

AUDIT AND GOVERNANCE COMMITTEE

Date: Wednesday 18 September 2019
Time: 5.30 pm
Venue: Rennes Room, Civic Centre, Paris Street, Exeter

Members are invited to attend the above meeting to consider the items of business.

If you have an enquiry regarding any items on this agenda, please contact Mark Devin, Democratic Services Officer on 01392 265477.

Entry to the Civic Centre can be gained through the Customer Services Centre, Paris Street.

Membership -

Councillors Wardle (Chair), Atkinson (Deputy Chair), Foggin, Hannaford, Henson, D, Mrs Henson, Lamb, Mitchell, M, Pattison, Sheldon and Warwick

Agenda

Part I: Items suggested for discussion with the press and public present

1 **Apologies**

To receive apologies for absence from Committee Members.

2 **Minutes**

To approve and sign the minutes of the meeting held on 24 July 2019.

(Pages 3 -
8)

3 **Declaration of Interests**

Councillors are reminded of the need to declare any discloseable pecuniary interests that relate to business on the agenda and which have not already been included in the register of interests, before any discussion takes place on the item. Unless the interest is sensitive, you must also disclose the nature of the interest. In accordance with the Council's Code of Conduct, you must then leave the room and must not participate in any further discussion on the item. Councillors requiring clarification should seek the advice of the Monitoring Officer prior to the day of the meeting.

4 **Local Government (Access to Information) Act - Exclusion of Press and Public**

It is considered that the Committee would be unlikely to exclude the press and public during consideration of the items on this agenda, but if it should wish to do so, the following resolution should be passed:-

RECOMMENDED that, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting of the particular item(s) on the grounds that it (they) involve(s) the likely disclosure of exempt information

as defined in the relevant paragraphs of Part I of Schedule 12A of the Act.

5 External Auditors Interim findings report

To consider the report of the Council's External Auditor.

(To
Follow)

6 Internal Audit Progress Report

To consider the report of the Audit Managers.

(Pages 9 -
18)

7 Corporate Governance Risk Register Summary Paper

To consider the report of the Policy Officer.

(Pages 19
- 20)

Date of Next Meeting

The next **Audit and Governance Committee** will be held on Wednesday 4 December 2019 at 5.30 pm

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AUDIT AND GOVERNANCE COMMITTEE

Wednesday 24 July 2019

Present:-

Councillor Tony Wardle (Chair)
Councillors Atkinson, Foggin, Hannaford, Henson, D, Mrs Henson, Mitchell, M, Pattison and Sheldon

Also Present

Chief Finance Officer, Audit Manager (HK) and Democratic Services Officer (MD)

Also Present

Geraldine Daly – Engagement Lead, Grant Thornton

14

APOLOGIES

Apologies were received from Councillors and Lamb and Warwick

15

MINUTES

The minutes of the meeting held 13 March 2019 were taken as read, approved and signed by the Chair as correct.

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DECLARATION OF INTERESTS

No declarations of disclosable pecuniary interests were made.

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EXTERNAL AUDIT REPORT - VERBAL

The Chief Finance Officer and Geraldine Daly, Associate Audit Director from Grant Thornton presented a verbal update on the status of the External Audit report.

The Chief Finance Officer explained that Grant Thornton had won the bid to deliver audits for the whole of the South West from the Public Sector Audit Appointments Ltd (PSAA) who were responsible for appointing auditors to principal local government. Delivering audits was a challenge and for the reasons of resource and recruitment issues at Grant Thornton, the external audit could not be delivered by 31 July 2019.

This was the first instance for an external audit not being delivered on time at Exeter and there were very limited time constraints for Grant Thornton to undertake the final audit for Exeter. The Section 151 Officer considered Grant Thornton's decision to not complete the audit, to be the correct choice, rather than rushing and producing an unsuitable audit. However, given the constraints imposed there was a potential risk that the same issue could happen again next year, and that it was important for the Council, that an external auditor deliver a quality outcome. The Chief Finance Officer stated that Exeter City Council had delivered their accounts on time and were not at fault.

Geraldine Daly expressed her apologies to the Members for being unable to deliver the external audit on time. Grant Thornton aimed to deliver work to the deadlines for

all their clients and confirmed that this delay would not impact on Exeter City Council's reputation. Grant Thornton took full responsibility and a statement explaining the reasons why would be published on the Council website.

