

Audit Committee Agenda



Date: Tuesday, 30 May 2023

Time: 2.00 pm

Venue: The Council Chamber - City Hall, College Green, Bristol, BS1 5TR

Distribution:

Councillors: Andrew Brown (Chair), Tony Dyer (Vice-Chair), Fabian Breckels, John Geater, Zoe Goodman, Jonathan Hucker, Hibaq Jama, Guy Poultney, David Wilcox, Adebola Adebayo and Simon Cookson

Copies to: Simba Muzarurwi (Chief Internal Auditor), Denise Murray (Director - Finance & Section 151 Officer), Nancy Rollason (Head of Legal Service), Husinara Jones, Alison Mullis, Tony Whitlock, Lucy Fleming (Head of Democratic Engagement) and Ravi Lakhani (Head of Strategic Finance)

Issued by: Allison Taylor, Democratic Services
City Hall, PO Box 3399, Bristol BS1 9FE

E-mail: democratic.services@bristol.gov.uk

Date: Friday, 19 May 2023



Agenda

1. Welcome, Introductions and Safety Information

(Pages 6 - 8)

2. Apologies for absence.

3. Declarations of Interest

To note any declarations of interest from the Councillors. They are asked to indicate the relevant agenda item, the nature of the interest and in particular whether it is a **disclosable pecuniary interest**.

Any declarations of interest made at the meeting which is not on the register of interests should be notified to the Monitoring Officer for inclusion.

4. Confirmation of Chair

To note that at the Full Council Annual General Meeting on 9 May 2023, Councillor Andrew Brown was appointed Chair of the Audit Committee for the 2023/24 municipal year.

5. Confirmation of Vice-Chair

To note that at the Full Council Annual General Meeting on 24 May 2023, Councillor Tony Dyer was appointed Vice-Chair of the Audit Committee for the 2023/24 municipal year.

6. Committee Membership

To note the Audit Committee Membership for 23/24 municipal year as follows:

Councillor Fabian Breckels

Councillor Andrew Brown

Councillor Tony Dyer

Councillor John Geater

Councillor Zoe Goodman

Councillor Katy Grant

Councillor Jon Hucker

Councillor Hibaq Jama

Councillor David Wilcox

Independent Member Adebola Adebayo



Independent Member Simon Cookson

7. Membership of the Value & Ethics Sub-Committee

To note the Membership of the Values and Ethics Sub-Committee for 23/24 municipal year as follows:

Councillor Andrew Brown

Councillor Tony Dyer

Councillor Zoe Goodman

Councillor Jon Hucker

Independent Member Adebola Adebayo - Chair

8. Dates of Future Meetings

Meetings begin at 2pm unless otherwise stated.

24 July – 3pm

25 September 22

20 November 22

29 January 23

4 March 23 – 3pm

9. Audit Committee Terms of Reference

(Pages 9 - 13)

10. Minutes of Previous Meeting

To agree the minutes of the previous meeting as a correct record.

(Pages 14 - 18)

11. Action sheet

No actions arising from 6 March 2023 Committee

12. Public Forum

Up to 30 minutes is allowed for this item

Any member of the public or Councillor may participate in Public Forum. The detailed arrangements for so doing are set out in the Public Information Sheet at the back of this agenda. Public Forum items should be emailed to democratic.services@bristol.gov.uk and please note that the following deadlines will apply in relation to this meeting:-

Questions - Written questions must be received 3 clear working days prior to the



meeting. For this meeting, this means that your question(s) must be received in this office at the latest by 5 pm on **23 May 2023**

Petitions and Statements - Petitions and statements must be received on the working day prior to the meeting. For this meeting this means that your submission must be received in this office at the latest by 12.00 noon on **26 May 23**

13. Work Programme

To note the work programme.

(Pages 19 - 21)

14. Grant Thorntons 20/21 Audit Opinion (ISA 260) Report for 20/21

(Pages 22 - 24)

15. Internal Audit Annual Report 2022/23

(Pages 25 - 39)

16. Fraud Annual Report 2022/23

(Pages 40 - 54)

17. Draft Annual Governance Statement 2022/23

(Pages 55 - 108)

18. Internal Audit 2023/24 Q2 Priorities

(Pages 109 - 115)

19. Statement of Accounts Year Ended 31 March 2021 - To follow

(Pages 116 - 119)

20. Draft Statement of Accounts 2022/23 - To Follow

(Pages 120 - 124)

21. Draft 2021/22 Annual Governance Statement Summary of Progress to Date

(Pages 125 - 137)

22. Q4 2022/23 Corporate Risk Report Update.

(Pages 138 - 185)

23. Senior Information Risk Owner Update



(Pages 186 - 190)



Public Information Sheet

Inspection of Papers - Local Government (Access to Information) Act 1985

You can find papers for all our meetings on our website at www.bristol.gov.uk.

Public meetings

Public meetings including Cabinet, Full Council, regulatory meetings (where planning and licensing decisions are made) and scrutiny will now be held at City Hall.

Members of the press and public who plan to attend City Hall are advised that you may be asked to watch the meeting on a screen in another room should the numbers attending exceed the maximum occupancy of the meeting venue.

COVID-19 Prevention Measures at City Hall (June 2022)

When attending a meeting at City Hall, the following COVID-19 prevention guidance is advised:

- promotion of good hand hygiene: washing and disinfecting hands frequently
- while face coverings are no longer mandatory, we will continue to recommend their use in venues and workplaces with limited ventilation or large groups of people.
- although legal restrictions have been removed, we should continue to be mindful of others as we navigate this next phase of the pandemic.

COVID-19 Safety Measures for Attendance at Council Meetings (June 2022)

We request that no one attends a Council Meeting if they:

- are required to self-isolate from another country
- are suffering from symptoms of COVID-19 or
- have tested positive for COVID-19

Other formats and languages and assistance for those with hearing impairment

You can get committee papers in other formats (e.g. large print, audio tape, braille etc) or in community languages by contacting the Democratic Services Officer. Please give as much notice as possible. We cannot guarantee re-formatting or translation of papers before the date of a particular meeting.

Committee rooms are fitted with induction loops to assist people with hearing impairment. If you require any assistance with this please speak to the Democratic Services Officer.



Public Forum

Members of the public may make a written statement ask a question or present a petition to most meetings. Your statement or question will be sent to the Committee Members and will be published on the Council's website before the meeting. Please send it to democratic.services@bristol.gov.uk.

The following requirements apply:

- The statement is received no later than **12.00 noon on the working day before the meeting** and is about a matter which is the responsibility of the committee concerned.
- The question is received no later than **5pm three clear working days before the meeting**.

Any statement submitted should be no longer than one side of A4 paper. If the statement is longer than this, then for reasons of cost, it may be that only the first sheet will be copied and made available at the meeting. For copyright reasons, we are unable to reproduce or publish newspaper or magazine articles that may be attached to statements.

By participating in public forum business, we will assume that you have consented to your name and the details of your submission being recorded and circulated to the Committee and published within the minutes. Your statement or question will also be made available to the public via publication on the Council's website and may be provided upon request in response to Freedom of Information Act requests in the future.

We will try to remove personal and identifiable information. However, because of time constraints we cannot guarantee this, and you may therefore wish to consider if your statement contains information that you would prefer not to be in the public domain. Other committee papers may be placed on the council's website and information within them may be searchable on the internet.

During the meeting:

- Public Forum is normally one of the first items on the agenda, although statements and petitions that relate to specific items on the agenda may be taken just before the item concerned.
- There will be no debate on statements or petitions.
- The Chair will call each submission in turn. When you are invited to speak, please make sure that your presentation focuses on the key issues that you would like Members to consider. This will have the greatest impact.
- Your time allocation may have to be strictly limited if there are a lot of submissions. **This may be as short as one minute.**
- If there are a large number of submissions on one matter a representative may be requested to speak on the groups behalf.
- If you do not attend or speak at the meeting at which your public forum submission is being taken your statement will be noted by Members.
- Under our security arrangements, please note that members of the public (and bags) may be searched. This may apply in the interests of helping to ensure a safe meeting environment for all attending.



- As part of the drive to reduce single-use plastics in council-owned buildings, please bring your own water bottle in order to fill up from the water dispenser.

For further information about procedure rules please refer to our Constitution <https://www.bristol.gov.uk/how-council-decisions-are-made/constitution>

Webcasting/ Recording of meetings

Members of the public attending meetings or taking part in Public forum are advised that all Full Council and Cabinet meetings and some other committee meetings are now filmed for live or subsequent broadcast via the council's [webcasting pages](#). The whole of the meeting is filmed (except where there are confidential or exempt items). If you ask a question or make a representation, then you are likely to be filmed and will be deemed to have given your consent to this. If you do not wish to be filmed you need to make yourself known to the webcasting staff. However, the Openness of Local Government Bodies Regulations 2014 now means that persons attending meetings may take photographs, film and audio record the proceedings and report on the meeting (Oral commentary is not permitted during the meeting as it would be disruptive). Members of the public should therefore be aware that they may be filmed by others attending and that is not within the council's control.

The privacy notice for Democratic Services can be viewed at www.bristol.gov.uk/about-our-website/privacy-and-processing-notice-for-resource-services



Terms of Reference for the Audit Committee

Composition of the Committee

The Audit Committee comprises nine members of the Council and up to two independent members. The independent members are appointed by the committee. The Chair and Vice-Chair of the committee shall be confirmed by the Audit Committee as per committee procedure rules. Party Group Leaders are not eligible to sit on the Audit Committee.

A minimum of three councillor members of the Audit Committee will be present for the meeting to be deemed quorate.

The Committee may not appoint any person as an independent member who is an active member of any political party, defined as any person who engages in political activities which would not be permissible if that person was an officer holding a politically-restricted post within the Council. Independent membership may only be made if the person has particular knowledge or expertise in the functions for which the Committee is responsible.

The Committee will meet at least five times a year and will maintain the technical capability to discharge the Audit Committee responsibilities of the Council. The Chair of the Committee may convene additional meetings, as deemed necessary.

The Audit Committee may hold separate meetings with External / Internal Auditors without officer or executive representation. The Committee should hold at least one such meeting annually with External and Internal Auditors.

Objectives or Purpose

- To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects governance, the authority's exposure to risk and weakness of the control environment, and to oversee the financial reporting process.
- To review matters relating to Internal Audit, external audit, risk management, governance, assurance statements, anti-fraud and anti-corruption arrangements.
- To enhance and promote the profile, status and authority of the Internal Audit function and to demonstrate its independence.
- To contribute towards making the authority, its committees and departments more responsive to the audit function.
- To review compliance with the relevant standards, codes of practice and corporate governance policies of the Council.

1. Audit Activity

- 1.1 To approve the Internal Audit Charter and Strategy and monitor its progress.
- 1.2 To approve the Internal Audit annual plan of work and monitor unscheduled work that could potentially divert audit resources away from a plan, and monitor performance against those plans, ensuring that there are no inappropriate scope or resource limitations.
- 1.3 To suggest work for Internal and External Audit.
- 1.4 To consider the Annual Report and opinion of the Head of Internal Audit and a summary of Internal Audit activity and the level of assurance it can give over the Council's corporate governance arrangements prior to approving the Annual Accounts.
- 1.5 To oversee and provide assurance to the Council on the provision of an effective internal audit service and consider the main issues arising from summary Internal Audit reports, and seek assurance that action has been taken where necessary, particularly in areas of high risk.
- 1.6 To consider reports dealing with the management and performance of the Internal Audit function, including the external peer review and reports on the results of the Quality Assurance and Improvement Programme in order to gain assurance on the effectiveness of the Internal Audit function.
- 1.7 To monitor the implementation of agreed actions within reasonable timescales.
- 1.8 To consider the External Auditor's Annual Inspection Letter, relevant reports and the reports to those charged with governance in the process for the approval of the Annual Accounts.
- 1.9 To consider specific reports as agreed with the External Auditor to ensure agreed action is taken within reasonable timescales.
- 1.10 To comment on the scope and depth of the external audit work and to ensure it gives value for money.
- 1.11 To liaise with Public Sector Audit Appointments Limited over the appointment of the Council's External Auditor.
- 1.12 To consider the reports of inspection agencies relevant to the Council.
- 1.13 To undertake an annual review of the effectiveness of the system of Internal Audit.
- 1.14 To oversee the appointment / dismissal of the Chief Internal Auditor.

2. Regulatory Framework

- 2.1 To receive assurance reports on the effectiveness of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct and behaviour and to periodically consider proposed changes to the Constitution in order to make recommendations for amendments to Full Council.
- 2.2 To review any issue referred to it by the Head of Paid Service or Executive Director or any Committee of the Council.
- 2.3 To monitor the effective development and operation of risk management and corporate governance throughout the Council.
- 2.4 To monitor Council policies on whistleblowing and anti-fraud and anti-corruption policies, including the Council's complaints process.
- 2.5 To review the Council's Annual Governance Statement prior to approval, considering whether it properly reflects the risk environment and supporting assurances, and recommend its adoption for publication with the annual accounts, together with associated plans for addressing areas of improvement and advising the Council as appropriate.
- 2.6 To review the arrangements for corporate governance, including the Code of Corporate Governance, to agree necessary actions to ensure compliance with best practice and to recommend to Full Council as appropriate.
- 2.7 To review the Council's framework of assurance, for example Assurance maps, and ensure that it adequately addresses the risks and priorities of the Council.
- 2.8 To review the Council's compliance with its own and published national standards and controls.
- 2.9 To review assurances and assessments on the effectiveness of the Council's arrangements to secure value for money.
- 2.10 To review the assessment of fraud risk and potential harm to the Council from fraud and corruption and to monitor the use of resources to address fraud risk.
- 2.11 To report as appropriate to Full Council on issues which require their attention or further action.

3. Accounts

- 3.1 To approve the annual Statement of Accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns

arising from the financial statements or from the audit that need to be brought to the attention of the Council.

- 3.2 To consider, in the context of approving the Accounts, the External Auditor's report to those charged with the governance issues arising from the audit of the accounts.
- 3.3 To review the Council's Treasury Management Strategy and policies, and make recommendations to Full Council for approval.

4. Risk Management

- 4.1 To consider the effectiveness of the Council's risk management arrangements including reviewing the Risk Management Policy and the Corporate Risk Register.
- 4.2 To provide assurance to the Council, in the Committee's Annual Report, on the effectiveness of risk management arrangements in place.
- 4.3 To seek assurances that action is being taken on risk-related issues.
- 4.4 To be satisfied that the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it.

5. Accountability Arrangements

- 5.1 To report to Full Council on an annual basis on assurances received significant control issues, the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

Values and Ethics

The Audit Committee shall appoint a Values and Ethics Sub-Committee

Composition of Values and Ethics Sub-Committee

4 Elected members of the Audit Committee (one from each political group represented on the committee), and one independent member, chaired by an independent member.

Terms of Reference for Value & Ethics Committee

To deal with all matters relating to the ethical framework affecting members of the Council under Part 1 Chapter 7 Localism Act 2011 as amended and all other relevant legislation including regulations, directions and guidance. This shall include, but not be limited to:-

1. The promotion of the highest standards of behaviour by members of the Council, including the Mayor, councillors, independent members and co-optees.
2. Advising the Council on the adoption and operation of the Member Code of Conduct, making recommendations for change as the Committee sees fit.
3. Training all members in the operation of the Member Code of Conduct and ensuring it is well publicised both within and outside the Council.
4. The adoption, implementation and maintenance of a procedure for dealing with allegations of breach of the Member Code of Conduct; including monitoring and review and amending it from time to time as the Committee sees fit.
5. Dealing with allegations of Breach of the Member Code of Conduct, where these are referred to them by the Monitoring Officer, and the imposition of sanctions as appropriate in accordance with the law, the Council's Constitution and relevant procedures adopted by the Council.
6. Consideration of applications for dispensation to allow members to participate in consideration of matters in which they would, but for a dispensation, not be able to participate, in circumstances permitted by law.
7. To adjudicate on any dispute relating to the payment of Members' Allowances or expenses under the Members' Allowances scheme in force from time to time.
8. To review the Council's use of the powers available to it under the Regulation of Investigatory Powers Act 2000.
9. Conferring of Alderman/Alderwoman status and the criteria for such awards.
10. To lead on member development and enhance the role of members as city leaders and community councillors.
11. To review compliance of the Mayor and Councillors in terms of mandatory training.
12. To have oversight of the Register of Members' Interests.
13. All things necessary or in the opinion of the Committee appropriate to fulfil the role and remit of a Values and Ethics Committee as defined by law or the Council's Constitution.

As at 25/05/21

Bristol City Council Minutes of the Audit Committee

6 March 2023 at 3pm



Members Present:-

Councillors: Andrew Brown (Chair), Fabian Breckels, John Geater, Zoe Goodman, Jonathan Hucker, Guy Poultney, Ani Stafford-Townsend (substitute for Tony Dyer) David Wilcox.

Independent Members of the Committee: Adebola Adebayo and Simon Cookson

Officers in Attendance:-

Denise Murray – Director of Finance, Simba Muzarurwi – Chief Internal Auditor, Alison Mullis – Deputy Chief Internal Auditor, Tony Whitlock – Finance Business Partner, Allison Taylor – Democratic Services

1 Welcome, Introductions and Safety Information

The Chair welcomed all parties to the meeting. The Committee noted the emergency evacuation procedure for the Council Chamber if required.

2 Apologies for absence.

Apologies received from Councillor Dyer with Councillor Stafford-Townsend attending as substitute.

3 Declarations of Interest.

There were none.

4 Minutes of Previous Meeting.

RESOLVED – that the minutes of 30 January 2023 be approved as a correct record and signed by the Chair.



5 Action Sheet.

All actions completed.

6 Public Forum

It was noted that Public Forum Statements and Questions would be considered at the beginning of the respective item to which they related.

7 Work Programme

This was noted.

8. Grant Thornton Audit Progress Report and Sector Update.

Beth Bowers - Grant Thornton, summarised the report for the benefit of the Committee and the following points arose from discussion:-

1. A local elector had objected to the financial statements during the public inspection period. There were strict guidelines regarding the content of objections and they could be rejected if malicious. If accepted a proportionate response was permitted in order to avoid GT and BCC having undue levels of work. The nature of this objection was procurement and connections and the Monitoring Officer had separately been in communication with the objector so GT were working collaboratively with the Monitoring Officer;
2. As the 20/21 accounts were still outstanding it was likely that these accounts would come before the Committee's AGM in May along with the 21/22 accounts;
3. An Appended table in the Audit Findings report highlighted detailed disclosures adjusted and reasons since the 20/21 accounts were provisionally approved. GT's report to the Committee in May would also highlight in coloured text new matters that have come to light since the accounts were provisionally approved;
4. The Director – Finance confirmed that the delegation to the Chair agreed at the last meeting would now be removed;
5. GT's May report would also cover further findings and improvements that BCC could make to their accounts;
6. It was confirmed that as it stands and therefore unless government policy changed BCC would need to explore other avenues in order to fund the gap in finances to deliver the Council's basic responsibilities;
7. GT's review of the Local Unitary Authorities working relationship with WECA and the Mayor had been shared with all Directors of Finance before it was published. There was a need to ensure the working relationships were where they needed to be. There was no fault attributed to any specific Council;
8. The Chair reported that GT had been reappointed as BCC's External Auditor. He also reported a CIPFA training session which members had been invited to. It had been helpful to find out what was going on in the wider audit sphere.

Resolved – That the report be noted.



9. Internal Audit Draft Quarter 1 Plan 2023/24.

The Chief Internal Auditor summarised the report for the benefit of the Committee and the following points arose from discussion:-

1. This was an appropriate Plan and had been replicated across the Public Sector as it responded to risks in a more agile way. It was possible to deliver what was proposed but if risks changed IA would need to move quickly;
2. IA was able to generate income by carrying out IA work for WECA. 60 days was achievable without impacting BCC work. It also sent the right message around working co-operatively;
3. If there was urgent need to undertake audits that are not part of approved Quarter 1 priorities retrospective approval would be sought in the May Committee.

Resolved – That the draft Internal Audit Plan for quarter 1 of 2023/24 be approved.

10. Independent Review of Whistleblowing Arrangements 2022/23.

The Chief Internal Auditor summarised the report for the benefit of the Committee and the following points arose from discussion:-

The Chair welcomed the substantial assurance given by a 3rd party. There were no further comments and it was:-

Resolved - That the outcomes from the independent review of whistleblowing arrangements be noted and the actions being taken to address any issues identified be endorsed.

11. External Review of Bristol City Council Internal Audit Service.

The Chief Internal Auditor summarised the report for the benefit of the Committee and the following points arose from discussion:-

1. An Independent Member congratulated the Chief Internal Auditor and the IA team for the significant work they had done;
2. The Chair added his thanks for the team for establishing a service with visible outcomes. There were no further comments and it was:-

Resolved –

1. **That the Council’s Internal Audit Service conforming to the requirements of the Public Sector Internal Audit Standards (PSIAS) and the positive outcome from the external assessment be noted;**
2. **That the action being taken by the Chief Internal Auditor to implement the single recommendation from the Peer Review be endorsed.**



12. Review of External Inspections of Council Services 2022/23.

The Head of the Executive Office summarised the report for the benefit of the Committee and the following points arose from discussion:-

1. The methods by which recommendations were monitored and implemented depended on the Peer Review Inspection;
2. The Chair asked that the use of jargon be avoided;
3. Audit Committee was able to refer a matter to a Scrutiny Committee for consideration.

Resolved – That the findings of the external inspections, any improvement actions required as a consequence of the inspection findings and, where appropriate, the management response and the assurance arrangements in place that oversee the council’s response to inspection findings be noted.

13. Administrative changes to the Finance Scheme of Delegation.

The Director Finance summarised the report for the benefit of the Committee and the following points arose from discussion:-

1. The Constitution would be reviewed as a result of the new Committee System Model and the FSOD would be reviewed as part of that process and from then reviewed every 2 years;
2. The amended scheme provided clarity around whether a matter was an Officer Executive Decision or whether it needed to come to Cabinet;
3. The scheme also clarified the meaning of ‘in consultation’ in relation to authorising payments.

Resolved - That the administrative changes to the Finance Scheme of Delegation as set out in this report be noted.

Date of Next Meeting

The next meeting is scheduled to be held on 30 May 2023 at 2pm.

The meeting ended at 4pm.

CHAIR _____





**AUDIT COMMITTEE
WORK PROGRAMME 2023/24**

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
30-May-23 2:00PM	External Audit	Grant Thorntons 20/21 Audit Opinion (ISA 260) Report for 20/21	Routine	1.8/1.9	Grant Thornton
	Internal Audit	Internal Audit Annual Report 2022/23	Routine	1.4	Chief Internal Auditor
		Annual Fraud Report 2022/23	Routine	2.4/2.10	Chief Internal Auditor
		Draft Annual Governance Statement 2022/23	Routine	2.5/4.4	Chief Internal Auditor and Director - Finance
		Internal Audit Plan - Quarter 2 2023/24	Routine	1.2	Chief Internal Auditor
	Finance:	Draft Statement of Accounts 20/21	Routine	3.1	Director - Finance
Draft Statement of Accounts 2022/23 Update on 2021/22 Annual Governance Statement Issues		Routine	3.1	Director - Finance	
Risk & Insurance	Corporate Risk Report (Q4)	Routine	4.1/4.3	Risk & Insurance Manager	
	SIRO Assurance Report	Routine	4.1/4.3	Director of Legal and Democratic Services (SIRO)	
Other	Audit Committee Terms of Reference	Routine	-	Director of Legal and Democratic Services	
Jul-23 2:00PM	External Audit	Audit Plan for 2022/23	Routine	1.8/1.9	Grant Thornton
		Auditors Annual Report for 2021/22 and 2022/23	Routine	1.8/1.9	Grant Thornton
	Internal Audit	Internal Audit Activity Report	Routine	1.5/1.6/1.7	Chief Internal Auditor
		Audit Committee Annual Report to Full Council (Draft)	Routine	5.1	Chief Internal Auditor
	Finance	Debt Write Off Report	New - Routine		Director - Finance
	Other	Governance of Council Companies	Routine	2.5/4.4	Shareholder Liaison Manager
		Bristol Waste Limited - Audit and Risk Committee Assurance	Routine	4.4	Bristol Waste Limited
Goram Homes - Audit and Risk Committee Assurance		Routine	4.4	Goram Homes	
Review of Specific Corporate Risk	Routine				
Sep-23 2:00 PM	External Audit:	External Audit Progress Report	Routine	1.8/1.9	Grant Thornton
	Finance:	Treasury Management - Annual Report	Routine	3.3	Director - Finance
		Final Statement of Accounts and AGS	Routine	3.1/2.5	
Internal Audit	Internal Audit Activity Report	Routine	1.5/1.6/1.7	Chief Internal Auditor	
	Internal Audit Plan - Quarter 3 2023/24	Routine	1.2	Chief Internal Auditor	

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
	Risk Management:	Risk Management Annual Report and Improvement Plan Corporate Risk Report (Q1) Review of Specific Corporate Risk	Routine Routine Routine	4.1/4.3 4.1/4.3 4.1/4.3	Risk and Insurance Manager. Risk & Insurance Manager
	Customer Relations	Annual Report of Local Government and Social Care Ombudsman Decisions	Routine	1.12	Customer Relations Manager
	Other	Update of SEND and DSG Improvement Plans Digital Transformation Programme Update	Routine Routine	4.1/4.3 4.1/4.3	Executive Director Children and Education Director: Policy, Strategy and Digital
20 November 2023 2:00 PM	External Audit:	External Audit Findings Report for 2022/23	Routine	1.8/1.9/3.2	Grant Thornton
	Finance:	Treasury Management Mid-Year Report Debt Write Off Report Pension Fund	Routine Routine	3.3	Director - Finance Director - Finance
	Internal Audit:	Internal Audit Half Year Update Counter Fraud Half Year Update Report Audit Committee Half Year Report to Full Council (Draft) Internal Audit Quality Assurance and Improvement Plan, Charter and Strategy Internal Audit Plan - Quarter 4 2023/24	Routine Routine Routine Routine Routine	1.5/1.6/1.7 2.4./2.10 5.1 1.1/1.6 1.2	Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor Chief Internal Auditor
	Risk Management:	Corporate Risk Report (Q2)	Routine	4.1/4.3	Risk and Insurance Manager
	Other	Adult Social Care Transformation Programme Update Children and Families Transformation Programme Update			Executve Director: Aadults and Communities Executive Director Children and Education
29-Jan-24	Internal Audit:	Internal Audit Update Report	Routine	1.5/1.6/1.7	Chief Internal Auditor
	Risk Management:	Corporate Risk Report (Q3) Review of Specific Corporate Risk	Routine Routine	4.1/4.3 4.1/4.3	Risk and Insurance Manager Risk Manager / Risk Owner
	Finance	Debt Write Off			
	Other	Property Management Programme Update Temporary Accommodation Programme Update			Director: Property Assets & Infrastructure Director Housing and Landlord Services
Mar-24 3:00 PM	External Audit:	External Audit Plan for 2023/24	Routine	1.8/1.9/3.2	Grant Thornton
	Internal Audit:	Draft Internal Audit Annual Plan 2024/25 Annual Whistleblowing Update	Routine Routine	1.2 2.4	Chief Internal Auditor Chief Internal Auditor
	Legal:	Code of Corporate Governance	Routine	2.6	Director: Legal& Democratic Services
	Corporate:	AGS 2022/23 - Actions Tracking Update External Inspections Update	Routine Routine	2.5/4.4/1.7 4.4	Director: Finance Head of Executive Office

Meeting Date	Assurance Source	Report Details	Routine Work Programme/ Other?	ToR Ref	Officer Providing Report
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Audit Committee

30 May 2023



Report of: *Grant Thornton UK LLP*

Title: *Grant Thornton ISA 260 Report*

Ward: *City Wide*

Officer Presenting Report: *Grant Thornton UK LLP*

Recommendation

The Audit Committee note, and comment as appropriate, on Grant Thornton's Audit Report for 2020/21 and the action plan agreed by management.

