assurance'	Deferred from 2019/20
Children & Families			
LAC Incidentals	15	Consistency, decision making process, (process for placement, allocation & 3 month review), verifying payments are valid and monitored, overspends	Limited assurance in Nov 2018, to include follow up
Education & Schools			
Schools overview report 2019/20	5	Summary of previous year's audits detailing key themes.	Annual Summary
Compliance review for schools based upon a risk assessment and cyclical review, 13 due this year	36	All schools in the Borough will receive an audit at least every 4 years. All to be done with internal control questionnaires unless specific concerns have been raised.	Compliance
Facilities management in schools	15	New contract	Deferred from 2019/20 at management request
Themed audit Early Years Setting -15 hours free entitlement for 2 year olds	15	Management request - New scheme, complicated processes	Deferred from 2019/20
SUB TOTAL CACH	166		
FINANCE & CORPORATE RESOURCES (EXCL ICT)			
Strategic Property			
Consultants	15	Excessive use, consultants with conflicts, working on specs they then charge fees on, eg CA House.	Flagged up during 2018/19 audit, deferred from 2019/20 at management request
Management Companies	20	Tiger Way, etc. Ed Partnerships - new area of activity	Audit Plan Cycle
Financial Management			
Capital Budget monitoring	10	Key controls review	Core Financial System, Audit Cttee interest

NNDR/Business Rates	10	Key controls over registration, billing, arrears, discounts, voids, inspections, appeals, refunds, MIS/Pis.	Core Financial System
Treasury and Investments	10	Compliance review to ensure key controls are effective and processes in place to ensure CIPFA regulations are adhered to. New Prudential Code, MIFID, commercial investment.	Core Financial System
Accounts Payable	10	Ivanti Post Implementation Review	Core Financial System
Customer Services			
Council Tax	10	Council Tax Collection/Enforcement of Arrears	Core Financial System
Cautionary Contact (ASB/CTax Teams)	0	How is Academy joined with UH to ensure our staff are safe when visiting. Flagging up properties where safety of visitors could be at risk due to aggression, etc.	See Housing
Audit & Anti Fraud			
Anti Fraud	25	Compliance with policies/procedures and regulations/legislation, performance and value for money.	Management request
SUB TOTAL F&CR (EXCL ICT)	110		
ICT			
Programmes & Projects/Project Benefit Appraisal	25	Partly deferred from 2019/20 and amalgamated with planned benefit appraisal scheduled for 2020/21	Risk Assessment
ICT Risk Management, sources of assurance	10	How & to what level ICT risks are being identified, documented & managed. Given that (some of) the developments are 'cutting edge' what sources of assurance are being sought (internal and/or external).	Risk Assessment
Mobile Device Security & EP Security	12	To ensure that devices are known, managed and utilised securely and effectively and that data security is maintained / encryptions / authentications are also deployed. BYO devices are securely managed.	Risk Assessment
Service Desk Case Management & End User experience	12	Many big changes & fast implementations across platforms – how is the user being treated. End user support is this sufficiently or appropriately managed avoiding delays or down time	Risk Assessment
GDPR - Privacy by Design	10	Ongoing from 2019/20	Risk Assessment

Follow up of recommendations	5		
SUB TOTAL ICT	74		
NEIGHBOURHOODS AND HOUSING			
Housing			
TMOs - risk assessed coverage 2 x TMO per year (Suffolk, Wyke)	30	Cyclical review of Council TMOs	Risk Assessment
C/Tax & Hackney Housing - Cautionary Contact	10	How is Academy joined with UH to ensure our staff are safe when visiting. How are staff from other services protected from known risks. Flagging up properties where safety of visitors could be at risk..	H&S Risk to various staff members, List maintained by Estate Safety but issues with access. Deferred from 2019/20
Public Realm			
Capital schemes - Monitoring/project management	15	Audit Planning Cycle - Deferred from 2019/20 at management request due to delay in start of new contract	Risk Assessment
Gold Loggists - recruitment/training/ preparation	10	Lack of appropriately trained staff, leaving strategic decision makers exposed - Effectiveness of system in pandemic crisis	Risk register
Use of Infrastructure Levy/section 106	15	Use of receipts, Article in Property Weekly suggested LBH had 2nd highest discrepancy between receipts and expenditure	Audit Planning Cycle
Regeneration			
Build quality on new builds	15	Ensuring schemes are properly managed throughout build so at completion they are ready to go rather than having to re-visit to ensure compliance with regulations, etc.	Management request, deferred form 2019/20
SUB TOTAL N&H	95		
OTHER			
Follow up audit work, completion of 2019/20 audit work and contingency for requests and emerging risks.	40		
Allowance for impact of Covid-19 pandemic	220		
SUB TOTAL OTHER	260		