She explained that there were resource issues and they had sought to recruit staff. The quality requirements had risen for commercial sector audits, which Grant Thornton took seriously, but with resource issues it was difficult to maintain a high quality level. Members were advised that the accounts were more complicated and Grant Thornton needed the right numbers on their team to provide assurances to the Council and would strive to complete the work by 18 September 2019.

In response to Members' questions, The Chief Finance Officer and Geraldine Daly explained

- The PSAA option wasn't deemed as a risk when the audit was tendered, but was too late to back out once the risk factors had been recognised by the Section 151 Officer. However the fees for the auditors had been reduced from those of previous years;
- The issue of external auditors not delivering on time would not impact the operational function of the Council and therefore had not been placed on the risk register;
- Exeter City Council had advertised for three accountants and had successfully recruited one person from the private sector. The remainder posts would be filled, and would look at a Market Supplement, if required, to recruit the positions;
- Grant Thornton would ensure that they would complete the work and meet the new external audit deadline, following the revised timetable for resource allocation;
- There was no liability to Exeter City Council and Grant Thornton's contract was with the PSAA who would reimburse Exeter City Council if appropriate;
- There had been 10 other Local Authorities delayed because of the resource issues at Grant Thornton;
- The Wealth Advisory team was made redundant last year but they were a different area of the business and it hadn't impacted the Audit area, which had grown larger but still faced a recruitment shortfall;
- Grant Thornton were not asking for more information from Exeter City Council and were following the Audit Plan, which identified the areas being focussed on, which included the valuation of land and building and pensions.

The Audit and Governance Committee noted the verbal update.

The Chief Finance Officer presented the report, which sought Members' approval on the Council's final Statement of Accounts for 2018-19, subject to audit and publication of the notice to Council Website to explain the reasons for the delay in completing the audit. The publication of a Statement of Accounts was a statutory requirement, in accordance with the Local Audit and Accountability Act 2014, supported by the Accounts and Audit Regulations 2015.

Members were advised that local authorities in England and Wales were required to prepare unaudited Statements of Accounts by 31 May 2019, which would allow time for public inspection. The audited Statement of Accounts would then require approval and publishing by 31 July. Although, Exeter City Council had achieved the statutory deadline for the unaudited Statement of Accounts by the 29 May, the final audit would not be completed on time. Following the legislation set out in the Accounts and Audit Regulations 2015, Exeter City Council must publish a notice on the external website, explaining that it had been unable to publish its audited Statement of Accounts and the reasons for this.

Members were referred to the key changes to the accounts for 2018-19, which highlighted the establishment of the Exeter City Group Ltd (holding company) and Exeter City Living Ltd (housing development Company), which required group accounts.

The Chief Finance Officer discussed the new accounting standard - IFRS 9 Financial Instruments, stating that it was a new approach to the classification of financial assets and a new model for calculating bad debt provisions, which were now classified as loss allowances. He commented on the Retrospective Restatement, noting that Wessex Resolutions had provided money for home improvements and had been re-classified in the accounts. He drew Members attention to the notice that would be published which explained, that the Audit of Exeter City Council's Statement of Accounts for 2018/19 had not been concluded.

In response to Member questions, the Chief Finance Officer and Geraldine Daly, Associate Audit Director from Grant Thornton responded:-

- The wording on the notice was acceptable. Any errors picked up during the audit, may cause a delay, however the intention was to complete the audit by 18 September 2019;
- The valuation of the housing stock was undertaken using a different model, prescribed by statute, rather than fair value;
- The arrears figure of £16.32 million for short term debtors was based on the impact of debt but was the strongest it had been in a long time and a prudent approach would be to take a potential recession into account. The figure was considered reasonable, but the external auditors would determine this;
- Modelling for leaving the European Union (EU) was an unknown factor but Exeter was not an area dependent on EU grants. However the uncertainty was a potential economic risk and would be monitored;
- The impact on borrowing rates was based on Central Government's borrowing rate, which was currently low, however could be subject to potential change;
- The last audit from Grant Thornton was three years ago and if there had been errors identified, then an opinion would not of been given to Exeter City Council, at that time. Grant Thornton self-scrutinised how they worked to ensure accounts were true and fair. They could not comment on other clients for confidentiality, but results on auditors were available in the public domain;
- Grant Thornton had been robust in its recruitment for new staff, and had over the past two years recruited school leavers, University graduates and operated an apprenticeship scheme. They further recruited CIPFA trainees but it was a challenge to recruit supervisor level staff. They would be asking for secondments and always looked positively at recruitment options. They also

introduced the 'Vibrant Economy' into the South West which provided an ethical and moral stance on recruitment for all people and the Chief Executive and Growth Director at the Council had been a face of the scheme.