Summary

Attached to this report is Grant Thornton's Audit Report to those charged with governance, which highlights the key issues arising from the audit of the Council's financial statements for the year ended 31 March 2021. This report enables Grant Thornton to discharge their responsibilities in accordance with International Standards of Auditing (ISA) 260.

This is an updated version of the report presented to Audit Committee on 30 January 2023. Any additions to the report are highlighted in **colour** for ease of reference.

There are a small number of items under review, but Grant Thornton intend to issue an unqualified audit opinion on the Council's financial statements.



Policy

None affected by this report. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

Consultation

1. Internal

Grant Thornton have discussed and agreed the findings of the audit with the Director of Finance and with Senior Finance Officers.

2. External

None

Background and Context

1. Grant Thornton is required to form an opinion on the Council's annual financial statements and to provide a value for money conclusion. This report sets out the outcomes of the audit of the Council's financial statements and the issues arising.
2. Jon Roberts will be attending the Committee and will be pleased to answer Members' questions.

Other Options Considered

Not applicable

Risk Assessment

None necessary for this report

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1: Grant Thornton's Audit Report 2020/21

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None

Audit Committee

30th May 2023



Report of: Chief Internal Auditor

Title: Internal Audit Annual Report 2022/23

Ward: Citywide

Officer Presenting Report: Chief Internal Auditor

Recommendation

The Audit Committee notes the Internal Audit Annual Report and the opinion on the Council's Internal control environment for the financial year ending 31 March 2023.

Summary

This report sets out the Chief Internal Auditor's opinion on the Council's internal control framework for the 2022/23 financial year. This Annual Opinion which is based upon the internal audit work programme during the year informs the Annual Governance Statement, that is a key component of the Council's Statement of Accounts.

The significant issues in the report are:

The Internal Audit Annual Report at Appendix 1 covers the following significant matters:

1. The Chief Internal Auditor's opinion on the Council's internal control, governance, and risk management arrangements during 2022/23 (Section 2)
2. The programme of internal audit work completed from which the annual opinion is derived (Appendix 1A to the report)
3. Areas requiring further improvement (Section 3)
4. Statement on the Chief Internal Auditor's personal independence and objectivity (Section 4)

Policy

1. Audit Committee Terms of Reference

Consultation**2. Internal**

Corporate Leadership Board including S151 Officer, Cabinet Member for Governance, Resources and Finance.

3. External

Not applicable

Context

4. In accordance with the Public Sector Internal Audit Standards (PSIAS), the Chief Internal Auditor must deliver an annual opinion that forms a key source of assurance to support the Annual Governance which is key part of the Council's Statement of Accounts. This opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual opinion must include:

- An annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk, and control framework.
- A summary of audit work from which the opinion is derived.
- A statement on conformance with the PSIAS and the result of the audit quality assurance and improvement programme.
- Disclosure of any qualifications to the opinion, together with the reasons for the qualification.
- Disclosure of any impairments (in fact or appearance) or restriction in scope.
- Any issue the Chief Internal Auditor judges particularly relevant to the preparation of the Annual Governance Statement."

The issues detailed in the attached report will be considered by the City Council in the formulation of the draft Annual Governance Statement for 2022/23.

The Audit Committee's Terms of Reference include ensuring that Internal Audit is effective. Section 4 of the Annual Report sets out performance information to enable the Committee to continually assess and consider the effectiveness of internal audit.

Proposal

5. The Audit Committee note the Internal Audit Annual Report and the opinion on the Council's Internal Control environment. The Committee may wish to consider the issues identified in the report as potential areas relevant to their annual work programme.

Other Options Considered

6. Not applicable

Risk Assessment

7. The work of Internal Audit minimises the risk of failures in the Council’s internal control, risk management and governance arrangements, reduces fraud and other losses and increases the potential for prevention and detection of such issues. Areas of significant risk are detailed in the report.

Summary of Equalities Impact of the Proposed Decision

No Equality Impact anticipated from this report.

Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

Appendix 1 – Internal Audit Annual Report 2022/23

Appendix A – Internal Audit Plan 2022/23 Update

Appendix B – Management Assurance 2022/23

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Public Sector Internal Audit Standards

Various Audit Files



BRISTOL INTERNAL AUDIT

INTERNAL AUDIT: ANNUAL REPORT 2022/23

Date: 30 May 2023

Page 28

Simba Muzarurwi
Chief Internal Auditor



1. Purpose of this Annual Report

1.1 The purpose of the Internal Audit Annual Report is to:

- Provide the Chief Internal Auditor's annual internal audit opinion which is based on an objective assessment of the framework of the Council's governance, risk management and control. This opinion is an integral part of the Council's governance framework, providing assurance to inform the Annual Governance Statement, and identifying improvement opportunities.
- Summarise the activities of internal audit for the period under review.
- Highlight any areas of significant risk exposure requiring improvement to enhance the internal control framework.
- Consider the performance and contribution of the Internal Audit service.

2. Chief Internal Auditor Annual Opinion:

2.1 This section provides the Chief Internal Auditor's overall opinion on the adequacy and effectiveness of the Council's systems of internal control, governance and risk management and the body of evidence to support the opinion.

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The Chief Internal Auditor's opinion is overall, **Reasonable Assurance** can be provided that in 2022/23, the systems of internal control, governance and risk management designed to meet the Council's objectives were adequate and operating effectively. This opinion means that whilst there are generally sound risk management, internal control and governance processes in place, there are some weaknesses which may put organisational objectives at risk.

- In forming this view, the Chief Internal Auditor has considered assurances obtained through:
 - ✓ internal audit outcomes
 - ✓ Annual Risk Management Review
 - ✓ Council's assurance framework
 - ✓ Management assurance through the Annual Governance Statement process
 - ✓ External inspections
 - ✓ Ongoing engagement with the business
 - ✓ Monitoring and reporting the implementation of agreed management actions
- In noting this opinion, it should be acknowledged that Internal Audit has not reviewed all risks and assurances and cannot provide absolute assurance on the internal control environment. Senior Management are ultimately responsible for ensuring an effective system of internal control.
- During the year several areas were identified as requiring improvement. It is acknowledged that due to the size and complexity of the organisation there will always be areas in need of improving and in some instances risks will crystallise. However, given the importance of these areas in the effective governance and performance of the Council, these areas should be prioritised as part of the Council's overall improvement plan. Progress in some of the key areas should be reported to the Corporate Leadership Board and Audit Committee as appropriate. In addition, the ongoing work relating to the monitoring and reporting of the progress in the implementation of agreed management actions should be sustained and embedded as part of regular performance management.

2.2 The Chief Internal Auditor's annual opinion is based on a combination of the **assurance work** undertaken during the year (as set out in the annual audit plan) and the assessment of other available evidence and assurances about the organisation's arrangements for internal control and managing risk. Full details of the audit work completed that has informed the opinion are in **Appendix A**. Other sources of assurance considered are:

- **Assurance Framework** - The Council's Assurance Framework (Framework) includes different sources of assurance and related key elements / control measures which enable the Council to monitor its internal control, governance and risk management arrangements and produce the information which supports the preparation of the Annual Governance Statement. The Framework also enables regular financial, performance and compliance reporting to CLB and Members thereby creating a valuable body of evidence of senior management and Member scrutiny.
- **Management assurance** – As part of the Annual Governance Statement process, Heads of Service, Service Directors, Executive Directors and Statutory Officers are required to complete self-assessments on the effectiveness of controls in the areas of responsibility. In 2022/23, most were generally assessed as operating well and some gaps were identified. The overall position was consistent with that reported in the previous year. **Appendix B** provides a summary of these first line management assurances.
- **External Inspection Reports** – Annually management present to the Audit Committee a report on the review of external inspections of Council services. Such report was presented to the Audit Committee on 6 March 2023 covering 9 inspections and peer reviews. This report provided a high-level overview of external inspection activity of council services since February 2022. It set out key inspection findings along with arrangements for implementing any recommendations arising from them. The report also provided a summary of the outcomes of any peer reviews relating to council services which may have taken place since February 2022. Any recommendations and feedback from external inspections and peer reviews are reported back to Executive Directors and if necessary, the Corporate Leadership Board.
- **Internal Audit Business Knowledge** – The Chief Internal Auditor's opinion is also informed by the organisational knowledge acquired through ongoing advice and liaison with the Corporate Leadership Team, Statutory Officers, Executive Directors and senior management, including regular attendance by the Chief Internal Auditor, Deputy Chief internal Auditor and Audit Managers at relevant organisational meetings relating to risk, governance, internal control and fraud matters. A new audit client engagement model was introduced in November 2022.

3. Areas Requiring Further Improvement:

3.1 **Appendix A** provides details of all work completed by Internal Audit and the conclusions arising from that work. Areas where limited or no assurance opinions were given require improvement to ensure governance and control arrangements are strengthened going forward. The

continued uncertainty in the operating environment and emerging risks meant that slower progress was made in some areas that were earmarked for improvement. In 2022/23, the Chief Internal Auditor identified the following areas as requiring improvement:

- Delivery of planned savings
- Maintained Nursery Schools Deficits
- Compliance with Procurement Rules
- Contract management
- Information Technology due to limited assurance opinions and limited progress in implementing agreed management actions
- Core Systems Access Controls
- Adult Social Care Transformation Programme
- Adult Social Care Budget Management
- Corporate Property Disposals
- Grant management
- Health & Safety
- Business continuity

3.2 Issues identified during the audits were discussed and agreed with relevant management. Management are putting in place action plans identifying appropriate management actions, owners for each action and target timeline for completion. These agreed management actions are subject to regular monitoring and reporting through the 'Pentana Audit' management system.

3.3 While it is acknowledged that some improvements and benefits could take time to be realised, there is a concern that some of these areas were highlighted in last year's report. Given the importance and serious implications of risks associated with the areas identified there is need to ensure that the improvement plans are prioritised and sufficiently resourced to deliver the improvements expected in 2023/24. The Corporate Leadership Team should continue to receive update reports throughout the year in terms of progress being made in delivering essential improvements required in these areas. These areas will be subject to audit in the coming year to assess the appropriateness and effectiveness of the new arrangements.

3.4 As management put in place arrangements for dealing with issues identified in 2022/23 as well as emerging global risks, ongoing improvement work in some key areas such as contract management, information governance, capital programme delivery, risk management and performance management should continue to be prioritised.

Counter Fraud

3.5 Bristol City Council takes a proactive and zero tolerance approach to fraud and has a strong fraud policy. The Counter Fraud and Investigation Team undertakes investigative work in a variety of fraud risk areas including social housing tenancies, council tax, direct payments and internal investigations. It also undertakes a number of proactive exercises including the use of data matching and analysis to prevent and detect fraud and identify savings to the Council.

3.6 Full details of the work of the Counter Fraud and Investigations team can be found in the Counter Fraud Annual Report 2022/23. At a glance the key outcomes from this work included:

- Delivering 36 positive housing outcomes through tenancy fraud work
- Identifying recoverable overpayments across all fraud areas totalling £493K
- Raising awareness of fraud both internally and externally during International Fraud Awareness week.

3.7 The Chief Internal Auditor also has the responsibility for receiving and co-ordinating responses to Whistleblowing referrals. Consistent with best practice an independent review on the process for referring, assessing, investigating and managing potential whistle-blowing allegations was undertaken by the Devon Audit Partnership in February 2023 to mitigate against the risk of self-review. A **substantial assurance** opinion was given which is consistent with the opinion given by the South West Audit Partnership in March 2021.

School Financial Governance and Management

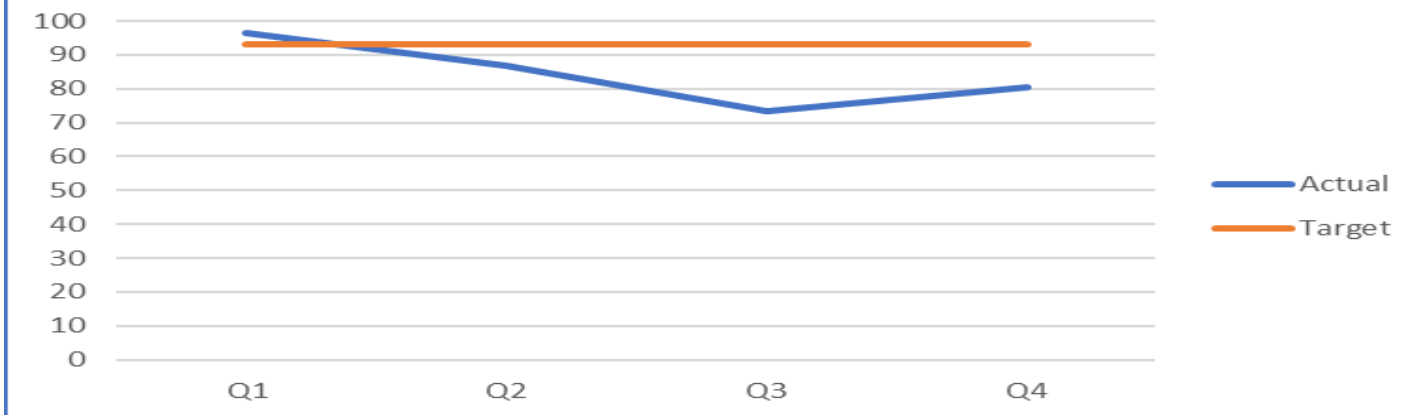
3.8 Following a detailed risk assessment 10 maintained schools were selected for audit in 2022/23. Of the 10 schools audited, five had 'limited assurance', three had 'reasonable assurance' and two had 'substantial assurance' opinion. The main reason for 'limited assurance' conclusion is current and forecast poor financial health at these schools. All reports have been issued and schools have completed an action plan to address the issues raised by Internal Audit.

Follow Up of Agreed Management Actions

3.8 One of the key activities of Internal Audit is to follow up on agreed management actions. The Council uses a Pentana Audit module to monitor and report the implementation of these actions. In this process management are responsible for implementing the agreed actions while Internal Audit is responsible for regularly reviewing the entries by management and seeking additional evidence if required before closing the actions as completed. The use of the new Pentana Audit system has offered an automated process for dealing with agreed management actions and allows management to proactively manage and monitor their performance in the area.

3.9 In 2022/23 the target was '93% of agreed management actions should be fully or partially implemented by the due date'. As at 31 March 2023 the overall achievement for the whole Council was 81% which was a deterioration from last year where the performance ended at 94%. The Adults and Communities Directorate had the worst results at 61%. As reflected by the graph below the target of 93% was achieved in the first two quarters. The decline in the last two quarters could be attributed to too many corporate priorities during the time particularly the demands around service and savings planning. However there is need to ensure that management maximise the use of the audit management software to monitor implementation of agreed actions. In addition, Internal Audit will continue to support management in fully embedding the monitoring process into regular performance management arrangements. This area is a top priority for the Corporate Leadership Team in 2023/24.

Percentage of agreed management actions implemented within agreed timelines by quarter
22/23



4 Internal Audit Service Delivery and Performance

- 4.1 It is important that Internal Audit demonstrates its value to the organisation. The service provides assurance to Members and management via its programme of work and also offers support and advice to both on a range of governance, risk and control matters making agreed management actions to improve the value for money for the service under review. The value of this element of our work is difficult to measure. However, in addition the team also demonstrates value as follows:
- 4.2 Internal Audit also provides the Council's counter fraud response, covering not only the investigation of allegations of fraud but also proactive fraud identification work, and fraud prevention work. Full details of the work and benefits delivered by the Counter Fraud team are provided in the Annual Counter Fraud Update 2022/23.

Grant Certification:

- 4.3 Where a grant giving body requires an internal audit certificate before releasing payment, Internal Audit carry out work to verify and certify amounts that the Council can claim. Without this certification, grants may become repayable. 41 such grant claims were certified during 2022/23 with a value more than £48.6 million. This shows that a significant and increasing amount of time is spent auditing in this area. All grants were certified as complying with grant conditions. However, there are concerns in the management of grants particularly around

ensuring that the compliance reviews are adequately prepared for and giving the audit team enough notice. Details of the grants signed off during the year are provided in Appendix A.

Consultancy and Advice:

- 4.4 As well as completing planned audit reviews, Internal Audit also provide ad hoc advice and guidance across the Council to assist colleagues with ensuring control and governance arrangements are considered in developing processes/policies etc. Some of the work undertaken is reflected in Appendix A.

External Work

- 4.5 As part of our service, we provide assurance services to external clients that include Bristol City Council Group of companies and academy schools. This work is chargeable and brings income to help us deliver a balanced budget.

Performance Against Targets:

- 4.6 Performance of the Internal Audit Team is measured and monitored throughout the year. Performance is summarised in Table 1 below:

Table 1

	2022/23 Actual	2021/22 Actual	Target
*% of planned work completed	88%	88%	90%
High/Medium agreed management actions Implemented	81%	92.4%	90%
No. of Properties (or other positive housing outcomes) recovered by tenancy fraud work.	36	31	40
Delivery of Audit Opinion to management and Audit Committee in time to inform the AGS	Yes	Yes	-
Annual Governance Statement delivered within statutory deadlines	Yes	Yes	-

* The assurance plan was regularly reviewed by the Audit Committee during the year to consider emerging risks and the resourcing challenges faced by the Internal Audit Team.

The Quality Assurance and Improvement Programme

- 4.7 The Public Sector Internal Audit Standards (PSIAS) require the Chief Internal Auditor to develop and maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of internal audit activity which must include both internal and external assessments.

- 4.8 The QAIP which was considered and approved by the Audit Committee in November 2022 included the update on the implementation of recommendations arising from the previous Peer Review of the Internal Audit Service as well as new actions that had been identified in the previous year and further identified new improvement actions needed to enhance the delivery of internal audit services. In approving the QAIP, the Audit Committee also approved the Internal Audit Strategy that outlined how internal audit activities will be undertaken within the Council and defined the key principles and approach to be used.
- 4.9 Consistent with the PSIAS requirement and the QAIP, the Internal Audit Service was externally reviewed against the PSIAS in line with professional requirements by Nottingham City Council following the approach agreed with the Audit Committee in July 2022. The assessment concluded that Bristol City Council's Internal Audit Service conforms with the requirements of the Standards. This report was in considered in full by the Audit Committee in March 2023.

Organisational independence

- 4.10 The Chief Internal Auditor facilitates the collation of assurances/evidence to support the Annual Governance Statement. Whilst this work aligns well to the work undertaken by Internal Audit, it does mean the team is functionally involved in these areas which could limit its independence in these areas. However, the Annual Governance Statement is assessed by External Audit providing an independent view on the accuracy of the statement. In addition, Internal Audit now have responsibility for managing whistleblowing arrangements. To avoid the self-review risk, an independent audit is commissioned every two years. As stated in section 3.8 above such a review was undertaken in February 2023.
- 4.11 The Chief Internal Auditor is line managed by the Director of Finance; this arrangement could therefore create a conflict of interest; however, the appointment of the Chief Internal Auditor is in conjunction with the Chair of the Audit Committee as would the dismissal should that need arise. The Chief Internal Auditor has unfettered access to the Chair and Vice Chair of the Audit Committee, should they identify the need. The Chief Internal Auditor also meets regularly with the Chief Executive, Section 151 Officer and Monitoring Officer. The Chief Internal Auditor can confirm that nothing has occurred during the year that has impaired his personal independence or objectivity

5. Escalation Matters:

- 5.1 Consistent with the agreed exception reporting, summaries of audit work completed with limited assurance opinion have been provided to the Audit Committee throughout the year and have identified areas that have required escalation.
- 5.2 There are no matters to escalate other than those detailed within this report.

6. Resources:

- 6.1 The internal audit activity is delivered by an in-house team supported by KPMG as our strategic partner. The strategic partnership is important because it enables the Council to access specialist audit expertise and build resilience and capacity in cases of delivering reach to support peaks in the internal audit activity. The KPMG contract is funded by savings from the vacancies we currently hold.
- 6.2 In the earlier parts of the year, Internal Audit faced some resourcing challenges caused by long term sickness but this was mitigated by additional support from KPMG.
- 6.3 In addressing the resourcing and succession challenges, two Level 7 Internal Audit Professional Apprentices have been recruited and started in September 2022. This approach is consistent with our audit strategy that was approved by the Audit Committee in November 2022.
- 6.4 Consistent with the Audit Strategy we continue to fully support colleagues in their personal development activities. In addition to the four colleagues undergoing professional study, a level 4 fraud apprentice is also being recruited.

7. Context and Compliance:

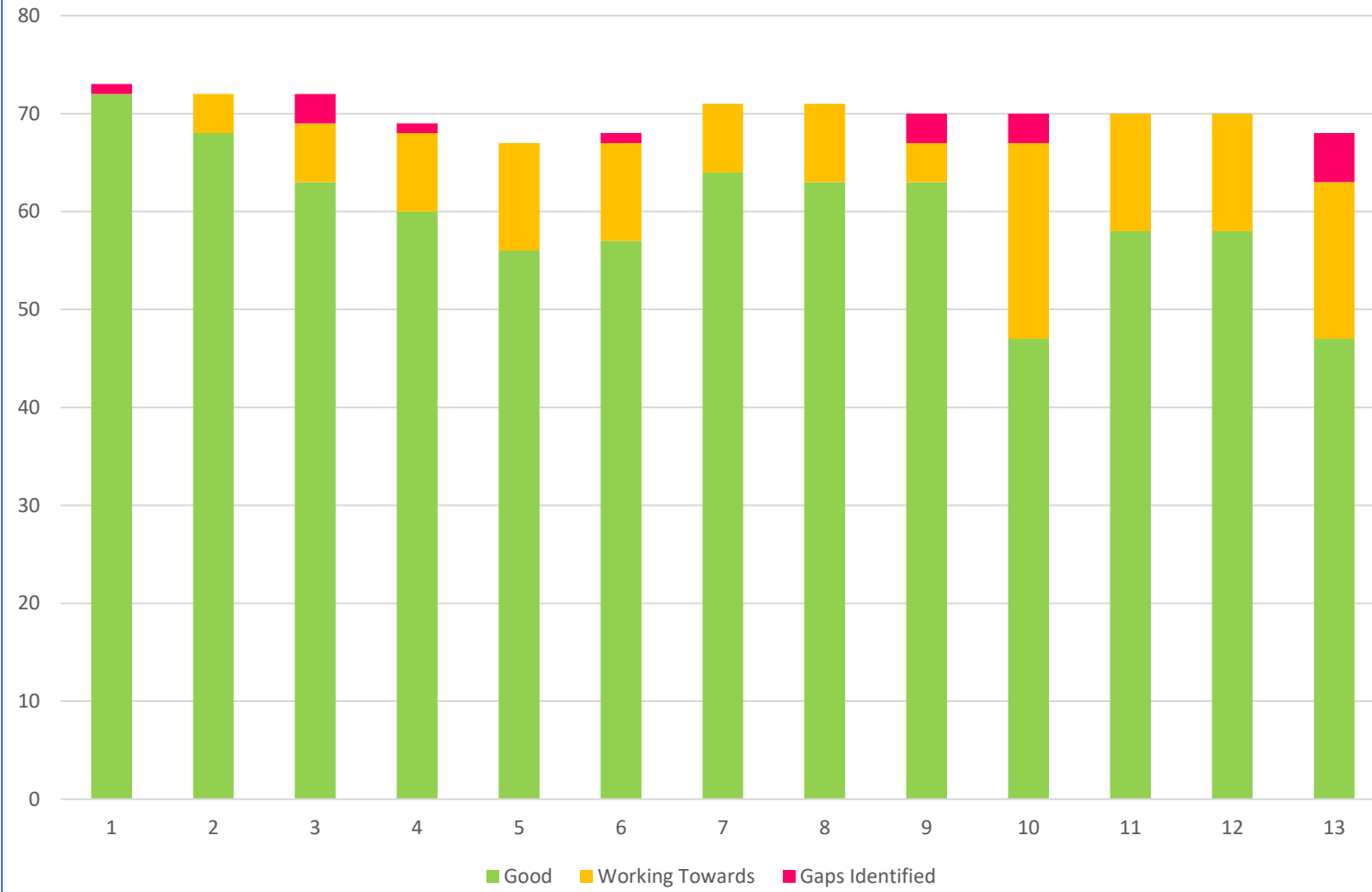
- 7.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.
- 7.2 Internal Audit is a statutory requirement for local authorities. There are two key pieces of relevant legislation:
 - Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs
 - The Accounts and Audit Regulations 2018 (England) states that "A relevant authority 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"
- 7.3 Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Elected Mayor, Chief Executive, Senior Management Boards, which includes the Section 151 Officer, and the Chair of the Audit Committee.