TOTAL AUDIT DAYS	870		
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Objectives, Key Performance Indicators (KPI's) and Targets for 2020/21		
Objectives	KPI's	Targets
<p>Cost & Efficiency</p> <p>1) To ensure the service provides Value for Money</p>	<p>1) Percentage of annual plan completed by 31 March</p> <p>2) Average number of days between end of fieldwork to issue of draft report</p>	<p>1) 90%</p> <p>2) Less than 15 working days</p>
<p>Quality</p> <p>1) To maintain an effective system of Quality Assurance ensure recommendations made by Internal Audit are agreed and implemented</p>	<p>1) Percentage of agreed significant recommendations which are implemented in agreed timescales</p>	<p>1) 100%</p>
<p>Client Satisfaction</p> <p>1) To ensure that clients are satisfied with the service and consider it to be good quality</p>	<p>1) Results of Post Audit Questionnaires</p> <p>2) Results of other Questionnaires</p> <p>3) No. of Complaints / Compliments</p>	<p>1) Average score of satisfactory and above</p> <p>2) Satisfactory results</p> <p>3) No target – actual numbers will be reported</p>
<p>Continuous Improvement</p> <p>1) To ensure that the service develops in line with modern thinking and practice on Internal Auditing</p>	<p>1) Internal/External assessment under the Public Sector Internal Audit Standards</p>	<p>1) Internal Audit team conforms with the PSIAS</p>

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AUDIT COMMITTEE WORK PROGRAMME 2020/21

	June 2020	Decision	Group Director & Lead Officer
1	DIRECTORATE RISK REGISTER REVIEW – CHIEF EXECUTIVE	For information and comment	Tim Shields (TBC)
2	TREASURY MANAGEMENT UPDATE REPORT	For information and comment	Ian Williams (Michael Honeysett)
3	CORPORATE RISK REGISTER REVIEW	For information and comment	Tim Shields (Matthew Powell)
4	INTERNAL AUDIT ANNUAL REPORT 2018/19	For information and comment	Ian Williams (Michael Sheffield)
5	PERFORMANCE OVERVIEW	For information and comment	Ian Williams (Michael Sheffield)
6	FRAUD AND IRREGULARITY ANNUAL REPORT 2018/19	For information and comment	Ian Williams (Michael Honeysett)
7	AUDIT COMMITTEE WORK PROGRAMME 2019/20	To approve	All

	July 2020 – SPECIAL MEETING	Decision	Group Director & Lead Officer
1	FINANCIAL STATEMENTS AUDIT 2018/19 – ANNUAL GOVERNANCE REPORT (COUNCIL & PENSION FUND)	For information and comment	Ian Williams (Michael Honeysett)
b2	STATEMENT OF ACCOUNTS 2018/19	To approve	Ian Williams (Michael Honeysett)

	October 2020	Decision	Group Director & Lead Officer
1	DIRECTORATE RISK REGISTER REVIEW – CHILDREN AND COMMUNITY HEALTH	For information and comment	Anne Canning (Jackie Moylan)
2	TREASURY MANAGEMENT UPDATE REPORT	For information and comment	Ian Williams (Michael Honeysett)
4	PERFORMANCE OVERVIEW	For information and comment	Ian Williams (Michael Honeysett)
5	AUDIT & ANTI FRAUD QUARTERLY PROGRESS REPORT	For information and comment	Ian Williams (Michael Sheffield)
6	CORPORATE RIPA POLICY REVIEW	For information and comment	Ian Williams (Michael Sheffield)
7	AUDIT COMMITTEE WORK PROGRAMME 2019/20	To approve	All

	January 2021	Decision	Group Director & Lead Officer
1	DIRECTORATE RISK REGISTER REVIEW – NEIGHBOURHOODS & HOUSING	For information and comment	Kim Wright (TBC)
2	CORPORATE RISK REGISTER	For information and comment	Tim Shields (Matt Powell)
3	TREASURY MANAGEMENT UPDATE REPORT	For information and comment	Ian Williams (Michael Honeysett)
4	REVIEW OF TREASURY MANAGEMENT STRATEGY 2018/19	To approve	Ian Williams (Michael Honeysett)
7	AUDIT & ANTI FRAUD QUARTERLY PROGRESS REPORT	For information and comment	Ian Williams (Michael Sheffield)
5	PERFORMANCE OVERVIEW	For information and comment	Ian Williams (Michael Honeysett)
6	CERTIFICATION OF GRANTS & RETURNS 2017/18	For information and comment	Ian Williams (Michael Honeysett)
7	EXTERNAL AUDIT PLAN PROGRAMME 2019/20	For information and approval	Ian Williams (Michael Honeysett)
9	AUDIT COMMITTEE WORK PROGRAMME 2019/20	To approve	All

	April 2021	Decision	Group Director and Lead Officer
1	DIRECTORATE RISK REGISTER REVIEW – FINANCE AND RESOURCES	For information and comment	Ian Williams
2	TREASURY MANAGEMENT UPDATE REPORT	For information and comment	Ian Williams (Michael Honeysett)
3	INTERNAL AUDIT ANNUAL PLAN 2018/19	To approve	Ian Williams (TBA)
4	PERFORMANCE OVERVIEW	For information and comment	Ian Williams (Michael Honeysett)
5	AUDIT & ANTI FRAUD QUARTERLY PROGRESS REPORT	For information and comment	Ian Williams (Michael Sheffield)
6	REVIEW OF WHISTLEBLOWING	For information and comment	Ian Williams (Michael Sheffield)
7	AUDIT COMMITTEE – ANNUAL REPORT	For information and comment	Cllr Nick Sharman (Chair)/ Michael Sheffield
8	AUDIT COMMITTEE WORK PROGRAMME 2019/20	To approve	All