RESOLVED that the Audit and Governance Committee approve:

- (1) The Statement of Accounts for 2018-19, subject to audit; and
- (2) The notice to be placed on the Council's website to explain the reasons for the delay in completing the audit.

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ANNUAL INTERNAL AUDIT PROGRESS REPORT

The Audit Manager (HK) presented the Internal Audit Annual Report for the year ending 31 March 2019. The report conformed to the Public Sector Internal Audit Standards and was timed to inform the Council's Annual Governance Statement. She drew Members attention to key points with the report and advised on the overall opinion and assurance statement which showed key systems were operating satisfactorily and that there were no fundamental breakdowns of control resulting in material discrepancy. The report illustrated that as a comparison with the previous year there had been an increase in the overall percentage of excellent or good assurance ratings. The Chief Finance Officer highlighted to Members that Internal Audit work was not limited to systems with a high financial risk, but looked at the whole control environment within the Council.

The Audit Manager (HK) referred to the key issues identified in the report, which would be fed into the Annual Governance Statement. She highlighted the reduction in staff resources and that the next phase of the procurement cycle was to fully embed contract management effectively and consistently across the Council. She discussed delivery and outcomes of the 2018-19 Audit plan and stated that any feedback from Members would be welcomed.

She discussed the summary of investigations and highlighted that 42 reports of fraud had been reported, but most were submitted anonymously. She concluded by updating Members on the Quality Assurance and Improvement programmed which included the results of the performance indicators and customer satisfaction survey. The Audit Manager had also undertaken the required self-assessment for conformance with the Public Sector Internal Audit Standards and would be arranging for an external appraiser to undertake an external assessment which needs to be carried out every five years. It was hoped that the results will be presented to Members at next year's Audit and Governance Committee meeting.

In response to questions, the Audit Manager (HK) and Chief Finance Officer explained:-

- Housing Benefit Fraud was investigated by the Department for Work and Pensions (DWP), rather than Exeter City Council. The DWP subsidised Housing Benefit claims and therefore monitored the fraud themselves and they do not show on the Council books. Often errors could be from residents who had not provided updates and had consequently been overpaid. These amounts would show in the debt arrears;
- The report showed a summary of risks and only provided details for the high risks and covered the whole year. At the request of members the next quarterly report in September would provide greater detail of any high risks identified and what remedial action has been agreed with management;

- The audit report on Section 106 agreements was currently being followed up and the outcome of this work would be presented to Members at the next meeting in September;
- The Audit Plan was presented to the Audit and Governance Committee at the March meeting of each year;

Whilst there were instances of repeated fraudulent allegations, all allegations are investigated as it is not always possible to identify whether they are malicious or not.

- The two instances of Corporate Credit Card fraud referred to in the report, had been identified by the card holder and referred to the bank for further investigation.

The Audit and Governance Committee noted the Annual Audit Report for the year ended 31 March 2019.

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ANNUAL GOVERNANCE STATEMENT

The Chief Finance Officer presented the report that set out the Annual Governance Statement that would accompany the Council's Statement of Accounts for 2018/19. The Council was required to prepare and publish the Annual Governance Statement by Regulation 4 of the Accounts and Audit (England) Regulations 2011. The Governance Statement reported on the Council's performance against the Code of Corporate Governance and was last approved by the Audit and Governance Committee on 13 March 2019.

He referred to the two reported key issues on organisational structure changes and that the introduction of a fully functioning procurement team. The next step was ensure that contract management be the essential focus of the procurement cycle. These were the lowest number of issues reported since the Annual Governance Statement was introduced and he hoped that the Council was in a better position to get a more positive value for money conclusion from the external auditor in respect of procurement.

In response to a question from a Member, the Chief Finance Officer explained that he was not aware of any issues with the register of Social Housing and he would confirm it would be included. He confirmed with Members to proceed with signing the statement, subject to confirmation about the housing register.

Councillor Hannaford proposed to add an additional recommendation to highlight the positive impact of the Procurement Team. Councillor Sheldon seconded the proposal and following a unanimous vote, it was agreed.

RESOLVED that the Audit and Governance Committee approve the Annual Governance Statement of Accounts for 2018/19 and be signed by the Chief Finance Officer and the Chair of the Audit and Governance Committee and

- (1) To be included within the Council's Annual Statement of Accounts for 2018/19;
- (2) Council to note and approve the Annual Governance Statement included within the Council's Annual Statement of Accounts for 2018/19; and
- (3) To note the positive impact of the Procurement Team.