7.4 Internal Audit complies with the PSIAS.

Internal Audit Work - Period 1st April 2022 - 31st March 2023			
Current Status and Results of Audit Review			
Directorate	Area of Review	Status	Audit Assurance Rating
Corporate	'Tell us once' process	Complete	Substantial
Corporate	Whistleblowing Arrangements	Complete	Substantial
Corporate	Partnerships - Tracking of Outcomes	Complete	Reasonable
Resources	Continuous Audit and Data Analytics - Procurement Card Spend	Complete	Reasonable
G&R	Affordable Housing Delivery (Homes England Compliance)	Complete	Reasonable
People	Domiciliary Care	Complete	Reasonable
People	Public health	Complete	Reasonable
People	Integrated Care Management System	Complete	Reasonable
Corporate	Annual Review of Risk Management	Complete	Reasonable
G&R	Homelessness/Temporary Accommodation - Decision Making Processes	Complete	Reasonable
People	Placement sufficiency for Children in Care	Complete	Reasonable
Corporate	Financial Management Code - 2021/22 Self Assessment Verification	Complete	Reasonable
G&R	Review of Reasons for Capital Spend in Q4	Complete	Reasonable
Corporate	Ethical Use of Data	Complete	Reasonable
G&R	Housing Rent Collection	Complete	Reasonable
Resources	Progress in implementation of Proactis contract management system	Complete	Reasonable
Resources	Social Value	Complete	Reasonable
Resources	Employee & recruitment fraud - controls review	Complete	Reasonable
Resources	GDPR Compliance	Complete	Reasonable
Corporate	Scheme of Delegation	Complete	Limited
Resources	Cloud Resilience	Complete	Limited
Corporate	Savings Delivery	Complete	Limited
People	Adult Social Care Budget Management	Complete	Limited
Resources	Corporate Landlord - Disposal of Assets	Complete	Limited
Resources	Core Systems Access Controls	Complete	Limited
Resources	IT Resilience - follow up	Complete	N/A
Resources	Cyber Security - follow up	Complete	N/A
Resources	IT Root Cause	Complete	N/A
Corporate	Annual Governance Statement 2021/22	Complete	N/A
Corporate	Annual Governance Statement 2022/23	Complete	N/A
Resources	Digital Transformation Programme - Embedded Assurance	Complete	N/A
G&R	Housing IT Transformation Programme - Embedded Assurance	Complete	N/A
People	Adult Social Care Transformation - Embedded Assurance	Complete	N/A
Resources	Group Company Governance - Embedded Assurance	Complete	N/A
Resources	Information Governance Board - Embedded Assurance	Complete	N/A
People	Schools SFVS	Complete	N/A
People	Schools Assurance Programme	Complete	Various
Corporate	Procurement Compliance	Draft Report	
Corporate	H&S	Draft Report	
Resources	NDR Collection	Draft Report	
G&R	Flood Risk Management	Draft Report	
Resources	Debt Management	Draft Report	
Resources	Agency Staff	Draft Report	
G&R	Client Team re Companies	Draft Report	
G&R	Climate Change	Draft Report	
Corporate	Performance Management	In Progress	
Corporate	Supply Chain and Third Party Risk	In Progress	
People	Transition from Children in Care to Adults	In Progress	
People	Domestic Violence changed to Food Equality Strategy	In Progress	

Grants and Other Certifications			
Directorate	Name of Review	Status	Value
Adults and Communities	Adult Weight Management Services Grant	Complete	189,982
Adults and Communities	Local Authority Targeted Community Testing Programme 2021/22: No 31/5956	Complete	7,389
Adults and Communities	Local Authority Targeted Community Testing Programme 2021/22: No 31/5958	Complete	78,817
Adults and Communities	Local Authority Targeted Community Testing Programme 2021/22: No 31/5957	Complete	78,817
Adults and Communities	Local Authority Targeted Community Testing Programme 2021/22: No 31/5959	Complete	109,392
Adults and Communities	Local Authority Targeted Community Testing Programme 2022/23: No 31/6101	Complete	100,192
Adults and Communities	Local Authority Targeted Community Testing Programme 2022/23: No 31/6102	Complete	118,392
Adults and Communities	Local Authority Targeted Community Testing Programme 2022/23: No 31/6103	Complete	41,125
Adults and Communities	Protect & Vaccinate Grant	Complete	480,985
Adults and Communities	Local Authority Practical Support Payment Scheme Funding Grant	Complete	763,500
Adults & Communities	Contain Outbreak Management Fund grant	Complete	18,160,267
Chief Executive	Test and Trace Support Payment Grant	Complete	4,273,792
Children & Education	WECA Data Resourcing Project 2022/23	Complete	30,000
Children & Education	Careers and Enterprise Company (CEC) Employer Engagement Enterprise Project Grant	Complete	48,570
Children & Education	Reboot West	Complete	106,176
Children & Education	Future Bright Programme Grant	Complete	503,878
Children & Education	Youth Justice Grant	Complete	661,417
Children & Education	We Work For Everyone	Complete	896,280
Growth & Regeneration	Digging for Delft Grant	Complete	42,451
Growth & Regeneration	High Street Renewal Catalyst Fund	Complete	96,365
Growth & Regeneration	Western Harbour Place Shaping Vision Feasibility and Development Funding Application Form Grant	Complete	155,000
Growth & Regeneration	Feasibility Study: Bristol City Council - Bedminster High Street Improvement	Complete	167,828
Growth & Regeneration	Lead Enforcement Authority Grant 2021/22	Complete	194,830
Growth & Regeneration	Bristol City Centre and High Streets Recovery and Renewal Grant	Complete	219,627
Growth & Regeneration	City Centre Development & Delivery Plan and Frome Gateway 2022/23	Complete	235,000
Growth & Regeneration	Capability Fund 2021/22	Complete	336,165
Growth & Regeneration	Scambuster and NTS Funding for Regional Intelligence Functions Grants	Complete	382,260
Growth & Regeneration	NTS Sub-Grant for NTS Funding for Regional Intelligence Functions SWERCOTS 2021/22	Complete	89,221
Growth & Regeneration	Office for Low Emission Vehicles (OLEV) Round 2 ULEV Taxi Infrastructure Competition	Complete	434,674
Growth & Regeneration	South Bristol Enterprise Support	Complete	532,253
Growth & Regeneration	Temple Island Grant 20-22	Complete	2,043,963
Growth & Regeneration	Hawk field Business Park - The Bottle Yard Studios	Complete	2,706,350
Growth & Regeneration	Disabilities Facilities Grant (DFG 2021/22)	Complete	3,528,349
Growth & Regeneration	WECA Highways Capital Maintenance	Complete	2,626,475
Growth & Regeneration	WECA Highways Incentive	Complete	656,712
Growth & Regeneration	Integrated Transport	Complete	1,940,419
Growth & Regeneration	Pothole Action Fund Grant 2021/22	Complete	1,889,953
Growth & Regeneration	Mini Holland Feasibility Study Grant	Complete	78,947
Growth & Regeneration	A4018 Corridor Improvements Grant	Complete	83,268
Growth & Regeneration	Bristol Avon Flood Strategy- Active Travel & Green Infrastructure Greenway Grant	Complete	141,025
Growth & Regeneration	Green Homes Grant	Complete	3,368,109
Total			48,598,215

AGS - All Directorate Assurance 2022/23



1	Code of conduct/Decs of Interest
2	Gifts and Hospitality Arrangements
3	Fraud Risk Management
4	Economic, Social and Environmental Impact
5	Partnership arrangements
6	Business cases outcomes
7	Schemes of Delegation
8	Recording and publishing of Decisions
9	Risk Registers
10	Business Continuity Planning
11	Financial and Procurement Regulations Awareness and Compliance
12	VFM Arrangements
13	Plans for savings and monitoring

Audit Committee Meeting

30th May 2023



Report of:	Chief Internal Auditor
Title:	Fraud Annual Report 2022/23
Ward:	N/A
Member Presenting Report:	Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee note the Fraud Annual Report for 2022/23.

Summary

This Report provides the Committee with a summary of the work undertaken by the Internal Audit – Counter Fraud and Investigations Team during the year including outcomes of investigation work and Whistleblowing referrals received in the year.

The significant issues in the report are:

- Counter fraud work within the Council continued to generate significant savings: £492K in recoverable savings and notional savings of around £3 million.
- Tenancy fraud work has delivered 36 outcomes from tenancy fraud work which is either a property recovered, or some other positive outcome such as an application for a tenancy cancelled. This is against a target of 40.
- The establishment of a fraud hub is enabling the Service to increase the use of data analytic tools to prevent and detect fraud.
- An independent review of the Council's whistleblowing arrangements by the Devon Audit Partnership provided substantial assurance that whistleblowing allegations are referred, assessed, investigated and managed appropriately'



Policy

Audit Committee Terms of Reference

Consultation

1. Internal

Internal – Corporate Leadership Board including S151 Officer and Monitoring Officer.

2. External – N/A

Context

This is the Annual Report outlining the fraud work that has taken place in Bristol City Council. The report is provided to:

- Give an overview of the work of the Internal Audit – Counter Fraud and Investigations Team and other anti-fraud work which has taken place within the Council.
- Present details of the savings identified through counter fraud and investigation work.
- Demonstrate the variety of investigation, fraud detection and prevention work undertaken by the Team.
- Update Members on the outcomes relating to Whistleblowing referrals and other fraud referrals.
- The Audit Committee received a half year update in November 2022.

The full report can be found at Appendix A

Proposal

3. The Audit Committee note the work of the Counter Fraud and Investigations Team.

Other Options Considered

4. N/A

Risk Assessment

5. The work of Internal Audit Counter Fraud Team reduces the financial loss from fraud and increases the potential for prevention and detection of fraud.

Summary of Equalities Impact of the Proposed Decision

Equality impact assessments have been undertaken for new fraud initiatives planned or implemented in the year.

No direct equality impact is anticipated from this report.

Legal and Resource Implications

Legal – N/A

Financial – N/A

Land – N/A

Personnel – N/A

Appendices:

Appendix A – Counter Fraud Annual Report 2022/23

Appendix 1 – Outcomes from Corporate Investigations

Appendix 2 – Outcomes from Whistleblowing Cases

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None



BRISTOL
INTERNAL AUDIT

Appendix A

Counter Fraud & Investigation Annual Report 2022-2023

Simba Muzarurwi
Chief Internal Auditor

1. Introduction

1.1 The purpose of this report is to:

- Provide details of the counter fraud and investigation work undertaken during the period 1st April 2022 to 31st March 2023.
- Provide a high-level update on conclusions and outcomes from fraud and Whistleblowing investigations.
- Report on savings and positive outcomes achieved through counter fraud and investigation work.
- Outline the key priorities for quarters 1 and 2 of 2023/24.

2. Key Messages

- 2.1 Fraud is a risk that cannot be fully mitigated and continues to be assessed as significant in Bristol City Council's Corporate Risk register.
- 2.2 Central government is recognising the extent of fraud and the need to do more with the creation of the Public Sector Fraud Authority which is tackling fraud in government departments. Local authorities and particularly Bristol City Council have been aware of fraud and have been proactive in tackling fraud for many years and are well placed to respond effectively to fraud risks.
- 2.3 Working in conjunction with service areas the Counter Fraud and Investigation team tackle a wide variety of diverse types of fraud.
- 2.4 Going forward, more focus will be on fraud prevention but also ensuring that there is sufficient resource to deal with key reactive work.
- 2.5 The team have identified notional savings of almost £3 million and recoverable overpayments of £492K.
- 2.6 Weekly payments totalling £2636 have been stopped, where there was no entitlement.
- 2.7 The team have achieved 36 outcomes from tenancy fraud work which is either a property recovered, or some other positive outcome such as an application for a tenancy cancelled. This is against a target of 40.

3. Proactive fraud detection work

Tenancy Fraud, NFI Pilot

- 3.1 It was agreed to take part in the Cabinet Office's pilot exercise on tenancy fraud, where our tenant's data was matched with other datasets including SIRA data (a finance sector data source). This resulted in 3127 matches for Bristol all of which were classed as 'Very High risk' in that they linked our tenant to another address. Further examination of the data indicates that some of the output is not sufficiently refined and accurate to conclude that these are good matches and following various further analysis of the output we have cleared approximately 900 records and currently have around 20+ cases which we are actively investigating. We will be feeding back to the Cabinet Office on some suggested improvements to the data matching and output.

Temporary Accommodation exercise

- 3.2 The team worked closely with colleagues in Housing and Landlord Services from September to November 2022 to help plan targetted visits to verify occupancy of temporary accommodation.

Internal Audit provided an investigator on each of the three days of visits to accompany Housing Options colleagues. It was noted that:

- All officers who we accompanied were all well conversed with visits and knew what to look out for regarding possible non occupation issues.
- A broad selection of properties was chosen for visits with both family and hostel type accommodation included.
- No evidence of fraud was found.

3.3 Detailed feedback was provided to the lead Project Officer in Housing and Landlord Services which was included in the report drafted by the Housing Options Service

National Fraud Initiative 22/23

3.5 The NFI output was received in January with 14,000 matches for review. This is 5000 fewer matches than previous exercises. This is believed to be due to the implementation of the fraud hub which does similar matching but on a more frequent basis, so we can identify and cancel services early.

Creditor payments to employees

3.6 An exercise looking at payments to employees through Creditors identified a 'Track and Trace' payment incorrectly claimed. The 'Track and Trace' payments were provided to working people who lost income from being required to self-isolate during the pandemic. These payments were administered by the Revenues and Benefits Service. BCC continued to pay salary in full for any colleagues needed to self-isolate so there was no loss of income. A BCC employee is facing disciplinary proceedings for their application for a payment and has agreed to repay the sum obtained.

Blue Badge exercise

3.7 On 13th July 2022 a joint proactive exercise took place with the Council's Parking Enforcement Service and Avon and Somerset Police. Two Investigation Officers were out on the streets of Bristol with Civil Enforcement Officers, a Police Officer, and a Community Support Officer. As a result of the exercise four potential offences for misusing a blue badge were identified. Following further investigation, one case was closed with no further action, two people were formally cautioned and one person prosecuted.

Credit card expenditure

3.8 Expenditure on corporate credit cards in a service was analysed. Whilst no fraud was detected, the work highlighted that receipts were often not kept or checked so the purchases could not be verified. Several recommendations were agreed with management.

4. Fraud Prevention work

4.1 The prevention of fraud and error is key to protecting council funds and services and avoiding possible unrecoverable debts. Several initiatives to prevent fraud have taken place over the year.

Fraud Hub

4.2 The Council's Fraud hub enables regular upload of datasets and matching of data to some external sources of data. Datasets relating to Tenants, Council Tax reduction, Blue Badge,

Housing waiting list, Concessionary travel passes are being uploaded to the hub periodically and access to deaths information has been particularly beneficial. The fraud hub work has enabled us to prevent fraud and delivered outcomes as below in 2022/23:

Fraud Hub results	No
Blue Badges cancelled	461
Housing Properties recovered	8
Housing waiting list entries removed	82
Formal succession of tenancy agreed	26
Concessionary travel passes cancelled	1054

- 4.3 Included in the figures above were 9 concessionary travel passes which had been used by other persons after the death of the pass holder. The exact cost of these frauds is unknown as BCC's access to journey data is limited to the last 100 journeys and some will have exceeded this. The cost of known misuse was not significant at around £600 and prompt cancellation in future will prevent misuse.
- 4.4 Whilst it cannot be assumed that because a service was not cancelled on the death of the recipient, the service will have been misused, but prompt cancellation will likely have prevented some instances of fraud.

Recruitment and employee fraud prevention review

- 4.5 A review of the recruitment and employee verification process was completed. This included an examination of matches from the National Fraud initiative exercise where employees are shown as having other Local Authority employment. The review concluded that management could take 'reasonable' assurance that there are proper employment checks of new recruitments and the risk of 'ghost employees' being entered on the payroll was low. Checks on secondary employment were limited to Local Authority employment and this work did identify a small overpayment to a leaver of £2000.

'Tell us Once' death reporting process review

- 4.6 Prompt cancellation of services on the death of service users is important to prevent fraud and overpayments resulting which are difficult to recover. A review of the 'Tell us Once' death registration service was completed. Whilst use of the service is optional to customers, the information is going to the correct services and being acted upon. A 'substantial' assurance opinion was given for this area.

School Admissions

- 4.7 Collaborating with the Schools Admissions team, data was used to ensure that applicants were not falsifying address information to obtain a place in a preferred, oversubscribed school. Three applications for secondary schools were withdrawn following this exercise which was completed for both secondary and primary school applications. The exercise was also viewed by the School Admissions team as a valuable deterrent.

Tenancy Fraud

- 4.8 The Team bulk check all right to buy applications using a software package and then conduct further manual checks for the high-risk cases. During the year, 231 applications have been checked. There were no property regains or application cancellations as a result of these checks.
- 4.9 The team have collaborated with colleagues in Housing and Landlord Services to improve processes for succession claims and to ensure robust declarations are included in all

applications. This helps to prevent fraud and to also ensure action can be taken when fraud is established.

Training and Fraud Awareness

4.10 Bespoke fraud awareness training has been provided to various teams across the council as below:

- Housing and Landlord Services: caretakers and new housing officers.
- Procurement Team: managing conflicts of interest.
- Revenues and Benefits: new benefit assessors.
- Schools: two sessions delivered to headteachers and business managers.
- Clean Air Zone: document verification training.
- Adult Social Care: briefing to the whole service and detailed training to finance colleagues

4.11 Tenancy fraud messages to remind tenants of their tenancy conditions and obligations were promoted in the spring edition of Housing News and via social media.

4.12 International Fraud Awareness Week took place in November 2022. Fraud awareness messaging was promoted internally via the leadership blog and message bulletin, and externally using social media.

5. Investigations and prosecutions

5.1 Referrals of possible fraud for investigation have been received across a variety of areas. The number of all referrals by type are detailed in the table below:

Blue badge/parking permits	13
Internal (employee)	11
Local Taxation	3
Social care payments	8
Benefits (CTR – BCC Investigation)	37
School admissions	2
Tenancy fraud	180
School fraud	2

Internal fraud work

5.2 Outcomes of referrals relating to employees are provided at Appendix 1. One investigation case identified an employee who had diverted almost £16K to their own bank account. The employee has been dismissed and is facing criminal charges under the 2013 Fraud Act.

Blue Badge

5.3 This work often involves educating badge users of the conditions of use. In addition to the outcomes from the enforcement exercise in July, the team has issued four advisory warnings to badge holders or the drivers of vehicles. Following several complaints about parking in the vicinity of hospitals, advice was issued to hospital staff via the NHS new bulletin. This educational approach can both help those that are not deliberately misusing a badge and help to demonstrate intent by repeat offenders.

Tenancy Fraud

5.4 The team undertake the investigation of social housing fraud and abuse including:

- Non occupation cases, where evidence is required
- Subletting in whole or in part
- False succession
- False applications
- Fraudulent Right to Buy applications
- Supporting Estate Management with suspected abandonment cases

5.5 The team have achieved 36 property regains or housing positive outcomes against the target of 40. A housing positive outcome could be a cancelled housing application, denied succession claim or cancelled right to buy application.

5.6 When appropriate to do so the team will consult with other registered housing providers to provide support and advice, or to investigate on their behalf.

5.7 Civil recovery proceedings are instigated when required to take possession of a property. The proceedings are increasingly defended and so the team has had to adapt, with cases now taking considerable time to progress.

5.8 One tenant surrendered their property and, following an admission of criminal offences, a formal caution was administered. This was agreed after the Council made sure that the person has recompensed the victims that had lost money from their actions.

Local Taxation and Covid Grants

5.9 Collaborating with colleagues in Revenues, an investigation confirmed that a £10k covid business grant had been claimed incorrectly and was repayable. Another investigation identified discrepancies between records relating to the rating for a property and ensured that the correct person was made liable for almost £15k of council tax from 2017. These debts are following the recovery paths set out in the Corporate Debt Management Policy as the Revenues Team continue to work through the build up of cases arising from the suspension of debt recovery due to the pandemic.

Schools

5.10 Two primary schools have been targeted by fraudsters:

- A fraudulent invoice for equipment totalling £16,544 was submitted for payment. A vigilant officer raised concerns and the attempt was thwarted. The matter was reported to the Police.
- Another primary school was the victim of email hacking. A fraudulent invoice for £15k was submitted and paid. This matter has been reported to the Police.

6. Liaison with other organisations

DWP Benefits

6.1 The team provides the liaison role between the Councils' Benefits Service and the Department for Works and Pensions (DWP) who investigate housing benefit fraud. The DWP have made 189 requests for information and four requests for witness statements to be prepared for criminal prosecutions. The DWP have also provided three reports from their Data Strategy Team for review and appropriate action.

6.2 There are several ongoing complex investigations where fraud has been sustained over an extended period of time. The team are working jointly with the DWP to interview under caution and prepare cases for criminal prosecution.

Police and other enforcement agencies

6.3 The team provides a liaison role with the Police and other enforcement agencies and has responded to 67 lawful requests for information.

6.4 The team consult with the Education Welfare team and have dealt with 321 pupil tracking requests.

7. Savings outcomes

7.1 Annual savings table 2022/23

	Recoverable overpayments £	Weekly payment stopped £	Estimated saving (i) £	Adpen/costs £	Payment prevented £
Investigation work					
DWP	140,221	1,124			
Council Tax Reduction	36,928	753		1000 (ii)	
Tenancy Fraud work	78,230	630	2,610,480		
Blue Badge				412	
School					16,544
Covid grant	10,500				
Council Tax	14,988				
Internal fraud/error	17,278				
NFI Mandatory Exercises					
NFI Single Persons Discount	157,256		188555 (iii)		
NFI (20/21 output)	37445	129	32993		
TOTAL	492,846	2,636	2,832,028	1,412	16,544

(i) Estimated savings are those used by the Cabinet Office and are based on the average cost of a fraud and the average life of the fraud before being detected. They measure the saving by preventing further fraud.

(ii) An administrative penalty of £1000 was administered for an offence under the Council Tax Reduction Schemes (Detection of Fraud and Enforcement) (England) Regulations 2013

(iii) Output reviewed by Local Taxation team.

8. Whistleblowing

Statistics

8.1 Whistleblowing case statistics for 2022/23 are shown below, with outcomes from closed cases shown at Appendix 2:

Brought forward from 2021/2022	Received in 2022/2023	Closed in 2022/2023	In Progress
7	20	19	8

Whistleblowing Awareness raising

8.2 Sessions on the Whistleblowing process have been presented to the Leadership Forum and also to Adult Care services. In addition, a blog from the Chief Internal Auditor during Fraud Awareness Week in November 22 reminded employees about the Council's Whistleblowing process.

Independent Review

8.3 The Council's whistleblowing arrangements were subject to an independent review by the Devon Audit Partnership. The Audit considered the risk that 'whistleblowing allegations are not referred, assessed, investigated and managed appropriately.' The review concluded 'Substantial' assurance in the arrangements and management of this risk and the report was discussed with CLB and the Audit Committee in March 23.

9. Resources

9.1 The counter fraud and investigation team is well resourced with a team of 9.9 FTE covering a variety of skill sets. The dedicated data analyst has moved to the central Data and Insights team but has continued to support the work of the team. The recruitment of a Fraud Apprentice is currently underway. The apprentice will complete an accredited Counter Fraud Investigator qualification funded by the apprenticeship levy.

10. 2023/2024 Priorities

10.1 Priorities for the first and second quarters of 2023/24 include:

- Completing the review of the 3000 Tenancy fraud pilot exercise matches
- Review of the main National Fraud Initiative exercise
- Completion of a review of Guardianship payments with the service team
- Completing a fraud risk assessment for the 'Filwood Levelling up funding' project,
- Work on developing fraud risk assessments in key fraud risk areas.
- Development of a fraud prevention strategy.
- A review of 'AirBNB' and what can be done to identify tenancy fraud in this area.
- Exploring other options for submission of datasets to the hub using our own power's and promoting the hub with our neighbouring authorities.
- Promotion of fraud awareness messages across Bristol schools.

11. Fraud Policy

11.1 The current Fraud Policy was approved by the Audit Committee in November 22.

Appendix 1

Internal cases closed 1st April 2022 to 30th March 2023

Growth and Regeneration

Service Area	Allegation	Outcome
Housing and Landlord Services	Undeclared conflict of interest in relation to a procurement exercise	Disciplinary hearing resulting in a formal warning.
Housing and Landlord Services	Undeclared conflict of interest in relation to a claim to succeed a tenancy.	No fraud established.

Adults and Communities

Service Area	Allegation	Outcome
Adult Social Care	Employee acting inappropriately with respect to assisting a citizen with financial matters.	Disciplinary hearing resulting in a formal warning.
Adult Social Care	Obtained Council Tax Reduction fraudulently	Disciplinary hearing resulting in a formal warning. A financial penalty administered in accordance with Council Tax Reduction legislation.
Adult Social Care	Obtained Council Tax Reduction fraudulently	Prosecution resulting in a guilty plea. Internal disciplinary is ongoing.
Adult Social Care	Obtained a covid self-isolation grant fraudulently.	Repayment agreed. Employee resigned prior to disciplinary hearing.
Adult Social Care	Theft of monies.	Disciplinary proceedings resulting in dismissal. Prosecution is ongoing.

Appendix 2 - Whistleblowing Outcomes 2022 – 2023

No	Details of Allegations	Outcome	Information Source	Date Closed	Directorate
1	Favouring of contractor and not following proper procurement process.	Corruption unsubstantiated - report Issued	Internal - Whistleblower	28/Apr/2022	Growth & Regeneration
2	Allegations regarding a headteacher in relation to staff intimidation, negligence, and toxic environment. Resigned prior to a disciplinary hearing which concluded gross misconduct. Teaching Regulation Agency also informed.	Proven - Dismissal	Internal - Whistleblower	25/Jul/2022	Children & Education
3	Claim of racism arising from the treatment of tenant. The informant also claimed to have been unfairly treated because of their ethnicity and were inadequately briefed ahead of a court hearing.	Unsubstantiated	Internal - Whistleblower	29/Apr/2022	Resources
4	Regulations breached in the procurement of a new telephony system.	No misconduct identified - report with recommendations issued and agreed	Internal - Whistleblower	15/Dec/2022	Growth & Regeneration
5	Concerns regarding Housing and Landlord services debt recovery and possession action during lockdown.	Unsubstantiated	Web form/email named	27/Jan/2023	Resources
6	Allegation of corruption and conflicts of interest.	Not substantiated but management report issued and conflict of interest training provided to the relevant Service.	Web form/email named	29/Jul/2022	Resources
7	Housing and Landlord Services failing to ensure the required ethical standards are met in dealings with the court. Grievance and appeal process not following best practice.	Ethical standard claim unsubstantiated and minor amendments made to the Grievance process.	Internal - Whistleblower	07/Oct/2022	Growth & Regeneration
8	Allegation of employee having committed theft from previous employer.	Proven - employee dismissed in probationary period.	Internal - Whistleblower	16/Feb/2023	Growth & Regeneration

9	Failure by management to address the negative impact on the mental health of Housing Officers caused by the changes to work practices.	Closed – Assessed to be part of an employment dispute.	Internal - Whistleblower	07/Oct/2022	Growth & Regeneration
10	Repeat allegations on breach of lock down regulations at a City Council office	Closed – as investigated previously.	Internal - Whistleblower	15/Sep/2022	Children & Education Directorate
11	Manager abused position by appointing family members to Bristol City Council and then facilitating their promotion.	Unsubstantiated	Webform/email anonymous	26/Aug/2022	Growth & Regeneration
12	Councillor and officer corruption in the favouring of a contractor in exchange for money and gifts.	Unsubstantiated.	Webform/email anonymous	01/Mar/2023	Growth & Regeneration
13	Multiple allegations about Housing & Landlord Services management and treatment of staff, poor rent arrears, void management and undeclared conflict of interest.	No misconduct identified. Audit reviews planned in 2023/24 to cover debt and void management.	Webform/email anonymous	02/Dec/2022	Growth & Regeneration
14	Departmental restructuring, which was poor value for money and provided an opportunity for a manager to promote his friends.	Unsubstantiated.	Internal - Whistleblower	06/Mar/2023	Adults & Communities
15	Correct procurement procedures not being followed resulting in all asbestos removal work being allocated to a single organisation.	No evidence that the correct procedure was not being followed.	Webform/email anonymous	10/Oct/2022	Growth & Regeneration
16	Manager failing to address multiple areas of concern including Health and Safety issues.	Case closed as the informant later stated that their concerns were being addressed.	Internal - Whistleblower	09/Aug/2022	Growth & Regeneration
17	Anonymous allegation regarding bullying of a young Bristol City Council employee by their colleagues at a care home. The employee concerned was also not named.	Case closed as alleged perpetrators and the employee were not named. Matter referred to Adult Safeguarding and the relevant management.	Internal - Whistleblower	24/Aug/2022	Adults & Communities
18	Call to the Whistleblowing reporting line – no details of concerns but contact details provided.	Following discussion with the Whistleblower, they felt that the unstated issues were being resolved and there was no need to pursue.	Internal - Whistleblower	14/Oct/2022	Children and Education
19	Employee claimed Clean Air Zone exemption when not entitled.	Proven but also error in checking process - warning given.	Internal - Whistleblower	23/Mar/2023	Growth & Regeneration

Audit Committee

30th May 2023



Report of:	Chief Executive
Title:	Draft Annual Governance Statement 2022/23
Ward:	Citywide
Officers Presenting Report:	Denise Murray, Director of Finance & S151 Officer Simba Muzarurwi – Chief Internal Auditor
Contact Telephone Number:	0117 35 76255 / 07768476966

Recommendation

The Audit Committee consider and agree the draft Annual Governance Statement as a fair reflection of the internal control and governance environment during 2022/23 and to date, prior to it being finalised and signed by the Mayor, the Chief Executive, Section 151 Officer and Monitoring Officer.

The Audit Committee consider and note the FM Code Self-Assessment and improvement action planning. Progress in improving code compliance is monitored by Audit Committee.

Summary

The City Council is required by the Accounts and Audit Regulations 2015 to prepare an Annual Governance Statement to accompany its published financial statements. A review of the internal control, risk management and governance arrangements has taken place and the resulting draft Statement is attached to this report. Compliance with CIPFA Financial Management Code is also required. A self-assessment of compliance with the Code is appended to the Annual Governance Statement.

Significant Matters Arising are:

- the requirement for the Annual Governance Statement
- the review process undertaken to enable the Statement to be made
- the draft Annual Governance Statement is attached which details the most significant control and governance issues identified during 2022/23 in section 5 of the statement.
- A self-assessment of compliance with CIPFA Financial Management Code has concluded reasonable compliance. The self-assessment is appended to the Annual Governance Statement.

1. Policy

Publication of an Annual Governance Statement is a requirement of the Accounts and Audit Regulations 2015. Additionally, the Council's Risk Management Policy Statement requires the Audit Committee to review the Annual Governance Statement to ensure it accurately reflects the internal control, risk management and governance arrangements in place.

2. Consultation

Internal – Corporate Leadership Board including S151 Officer, Monitoring Officer, Chief Internal Auditor and other relevant officers.

External – External Audit

3. Context

3.1 In accordance with the Accounts and Audit Regulations 2015, the Council is required to conduct an annual review of its system of internal control and publish an Annual Governance Statement (AGS) with the annual Statement of Accounts. The process is a key mechanism for ensuring that the Council has an effective system of internal control and governance, and that any shortfalls are identified and addressed.

3.2 The AGS must be a fair reflection of the internal control and governance environment during 2021/22 up to the date of being signed by the Chief Executive and Mayor alongside the 2022/23 Annual Statement of Accounts. The External Auditors will review the draft AGS in detail as part of their audit of the Statement of Accounts for 2022/23. The AGS can be updated in July and September to reflect any governance changes that have occurred since this report.

3.3 The Accounts and Audit Regulations 2015 also specify that the AGS is considered by “the organisation itself, or a Committee of the organisation”, and this requirement is being met by this submission to the Audit Committee.

The AGS

3.4 A coordinated approach to providing assurance for the 2022/23 Annual Governance Statement has again been utilised with senior managers from across the Council and group of companies completing assurance statements for each of their areas acknowledging responsibility for internal control and risk management. Each of these managers have certified or otherwise their satisfaction with arrangements in place during 2022/23.

3.5 The review process also examined a wide range of internal control and governance processes, which included:

- engaging with Senior Management and other key officers within the Council, where appropriate;
- obtaining and reviewing External Audit and Inspection reports, Internal Audit reports and management monitoring reports;
- the scrutiny and evaluation of the information obtained;

- determining significant control issues within the definition agreed for disclosure; and
- consultation with the Corporate Leadership Board including S151 and Monitoring Officer.

3.6 The consideration of the draft AGS by the Audit Committee is key part of the review and approval process.

3.7 The AGS explains how the Council has complied with its Code of Corporate Governance (Code) which is based upon the following seven core principles:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
- Ensuring openness and comprehensive stakeholder engagement;
- Defining outcomes in terms of sustainable economic, social, and environmental benefits;
- Determining the interventions necessary to optimise the achievement of the intended outcomes;
- Developing the entity's capacity, including the capability of its leadership and individuals within it;
- Managing risks and performance through robust internal control and strong public financial management;
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

3.8 The AGS identifies areas for improvement where the review process has identified them. Significant governance issues are set out in section 5.

3.9 In determining the significant governance issues to disclose, the following factors have been considered on whether the issues had:

- seriously prejudiced or prevented achievement of a principal objective;
- resulted in the need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the business;
- a material impact on the accounts;
- been considered as significant for this purpose by the audit committee or equivalent;
- attracted significant public interest or had seriously damaged the reputation of the Council;
- resulted in formal action being taken by the Section 151 Officer/Monitoring Officer;
- received significant adverse commentary in external inspection reports and which the Council has not been able to address in a timely manner.

3.9 The Draft Annual Governance Statement 2022/23 is at Appendix A.

Financial Management Code Compliance.

3.10 Appended to the AGS is a self-assessment of compliance with the CIPFA Financial Management (FM) Code. This came into effect from 1 April 2020 and all local authorities are required to demonstrate full compliance by 31 March 2022. The code sets the standards of financial management for local authorities that will support good practice in financial management and to assist local authorities in demonstrating financial leadership, transparency, assurance and financial sustainability. Demonstrating compliance with the CIPFA FM Code is a collective

responsibility of elected mayor, members, the Chief Finance Officer and their professional colleagues in the leadership team.

- 3.11 The assessment has been completed by colleagues in Finance and will be subject to independent verification by Internal Audit during 2023/24. The AGS review process considers the assurances obtained from the FM Code self-assessment and the AGS notes a reasonable level of compliance with the code. Areas for improved compliance have been identified and actions are included in the self-assessment.

4. Proposal

- 4.1 The Audit Committee to consider and agree the draft Annual Governance Statement as a fair reflection of the internal control and governance environment during 2022/23 and to date, prior to it being finalised and signed by the Mayor, the Chief Executive, Section 151 Officer and Monitoring Officer.
- 4.2 The Audit Committee to consider and note the FM Code Self-Assessment and improvement action planning.
- 4.3 Progress in improving code compliance is monitored by Audit Committee.

5. Other Options Considered

Not Applicable

6. Risk Assessment

The need to maintain a robust Risk, Governance and Control environment is pivotal to the effective operations of the Council's functions, a statutory requirement of the Accounts and Audit Regulations 2015 and an implied requirement of the External Auditor. Compliance with the FM Code underpins good financial management and ensure compliance with legal and best practice requirements.

Failure to maintain and where required improve this environment will not only impact on the proper practices of the Council but will also be in breach of the Accounts and Audit Regulations 2015 and may attract an adverse opinion from the External Auditor.

Public Sector Equality Duties

Not necessary for this report

Legal and Resource Implications

Legal

Not Applicable

Financial

Not Applicable

Land

Not Applicable

Personnel

Not Applicable

Appendices:

Appendix A - Draft Annual Governance Statement 2022/23

Appendix 1 - Financial Management Code Compliance - Self Assessment

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Committee Terms of Reference

CIPFA/SOLACE Guidance on the Annual Governance Statement

CIPFA Finance Management Code Guidance



ANNUAL GOVERNANCE STATEMENT

2022/23

Demonstrating the importance of effective governance in local service delivery and public accountability.

1. Introduction

- 1.1 Like all local authorities, Bristol City Council is responsible for ensuring that:
 - business is conducted in accordance with all relevant laws and regulations
 - public money is safeguarded and properly accounted for
 - resources are used economically, efficiently, effectively and equitably to deliver agreed priorities and benefit local people.
- 1.2 The Chartered Institute of Public Finance and Accountancy /Society of Local Authority Chief Executives (CIPFA/SOLACE) Delivering Good Governance in Local Government Framework (2016) also expects local authorities to put in place proper governance arrangements to ensure that these responsibilities are being met.
- 1.3 Bristol City Council has approved and adopted a Code of Corporate Governance (the Code) which is reviewed periodically. The Code was updated and approved by the Audit Committee in March 2021 and is consistent with the principles of the CIPFA/SOLACE Framework. Minor amendments have been made during annual reviews since then. The Code sets out the framework for ensuring each of the core principles of good governance is met by the council.
- 1.4 This Annual Governance Statement (AGS) explains how well the council has complied with the Code and provides an overview of how the council's governance arrangements have operated during 2022/23 and up to the date it is signed (the final version will be signed on the date the council's financial statements are approved as final). It also meets the requirements of the Accounts and Audit Regulations 2015, which require the council to publish an AGS in accordance with proper practice in relation to internal control.
- 1.5 We also have a duty to continually review and improve the way we work. In demonstrating compliance with the Code, we have also reflected on the governance improvements we have made during the year.

2. Conclusions and Statement of Commitment

- 2.1 Good governance is about ensuring that an organisation is effectively and properly run. It is the means by which the council shows it is taking decisions for the good of the people of Bristol, in an inclusive and open way. It requires standards of behaviour that support good decision making, collective responsibility, individual integrity, openness, and honesty. It is fundamental to showing that public money is well spent, and without good governance the council will struggle to improve services and deliver its objectives. The council's Code of Governance details the measures in place to ensure effective governance across the council.
- 2.2 The medium-term financial outlook is the most severe we have known for many years and the council continues to manage a challenging financial environment. The longer-term impact of the pandemic is lingering, the pressures of the cost-of-living crisis, global supply challenges, labour shortages and pay related cost increases, exceptional inflationary levels and continuing increases in demand for core services in both adults' and children's social care mean that, like others across the country, the council is facing significant financial challenges and uncertain and unpredictable funding and cost levels. The identification and achievement of significant savings is essential to living within our means and to shield us from the immediate impact of government cuts in 2025/26 and beyond. In addition, other global and national developments such as the Russia-Ukraine War and Brexit have created significant risks that have altered the organisation's risk landscape. The council is using its Risk Management Policy to manage these and other significant risks while supporting innovation and exploring opportunities.

- 2.3 In May 2022 a referendum on the governance arrangements for the council was held. The results of that referendum will see significant changes to our current governance structure from 2024 onwards. The council is preparing for a move from an Elected Mayor and Cabinet model of governance and decision making to a system of one or more Committees made up of elected councillors making decisions.
- 2.4 At the beginning of the financial year, there were four wholly owned council companies. These were Bristol Holding Ltd, Bristol Waste Company Ltd, Goram Homes and Bristol Heat Networks Ltd. However, Bristol Heat Networks was disposed of during the year transferring assets to the City Leap partnership.
- 2.5 The council has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements including the system of internal control. From the review, self-assessments, work undertaken, and on-going monitoring supported by the work of Internal Audit, to the best of our knowledge, the governance arrangements are generally working as expected. The Chief Internal Auditor has provided reasonable assurance that in 2022/23 the council's systems of internal control, governance and risk management were adequate and operating effectively although there were some weaknesses which may put organisational objectives at risk. The council will seek to prioritise areas identified as requiring further improvement to ensure our arrangements remain fit for purpose and resilient moving forward. Scrutiny and oversight of the progress in these areas will be through the Corporate Leadership Board and Audit Committee.
- 2.6 Significant governance issues have been identified as part of this review and the actions being taken to address them are detailed in section 7.

<p>Signed: Date:</p> <p>Marvin Rees - Elected Mayor of Bristol</p>	<p>Signed: _____ Date: _____</p> <p>Stephen Peacock – Head of Paid Service</p>
<p>Signed: Date:</p> <p>Denise Murray – Chief Finance Officer (s151 Officer)</p>	<p>Signed: _____ Date: _____</p> <p>Tim O’Gara – Monitoring Officer</p>

3. Governance Framework and Compliance Review Process

- 3.1 The governance framework comprises the systems and processes, culture, and values by which the authority is directed and controlled and the activities through which it accounts to, engages with, and leads the community. It takes account of the environment in which the council now operates and aims to ensure that:
- resources are directed in accordance with agreed policy and according to priorities,
 - that there is sound and inclusive decision making

- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

3.2 The [Code of Corporate Governance \(“the Code”\)](#) is intended to support political and officer leadership with developing and maintaining robust governance arrangements across the whole governance system including partnerships, shared services and alternative delivery vehicles. The Code, based on [Delivering Good Governance in Local Government: Framework](#) (CIPFA/Solace, 2016), sets out a framework consisting of seven core principles and details the council’s core arrangements to meet each of the principles:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing capacity including the capability of its leadership and the individuals within the council
- Managing risk and performance through robust internal control and strong public financial management
- Transparency and Effective Accountability
- Implementing good practices in transparency, reporting and audit to deliver effective accountability

3.3 Arrangements are in place to support delivery of the above principles as set out in ‘the Code’. This statement reports the results of a review of effectiveness and level of compliance with those arrangements during the year 2022/23. The review is informed by:

- **First Line (Management) Assurances** – Assurances received from managers across the council that core elements of the governance arrangements are in place and effective. These have also been received from the council’s three wholly owned companies – Bristol Holdings, Bristol Waste Company and Goram Homes.
- **Second Line (Oversight Functions) Assurances** – The council’s Assurance Framework has a number of statutory officers and central functions in place to provide oversight of aspects of the council operations. These officers and teams are well placed to monitor and give a view on how well the council is complying with the governance arrangements as set out in the Code in their areas of responsibility. These include:
 - Section 151 Officer (Director of Finance)
 - Monitoring Officer (Director – Legal Services)
 - Head of HR (Director Workforce and Change)
 - Head of Policy (Director of Policy, Strategy and Digital)
 - Senior Information Risk Owner (Director – Legal Services)
 - The council’s Audit Committee

The Framework also enables regular financial, performance and compliance reporting to CLB and Members thereby creating a valuable body of evidence of senior management and Member scrutiny.

- **Third Line (Independent) Assurances:**
 - The council’s **External Auditors** are required to independently audit the council to provide an opinion on the truth and fairness of the financial statements. In addition, the external auditors are required to consider the council’s arrangements to secure economy, efficiency and effectiveness in its use of resources.

- The **Chief Internal Auditor** has provided an annual opinion sourced from a programme of assurance work completed through the year. Where audit work identified control issues, action plans are developed with management to improve arrangements.
 - Other **external independent review bodies** carry out inspections to review the council's arrangements. These can be externally required or requested by the council where an independent view of specific arrangements is felt beneficial.
- 3.4 In completing the review, section 4 below outlines how the council can demonstrate compliance with its Code of Governance. Where arrangements have been improved during the year, these are identified. Similarly, where arrangements are found not to be working as effectively as they should be, these are recorded. Significant governance issues, where arising, are clearly identified at the end of the statement.

4. Principles of Governance – Assuring Compliance and Effectiveness Review

- 4.1 The following paragraphs, set out some key aspects of how the council has complied with the seven principles set out in the Code. It is not intended to be exhaustive but is provided to demonstrate compliance with the core principles of good governance during 2022/23.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law:

Governance In Action (2022/23)

Behaving with Integrity and demonstrating strong commitment to ethical values:

The council's **Corporate Strategy** sets out the **values and behaviours** it expects from its employees. Managers are required to review performance against the values and behaviours as part of the individual performance management framework. The council's induction programme for new employees includes a section on our expected values and behaviours, and there is an e-learning module devoted to this. An **annual staff survey** is carried out with specific questions on awareness of our values and whether they are treated fairly and with respect. This helps us understand real life experiences of our staff to support us in ensuring ethical working practices.

Codes of Conduct are in place for staff and council Members which set out the standards of conduct expected and require declarations of interests, gifts and hospitality to be made to avoid conflicts. **Targeted training** has been provided during 2022/23 to ensure staff involved in procurement matters are clear on requirements to avoid conflicts. Clear processes are in place should there be conduct issues and concerns about upholding the council's values.

All councillors sign up to the **Member Code of Conduct** as part of their acceptance of office. Training is provided to councillors as part of their induction and declarations of interest have been made by all councillors which are published on the council's website. Minutes of meetings record declarations of interests by councillors. Procedures are in place to manage complaints against councillors and breaches of the Members Code of Conduct.

Counter-fraud arrangements are in place including **whistleblowing reporting procedures** to enable wrong doing to be reported and dealt with effectively. Training has been provided to the Leadership Forum and via the internal communications bulletins to improve awareness and understanding of whistleblowing.

Respecting the Rule of Law:

The council makes lawful decisions in line with national legislation and in accordance with the procedures set out in the council's **Constitution**. The Monitoring Officer has oversight of decisions through the **Decision Pathway** with professional legal advice taken to support decision making across all executive and non-executive functions, including where appropriate external legal advice. Decision making reports include legal implications to ensure compliance with all relevant laws and regulations. Legal officers also support implementation of key projects, programmes and initiatives to ensure compliance.

Review of Compliance

Behaving with Integrity and demonstrating strong commitment to ethical values:

Management assurances have confirmed a good level of compliance with requirements of the code of conduct in respect of declarations of interest, gifts and hospitality. Managers have confirmed that where such declarations are made, they are effectively managed and appropriately recorded.

The **Director Workforce and Change** has confirmed that the level of employee grievances and disciplinary cases are currently lower than in previous years. An open dialogue and early resolution is always encouraged where appropriate, and the use of mediation has increased.

A **fraud prevention review** concerning how well fraud risks associated with recruitment has concluded reasonable assurance that such risks are managed effectively.

An **Independent Review** of the council's process for referring, assessing, investigating and managing potential whistle-blowing allegations concluded substantial assurance that arrangements are effective. The review was undertaken in February 2023. The annual staff survey asked staff about their awareness of and confidence in whistle-blowing processes. 82% said they were aware and 58% saying they were confident to use them.

Respecting the Rule of Law:

The **Monitoring Officer** has legal responsibility to look into matters of unlawfulness. He has also confirmed that all decisions have been made in accordance with the relevant policy framework.

Regarding Member conduct, the Monitoring officer has confirmed that no significant issues have arisen during the year and no formal investigations have been required into Members behaviour.

Focus of Future Improvement:

Development of the e-learning module in relation to declaration of interests to support wider understanding across the organisation.

Principle B – Ensuring openness and comprehensive stakeholder engagement:

Governance In Action (2022/23)

Our **Communications Strategy 2019/2023** sets out our ambitions to enable strong communications within the council and form better relationships outside of the council with our partners and the communities we serve.

Partnerships are registered in a central corporate register which is reviewed at regular intervals by Executive Director Meetings. A **Partnerships Policy** governs requirements of partnerships around issues of governance and performance.

The council has engaged comprehensively with partners during 2022/23. Examples include:

- In January 2023, the council entered a joint venture, known as **City Leap**, which aims to transform the way the city generates, distributes, stores and uses energy to help make Bristol carbon neutral and climate resilient.
- Taking a **One City Approach**, the council convened partners to help address the cost-of-living crisis, in particular to catalyse the opening of **100 Welcoming Spaces** across the city where people can meet up, socialise, keep warm and access support relating to the cost of living.
- A major partnership focus during 2022/23 was working with health, local authority and VCSE partners on the establishment of the **Integrated Care System**, including its strategy, operating plans and approaches to key issues such as digital services

The council has continued to publish and publicise key information including all which is a statutory or regulatory requirement, and much which is discretionary. Examples include extensive public consultation and engagement on the council's annual budget setting process. The council's **Budget 2023/24 consultation** sought views from the public and businesses on options for the level of Council Tax and Social Care Precept and proposals for how the council might save money and generate income to help bridge the forecast funding gap. The responses to the consultation helped to inform the final budget.

The council has adopted an open approach to consulting the public on a draft **Trans Inclusion and Gender Identity Policy** despite there being no statutory requirement to do so.

Review of Compliance

Management assurances have confirmed a reasonable level of assurance that effective arrangements for partnership working are in place.

The **Local Government and Social Care Ombudsman** report in respect of 2021/2022 complaints against the council was published and considered by the Audit committee in September 2022. The Ombudsman made no public interest reports.

An **internal audit review** in early 2023 provided a reasonable assurance regarding Partnership Governance.

An **Internal audit review** of Integrated Care Management gave reasonable assurance that arrangements for communication and engagement between the council and the Integrated Care Board (ICB) and Integrated Care Partnership (ICP) were effective.

In October 2022, **Ofsted and the Care Quality Commission (CQC)** revisited the area of Bristol to decide whether sufficient progress has been made in addressing each of the areas of significant weakness detailed in the inspection report letter published on 13 November 2019. They concluded that sufficient progress in addressing four out of five of the significant weaknesses identified at the initial inspection had been made.