VERBAL UPDATE OF THE CORPORATE GOVERNANCE RISK REGISTER

The Chief Finance Officer presented a verbal update on the Corporate Governance Risk Register. He explained that at a previous Audit and Governance Committee meeting, that the register had been requested for amendment to become a Part 1 item. The Strategic Management Board (SMB) had hired Zurich Municipal to review the register and to help identify what were the key risks were.

Each risk would have an identified owner who would then be liaising with Zurich Municipal to finalise the new list, which would then be reported to the Audit and Governance Committee in September. It was intended that the register would be a Part 1 item showing only the key strategic risks.

The Audit and Governance Committee and noted the verbal update.

(The meeting commenced at 5.30 pm and closed at 7.00 pm)

Chair

REPORT TO AUDIT & GOVERNANCE

Date of Meeting: 18th SEPTEMBER 2019

Report of: AUDIT MANAGERS

Title: INTERNAL AUDIT PROGRESS REPORT 1ST QUARTER 1ST APRIL TO 30TH JUNE 2019

Is this a Key Decision?

No

Is this an Executive or Council Function?

COUNCIL

1. What is the report about?

- 1.1 To report on internal audit work carried out during the period 1st April to 30th June 2019, to advise on overall progress against the Audit Plan and to report any emerging issues requiring consideration.

2. Recommendations:

- 2.1 That the Internal Audit Progress Report for the first quarter of the year 2019/20 be noted.

3. Reasons for the recommendation:

- 3.1 One of the roles of this committee is to review quarterly internal audit reports and the main issues arising and seek assurance from management that action has been taken, where necessary.

4. What are the equality and diversity impacts of this decision?

This report does not require an EqIA as it is for information only, therefore, the EqIA pages have been removed from this report.

5. What are the resource implications including non-financial resources:

None

6. Section 151 Officer comments:

There are no issues to draw to the attention of the Committee arising from the report. The assurance levels from completed audits should be welcomed as a positive step.

7. What are the legal aspects?

None identified

8. Monitoring Officer Comments:

It is reassuring to note that the assurance levels revealed by audits so far undertaken do not reveal any unacceptably high risk matters that need urgent attention by the Council.

9. Report details:

This Committee is responsible for the implementation and active monitoring of audit processes and actions, which includes performance against the annual audit plan,

reviewing quarterly internal audit progress reports and seeking responses and assurance from management where remedial action has not been agreed or implemented within a reasonable timescale. The 2019/20 Audit Plan was approved at this Committee on 13th March 2019.

The purpose of Internal Audit is to provide an independent and objective review of the adequacy and effectiveness of the Council's arrangements for internal control, risk management and governance. The activities we audit are given an assurance rating as follows:

Substantial Assurance	There is a sound system of internal control designed and operating in a way that gives a reasonable likelihood that the objectives will be met
Satisfactory Assurance	Whilst there is a basically sound system of internal control there are weaknesses which put some of the objectives at risk or there is evidence that the level of non-compliance with some of the controls may put some of the objectives at risk
Limited Assurance	Weaknesses in the system of internal controls are such as to put the objectives at risk or the level of non-compliance puts the objectives at risk.
No assurance	Control is generally weak leaving the system open to error or abuse or significant non-compliance with basic control processes leaves the processes/systems open to error or abuse

9.1 Work Undertaken

Internal Audit's objective is to examine the Council's financial and non-financial systems to check that there are adequate internal controls in place to prevent loss due to frauds, errors and inefficiency, and due attention is paid to corporate governance and risk management.

A summary of progress against the annual audit plan to date is shown at Appendix A, together with the current status of each area for review and the outcomes of the review, where completed.

Progress against the annual audit plan is currently on target, however, it should be noted that due to a number of workshops supporting the implementation of agile and flexible working during quarters two and three, the number of productive audit days will be reduced and could have an impact on our ability to deliver the full plan. As always this will be monitored by the Audit Managers and the plan reassessed as needed. Any significant amendments will be reported to this committee.

I am pleased to report that agreed actions from previous audit reports are being progressed satisfactorily and that there are no instances where remedial action was not agreed by management during this quarter.

9.2 Governance Issues

The Council's annual governance statement (AGS) reported that as a result of the audit work that has been undertaken throughout the year no significant issues have been identified. However, the Council continues to make enhancements and improvements to its governance arrangements and an action plan has been compiled which will be subject to regular monitoring by the Audit and Governance Committee

An action plan of the issues identified has been included in Appendix B.