Focus of Future Improvement:

Improve consistency in reporting progress on achieving objectives via partnership and maintaining partnership agreements in accordance with the Partnerships Policy.

Continue to strengthen and repair relationships with parents and carers through the Accelerated Progress Plan.

Principle C – Defining Outcomes in terms of sustainable economic, social and environmental benefits.

Governance In Action (2022/23)

Work was undertaken council-wide to plan against cross-cutting **Corporate Strategy 2022 -27** principles around inclusion, sustainability and resilience; and this in turn helped inform service-level planning through a council-wide **Service and Business Planning process for 2022/23**.

Outcomes are defined in the **Corporate Strategy** and subsequently **via annual Service and Business Planning** processes, which includes action-planning with timed milestones, and reviews of Key Performance Indicators (KPIs) and target-setting against agreed metrics. Service Plans have Director and Cabinet Member sign-off, and Director Summaries of Service Plans have Executive Director and Cabinet Member sign-off. The Annual Business Plan and its associated Performance Framework is approved via Corporate Leadership Board and presented to Cabinet annually for noting.

Teams across the council are supported in applying their own thinking to **Equality Impact Assessments**. This is led by the teams themselves and enhanced through supporting knowledge and advice. Full Equality Impact Assessments are completed to understand and avoid potential disproportionate societal impacts, which can occur if protected characteristic or other factors, such as socio-economic deprivation, are not considered when decisions are being made. **Equality action plans** are also a key part of the planning process for services across the council, allowing for continuous service review

The council's key decision-making process includes written assessment of **Ecological Impacts**, and checks alignment to Corporate Strategy principles and priorities which **include economic, social and environmental benefits**.

The council's **Climate and Ecological Strategic Board** is demonstrating its effectiveness in challenging council proposals for reducing carbon impacts. The governance below this strategic level is not yet established, though proposed changes agreed in April 2023 should help ensure that information flow and direction between operational and strategic levels is facilitated.

Climate change awareness e-learning has been developed and launched to help colleagues understand how their individual role can play a part in tackling climate change. So far over a thousand staff have completed the training.

The council's **Social Value Policy** provides a framework that "ensures that Social Value principles are applied in a way that enables the council to maximise economic, social and environmental benefits for Bristol and its citizens. Social value and sustainability are assessed in procurement activities, with comprehensive resources and training available to officers.

To reduce air pollution in the city, Bristol City Council has **launched a Clean Air Zone**.

Review of Compliance

Management assurances have confirmed a reasonable level of assurance that consideration is given to balancing the combined economic, social and environmental impact of policies, plans and decisions when taking decisions about service provision.

An **Internal Audit review of Social Value** arrangements has concluded 'Reasonable Assurance' regarding the effectiveness of processes for monitoring and reporting delivery of social value commitments through procurement activity.

An **Internal Audit consultancy review** of the effectiveness of the governance arrangements introduced to provide oversight and challenge of **Climate and Ecological Emergency (CEE)** actions has supported consideration of next step in improving governance of CEE Strategy.

Focus of Future Improvement:

CEE working groups to clarify their contribution to climate commitments and targets.

Ensure there is appropriate balance between top-down strategy and bottom-up implementation to reduce the risk of divergent or maligned delivery strategies for individual workstreams.

Development of specific measures and milestones for each strategic commitment.

Build consideration of environmental impacts into decision making through roll-out of the environmental assessment and capital sustainability framework.

Principle D – Determining the Interventions necessary to optimise the achievement of the intended outcomes.

Governance In Action (2022/23)

The single council-wide **Business Plan** - populated with selected content from departmental Service Plans - is approved by Corporate Leadership Board and presented to Cabinet annually for noting. It articulates key interventions and actions required to deliver Corporate Strategy priorities within the coming business year. This system creates a clear, auditable link from high-level strategic priorities through to tactical and operational delivery, down to individual staff objectives.

An **annual Service Planning process** is the primary method of determining interventions, requiring managers to review policies, strategies, insights and other evidence in order to determine their priorities and interventions for the coming financial year. This is aligned (in terms of timing) to the annual budget setting process, with opportunities to review draft priorities and interventions in light of the financial envelope agreed at Full Council when the budget is set.

2022/23 saw the introduction of a **new performance management framework** which focuses on reporting on the Business Plan themes with directors leading performance review and monitoring in regular thematic performance clinics. The process includes action-planning with timed milestones, and reviews of KPIs and target-setting against agreed metrics.

The **Portfolio Management Office (PMO)** provides support to key programme and project boards by setting out a best practice framework for project and programme management with Programme and Project Management professionals appointed to all key programmes and projects. The PMO team separately reviews and assures Mandates and Business Cases before approval and quality assures reporting on delivery across all key programmes and projects. A new PPM tool to support more efficient and consistent portfolio, programme and project reporting has recently been procured.

Review of Compliance

Management assurances have confirmed a reasonable level of assurance that options appraisal is completed when determining interventions. Schemes of delegation are in place and decisions are recorded.

Year end performance reporting is currently being prepared to determine the extent to which planned interventions were successful in delivering outcomes.

An Internal Audit review of the new performance management framework is in progress at the time of drafting this statement

Focus of Future Improvement:

Creation of a Power BI dashboard in early 2023/24 that enables leaders to view key progress and performance against targets.

Completion of in-flight work on an interactive Organisational Scorecard product by the end of May 2023.

Explore development of a fully integrated performance hub in the longer term subject to funding and technical and staffing capacity.

Consider adopting the national Data Ethics Framework and associated development of internal frameworks for public value, ethical impact and data quality related to data-centric projects.

Principle E – Developing capacity including the capability of its leadership and the individuals within it.

Governance In Action (2022/23)

A **Workforce Strategy** was in place for the start of 2021/22 and is currently in the process of being updated for 23/24. This strategy sets out the actions we will take to support workforce and leadership development; our approach to workforce planning to address diversity and inclusion gaps and the type and level of skills needed for the future, how we attract, retain and develop talent within the organisation.

A comprehensive **leadership development programme** is in place to offer training and coaching at all levels include new and aspiring team management. This is being refreshed for 23/24 to take account of emerging development needs.

A **new senior leadership structure** has been in place since Autumn 2022 with the appointment of a new Chief Executive and the final vacant post currently being recruited to. To create greater capacity to focus on the challenges faced within the People Directorate, two separate directorate teams were created - Children's and Education Services and Adults and Communities. Use of interims for senior roles is limited to exceptional circumstances and for a defined period.

A **talent development programme** includes support for managers in identifying talent and succession planning, and guidance for colleagues on career development – including the '**Grow your Career**' hub, with advice on identifying skills, career development plans, application and interview skills. This work also includes **positive action development programmes** such as 'Diverse Voices' to bring diverse perspective to senior decision-making whilst offering experience of working at a more senior level. It is currently being rolled out for new team leaders with plans to make it an organisation-wide programme.

A **management capacity review** including a succession planning policy was introduced in 2022/23. At the same time as reducing costs, this aims to secure future managers for the council and provide leadership resilience going forward.

A range of quality management information is published monthly and included within the HR Dashboard which is available to heads of service, directors and executive directors. The **Workforce Diversity Dashboard** is also published monthly and is available to all staff. The details from these resources are used by managers to inform service plans, support business decisions and workforce planning, and develop plans for workforce change.

A **Strategic Partnering approach** has been introduced to several areas to support delivery. These include capital programme delivery, procurement and contract management, and internal audit services. During 2022/23, a **Digital Strategic Partner** has been procured to enhance capacity and skills to ensure the councils IT is resilient and support delivery of its digital ambitions.

Review of Compliance

The Director of Workforce and Change confirms that an effective management structure is in place with effective appraisals taking place.

Focus of Future Improvement:

Strengthen client function at the council to maximise delivery through council companies.

For 2023/24, a suite of mandatory performance objectives for managers will be introduced focussing on financial management, compliance and supporting our people.

Ensuring the council has sufficient capacity to deliver its key priorities.

Principle F – Managing risk and performance through robust internal control and strong public financial management.

Governance In Action (2022/23)

Managing Performance:

An **Annual Performance Framework** is compiled at the same time as Service and Business Planning for the year ahead, providing an opportunity for Heads of Service, Directors, Executive Directors, Cabinet Members and Scrutiny Members to review performance metrics and actions. All updates are highlighted for decision makers and require multiple levels of sign-off - Head of Service, Director, Executive Director, Cabinet Member and finally a formal decision made at Corporate Leadership Board.

At a corporate level, **performance metrics** are updated regularly and **actions** are tracked via quarterly Director returns. Every quarter, **thematic performance clinics** are held, each of which has a lead sponsoring Director who sets the agenda and chairs the Clinic, which cover the themes within the Corporate Strategy. Every quarter, corporate performance against the Performance Framework is reported to Corporate Leadership Board and Cabinet, plus Scrutiny Commissions and the Overview and Scrutiny Management Board. This includes all corporate measures and reports from all seven thematic performance clinics, with papers published publicly on the council's website.

At a service level there are a wide range of local activities in place to review and manage performance, including regular use of data and insights at departmental and divisional management meetings, and in some areas (such as within care services) there are localised performance clinics, reflective practice and a range in external reviews and inspections.

Twice a year managers and officers take part in **staff performance reviews** against a set of agreed objectives - which reflect the service plan and corporate strategy priorities

Managing Risk:

All service, directorate and corporate risks are reviewed regularly in line with the **risk management policy**. A new risk management system was implemented during 2021/22 and this continues to embed.

Policies and processes are in place for the management of **information governance risks**. The Information Governance Team works to identify and manage cyber security risks. This remains a high risk for the council due to the ever-changing nature of cyber threats. There is an escalation process for the approval of exceptions to information security policies, which is documented as part of the Risk Management Framework and risks will be escalated to the **Senior Information Risk Owner** as appropriate. The establishment of a **centralised disclosures team** this year brings

together expertise to improve the robustness in approach across the council to the effective management of data.

Strong Financial Management

A self-assessment against **CIPFA Financial Management (FM) Code** has been completed in 2022/23 and shows reasonable levels of compliance against many of the code's standards. The assessment recognises that more could be done to improve across principles, particularly in the areas of Leadership, transparency and sustainability. The assessment is provided at Appendix 1 of the Annual Governance Statement.

Development of a **Procurement Strategy** has taken place and work completed to better understand the reason for non-compliant breaches of procurement regulations. Further action is planned in 2023/24. A procurement breaches live dashboard was developed during 2022/23 to support closer monitoring in this area and have also incorporated the requirement for procurement compliance as a collective objective within individual's performance frameworks.

In year **budget monitoring** moved to quarterly detailed reports supported by exception reports in the intervening periods. The Medium-Term Finance Plan was regularly updated through the year to prompt early action as required. **Recruitment controls** were put in place in July 2022 to support management of budget pressures and included interims and other agency workers. **Benchmarking** approaches have been strengthened to support financial planning and decision making.

Governance over **capital projects** has again been reviewed and delivery is supported by a strategic partner. Work has been undertaken to review why the majority of capital spend occurs in the final quarter to ensure current practices are appropriate.

Review of Compliance

Management assurances have confirmed reasonable levels of assurance that significant risks to the delivery of objectives have been identified and appropriate mitigations are in place and monitored. There is less confidence from managers regarding savings delivery in the currently challenging financial circumstances.

The council's **Chief Finance Officer (CFO)** has confirmed it has not been necessary for any statutory reports to be made or considered during 2022/23 in their role as Section 151 Officer.

The FM Code self-assessment has also confirmed compliance with the **CIPFA Statement on the Role of the Chief Financial Officer** in Local Government. Work continues to evolve around the structure of the resources within the finance team, with continued focus on 'right sizing' the function, recruitment to vacant senior posts and retention of staff, to provide capacity and resilience in meeting business, audit and governance demand, the complexity of solutions required and to achieve best value for money.

The council's **Senior Information Risk Owner** has confirmed that there are no significant exceptions or breaches that have been identified in respect of compliance with the information security policies during 2022/23. **An Internal Audit review** of GDPR Compliance concluded reasonable assurance that controls are in place to support compliance by the council.

The **staff survey** has confirmed that in 2022, 71% of respondents to the staff survey reported they had their performance review and 67% said their performance review was helpful in giving clear priorities and feedback on their performance and development. The survey for 2022/23 is currently being undertaken.

An **Internal Audit review** of Risk Management concluded reasonable assurance that the council strategic risk management arrangements are effective.

An **Internal Audit review** concluded reasonable assurance that the self-assessment of compliance with the Financial Management Code (during 2021/22) was accurate and evidenced.

A programme of **internal audit reviews** in a sample of schools has confirmed there are reasonable arrangements for governance, risk and control. However, concerns were raised around the deteriorating situation in relation to increases in year deficits.

An **External review** of Bristol Operations Centre: Careline resulted in continued certification to the Quality Standards Framework.

Through management assurances, **Bristol Waste Company (BWC)** has identified some processes that require improvement to enhance the organisation's control, governance, risk, compliance and financial management arrangements. In addition, BWC has only agreed with the council a one-year Business Plan for 2023/24 so a longer-term Business Plan needs to be agreed in 2023/24. The company is already taking proactive action to strengthen its internal control, governance, risk and financial managements ensuring there are effective arrangements for managing common risks such as health and safety, cyber and fraud. Progress on these improvements will be regularly reported to the company's Audit, Assurance and Risk Committee. An annual internal audit plan has been agreed that will provide assurance on the adequacy and effectiveness of these arrangements in 2023/24.

Focus of Future Improvement:

Improve the consistency with which business continuity plans are maintained and reviewed at service level.

Work to reduce the deficit in relation to school reserves, in particular the nursery school deficit.

Further strengthen IT and Cloud resilience and Cyber security arrangements.

Further work to effectively capture and manage service level information security risks.

Work to Improve control processes when disposing of council assets.

The council and BWC to agree a longer-term financial plan in 2023/24

Principle G – Implementing good practices in the transparency, reporting and audit to deliver effective accountability.

Governance In Action (2022/23)

The Council has a **decision pathway** that is used to manage the production of reports for public meetings. Reports are published in accordance with the statutory timelines exceptions to which must be agreed with the chair of committees. Papers will be available for members of the public unless the reports contain exempt information, as defined in law and set out in the Council's Constitution.

Forward plans are published on a monthly basis for Mayoral and Cabinet decisions. Reports are prepared and EDMs have oversight of reports and Cabinet members will be briefed on reports in their portfolios. Reports are published for Cabinet within five working days of the date of the Cabinet meeting although there are occasions when this time frame is not met.

Officer Executive decisions are overseen by EDMs and Executive Support Managers have procedures in place to ensure the publication of OEDs. Emergency Officer decisions are sometimes required and will be reported to the next meeting of Cabinet.

The **council's Audit Committee** holds responsibility for oversight of the Council's governance arrangements and reports annually to Full Council on the results of their work. The Committee received regular reports from both external and internal audit ensuring that appropriate actions were taken to address significant issues relating to the effectiveness of the Council's governance, risk management and internal control. The Committee have undertaken two development workshops to enhance both effectiveness and explore compliance improvements relating to new best practice guidance issued by CIPFA (the Chartered Institute of Public Finance and Accountancy).

During 2022/23, **Audit, Risk and Assurances Committees** were established for each of the two subsidiary companies of Bristol Holding Ltd.

Review of Compliance

The council's **External Auditors** independently audit the council to provide an opinion on the truth and fairness of the financial statements. Their audit of 2022/23 accounts is awaited. In addition, the external auditors are required to consider the council's arrangements to secure economy, efficiency and effectiveness in its use of resources. Their value for money report covering 2022/23 is awaited.

The **Chief Internal Auditor** has provided an annual opinion. The Chief Internal Auditors' opinion is overall, **Reasonable Assurance** can be provided that in 2022/23, the systems of internal control, governance and risk management designed to meet the council's objectives were adequate and operating effectively. This opinion means that whilst there are generally sound risk management, internal control and governance processes in place, there are some weaknesses which may put organisational objectives at risk.

In line with the requirement of the Public Sector Internal Auditing standards, an **external review of the Internal Audit service** is required every 5 years. A review of the service concluded that the service complies with the requirements of the professional standards expected with only one recommendation being made for improvement.

Focus of Future Improvement:

Agreed improvement actions arising from Internal Audit work to be implemented. Adult Social Care transformation programme, contract management, health and safety and IT are some of the key areas requiring improvement in 2023/24

5. Significant Governance Issues 2022/23

- 5.1 In concluding the review of effectiveness, four significant issues have been identified that require focussed attention going forward. In determining the significant governance issues, the following factors have been considered on whether the issues had:
- seriously prejudiced or prevented achievement of a principal objective;
 - resulted in the need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the business;
 - a material impact on the accounts;
 - been considered as significant for this purpose by the audit committee or equivalent;
 - attracted significant public interest or had seriously damaged the reputation of the council;
 - resulted in formal action being taken by the Section 151 Officer/Monitoring Officer;
 - received significant adverse commentary in external inspection reports and which the council has not been able to address in a timely manner.

5.2 The actions being taken to effectively manage these issues are detailed in the table below:

Item	Issue	Key Actions
Significant Issues Remaining Open from 2022/23		
1	<p>Dedicated Schools Grant (DSG)</p> <p>Bristol's DSG has reported an annual net deficit for several years, with a cumulative deficit of £39.7m as at 31 March 2023. The key financial pressure in the DSG is within the High Needs Block (HNB) where Bristol has been unable to deliver local need within the budgets available.</p> <p>Whilst many actions have already been taken to address this, the total deficit is increasing. Further actions are planned.</p> <p>(Reference item 5 below re Children's Services).</p>	<p>For 2023/24, the activity and programmes that have a contributing role to managing the DSG HNB deficit are being brought together into a single cohesive programme of work under a single governance structure to achieve the objectives.</p> <p>Formal consultation is estimated to commence in the summer term 2023, with options being tested with stakeholders and recommendations ready to present to Cabinet in the Autumn term. Schools Forum will be asked to endorse these recommendations at September's Schools Forum and provide their feedback to include in the Cabinet report following that meeting</p> <p>Monitoring and oversight will be through:</p> <ul style="list-style-type: none"> • Regular updates to Bristol Schools Forum • Our Families Transformation Board • DfE Delivering Better Value in SEND
2.	<p>Procurement Breaches</p> <p>Since 2020/21, the number of breaches of the council's procurement regulations continue to significantly increase rising to 342 (16% of procurements) in 2022/23.</p> <p>Further analysis undertaken indicates that the majority of non-compliance relates to:</p> <ol style="list-style-type: none"> 1) extending or entering into a new contract without first seeking the signoffs required under BCC's internal procurement rules 2) extending or awarding a new contract via direct award when BCC's internal procurement rules require competition <p>Whilst this does not evidence whether better value would have been achieved had an alternative course of action been followed, it does however indicate a weakness in internal control and risk that best value may not be achieved.</p>	<p>It is recognised that more needs to be done to improve compliance with our standards and an action plan is in place to address this. Compliance will be part of the mandatory performance objectives for Heads of Service in 2023/24. In addition, the following actions are proposed:</p> <ul style="list-style-type: none"> • Quarterly DMT (by request) & EDM attendance by procurement Business Partners • Additional specific quarterly reports on procurement compliance to EDMs, CLB and CMB will start in Q1 FY2023/24 • Overview of future procurement activity as part of Induction for new officers with commissioning responsibilities • Greater Executive Director accountability for compliance • Explore system development and Power BI reporting to increase visibility of contract end dates and spend <p>Monitoring and oversight in 2023/24 will be through:</p> <ul style="list-style-type: none"> • CLB oversight • ongoing review by the Internal auditors • further updates to be provided to the Audit Committee
3	<p>Savings</p> <p>The council continues to face challenges in delivering required savings. The savings programme agreed by Full Council in March 2022 included 2022/23 savings totalling £18.0m. These combine with £6.2m of savings carried forward from prior years still requiring delivery, to bring the total savings delivery target for 2022/23 to £24.2m.</p> <p>Of these £16m (66%) were delivered on a recurrent basis with £8.2m (34%) not being achieved in year as planned. The</p>	<p>The development of detailed plans and activity is being closely monitored by Governance Boards, CLB and Delivery Executive and details will be included in the quarterly Finance reports to Scrutiny and Cabinet and ongoing review by the internal auditors in 2023/24.</p>

	<p>impact of initial propositions not being achieved has been partially mitigated during the year utilising £4.1m of the savings / optimism bias contingency.</p>	
<p>Significant Issue Emerging from 2022/23 Review</p>		
<p>4</p>	<p>Children Services Children, Families and Community Safety services are operating in a complex and challenging environment. An ILACS inspection during 2022/23 identified the need for essential improvements to move the service from 'Requiring Improvement' to 'Good'.</p> <p>At the same time, there has been increased demand for services, cost of living impacts, insufficient supply of alternative supported housing provision for our young people, a significant overspend in placements, reliance on agency staff due to recruitment and retention issues and savings not delivered during 22/23. This has resulted in a significant overspend by the service in 2022/23.</p> <p>(Reference item 1 above regarding DSG also)</p>	<p>The service is embarking on a significant transformation programme called the 'Our Families Programme.' The programme aims to enable the service to deliver the improvements required, now and in the long term, within budget and recognising the likely increasing future demand. It will also address performance, compliance and quality assurance across the service by:</p> <ul style="list-style-type: none"> • Delivering sustainable, long-term improvements to our services, through a new operating model ensuring resources are deployed efficiently and effectively, with decisions on service development informed by insight, quality and cost analysis • Developing more effective working relationships with key stakeholders and partners • Strengthening the capacity and capability of our own workforce through recruitment and retention initiatives <p>Develop an Ofsted action plan, enabled through an enhanced diagnostic commissioned by the DfE to deliver upon the improvements as outlined in the Ofsted recommendations. The actions will sit alongside the 'Our Families Programme' to ensure a single view of all changes. The Enhanced Diagnostic analysis will inform further actions to deliver better value in Children's to feed into the Our Families Programme.</p> <p>Our governance to oversee these improvements is the implementation of Our Families Programme Board, quarterly assurance reporting to Corporate Leadership Board via Executive Directorate Meeting, plus SEND Improvement Board for our local area SEND monitoring (including DfE).</p>

- 5.3 The progress relating to the significant governance issues identified in 2021/22 was presented to the Audit Committee in May 2023 through. The Annual Governance Statement 2021/22 - Progress Update Report.
- 5.4 Progress in relation to the improvement areas identified in this statement will be reported to and monitored by the Audit Committee.

DRAFT - Review of Bristol City Council's compliance with the CIPFA Financial Management Code 2022/23

Introduction

The CIPFA Financial Management (FM) code sets the standards of financial management for local authorities. It is designed to support effective practice in financial management and to assist local authorities in demonstrating their budgetary sustainability.

The code complies with other legislation and associated CIPFA codes and is evidence of compliance with statutory and professional frameworks. All local authorities are required to demonstrate full compliance with the Code by 31 March 2022 or provide a full explanation relating to areas of non-compliance.

Demonstrating compliance with the CIPFA FM Code is a collective responsibility of the elected mayor, members, the Chief Finance Officer and their professional colleagues in the leadership team.

This report is a self-assessment and review of the Council's compliance with the standards as set out in the FM Code. It documents detail of what is expected within the standard. It also records evidence of areas of compliance, non-compliance and documents any further actions required to meet and/or improve current processes in place. This report is to be considered alongside the 2022/23 Annual Governance Statement (AGS), noting that the 2021/22 and 2022/23 (2 year) External Audit Value for Money (VfM) reports are being finalised and that following reflection of the findings some areas of this draft assessment may be subject to change.

Principles of good financial management

The code is a principle-based approach. There are six principles:

1. Leadership
2. Accountability
3. Transparency
4. Standards
5. Assurance
6. Sustainability

The six principles are translated into seventeen Financial Management standards (denoted from A-Q) as shown in **Error! Reference source not found.**

Assessment of compliance

Appendix A sets out our self-assessment of the Council's ability to demonstrate that it meets the requirements of the FM Code. Each of the seventeen standards have been assessed against the following definitions:

Assessment	Description
5	Achieves Best Practice
4	Substantial Compliance / Minor Areas for improvement
3	Reasonable Compliance / Some Areas for improvement
2	Minimum Compliance / Significant Areas for improvement
1	Does not meet requirements of code

Summary

Overall, the Council’s draft self-assessment shows a **reasonable level of compliance** with the underlying principles of the FM Code and demonstrates financial sustainability. The current draft self-assessment rating attributed to the six principles and seventeen financial management standards is illustrated in Figure 1. The following 5 themes have noted improvements following actions implemented during the last year:

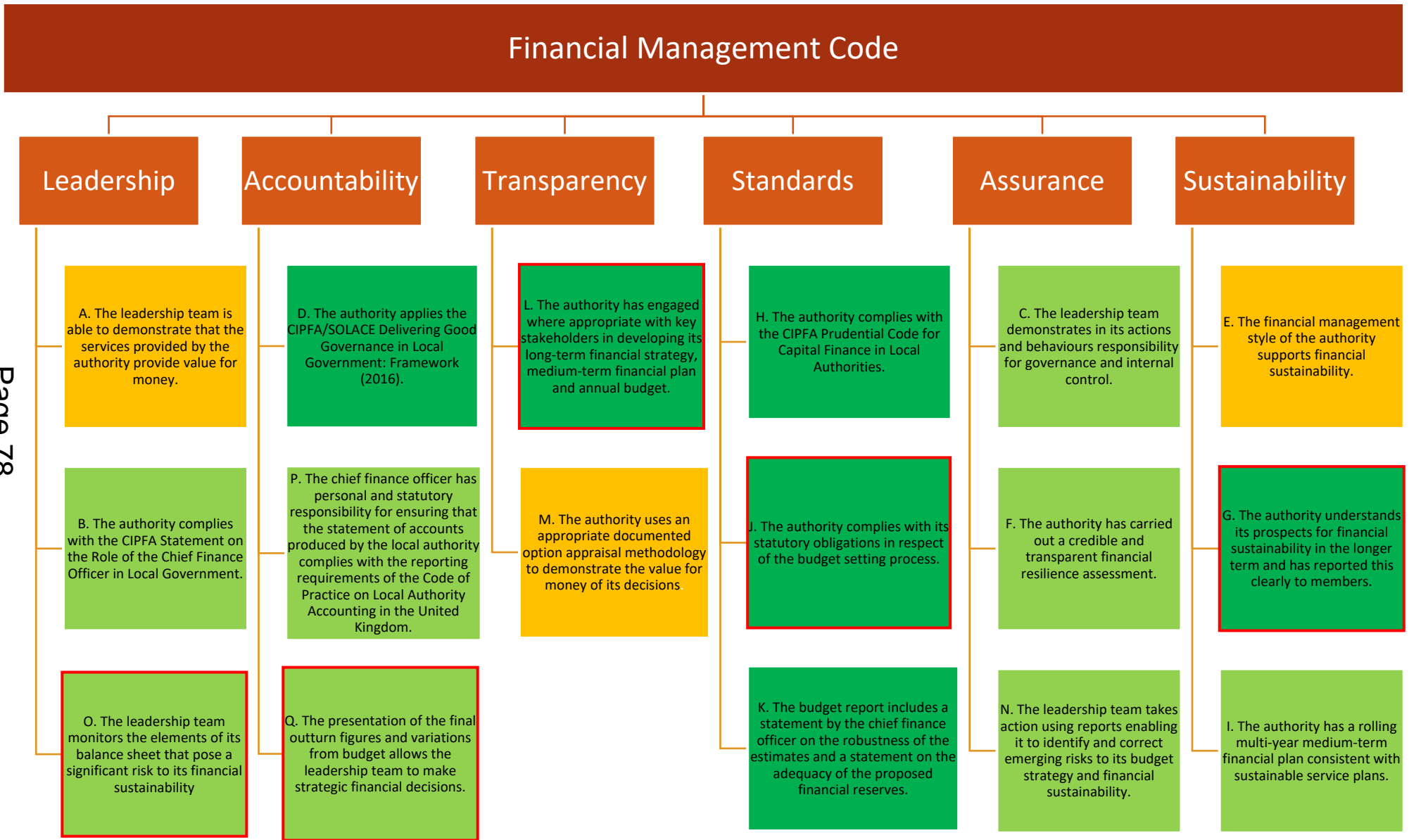
Ref	Item	Previous Rating	Current Rating
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	Light Green	Dark Green
I	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	Yellow	Light Green
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan, and annual budget	Light Green	Dark Green
O	The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability	Yellow	Light Green
Q	The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions	Yellow	Light Green

We recognise that more could be achieved to improve **across the six principles**, particularly in the following areas:

- Leadership
- Transparency
- Sustainability

The Council has developed a set of actions to achieve this, some of which may be over the medium term, and these are outlined in the final column (Improvement Areas) of Appendix A, noting any recommendations outlined in the Grant **Thornton’s 2021/22 and 2022/23 (2 year) Value for Money (VFM) report will follow.**

Figure 1.



Appendix A

Section 1: The responsibilities of the chief finance officer and leadership team.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
<p><u>A. The leadership team can demonstrate that the services provided by the authority provide value for money.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Does the authority have a clear and consistent understanding of what value for money means to it and to its leadership team?</i> 2. <i>Does the authority have suitable mechanisms in place to promote value for money at a corporate level and at the level of individual services?</i> 3. <i>Is the authority able to demonstrate the action that it has taken to promote value for money and what it has achieved?</i> 	<p>Exploring VFM, and principles of VFM as the four pillars of economy, efficiency, effectiveness, equity.</p> <p>Promote VfM through:</p> <ul style="list-style-type: none"> • A clear governance structures. • Scrutiny arrangements - audit arrangements (remit for VfM). • Corporate plan. • Annual budget detailing plans to deliver strategy. • Financial regulations. • Procurement regulations. • Contract management regulations. • Systematic approach to identifying and managing risk. • Compare VfM with others (efficiency reviews, benchmarking, peer review, monitoring of performance data, service reviews, user surveys, external assessments). 	<ul style="list-style-type: none"> • The Council operates under a Mayoral model supported by Cabinet (the Executive). • The Executive are supported by the Corporate Leadership Board (CLB), which is headed by the Council's Chief Executive. • The Executive and CLB are collectively responsible for ensuring high performance and VFM in the delivery of Council services. • Bristol holding Limited (BHL) hold the controlling shares and provides oversight of the Council's subsidiary companies. • The Councils Shareholder group (SHG) is underpinned by a term of reference and is chaired by the Shareholder Representative (Deputy Mayor, Cabinet member for City Economy, Finance, Property and Culture for the Council) and supported by the Council's Strategic Client. • BHL & SHG forms part of the overall governance arrangements for the Council and maintains effective 'line of sight' and accountability arrangements for Council subsidiaries. • The Council's external auditors conduct a VFM review as part of their annual work. Under the new Code of Audit Practice, the categorisation for the Council's 21/22 & 22/23 VfM external audit assessment is as follows: <ul style="list-style-type: none"> • Financial sustainability • Governance • Improving economy, efficiency and effectiveness 	<p style="background-color: yellow;">RAG</p>	<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p> <p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> • Update the following: <ul style="list-style-type: none"> • Value for Money strategy, guidance and toolkits. • Commissioning / Decommissioning guidance and toolkits

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
	<ul style="list-style-type: none"> Equity – equality impact assessments, engagement with service users and voluntary organisations. <p>Demonstrate VFM:</p> <ul style="list-style-type: none"> Overview of governance arrangements. Details of savings achieved. Results of surveys. Address in narrative reports or AGS in financial statements. Provide info via its website on VFM. <p>Delivery VFM in services delivered by alternative mechanisms:</p> <ul style="list-style-type: none"> Outsourcing. PFI. trading companies. Maintain effective ‘line of sight’ accountability arrangements (governance, progress monitoring). 	<ul style="list-style-type: none"> The external VFM audit assessment identified 3 significant weaknesses, with 4 Key Improvement and 12 Improvement Recommendations, where improvements could be made to the arrangements in place at the Council. In addition, there are a few in progress or outstanding recommendations from 20/21 and 19/20 for implementation. These are now either progressed or are in process of implementation. The Policy and Budget Framework Procedure rules, within which the Council operates (last approved by Council Dec 2019). The following strategies and policies are in place and designed to directly and or indirectly promote and deliver VFM: <ul style="list-style-type: none"> Corporate Strategy (Nov 2021) Annual Business Plan and Performance Framework (Apr 2022) Medium Term Financial Plan (Oct 2022) Capital Strategy (Oct 2022) Financial Regulations, management standards and budget scrutiny and improvement protocol (Feb 2023) Financial Scheme of Delegation (Feb 2023) Risk management assurance policy (Jan 2019, reviewed Mar 2021) Procurement & Contract Management Strategy (Apr 2023) Procurement rules and procedural notes (Aug 2021) Pro-contract contracts register (Mar 2022) Social Value Policy and measures (Feb 2021) Ethical and Equitable Investment Policy (Jan 2022) Healthy and Sustainable Procurement Policy (Refreshed Apr 2023) 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
		<ul style="list-style-type: none"> Equality & Inclusion Policy and Strategy (Refreshed 2018) Monitor delivery of business plan. Benchmarking information is used to compare our service/financial. Performance to other authorities and introduction of Power BI. Delivery Executive to oversee the delivery of savings and capital projects. Dedicated resource for monitoring and reporting on the PFI contracts. Monitoring and reporting of procurement compliance. An appropriate level of care is taken to ensure the Council’s policies and procedures comply with all relevant codes and legislative frameworks and identified noncompliance recorded and reported in line with scheme of delegation. Where these arrangements need to be updated and or enhanced these are outlined in the Areas for Improvement section. All investments (both revenue and capital) are evaluated to consider the value to the Authority and the due diligence forms part of the decision-making process. 		
<p><u>B. The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government.</u></p> <p>Key Questions:</p> <p>1. <i>Is the authority’s CFO a key member of the leadership team, involved in, and able to bring influence to bear on,</i></p>	<p>5 Principles:</p> <p>Principle 1: Key member of the leadership team.</p> <p>Principle 2: Actively involved in all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the</p>	<p>The Director of Finance is the Authority’s CFO / s151 Officer and is a professionally qualified accountant with significant experience. The Council complies with CIPFA’s Statement on the Role of the Chief Financial officer in Local Government.</p> <ul style="list-style-type: none"> The Director of Finance, reports to the Chief Executive, holds regular finance meetings with the Cabinet member with responsibility for Finance, Council member representative on the Pension Board and is a member of the Corporate Leadership Board, Mayors Strategic Board and Cabinet Board. These forums provide sufficient 		<p>The Council is implementing the recommendations outlined in Grant Thornton’s report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
<p><i>all material business decisions?</i></p> <p>2. <i>Does the CFO lead and champion the promotion and delivery of good financial management across the authority?</i></p> <p>3. <i>Is the CFO suitably qualified and experienced?</i></p> <p>4. <i>Is the finance team suitably resourced and fit for purpose?</i></p>	<p>authority’s overall financial strategy.</p> <p>Principle 3: Lead the promotion and delivery of effective financial management.</p> <p>Principle 4: Lead and direct a finance function that is resourced to be fit for purpose.</p> <p>Principle 5: The CFO in a local authority must be professionally qualified and suitably experienced.</p>	<p>opportunities for the Mayor, Executive and Senior leaders to have oversight of financial matters, collective leadership and the Director of Finance involvement in developing and implementing strategy.</p> <ul style="list-style-type: none"> • The Director of Finance networks externally and works closely with other Local Authority S151 Officers. • The Director of Finance is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered, and alignment with the organisation’s financial strategy. • The Director of Finance ensures the financial statements are appropriately prepared and that they give a true and fair view. • Effective financial management is promoted throughout the whole Council through, regular communication, business partnering approach, ensuring finance is prioritised throughout governance procedures, and regular financial reporting to Executive Director Meetings (EDM), CLB, Cabinet Member Briefings (CMB), Cabinet, Council, Scrutiny commission and Audit Committee. • Business Partners attend EDM, Finance is represented on internal governance boards and all managers with budgetary responsibility receive training and regular one-to-one meetings with a member of the Finance team. • The Finance function is resourced to meet business needs via a blend of permanent and interim staff, with a strategic partner who can provide specialist knowledge and resources to act as reach back capacity and support for high-risk or complex areas. Advisory services are commissioned for areas such as pensions, valuations and Tax. A programme for professional qualification is in place 		<p>The Council will implement the following Council identified improvements:</p> <p>Work continues to evolve around the structure of the resources within the finance team, with continued focus on ‘right sizing’ the function, recruitment to vacant senior posts and retention of staff, to provide capacity and resilience in meeting business, audit and governance demand, the complexity of solutions required and to achieve best value for money.</p> <p>CIPFA state that however the pensions operations of the administering authority are delivered, the CFO should maintain oversight and control and be the “intelligent client” of the fund. Improvements have been made in this regard however there is still a requirement to ensure there is a documented line of professional accountability for the day-to-day administration of the fund.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Improvement Areas
		<p>and appropriate members of the team are either qualified or actively studying for a qualification.</p> <ul style="list-style-type: none"> • A training needs analysis is undertaken annually by the Head of Service for all Finance staff and L&D Plan developed. • Corporate finance Team actively engages in government / CIPFA consultation to ensure the Councils views are represented. • Financial implications are considered within all key decision making and is signed-off by a senior finance officer. • Sound financial management, reviewed against CIPFA resilience index and comparative data. • Report to the Audit Committee on pension related matters flowing from the Triennial Review and engaged members in relation to the pension Fund investment strategy. 		

Section 2: Governance and financial management style.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>C. The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control.</p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Does the leadership team espouse the Nolan principles? 2. Does the authority have in place a clear framework for 	<p>Governance structure (terms of reference, delegation scheme, conduct at meetings). A constitution that is transparent and accessible to the public.</p> <p>Clear arrangements for assurance and accountability:</p> <ul style="list-style-type: none"> • internal audit planning and reporting • risk management • effective audit committee 	<p>Governance structure:</p> <ul style="list-style-type: none"> • The Council's constitution is openly available on the Council's website and sets out; what powers are delegated to the cabinet, Committees, individual members and what matters are reserved for collective decision of the council, and the procedures to be followed to ensure that decisions are taken efficiently and transparently. This is reviewed annually through a constitution working group and updated accordingly. • Scheme of delegation sets out roles and responsibilities, links to departmental schemes and sets clear arrangements for internal control and role of internal and 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>governance and internal control?</i></p> <p>3. <i>Has the leadership put in place effective arrangements for assurance, internal audit and internal accountability?</i></p> <p>4. <i>Does the leadership team espouse high standards of governance and internal control?</i></p> <p>5. <i>Does the leadership team nurture a culture of effective governance and robust internal control across the authority?</i></p>	<ul style="list-style-type: none"> recommendations from external auditor acted upon promptly <p>Ensuring high standards of governance and internal control:</p> <ul style="list-style-type: none"> Code of conduct for leadership team -register of interests. Constructive challenge (audit, scrutiny and oversight committees, stakeholder engagement). Realism bias (robust analysis of data, evidence-based savings, robust decision-making procedure). Balanced decision making between desired social outcome and financial resources, and admin efficiency. <p>Culture of good governance (continuous improvement, reward good behaviours in performance monitoring).</p>	<p>external audit. Reviewed at least annually in the light of legal and organisational changes.</p> <p>Clear arrangements for assurance and accountability:</p> <ul style="list-style-type: none"> Effective internal audit service compliant with Public Sector Internal Audit Standards (PSIAS) Audit Committee complies with best practice as defined by CIPFA in terms of terms of reference, membership (including 2 independent members) and the undertaking a continuous cycle of training. The system of internal control is designed to manage risk to a reasonable level based on continuing processes designed to: <ul style="list-style-type: none"> identify and prioritise the risks that could prevent us from achieving our policies, aims and objectives. assess how likely it is that the identified risks will happen, and what will be the impact if they did; and manage the risks efficiently, effectively, and economically. Improved trajectory in the implementation of internal audit recommendations and external audit recommendations are acted on promptly- evidenced in reports to Audit committee / Council. <p>Ensuring high standards of governance and internal control:</p> <ul style="list-style-type: none"> Scrutiny commissions hold the Executive to account for the decisions that are made. Scrutiny Commissions meet on a regular basis throughout the year, review service and financial performance. Scrutiny is also carried out through more informal mechanisms such as task and finish groups and scrutiny inquiry days. Annual Scrutiny report is produced for the Full Council (May 2023), outlining achievements over the past year and priorities for the year ahead. 		<p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> Refresher training has been completed for some key officers in areas such as procurement on the approach in managing positive disclosures and conflict of interest policies / protocols. The intent for 23/24 is to roll out a programme at all levels across the organisation. Integrate performance and financial information with a focus on monitoring and achieving continuous improvement through a dashboard at divisional level by Service lead to ensure strong accountability and internal control is embedded.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
		<ul style="list-style-type: none"> • We are defined by how we behave and what we do, driven by clear values and behaviours; dedicated, collaborative, curious, show respect and take ownership as well as key to the way we recruit and develop colleagues. • Arrangements are in place to provide assurance that our behaviours are being upheld and that members and officers demonstrate high standards of conduct. These include: <ul style="list-style-type: none"> • Member and officer protocol • Codes of conduct for members and officers. • Whistleblowing policy • Complaint’s procedure • Fraud, Bribery and Corruption Policy & Strategy • Registers of interest (members and officers) • Registers of gifts and hospitality • The Financial Regulations makes clear the responsibilities of Executive Directors to ensure action is taken to contain spending with cash limits set by Council. However, in the event of additional resources being required, a supplementary estimate protocol sets out the process and responsibilities for approving additional resources. • There is a rigorous departmental budget challenge process, refined budget remit and review of budget options. <p>Culture of good governance:</p> <ul style="list-style-type: none"> • Communicating shared values with members, staff, the community, and partners, • Celebrating success / extra mile • Staff performance outcomes linked to delivery of council commitments. • Performance management system and appraisals • Equality Impact Assessments are completed as part of implementing changes to policies, activities, and services 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
		<p>and cumulative impact assessments where multiple change is being considered to ensure clarity is provided in relation to any disproportionately impact and mitigations are considered for those with protected characteristics.</p> <ul style="list-style-type: none"> The Council recognises that effective local government relies upon maintaining the confidence of the public in both the elected Members and Officers of the Council. The Council continues to consult with the public and keep under review Governance arrangements and related procedures to ensure best practice so that the highest standards are maintained. 		
<p><u>D. The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> How the authority sought to apply the principles, behaviour and actions set out in the framework to its own governance arrangements? Does the authority have in place a suitable local code of governance? Does the authority have a robust assurance process to support its AGS? 	<ul style="list-style-type: none"> Assess governance structures, maintain the local code of governance, report publicly on compliance with the code and how plans to improve (undertake in AGS). Adherence to the Principles of the good governance framework in the CIPFA code. Adherence to ethical codes and the rule of law. Openness and stakeholder engagement. Sustainable economic, social and environmental benefits. Achievement of intended outcomes. Capability and capacity within an organisation to achieve this. 	<ul style="list-style-type: none"> The Council has a clear framework for governance and internal control. Approved and adopted Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (2016). Annual governance statement demonstrates adherence to CIPFA code and needs to be read alongside the Council's constitution. The AGS (draft and final) are reported to the Audit Committee. Heads of Service, Directors and Executive Directors review and assess annually the governance and assurance arrangements of their departments with reference to departmental risk registers, audit reports and internal and external updates for the AGS. Statutory officer reports are also considered for the AGS including this self-assessment. The AGS details achievement of objectives, capability and capacity. The sustainability of resources, identifies risks and mitigations to identified risks. It includes an internal audit assessment of governance arrangements in place and an Annual Audit opinion reported to Council. 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> Managing risks and performance. Transparency, reporting and audit. 	<ul style="list-style-type: none"> Induction training for all new Members, following the May 2021 elections, included a focus on governance, code of conduct and officer/member relations. Induction training for all members of the Schools Forum All limited assurance audit reports and recommendations are considered by the Corporate Leadership Board and where appropriate the Audit Committee are informed of the leadership team's response verbally or in writing. Our information management framework sets out how we manage information and keep them secure and consists of: <ul style="list-style-type: none"> Information Management Strategy Responsibilities Governance Structure Effective policies and Communication and training A risk management assurance framework is in place to ensure effective risk management processes are in place with regular reporting to EDM, CLB, CMB, Cabinet, Scrutiny and Audit Committee. 		
<p><u>E. The financial management style of the authority supports financial sustainability.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>Does the authority have in place an effective framework of financial accountability?</i> <i>Is the authority committed to continuous improvement in terms of the economy, efficiency, effectiveness and equity of its services?</i> 	<p>Robust approach to ensuring financial stability, able to plan for and have appropriate skills and training to deliver:</p> <ul style="list-style-type: none"> Changes in LG funding Ageing population Pressures of adults and children's social care Greater efficiency in response to resource constraints Demand for affordable housing 	<ul style="list-style-type: none"> Robust financial management framework in place, which reflects the golden thread from One City Plan, Corporate Strategy, Medium Term Financial Plan (MTFP) & Capital Strategy (CS), Annual Budget, (underpinned by Constitution, Policy and Budget Procedure Rules, Financial regulations; scheme of delegation Procurement Regulations, risk management assurance policy), in year monitoring and Statement of Accounts. The finance service adopts a business partnering approach and finance attend divisional management team meetings on a regular basis and part of weekly Executive Director Meetings. 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>3. <i>Does the authority's finance team have appropriate input into the development of strategic and operational plans?</i></p> <p>4. <i>Do managers across the authority possess sufficient financial literacy to deliver services cost effectively and to be held accountable for doing so?</i></p> <p>5. <i>Has the authority sought an external view on its financial style, for example through a process of peer review?</i></p> <p>6. <i>Do individuals with governance and financial management responsibilities have adequate delegated powers and appropriate skills and training to fulfil these responsibilities?</i></p>	<ul style="list-style-type: none"> • New risks with commercialisation • The style of financial management team and leadership that enables transformation of services whilst maintaining accountability and supporting performance of services -requires leadership that focuses on strategic direction and sets the correct tone (accountable, supports performance through MTFS) -people with the correct competencies (business partnering, budgets robust on accrual basis, accurate financial transactions, reporting and forecasting accurately). <ul style="list-style-type: none"> • Processes that support strategy -stakeholder relationships (evidence to external stakeholders of integrity and performance). • Peer review gives the best assessment of financial management style. 	<ul style="list-style-type: none"> • Annual Budgets and Savings are verified by Directors for their respective divisions and directorate cash limits are agreed. Regular meetings are held with budget holders as part of the in-year monitoring process to ensure financial implications of decisions are understood and that managers are responsible for those decisions. • Detailed financial forecast and monitoring information is provided to Cabinet so that there is regular oversight of the Council's financial position and of the ongoing funding pressures it faces. • A robust process is in place for the tracking and monitoring of agreed savings, and this is overseen by the Delivery Executive and updates reported within financial monitoring reports. • Internal governance boards are in place for major projects, transformation and capital programmes. Each board has a term of reference, finance representation and has oversight responsibility for the work that the project team is carrying out, ensures that policies are adhered to and is accountable for the successful delivery of the project. • Learning and development plans, including professional qualification training are included in the annual service plan and the Council has a corporate subscription to CIPFA and regularly attends professional updates and training. • Decision Pathway is available online to explain the internal organisation governance route for: <ul style="list-style-type: none"> • Corporate decisions (EDM, CLB, SPB) • key decisions (Cabinet) • non-executive (Full Council or relevant committee) • Officer Executive Decisions (OED) that involve spending £100,000 - £499,999 are published on the website. 		<p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> • Integrate performance and financial information as outlined in section C above • Further improvement to consistency is required in the approach to recording and thereafter reporting key decisions taken under urgency. • Development of a Savings Framework is underway to improve clarity on savings management and monitoring.