10. How does the decision contribute to the Council's Corporate Plan?

10.1 Good governance contributes to the Council's purpose of a "Well Run Council".

11. What risks are there and how can they be reduced?

N/A

12. What is the impact of the decision on health and wellbeing; safeguarding children, young people and adults with care and support needs, economy, safety and the environment?

N/A

13. What other options are there, and why have they been dismissed?

N/A

Helen Kelvey/Helen Putt
Audit Manager

Local Government (Access to Information) Act 1972 (as amended)
Background papers used in compiling this report:
None

Contact for enquiries:
Democratic Services (Committees)
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**EXETER CITY COUNCIL
AUDIT AND GOVERNANCE COMMITTEE**


PROGRESS OF 2019/20 AUDIT PLAN TO DATE

Please note that this is a summary of remedial action agreed, as to include all actions agreed from each audit report in detail would result in a lengthy document. Members may request a full copy of any report once finalised or alternatively meet with the Audit Manager to discuss specific audits further.

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Audit Review	Report Status	Overall Opinion	Direction of travel since last audit	No. of Findings & Remedial Action Agreed (High Risk only)	Summary (where completed within this quarter)
Planning (Follow-up)	Draft				
Building Control (Follow-up)	Draft				
New Homes Bonus (Follow-up)	Draft				
CIL/Section 106 (Follow-up)	Draft				
Main Accounting	Q3				
Income Management	Q4				
Procurement	Q3				
Creditors – duplicate payments	Final	Substantial Assurance		High - 0 Medium – 4 Low - 0	The Council uses a purchase ledger system (EFINS) to make payments. Ideally all goods and services are purchased following the raising of a purchase order, however this is not mandatory and it increases the risk of duplicate and overpayments being made. The objective of the audit was to test the controls in place to; a) prevent duplicate payments being made. b) ensure that the council is suitably reimbursed when suppliers issue credit notes Remedial action has been agreed for all findings.
VAT	In progress				
Insurance	Q3				

People Management	Q3				
Environmental Health – Warm-up grants	Final	Satisfactory Assurance	No previous report	High – 0 Medium – 7 Low - 1	<p>In 2015 the government introduced the Better Care Fund in an attempt to bring health and social care together in an integrated way. The fund is a combination of government funding from the Department of Health and the Department for Communities and Local Government and includes the grant allocation for Disabled Facilities Grants.</p> <p>In Devon the Better Care Fund priorities aim to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Reduced admissions to residential and nursing care homes • Reduce delayed transfers of care • Reduce avoidable emergency admissions • Increase dementia diagnosis rates <p>To meet these priorities ECC has produced a Financial Assistance Policy for the Better Care Fund. One of the policy's four objectives is to:</p> <p>'Assist vulnerable people to afford to heat their homes through appropriate energy efficiency and heating measures'.</p> <p>One of the measures included in the policy is to use the better care fund to award warm up grants.</p> <p>Warm up grants (up to a maximum of £2k per property) provide:</p> <ul style="list-style-type: none"> • top up funding for energy efficiency measures where energy providers are part funding energy efficiency measures under their Energy Company Obligation (ECO) or; • to fund energy efficiency measures which do not attract Energy Company Obligation which do not attract Energy Company Obligation, for example, insulation to mobile homes and the installation of central heating for the first time. <p>For the period 01/04/18 to 21/06/19 a total of 94 warm up grant payments were made, with a total value of £176,780.</p> <p>The overall objective of this audit was to review the adequacy and effectiveness of the system of internal controls designed to manage and mitigate financial and non-financial risks relating to the issue of warm up grants.</p> <p>Remedial action has been agreed for all findings.</p>

Health & Safety	Q4				
Car Parks	Draft				
Housing Benefits	Draft				
NDR	Q3				
Housing Development Company	Q3				
Housing Needs	Q3				
Housing Customers	Q4				
Housing Assets	Q3				
Civic Ceremonials	Draft				
Corporate Governance	In progress				
Risk Management	Q3/4				
Business Continuity Management	Q4				
Information Governance	Q4				
Counter Fraud	In progress				
Partnerships	Q3				
Contract Management	Q3				
Community Grants Awarded	Q4				
External Funding Received	In progress				
Safeguarding	Q4				
Project Management	In progress				
Disabled Facilities Grant	Final	Substantial Assurance		High – 0 Medium – 3	If a house owner or someone living in their property is disabled they may qualify for a disabled facilities grant towards the cost of providing adaptations and facilities to enable the disabled person to continue living there.

				<p>Low - 2</p>	<p>The awarding of these grants by local councils is governed by part one of the Housing Grants, Construction and Regeneration Act 1996. Devon County Council has been allocated funds by Central Government to support disabled adaptations. A share of this money is then allocated to each local authority within Devon to administer on behalf of DCC.</p> <p>The awarding of DFGs is issued subject to certain conditions and these are set out by the Department of Community and Local Government on an annual basis.</p> <p>The Chief Executive and Head of Audit of Devon County Council are required to sign a statement by the end of September each year and return this to the relevant government department confirming that “to the best of their knowledge and belief, and having carried out appropriate investigations and checks, in their opinion, in all significant respects, the conditions attached to Disabled Facilities Capital Grant Determination have been complied with.</p> <p>In order for them to do this, each authority is required to confirm that the grants they have awarded have been administered in accordance with the conditions set out by the Department of Community and Local Government. The authority statement must then be signed by the Chief Finance Officer and the Audit Manager.</p> <p>Remedial action has been agreed for all findings.</p>
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SIGNIFICANT GOVERNANCE ISSUES PROGRESS REPORT - FROM ANNUAL GOVERNANCE STATEMENT 2018-19

Issue No.	Issue identified	Responsible Officer	Summary of action proposed	Update Sept 2019	Update December 2019	Update March 2020	Notes
No significant governance issues were identified for 2018/19, however, measures to improve Governance arrangements have been proposed and implementation of these measures should be monitored.							
1	The Council continues to make changes to its organisational structures and ways of working as it transforms the way in which services are delivered within the financial constraints of the current economic climate. This has kept the overall risk to the internal control environment high with changes in staff responsibilities and the reduction of available resources.	Audit Manager	This will continue to be monitored as part of the internal audit plan and any issues arising will be reported to the Audit and Governance Committee.	Internal Audit continue to deliver the audit plan and any issues arising relating to this risk will be reported to the A&G Committee.			
2	The Council now has a fully functioning Procurement Team in place which is effectively managing Council procurements. The next phase is to ensure that contract management is an integral part of the procurement cycle to ensure that it is undertaken effectively and consistently across the Council's contracts.	Chief Finance Officer	A contract management training plan to be implemented along with contract management guidance to assist contract managers to properly manage contracts by addressing transition management, performance monitoring and by helping to ensure that both parties fulfil their commercial and contractual commitments.	A contract management toolkit had been developed and its use and training will be rolled out in Autumn 2019.			

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REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 18 September 2019

Report of: Chief Executive and Growth Director

Title: Corporate Risk Register – Update Report

Introduction

This paper provides the Audit and Governance Committee with an update on progress with the review and development of an updated Corporate Risk Register.

Background

The Strategic Management Board recognises that the risk landscape is becoming more complex and that both they, and the Audit and Governance Committee, need to focus their efforts on managing the most significant risks to the council. The existing Corporate Risk Register contains a mixture of strategic and operational risks and often, both Strategic Management and Audit and Governance Committee, spend valuable time discussing operational risks that should be managed at a service level.

The Strategic Management Board have worked with the council's insurers, Zurich, to review the Corporate Risk Register. The primary objectives of the review have been to:

- Discuss the current approach to the management of the corporate risks including what constitutes a corporate risk and potential improvements to the process
- Identify the most significant risks facing the council, to ensure the Corporate Risk Register reflects the current risk landscape.

Progress to date

The Strategic Management Board have identified the following strategic risks for the council:

- Capacity of SMB
- Financial sustainability
- Recruitment, retention and workforce planning
- Housing supply
- Strategic Asset Management
- Information Governance and Cyber Security
- St Sidwell's Point
- Counter Terrorism and Community Cohesion
- Business Continuity
- Delivery carbon neutral ambitions
- Sport England Delivery Pilot

A member of the Strategic Management Board has been assigned ownership for each risk. During the last month, work has been undertaken to articulate, analyse and score each of these risks and the findings will be presented back to the Strategic Management Board on 1st October.

Next Steps

The results of the risk analysis will be discussed by the Strategic Management Board on 1 October. Agreement will also be sought on the definitions of a corporate risk and operational risk so that there is clarity on when a risk should be managed at a strategic level.

Following this, an updated Corporate Risk Register will be prepared and reported to the November Audit and Governance Committee. Further work will be undertaken with Service Leads to ensure that operational risks are managed effectively and escalated to the Strategic Management Board if they are deemed to be a corporate risk.