Section 3: Long to medium-term financial management.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>F. The authority has carried out a credible and transparent financial resilience assessment.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Has the authority undertaken a financial resilience assessment? 2. Has the assessment tested the resilience of the authority's financial plans to a broad range of alternative scenarios? 3. Has the authority taken appropriate action to address any risks identified as part of the assessment? 	<p>Financial resilience assessment:</p> <ul style="list-style-type: none"> • The authority must explore the sensitivity of its financial resilience to alternative plausible scenarios for key drivers of costs, service demands and resources, focusing on the LT. • Assessment needs to be credible (undertaken by a qualified and experienced person/team, independent of the authority itself with evidence from interviews and documentation) A. • Assessment needs to be transparent (overseen by the authority leadership team or committee; terms of reference; clear report and recommendations). <p>Factors within the assessment statement:</p> <ul style="list-style-type: none"> • Getting routine management right (annual budget, assigning to budget holders, regular budget monitoring and actions to address variations, reported to senior management). 	<ul style="list-style-type: none"> • A 'going concern' assessment is carried out annually as part of the Annual Accounts, which is reviewed by the External Auditors as part of an audit, confirming in 2020/21 (final certification to follow) that the Council is a going concern. • Financial resilience is tested against various scenarios within the MTFP, CS and budget, including an assessment of the metrics within the CIPFA resilience index and action taken to address the challenges. • Scenario planning and budget risk assessment is undertaken during the review of the medium terms financial plan, including sensitivity analysis to key planning assumptions. • Capital affordability thresholds are in place for the general fund, HRA and loans to third parties including the council's subsidiaries. • The Council as a policy on the minimum level of reserves. A general and resilience reserve is available to manage one-off unforeseen pressures, risks identified in the risk assessment of the medium terms financial outlook and expected reductions in future local government funding. • Useable reserves indicate a safe position. However, the forecast DSG deficit and implications of Adult Social Care reforms present a significant risk in the medium term. • There is an established central process for tracking and reporting on savings delivery, analysing savings against 4 categories, secured and delivered, safe budget to be removed from budget, no plan, clear plan but considered deliverable, no plan and considered at risks. Savings delivered are further categorised as recurrent 	<p style="background-color: #90EE90;">RAG</p>	<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p> <p>The Council will implement the following Council identified improvements:</p> <p>Further embed the use of the new Capital liability benchmark toolkit in considering the effects on the Council's budgets and inform strategic decision making.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> • <i>Planning and managing capital resources well (capital strategy, asset management plan, regular reporting).</i> • <i>Using PM effectively. (Benchmarking with other LAs; national data; internal performance information; peer review)</i> • <i>Having clear plans for delivering savings (single central record of consolidated plan for savings, categorised by extent agreed/planned/achieved; challenge from finance staff; oversee implementation).</i> • <i>Managing reserves well (policy on the level of reserves and how they are to be used; use reserves for future activities and savings implementation and not to plug funding gaps).</i> • <i>Carry out credible and transparent financial resilience assessment gives a prescriptive list of scope of assessment, documentation and relevant key.</i> 	<p>and non – recurrent. The risk is considered in the budget setting and regular consideration of deliverability throughout the course of the year, with a need to change and adapt to undelivered savings.</p> <ul style="list-style-type: none"> • Early in year review of financial outlook is undertaken to prompt and highlight early pressures and mitigations that might be required. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>G. The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Does the authority have a sufficiently robust understanding of the risks to its financial sustainability?</i> 2. <i>Does the authority have a strategic plan and long-term financial strategy that adequately address these risks?</i> 3. <i>Has the authority sought to understand the impact on its future financial sustainability of the strategic, operational and financial challenges that it might face (e.g., using a technique such as scenario planning)?</i> 4. <i>Has the authority reported effectively to the leadership team and to members its prospects for long-term financial sustainability, the associated risks and the impact of these on short and</i> 	<p>Strategic Planning</p> <ul style="list-style-type: none"> • Authorities to set up long-term strategic planning usually over a rolling period of five years. This plan will set out the authorities' vision and how it plans to achieve its vision. • Alongside this, there will be a financial strategy (which could be part of the strategic plan) which focuses on how the authority will finance their aims, strategies and activities set out in the strategic plan. • Up to ten years is a reasonable horizon for longer-term financial planning at a significantly reduced level of detail. <p>Financial Strategy</p> <ul style="list-style-type: none"> • There are a broad range of factors that affect the authority's long-term financial success. • Balance of the authority's sources of income and exposures to volatile income streams. 	<ul style="list-style-type: none"> • The Council has a rolling 5 year MTFP and 10-year Capital Strategy which sets out the key financial principles and reflects the main risks to sustainability, which is refreshed at least twice a year. • The MTFP / Capital Strategy and Budget are agreed by the Full Council and reported on throughout the annual financial cycle in monitoring reports to various forums. • The Council has developed a DSG deficit management plan, designed to focus on providing clear information on the pressures and potential savings on the High Needs Block budgets over the coming years, where the Council will work towards operating with in-year balanced budgets. The DMP is a live model regularly updated and reported to Bristol's School Forum meetings and high needs subgroups. • The Council's long-term investments in its subsidiary companies have robust governance arrangements as set out above. In addition, a summary of the exposure and key financial risks associated as set out as an appendix to the annual budget report. • The Council has an established scrutiny process which meets regularly throughout the year to engage and input into development of the medium-term financial plan and budget. • Finance training was provided to all members in 2021 and updates provided to all members as part of the medium-term financial planning and budget setting process. • Twice a year, as part of the Medium-Term Financial Plan and Capital Strategy, and Annual Budget, member briefings are undertaken with all members to explain the key assumptions and risk areas in financial planning. 	<p style="background-color: green; color: white; text-align: center;">RAG</p>	<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p> <p>The Council will implement the following Council identified improvements:</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>medium-term decision making?</i></p>	<ul style="list-style-type: none"> • Authorities cost base and to what extent costs are fixed, stepped or variable within a timeframe considered. • Asset Management priorities • Capital Programme • Policies, procedures, financial systems and processes • Relationship with key stakeholders. • The development of longer-term financial strategies can be characterised by the use of Scenario planning in contrast to forecasts. This should represent plausible scenarios and reject extreme scenarios. • Communication to Members • Authorities should communicate to members what financial sustainability is, its importance, and how the authority is going about realising and handling threats. 	<ul style="list-style-type: none"> • A cross party task and finish group of scrutiny receives regular briefings throughout the development of the financial plan to provide a robust challenge and input into key planning assumptions and development of the financial outlook and budget. • The council has established monitoring and reporting of organisational risks. 		
<p><u>H. The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</u></p>	<p>Capital Strategy</p> <ul style="list-style-type: none"> • There should be a capital strategy in place that sets out the long-term context in 	<ul style="list-style-type: none"> • The Council approve an updated rolling 10 year Capital Strategy each year alongside the Medium-Term Financial Plan, with the recent update approved in December 2021. This allows key links between revenue 		<p>The Council is implementing the recommendations outlined in Grant Thornton’s report as follows: Financial Sustainability</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Has the authority prepared a suitable capital strategy?</i> 2. <i>Has the authority set prudential indicators in line with the Prudential Code?</i> 3. <i>Does the authority have in place suitable mechanisms for monitoring its performance against the prudential indicators that it has set?</i> 	<p>which capital expenditure and investment decisions are made and that gives due consideration to risk and reward and to impact on the achievement of the authority’s priorities.</p> <ul style="list-style-type: none"> • The capital strategy should address key themes within <p>Capital expenditure:</p> <ul style="list-style-type: none"> • Overview of the governance process regarding capital expenditure with links to the authority’s policies on capitalisation. • A long-term view of capital expenditure plans, where the long term is defined by the financing strategy of, and risk faced by the authority with reference to the life of projects/assets. • Overview of asset management planning and any restrictions the authority may face in terms of borrowing, funding, or capital finance. <p>Debt, borrowing and treasury management:</p>	<p>and capital plans to be reported together for better decision making. The Capital strategy is compliant with the CIPFA Prudential Code.</p> <ul style="list-style-type: none"> • Commercial activity and investment property, loans and liabilities are set out in the capital strategy, capital reports, the annual budget report and outturn report. • The following are approved annually by Full Council alongside the budget in February. <p>Treasury management strategy</p> <ul style="list-style-type: none"> • <i>This assesses the council’s financial risks from treasury activity, and details the council’s net borrowing position, investments, borrowing strategy and debt management.</i> • Annual Minimum Revenue Provision Statement • Capital Prudential Indicators • Investment Strategy. • Performance against the prudential indicators is reported to Council within the Treasury outturn report. • The Capital Strategy sets out key affordability principals to ensure the Council’s capital spending remains affordable in the long term. This includes the proportion of the revenue budget allocated to fund borrowing costs. • A clear approach to governance of development and delivery of Capital Investments is set out through a monthly Capital & Investment Board (CIB) and Delivery Executive (DE). • Flexible use of capital receipts – Under direction from Government the Council can use capital receipts to fund revenue transformation expenditure. A strategy is approved annually by Full Council as part of the annual budget. This includes the impact the strategy will have on prudential indicators. 		<p>TBC</p> <p>Governance</p> <p>TBC</p> <p>Improving Economy, Efficiency and Effectiveness</p> <p>TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> • A projection of external debt and the use of internal borrowing to support capital expenditure, provisions for the repayment of debt. • The authorised limit and operational boundary for the following year • The authority's approach to treasury management includes processes in place to ensure effective due diligence and defining risk appetites in respect of such activity. <p>Commercial activity</p> <ul style="list-style-type: none"> • Approach to commercial activities ensuring effective due diligence. • Other long-term liabilities. • Overview of the governance process. <p>Knowledge and skills</p> <ul style="list-style-type: none"> • Summary of the knowledge and skills available to the authority. • The authority should set up prudential indicators for the forthcoming and following years before the beginning of the financial year. 	<ul style="list-style-type: none"> • Monitoring of capital receipts is undertaken by Capital Investment Board on a regular basis. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> The CFO is required to establish procedures to monitor performance against all forward-looking indicators. Specify prudential indicators for capital expenditure, external debt and affordability. 			
<p><u>I. The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> Does the authority have in place an agreed medium-term financial plan? Is the medium-term financial plan consistent with and integrated into relevant service plans and its capital strategy? Has the medium-term financial plan been prepared on the basis of a robust assessment of relevant drivers of cost and demand? Has the medium-term financial plan been tested for resilience against realistic potential variations in key drivers of cost and demand? 	<ul style="list-style-type: none"> The Medium-Term Financial Plan The MTFP is a translation of the authority's strategy into the near plan and provides a critical link between the authority's financial strategy and service delivery. For an effective medium term financial plan, it should be: <ul style="list-style-type: none"> Be integrated with the authority's service plans and its capital strategy. Respond to uncertainty in the authority's funding regime. Translate the authority's longer-term aims into the medium term. Be developed in a robust manner. 	<ul style="list-style-type: none"> The rolling MTFP is a key part of the Council's policy and budget framework and financial planning process. It is developed alongside the Capital Strategy and simultaneously approved by Council. The MTFP provides a strategic framework to meet corporate priorities, taking a forward-looking approach to the management of the Council's financial resources and achieving sustainability over the medium to long term. The MTFP plans for the delivery of services within an uncertain external environment and ensures the achievement of value for money. It provides a forecast outlook, aids robust and methodical planning, seeks to protect the financial health of the Council, considers the appropriate level of reserves that the Council holds to mitigate current and longer-term risks and ensure sustainable services, and that financial resilience can be achieved. The Finance team engages with directorates, to integrate service demand with finance reporting, using best data on cost drivers and identify any risk, opportunities, and budget gaps. The MTFP then forecasts the Council's financial position, considering known service pressures, major issues affecting the Council's finances, including global, 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p> <p>The Council will implement the following Council identified improvements:</p> <ul style="list-style-type: none"> The full implementation of the Corporate Landlord approach to operational property management, to ensure the effective and efficient management of property by centralising property service activities, decision making and budgets. This will ensure all property related decisions are taken from a strategic perspective and

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>5. <i>Does the authority have in place a suitable asset management plan that seeks to ensure that its property, plant and equipment, including infrastructure assets, contribute effectively to the delivery of services and to the achievement of the authority's strategic aims?</i></p>	<ul style="list-style-type: none"> Integrate suitable drivers of demand and cost (PESTLE analysis). Be subjected to sensitivity analysis to allow any vulnerabilities to be identified (probability spread, regression analysis). <p>The asset management plan might include:</p> <ul style="list-style-type: none"> An overview of the authority's asset portfolio Assessment of the condition and performance of the assets held. The authority's priorities for maintaining, enhancing, adding to, and divesting from its asset portfolio. The actions that will be taken to achieve these priorities, together with the outputs and outcomes that are to be achieved. The resources necessary to maintain and improve the asset's portfolio and how it will be secured Timescales and responsibilities for the actions identified. 	<p>national, regional, and local economic influences, pandemic, as well as local priorities, internal / external risk factors, opportunities and concentrates on the principles that will provide a strong direction for the medium to long term.</p> <ul style="list-style-type: none"> The annual budget process is aligned with Service Planning, with wide collaboration and consultation across the Council and with members, in developing the budget. The process ensures the Council balances its budget over the medium term, identifies savings that can be made in achieving this and that service plans are developed within the cash limited budget allocated. Each lead portfolio member is closely involved in developing and setting the budget for their service areas. Risks are discussed at length as part of this process. Overall, members are presented with a good overview / understanding of the risks. The Mayor and Executive, CLB, EDM's, Budget holders and Scrutiny & Budget Task & Finish Group provide challenge within the development of the budget and capital programme and further input is provided by public consultation. Risks are considered within the MTFP, Capital Strategy, budget and quarterly risks and performance reporting to Cabinet, Scrutiny and the Audit Committee and statutory assurance reports to CLB / CMB. The Council has a strategic estates board that oversees key asset decisions which enables link to the authority's strategic aims. 		<p>opportunities to deliver efficiencies are captured and assessed through the now established strategic estates board.</p> <ul style="list-style-type: none"> Current asset management plans will be reviewed as part of the new model. Asset Management systems and plans containing condition surveys and information regarding the whole-life cost of assets need to be developed over the medium term and maintained within an accessible system.

Section 4: The annual budget.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>J. The authority complies with its statutory obligations in respect of the budget setting process.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>1. Is the authority aware of its statutory obligations in respect of the budget-setting process?</i> <i>2. Has the authority set a balanced budget for the current year?</i> <i>3. Is the authority aware of the circumstances under which it should issue a Section 114 notice and how it would go about doing so?</i> 	<p>Statutory requirements regarding Budget-Setting</p> <ul style="list-style-type: none"> The Local government Act 2000 requires councils to approve the annual budget, on the recommendation of the executive or equivalent, together with the associated council tax demand. The Local Government Act 2003, Section 25 requires the S151 officer to report on the council's robustness of their estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations. <p>Setting a robust and sustainable budget (in accordance with Local Government Finance Act 1992) must include:</p> <ul style="list-style-type: none"> The expenditure that the authority estimates it will incur in the year in performing its functions. An allowance for contingencies in relation to this expenditure. 	<ul style="list-style-type: none"> The authority has an established process for setting a balanced budget in line with statutory obligations. The process for developing and setting the budget is clearly set out in the policy and budget framework procedure rules. The development of the budget is highly collaborative. Executive Directors hold overall responsibility for the budget of their Directorate. Informal Cabinet Board meetings are also held during the budget setting process to discuss emerging issues and any input from the Budget Task & Finish group, which meets during the budget setting process to provide additional scrutiny and challenge. There is a good level of ownership of and involvement in the budget setting and monitoring process, from budget holders, through executive directors and up to members. The MTFP / budget is scenario and stress tested including the following areas: the assumptions both from funding and cost pressures, savings planning and delivery, the impact of any changes in standard key planning assumptions such as pay awards, the outcome provides an indication of the range of mitigation requirements and levels of risk and resilience reserves. Capital Strategy, TM Strategy and flexible use of capital receipts is outlined in detail in section H above. The Council approves an annual balanced budget that enables the S151 Officer to positively comment on the robustness of the estimates and the adequacy of the proposed financial reserves (s25 assurance statement) within the annual budget report. 	<p style="background-color: #00b050; color: white; text-align: center;">RAG</p>	<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
	<ul style="list-style-type: none"> The financial reserves that the authority estimates will need to raise in the year meets its estimated future expenditure Such financial reserves might be required to fund deficits generated in previous periods. <p>Implementing Spending Control</p> <ul style="list-style-type: none"> It has processes to be able to control spending in-year to balance the books in-year. 	<ul style="list-style-type: none"> The annual pay policy statement explains the Council pay policies for its highest and lowest-paid employees. It is written and published in line with the Localism Act 2011 (the Act) and guidance issued by the Secretary of State. The draft statement is considered by the Human Resources Committee and approved by full Council. An in-year budget monitoring process highlights risk and potential for overspend with an established Budget scrutiny and improvement protocol which escalates services through a three stage process for directorates which are unable to manage within their cash limits as set by Full Council. 		

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>K. The budget report includes a statement by the chief finance officer on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Does the authority's most recent budget report include a statement by the CFO on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves?</i> 2. <i>Does this report accurately identify and consider the most significant estimates used to prepare the budget, the potential for these estimates being incorrect and the impact should this be the case?</i> 3. <i>Does the authority have sufficient reserves to ensure its financial sustainability for the foreseeable future?</i> 4. <i>Does the report set out the current level of the authority's reserves,</i> 	<p>Identify how estimates are made, e.g.:</p> <ul style="list-style-type: none"> • The level of demand for individual services. • Staff pay levels and pension scheme contribution levels. • Interest rates, likely returns on financial investments and other capital finance issues. • Pressures on major capital projects • The level of funding received through council tax and other sources. • Receipts from the sale of capital assets • The achievement of savings plans and targets. <p>The authority's financial reserves should only be used for:</p> <ul style="list-style-type: none"> • Planned investment. • Capital projects. • Change programmes. • Unexpected events such as natural disasters. • Other reasonable uses for which they have been earmarked. 	<ul style="list-style-type: none"> • The annual budget report includes a statement from the section 151 officer on the robustness of the budget estimates and adequacy of reserves. • The Council's reports progress against its savings programmes; retrospective, in year and on-going. Delivery of savings is reported to EDM's CLB, DE and included with the budget monitoring report for Cabinet and Scrutiny Commissions. • The Authority uses CIPFA benchmarking services to consider performance against other Local Authorities and Treasury Society networks, Core cities and regional UA to compare and test assumptions. 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<i>whether these are sufficient to ensure the authority's ongoing financial sustainability and the action that the authority is to take to address any shortfall?</i>				

Section 5: Stakeholder engagement and business plans.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>L. The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan, and annual budget.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> <i>How has the authority sought to engage with key stakeholders in developing its long-term financial strategy, its medium-term financial plan, and its annual budget?</i> <i>How effective has this engagement been?</i> <i>What action does the authority plan to take to improve its engagement with key stakeholders?</i> 	<p>In order to comply with this code, authorities are encouraged to consider the extent of stakeholder engagement in the Long-Term strategy/Medium Term financial plan and annual budget.</p> <ul style="list-style-type: none"> Identify key stakeholders Engage effectively Use the results of this engagement wisely <p>Where the authority has a good productive strategic relationship with its key stakeholders, this level of engagement may not be necessary, providing the needs of these stakeholders are sufficiently well understood.</p>	<ul style="list-style-type: none"> Wider consultation with stakeholders including City Partners through the One City Office and boards and the VCSE sector is embedded as part of the engagement around the corporate strategy that sets the organisation's vision and priorities. Consultation with stakeholders is undertaken in setting the Council, Schools, early years annual budget and capital programme, including the statutory consultation with council taxpayers and consultation with the trade union. Extensive stakeholder involvement undertaken as part of the development and implementation of service changes and major projects, with the extent of consultation required approved by Legal Services. Some of the Council's strategic aims are delivered through its wholly owned subsidiary companies. There is good monitoring and oversight over the projects and programmes being delivered by these companies. The Council is engaged with the CCG and NHS through the Health Together Integrated Care System financial framework. 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>M. The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Does the authority have a documented option appraisal methodology that is consistent with the guidance set out in IFAC/PAIB publication Project and Investment Appraisal for Sustainable Value Creation: Principles in Project and Investment Appraisal?</i> 2. <i>Does the authority offer guidance to officers as to when an option appraisal should be undertaken?</i> 3. <i>Does the authority's approach to option appraisal include appropriate techniques for the qualitative and quantitative assessment of options?</i> 4. <i>Does the authority's approach to option appraisal include suitable</i> 	<p>Option Appraisal Methodology Understanding what the authority wants to achieve.</p> <ul style="list-style-type: none"> • Generating options. • Assessing the options. • Making the decision using CIPFAs 'Option appraisal: A practical guide for public service organisations' • Authorities also need to know when to undertake an optional appraisal - strategic importance, the time horizons, conflicting priorities, risk, and uncertainty. When considering non-financial factors in an option appraisal, including: <ul style="list-style-type: none"> • Economic appraisal • Cost-benefit analysis • Multi-criteria analysis • Impact assessments • There are a range of techniques that the authority can use to address uncertainty. Risk and uncertainty – use adjusted discounted rates to compensate for the inherent uncertainty surrounding cash flows for higher risk projects or activities. <ul style="list-style-type: none"> • Sensitivity analysis • Optimism bias 	<p>Capital Investments (as per the Capital Programme governance endorsed in the Capital Strategy) will have to produce the following three business cases for consideration by CIB</p> <ul style="list-style-type: none"> • Mandate • Outline Business Case (OBC) • Full Business Case (FBC) <p>Business case templates include the requirement for options, which is part of all projects and options are considered as part of Decision-Making templates and reported.</p> <p>The accounting treatment and impact is determined at the time of the decision</p> <p>Option appraisal complies with the principles, but this is not formally documented and not consistently applied a draft methodology has been developed for testing with a sample of business cases prior to any formal roll out / deployment.</p>		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p> <p>The Council will implement the following Council identified improvements:</p> <p>The Council will test and deploy the developed standardised and proportionate approach to business case financial modelling, including Net Present Values, payback, benefits realisation and post project implementation delivery reviews and learning.</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>mechanisms to address risk and uncertainty?</i></p> <p>5. <i>Does the authority report the results of option appraisals in a clear, robust, and informative manner that gives clear recommendations and outlines the risk associated with any preferred option(s)?</i></p>	<ul style="list-style-type: none"> • Peer reviews • Post implementation reviews <ul style="list-style-type: none"> • While the authority will need to tailor the appraisal report to the needs of the particular to be made, the following elements might usefully be included: <ul style="list-style-type: none"> • Approach • Constraints • Long and short list of options • Non-financial analysis of short-listed options • Risk • Sensitivity analysis • Optimism bias • Peer review • Post-implementation review 			

Section 6: Monitoring financial performance.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>N. The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. Does the authority provide the leadership team with an appropriate suite of reports that allow it to identify and to correct emerging risks to its budget strategy and financial sustainability? 2. Do the reports cover both forward and backward-looking information in respect of financial and operational performance? 3. Are there mechanisms in place to report the performance of the authority's significant delivery partnerships such a contract monitoring data? 4. Are the reports provided to the leadership team in a timely manner and in a suitable format? 	<p>In order for the leadership team to have access to the information it needs to identify emerging risks, leadership must:</p> <ul style="list-style-type: none"> • Receive reports about the right things (planning assumptions/financial performance against budgets/risks for short medium and long-term plans/performance in implementing savings initiatives. • Receive reports at the right time (critical reports at right time). • Receive reported in the right format (clear/concise/accurate). • Takes action in respect of any issues identified (minutes as a record of action) EG Reports that allow the monitoring of financial performance against budget could include. • Budget for period under consideration. • Accruals-based income and expenditure to date. • A forecast for the remainder of the year and an estimate of the year-end position. 	<ul style="list-style-type: none"> • Divisional Management Teams (DMT) and EDMs receive monthly reports on financial position and performance, which escalate areas of concern for Directorates to consider mitigating actions within the approved directorate cash limit. • Monthly financial reporting to CLB, CMB enables an escalation of key points and, response to emerging risks and for mitigating actions to be identified. • Budget Scrutiny and Improvement deep dives is aimed at addressing services areas where financial performance is a concern and at a directorate level the net position could destabilise the council's financial position. EDM's can self-refer or be referred to the budget scrutiny and improvement meeting by CLB or DE. • Process improvements are needed to rebalance effort between production of forecast and understanding/insight and consideration of action. • Procurement and Contract management reporting, including procurement breaches, are reported to DMT, EDM, CLB and CMB. • The Council has improved the timeliness of reporting and links between financial reporting, revenue and capital, savings, and the balance sheet to ensure financial implications and financial sustainability are better understood across all elements and the Council. 	<p style="background-color: #90EE90;"> </p>	<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p>5. <i>Is the leadership team happy with the reports that it receives and with its ability to use these reports to take appropriate action?</i></p>	<ul style="list-style-type: none"> • Relevant underlying service activity data. • Action to be taken to address any variation from budget. • Who to contact for further information. 			
<p><u>O. The leadership team monitors the elements of its balance sheet that pose a significant risk to its financial sustainability.</u></p> <p>Key Questions:</p> <ol style="list-style-type: none"> 1. <i>Has the authority identified the elements of its balance sheet that are most critical to its financial sustainability?</i> 2. <i>Has the authority put in place suitable mechanisms to monitor the risk associated with these critical elements of its balance sheet?</i> 3. <i>Is the authority taking action to mitigate any risks identified?</i> 4. <i>Does the authority report unplanned use of its reserves to the leadership team in a timely manner?</i> 5. <i>Is the monitoring of balance sheet risks</i> 	<p>The CIPFA publication Balance sheet Management in Public Services:</p> <ul style="list-style-type: none"> • A framework for good practice (2007) outlines a number of elements of good practice for balance sheet management from a governance perspective. • Including in organisational management, emphasis is placed on BSM activities and considerations. • BSM requirements are addressed coherently and comprehensively across all strategies and plans. • BSM responsibilities are identified and assigned to appropriate people. • The authority's decision-making framework is effective and requires appropriate consideration of balance sheet implications. • BSM has appropriate levels of assurance. 	<ul style="list-style-type: none"> • The Council has a strong balance sheet, and elements that pose a concern or significant risk to financial sustainability are regularly reported. • The CIB meets monthly and has a role in monitoring long term investments, including valuation, risk. • A monthly treasury management meeting reviews cash flow and treasury investment and borrowing position. Any risks or concerns are escalated to Director Finance and CLB if necessary. • The Treasury mid-year and outturn report details cash, investments, and borrowings decisions within the prudential indicators. Performance against the prudential indicators which are reported in the Council's Treasury outturn report. • The deficit on the DSG has been identified as a key risk and is reported on a monthly basis to CLB, Cabinet and Schools Forum. Maintained Nursery School deficits is a further area of concern and reported in the outturn report to Cabinet and Schools Forum. • A reserves strategy is approved as part of the budget/MTFP and compliance with the minimum level of reserves and the impact of in-year financial performance on the Council's reserves and balances is monitored in the quarterly performance report. • Other potential key risk areas of the balance sheet such as contingent liabilities and the Pension Fund have been 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<i>integrated into the authority's management accounts reporting processes?</i>	<ul style="list-style-type: none"> Financial and operational risk management activity pays due regard to balance sheet drivers and its impact. <p>In order to comply with the FM code authorities:</p> <ul style="list-style-type: none"> Determine which elements in the balance sheet pose a significant risk to its financial sustainability. Monitor these elements (treasury management/cash management/need for new provisions/level of reserves). Respond promptly and proactively to any issues that these mechanisms identify (impact of performance on reserves/use of unplanned reserves/monitoring against prudential indicators). 	<ul style="list-style-type: none"> identified and reporting routinely captured as part of regular finance reporting. Approval requested and received from the Schools Forum for the development of an appropriately resourced programme to transform maintained nursery schools and address the challenges including the deficits. 		

Section 7: External financial reporting.

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<u>P. The chief finance officer has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the Code of Practice on Local</u>	<p>External Financial reporting</p> <ul style="list-style-type: none"> External financial reporting processes require statutory accounts to be produced on an annual basis in accordance with: 	<ul style="list-style-type: none"> The Director of Finance (S151 Officer) is responsible for ensuring that the statement of accounts produced by the Council complies with the reporting requirements of the "Code of Practice on Local Authority Accounting in the United Kingdom". The operational responsibility for production of the Statement of Accounts, in line with proper accounting practices, rests within the Strategic Finance Team. The 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><u>Authority Accounting in the United Kingdom.</u></p> <p>Key Questions:</p> <p>1. <i>Is the authority's CFO aware of their responsibilities in terms of the preparation of the annual financial statements?</i></p> <p>2. <i>Are these responsibilities included in the CFO's role description, personal objectives and other relevant performance management mechanisms?</i></p> <p>3. <i>How the authority's financial statements hitherto been prepared on time and in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom?</i></p>	<ul style="list-style-type: none"> • The Accounts and Audit Regulations 2015 for English Authorities. • Comply with Code of practice • Comply with CIPFAs statement on the role of the CFO in Local government accounting policies/prevention of fraud/reasonable estimates. • Demonstrate compliance-preparation and submission of accounts in CFO JD and annual performance targets/ submitted on time/finance team resourced to comply. 	<p>Director of Finance has management responsibility, through the Chief Accountant, for the Strategic Finance Team and personal objectives are cascaded using a golden thread.</p> <ul style="list-style-type: none"> • The annual accounts have been prepared in line with the statutory requirements and comply with CIPFAs code of practice on a timely basis. • The annual accounts are reviewed and signed by the Director of Finance (S151 Officer). • The financial statements routinely receive an unqualified opinion from the external auditors and the number of adjustments identified between draft and final accounts has reduced significantly in recent years. • Compliance with the role of the CFO in local government is covered in section 1 (B). 		<p>Improving Economy, Efficiency and Effectiveness TBC</p> <p>The Council will implement the following Council identified improvements:</p> <p>As per section 1 (B) above - The Director of Finance, continued focus will be on 'right sizing' the function, recruitment to vacant senior post and retention of staff, to provide capacity and resilience in meeting business, audit and governance demand, the complexity of solutions required and to achieve best value for money.</p> <p>Outstanding audits of statement of accounts will be concluded.</p>
<p><u>Q. The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions.</u></p> <p>Key Questions:</p> <p>1. <i>Is the authority's leadership team provided</i></p>	<p>Presenting effective financial outturn information:</p> <ul style="list-style-type: none"> • Accurate • Relevant • Granular • Analysed • Put into context 	<p>The outturn report to CLB and Cabinet provides an analysis of the financial position of the organisation at the end of the financial year including:</p> <ul style="list-style-type: none"> • Capital and revenue performance during the financial year. • Explanations and mitigating actions put forward by Services for variations to budgets, and the implications on the MTFP. 		<p>The Council is implementing the recommendations outlined in Grant Thornton's report as follows:</p> <p>Financial Sustainability TBC</p> <p>Governance TBC</p> <p>Improving Economy, Efficiency and Effectiveness</p>

CIPFA financial management standards	Guidance notes	Assurance	RAG	Actions
<p><i>with a suitable suite of reports on the authority's financial outturn and on significant variations from budget?</i></p> <p>2. <i>Is the information in these reports presented effectively?</i></p> <p>3. <i>Are these reports focused on information that is of interest and relevance to the leadership team?</i></p> <p>4. <i>Does the leadership team feel that the reports support it in making strategic financial decisions?</i></p>	<p>Questions for the Leadership team to ask:</p> <ol style="list-style-type: none"> 1. Is the final outturn position broadly in line with the budget? 2. How well have different services performed against budget? 3. Have any issues been highlighted prior to the end of the year? 4. Has the authority achieved its savings targets? 5. Is the authority's capital programme on track? 	<ul style="list-style-type: none"> • Original or in year recovery savings delivered, mitigations and carried forward. • Corporate mitigations and use of reserves. • Non-Treasury Investments. • In year collection rates for Council Tax and Business rates. Council Debt position, and the resulting reserves position. <ul style="list-style-type: none"> • The information enables informed decisions to be made about approving the carry forward of specific capital and revenue resources to support the delivery of the Council Priorities in the following financial year. • Whilst a difficult financial year with the post pandemic and cost of living impact on the Council and service users, the overall outturn for 2022-23 has been achieved with general reserves remaining at policy compliant levels. <p>The report can be viewed in the context of regular strategic financial reporting, in that it is consistent with:</p> <ul style="list-style-type: none"> • The annual budget setting report. • Preceding budget monitoring reports presented to CLB and Cabinet throughout the year. • Enables good reconciliation and transparent reporting within the statement of accounts. • Significant variations emerged in the monitor and are investigated further and informs updates to the in-year budget position, MTFP and forward planning and the implications on financial sustainability. • Detailed analysis of movements from original budget to outturn captured in the period 12 report. 		TBC

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Audit Committee

30th May 2023



Report of: Chief Internal Auditor

Title: Internal Audit 2023/24 Q2 Priorities

Ward: N/A

Officer Presenting Report: Simba Muzarurwi – Chief Internal Auditor

Recommendation

The Audit Committee review and approve the proposed Internal Audit 2023/24 Q2 priorities. In doing so, the Committee should consider:

- whether the priorities address the Committee's assurance needs;
- whether the Plan captures key areas that would be expected in Q2; and
- whether there are any significant gaps in the Plan for Q2.

To support consideration of Q2 priorities, high level areas for potential review later in the year are also provided. Consistent with the agreed quarterly planning approach, areas for audit review in future quarters will be agreed before the start of each quarter. This will ensure audit resource is effectively targeted and coverage remains relevant and timely to the risk environment in which the council is operating.

Summary

Internal Audit have moved from annual to quarterly work planning as discussed and agreed at the January 2023 Audit Committee. This report provides the Committee with the proposed priorities for Q2.

The significant issues in the report are:

- The Q2 proposals have been developed following consultation and risk analysis
- More audit time on providing embedded assurance in the top four corporate programmes
- One of the key priorities in Q2 is to support management in the implementation of agreed management actions
- Priorities of the rest of the year will be agreed in future Committee meetings.
- The proposed Internal Audit 2023/24 Q2 priorities are Appendix 1 of this

Policy

1. Audit Committee Terms of Reference.

Consultation

2. Internal

- The Corporate Leadership Board
- Executive Member
- Executive Directorate Management Teams
- Monitoring Officer
- S.151 Officer
- Other Management

3. External

- External Auditors – Grant Thornton
- Internal Audit Strategic Partner - KPMG

Context

4. The Audit Committee has a strategic role to ensure that the Council's assurance framework is operating effectively. To this end, it should seek assurance that the key areas that contribute to this framework are operating properly.
5. The Council's Internal Audit service is a key component of the assurance framework and the Committee's Terms of Reference includes a requirement to provide independent assurance to the Council in relation to internal audit activity. The Committee need to consider if the planned Internal Audit work is appropriate and sufficient to provide the Committee with the assurance it requires. Public Sector Internal Audit Standards 2013 include guidance that the Committee should review and approve the Internal Audit work plan.
6. In January 2023, the Committee approved a flexible approach to audit planning. Under this approach, we have moved from annual audit planning to quarterly audit planning which allows us to keep upcoming work under review, to ensure we are targeting audit resources to those areas in most need. It also builds in flexibility, by enabling us to respond quickly to emerging issues or to commence work on other areas of importance when risks and priorities change.
7. In March 2023, the Committee approved the Internal Audit 2023/24 Q1 priorities and received a detailed report on how audit priorities are determined.
8. The Q2 planning process has been informed by a number of factors such as the council's risk registers, relevant national issues, professional outlook, and our wider audit knowledge, including the results of recent audit work and consultation with senior management.
9. The proposed Q2 plan is at Appendix 1. Areas of key audit activities include embedded assurance in key programmes, continuous auditing and monitoring, implementation of agreed management actions, grant certifications and fraud prevention.

10. Appendix 2 provides an extensive list of areas that may require assurance in future quarters subject to ongoing risk assessments and agreement with the Committee.
11. In undertaking this work, Internal Audit comply with the Public Sector Internal Audit Standards.

Proposal

12. The Committee review and approve the proposed audit priorities for Quarter 2 in 2023/24. In doing so, the Committee should ensure that the proposal reflects the areas for which they will require assurance from Internal Audit in the first half of 2023/24.

Other Options Considered

13. None necessary.

Risk Assessment

14. An adequate and effective internal audit service, as well as a statutory requirement, is an integral part of good governance. A sound Internal Audit planning process minimises the risk of non-compliance with statute and good practice, and at the same time maximises the value that Internal Audit adds to the Council's governance arrangements and internal control environment.

Public Sector Equality Duties

- 8a) Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
 - i) Eliminate discrimination, harassment, victimisation, and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in

any other activity in which participation by such persons is disproportionately low.

- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

8b) No equalities assessment necessary for this report.

Legal and Resource Implications

Legal – Not applicable

Financial

(a) Revenue – Not applicable

(b) Capital – Not applicable

Land/Property - Not applicable

Human Resources - Not applicable

Appendices:

- **Appendix 1 – Internal Audit 2023/24 Q2 Priorities**
- **Appendix 2 – Potential Areas of Review in Q3 and Q4**

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Audit Planning Files, Corporate Strategy, Corporate and Directorate Risk Registers, Public Sector Internal Audit Standards.

Directorate	Area of Review	Rationale
Governance		
Corporate	City Leap Governance	New significant joint venture.
Children and Education	DSG Improvement Plan	Area of significant overspend and risk
Corporate	Management Actions Verification	Assurance required over the implementation of agreed management actions.
Corporate	Information Governance Board	Related Corporate risks CRR7, CRR25, CRR 29
Resources	Preparedness for Committee Governance	Significant change in the Council's governance arrangements
Risk Management		
Adult and Communities	Refugees Settlement	Overview required over the sufficiency of management arrangements
Children and Education	SEND Plan	Key improvement area and corporate priority
Internal Control		
Financial Control		
Corporate	Grant and Other Certifications	Required by conditions of grant
Resources	Continuous Audit and Monitoring	Audit Strategy - Maximising assurance by exploiting the use of analytic tools
Growth and Regeneration	Housing Debt Management	Assurance needed following concerns on the effectiveness of arrangements
Children and Education	Education Other Than at School	Management assurance request on the effectiveness of arrangements
Growth and Regeneration	Homelessness	Key organisational priority
Procurement		
HR and Asset Management		
Information Governance		
Corporate	Cyber Security	Ongoing risk and previous audit
Projects and Programmes		
Corporate	Capital Transformation Programme	Embedded assurance - New arrangements for Capital Programme Governance being developed.
G&R	Property Programme	Embedded assurance to be provided in each of the Councils top four priority programmes.
Adults and Communities	Adult Social Care Programme	Embedded assurance to be provided in each of the Councils top four priority programmes.
G&R	Temporary Accommodation Programme	Embedded assurance to be provided in each of the Councils top four priority programmes.
Children and Education	Children's Programme	Embedded assurance to be provided in each of the Councils top four priority programmes.
Resources	Digital Transformation Board Embedded Assurance	Significant Transformation Programme
Growth and Regeneration	Housing IT Transformation Programme - Embedded Assurance	Significant Transformation Programme
G&R	Capital Projects Embedded Assurance (Sample)	Embedded assurance for project in capital programme given level of spend
Counter Fraud Programme		
Strategic Counter Fraud Arrangements		
Corporate	Fraud Risk Assessment incl Filwood levelling Up Risk Assessment	Requirement of Memorandum of understanding
Corporate	Fraud Prevention Strategy	Increase emphasis on fraud prevention
Corporate	Whistleblowing Management, Development and Referrals	Organisational responsibility and ethical requirement.
Fraud Prevention Programme		
Corporate	Fraud Hub Operation and Development (new data sets and other LA's)	Maximising use of technology in the fight against fraud.
Corporate	Fraud Awareness Training	Fraud prevention by raising awareness.
Fraud Detection Programme		
Adults and Communities	Ukraine Home Care Scheme	Emerging fraud risk area.
Corporate	National Fraud Initiative	Mandatory
Growth and Regeneration	Tenancy Fraud	Key fraud risk area. Supports corporate strategy priority re homelessness prevention by freeing up housing for those with a genuine need.
Corporate	Money Laundering Training	Audit knowledge
Responsive Fraud Investigations		
Corporate	Responsive Fraud Investigation	Organisational responsibility and ethical requirement.
Resources	CTR Case Work	Organisational responsibility and ethical requirement.
Resources	Benefits Case work and SPOC Role	Organisational responsibility. Delivery of service level agreement with DWP.
Children & Education	Pupil Tracking Requests	Organisational responsibility. Supporting Education Services.
Corporate	GAIN Requests	Organisational responsibility. Supporting wider community and police in tackling crime
Corporate	Hotline Maintenance	Organisational responsibility and ethical requirement.

Directorate	Area of Review
Governance	
Adult & Communities	Home First Programme
Children and Education	Schools Audit Programme
Corporate	Common Activities Programme
Corporate	Modern Slavery
Corporate	Assurance Mapping
Corporate	Companies Governance
Resources	IT Governance
Risk Management	
Adult and Communities	Adult Social Care Workforce Management
Adult and Communities	Cost of Living Crisis
Adult and Communities	Direct Payments
Children and Education	DSG Improvement Plan
Corporate	Business Continuity
Corporate	Emergency planning
Growth and Regeneration	Responsive Repairs
Growth and Regeneration	Stock Control - Housing Repairs
Growth and Regeneration	Fire safety
Growth and Regeneration	Planning and Development
Resources	Risk Management Annual review
Resources	Cloud Review
Resources	Decentralised IT
Internal Control	
Financial Control	
Adults and Communities	Concord Lodge - financial controls
Corporate	Savings Delivery
Growth and Regeneration	Clean Air Zone
Resources	Financial Schemes of Delegation
Resources	Local Taxation
Procurement	
Adult & Communities	Adult Social Care Commissioning
Adult & Communities	Technology Enabled Care
Corporate	Contract Management
Resources	IT Procurement
Resources	Compliance with Procurement Rules
HR and Asset Management	
Corporate	Data Quality
Information Governance	
Resources	Disclosures Team
Resources	Information Asset Ownership
Corporate	Core Systems Access Controls
Projects and Programmes	
Resources	Information Security
Resources	Payment Card Industry Standards Compliance
G&R	Capital Programme Embedded Assurance
Counter Fraud Programme	
Strategic Counter Fraud Arrangements	

Corporate	Whistleblowing
Fraud Prevention Programme	
Corporate	Fraud Hub Operation and Development
Corporate	Fraud Awareness Training
Children and Education	Schools Fraud Risk Management and Whistleblowing
Growth and Regeneration	Blue Badge Enforcement
Fraud Detection Programme	
Adults and Communities	Supported living
Children and Education	Schools Admissions
Corporate	NFI - Single Persons Discount Exercise
Growth and Regeneration	Tenancy Fraud
Growth and Regeneration	AP Forensics
Resources	Procurement Testing - Red Flags
Resources	Fuel Cards and Fleet usage

Audit Committee

30 May 2023



Report of: Director of Finance

Title: Statement of Accounts Year Ended 31 March 2021

Ward: City Wide

Officer Presenting Report: Denise Murray

Contact Telephone Number: 0117 3576255

Recommendation

1. Audit Committee approves the Statement of Accounts for the year ended 31 March 2021.

Summary

This report should be considered alongside the final ISA260 report being presented by the Council's external auditor.

The Statement of Accounts sets out the Council's financial position as at the 31 March 2021 along with a summary of its income and expenditure for the year to 31 March 2021. The financial statements are the main method of demonstrating financial accountability and stewardship.

The draft accounts were last presented to Audit Committee for approval on 8 March 2022, at which point Grant Thornton had substantially completed their audit work on the financial statements. However, prior to signing, a national issue relating to the valuation of infrastructure assets came to light, effectively putting on hold the signing of the accounts until a solution to this issue could be determined.

The audit has identified a number of other adjustments to the accounts since the Statement was last presented to Members. These are summarised in this report.

Policy

None affected by this report.

Consultation

- 1. Internal**
Executive Members and senior management
- 2. External**
The draft accounts were available for public inspection.

Background and Context

1. Audit Committee previously received the Statement of Accounts at its meeting of 8 March 2022. In the intervening period there have been a number of progress reports from the External Auditor. These have identified some amendments and technical adjustments, including those for infrastructure assets, to the Statement since its last publication and these are outlined in paragraph 5 below.
2. The Council's Statement of Accounts has been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 (the Code) which is based on International Reporting Standards (IFRS). This is necessary to ensure that accounts of all Government funded bodies provide comparable and consistent information.
3. The annual accounts presented for approval have been audited by the external auditors, Grant Thornton, who have reviewed and undertaken significant testing of the financial statements and processes to complete them to ensure they have been prepared in line with regulatory and statutory requirements. Their findings and opinion on the accounts are reported separately as part of their findings report to Audit Committee.
4. The External Auditors, Grant Thornton, propose to issue an unqualified audit opinion on the Council's financial statements. There remain a small number of outstanding matters under consideration.
5. The Audit has identified several changes to the draft accounts previously circulated. Besides several minor corrections and updates to disclosure notes there are several more significant adjustments impacting on the financial statements,
 - I. In January 2023 CIPFA issued a temporary solution to the national issue relating to accounting for infrastructure assets, impacting on accounts for

2020/21 and subsequent years. This has resulted in changes to the presentation of the Property, Plant and Equipment in note 20 of the Statement, along with the provision of some additional disclosure notes. As the change is not retrospective the 2019/20 comparative table has not been amended.

- II. In 2021/22 the Council changed its valuation method for a number of assets from existing use value to depreciated replacement cost. As the 2020/21 comparative year remained open there was a requirement to carry out a similar exercise on the closing values of the same assets as at 31 March 2021. This has resulted in an increase in asset values as at 31 March 2021 of £14.1m. This adjustment has been put through the accounts. This impacts on the Comprehensive Income and Expenditure Statement and Balance sheet and the Property, Plant and Equipment note 20 and the Revaluation Reserve note 34.
 - III. The grant element of Revenue Expenditure Funded from Capital Under Statute (REFCUS), has previously not been properly disclosed in three notes to the accounts. These are, note 17, "Grants Credited to Services", note 26, Capital Expenditure and Capital Financing and note 34 Unusable Reserves, the Capital Adjustment Account. These notes have now been amended. It should be noted that these amendments have no impact on the primary statements.
 - IV. There were several small changes to the group accounts consolidated cash flow statement and the group financial instrument notes. These amendments reflect subsequent changes between the subsidiary companies draft and final audited accounts.
7. The post balance sheet event note 5 has been updated to incorporate events noted in the 2021/22 accounts (as 2020/21 were still open) and a detailed commentary covering Bristol City Leap.
8. Attached at Appendix 2 is the Letter of Representation. This is provided by the Council in connection with the audit of the financial statements for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2020/21 and applicable law.

Other Options Considered

Not applicable

Risk Assessment

The Statutory Accounts need to be formally published as soon as practicable. This report, together with the Annual Governance Statement, forms part of the assurance process.

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1 Statement of Accounts 2020/21

Appendix 2 Letter of Representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance

Audit Committee

30 May 2023



Report of: *Director of Finance*

Title: Draft Statement of Accounts 2022/23

Ward: *City Wide*

Officer Presenting Report: *Denise Murray*

Contact Telephone Number: *0117 3576255*

Recommendation

The Audit Committee note, and comment on as appropriate, the draft, unaudited, Statement of Accounts for 2022/23.

Summary

The Statement of Accounts sets out the Council's financial position as at the 31 March 2023 along with a summary of its income and expenditure for the year to 31 March 2023. The financial statements are the main method of demonstrating financial accountability and stewardship.

The deadline for the publication of the draft accounts on the Council's website has returned to 31 May 2023, following an extension to 31 July for the last two years.

Paragraph 6 of this report includes a summary of significant events, changes and transactions impacting on the accounts in 2022/23.



Policy

None affected by this report. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements, namely the Local Audit and Accountability Act 2014.

Consultation

- 1. Internal**
Director of Finance
- 2. External**
None
- 3. Background and Context**

1. Although the historic decision to bring forward the timetable for publishing Local Authorities financial statements was a major challenge the Council successfully met the 2017/18 and 2018/19 timeframes in closing its accounts. However, members will be aware that due to the unprecedented circumstances due to COVID 19 the closure of accounts deadlines were extended in 2019/20, 2020/21 and 2021/22
2. The Accounts and Audit (amendment) Regulations 2022 came into force on 22 July 2022 and extended the deadline for the publication of final audited accounts to 30th November for 2021/22 accounts and then 30th September for 2022/23 accounts and the following 5 years. Therefore, the deadline for publishing unaudited accounts has reverted back to the 31st May for the 2022/23 accounts.
3. The public inspection of the accounts now reverts back to the first working day in June. Members of the public and other interested parties then have 30 working days to request access to documents relating to the financial statements for 2022/23 and related notes. Requests for information are subject to restrictions around commercial confidentiality and the protection of personal information.
4. During the same period a local elector may also raise questions relating to the accounts with the External Auditor.
5. A notice setting out the rights to public inspection of the accounts along with relevant contact details will be published at the end of July on the Council's website. The audit of the accounts will commence soon after the publication. Full details of the audit plan and timetable are yet to be issued by Grant Thornton, which sets out the timing of the audit and expected date of accounts sign off.

6. Significant events, changes, and transactions in 2022/23 include:
- I. Useable reserves have reduced overall by £66m. A significant factor contributing to this reduction is the use of £43.5m COVID related funding received in 22/22 but required for use in 22/23. £35m of this related to business rates relief for retail hospitality and leisure was directly required to offset losses in the collection fund carried forward into 22/23. The accounting arrangements for business rates and council tax mean that the deficits on the Collection Fund in 2021/22 are charged to the General Fund in future years. A further £18.3m of reserves were applied during the course of the year to help mitigate service budget variations. Other significant reserve drawdowns include £5.4m S256 grant - Healthier Together Funding for Integrated Care and the use of the General Reserve to fund the £2.7m overspend in 2022/23.
 - II. In year overspends on schools' revenue reserves of £6.3m resulted in a deficit of £1.2m being carried forward in reserves. HRA reserves were reduced by a net £5.7m. This included a drawdown of £2.8m for one off fire safety (Walking Watch) and IT transformation expenditure and £2.9m from the Major Repairs reserve to fund the capital programme.
 - III. New reserves created at the end of the year include:
 - Clean Air Zone reserve for grant funding of £5.1 million.
 - Clean Air Zone reserve for operational surpluses of £7.4 million.
 - Family Hubs & Start for Life Programme reserve to deliver on the aims and objectives of this grant-funded programme of £0.9 million.
 - IV. At the end of 2022/23 the deficit on the Dedicated Schools Grant (DSG) adjustment account has increased by £15m, to £39.6m. The main area for concern continues to be the High Needs block where the cumulative overspend is now £42.5m. This is partially offset by underspends in the Schools Block, Early Years Block and the high needs transformation programme.
 - V. The Council has several commercial investments and loans which are expected to generate both a commercial and social return. Details of such transactions with the Council's subsidiary companies are outlined in the Narrative Report to the Accounts. The main changes to the company structure in 2022/23 was the sale of Bristol Heat Networks Ltd (BHNL) to Vattenfall Heat UK Limited on 4 January 2023. At the point of sale all loan facilities have been repaid in full. The financial results

of BHNL to the point of sale have been consolidated into the Council's group accounts.

- VI. In December 2022 Cabinet approved the granting of a 20-year concession to Ameresco UK Limited, the formation of the City Leap Energy Partnership Joint Venture company. As there are no material transactions during the year with the joint venture company, and the Council has no overall control, as both the Council and Ameresco UK Limited each have two Directors each on the Board, the City Leap Energy Partnership has been disclosed as a related party in the Council's accounts.
- VII. A national issue has arisen around the 2022 triennial valuation, which may impact on the accounts for 2021/22. Certain assumptions were made by the Actuary, including the derivation of the defined benefit liability from a roll forward of the 2019 valuation. Actuaries have been asked to consider whether this will result in material changes to the 2021/22 results and therefore the brought forward figures in the actuarial reports, and therefore the Council's accounts as at 31 March 2022.
- VIII. The actuarial report made available to BCC to make the relevant adjustments to the 2022/23 accounts includes actual figures as at 31 March 2023, but unadjusted figures for the 2021/22 brought forward values. These may therefore need to be adjusted in due course when a revised actuarial report is issued.
- IX. The deficit on the Pension Fund has reduced by £670m from £1.026bn to £356m (based on existing brought forward figures.) This was due to significant changes in some of the assumptions used by the actuary. Notably, a significant increase in the rate used to discount post-employment benefit obligations (from 2.8% to 4.8%), along with improved inflation forecasts has significantly reduced liabilities. The current funding level at 31 March 2023 is an estimated 95% based on the 2022 funding plans.
- X. The number of non-school employees earning more than £50k has increased by 95, from 268 in 21/22 to 363 in 22/23. Of this increase, 74 are in the first three bands over £50k. The majority of these were service managers graded BG15 and TP1 and relates to an increase in the cost of living pay award applied during the year. This increase also includes the progression of some staff from an "appointment rate" to a "competency rate". This is achieved by evidencing certain performance criteria.

7. The Annual Governance Statement is not included within these papers as it is covered under a separate report. However, it will be incorporated into the full Statement of Accounts when published on the Council's website at the end of May.

Other Options Considered

Not applicable

Risk Assessment

None necessary for this report

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

None arising from this report

Financial

None arising from this report.

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1: Draft Statement of Accounts 2021/22

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

None



Audit Committee

30 May 2023

Report of:	Chief Executive
Title:	Draft 2021/22 Annual Governance Statement Summary of Progress to Date
Ward:	City Wide
Officer Presenting Report:	Stephen Peacock, Chief Executive

Recommendations

Audit Committee is asked to note and comment on the progress made to date to implement governance improvements and recommendations from the draft 2021/22 Annual Governance Statement (AGS).

Summary

The Chief Internal Auditor's opinion in relation to 2021/22 was that reasonable assurance could be provided that adequate governance, risk management and internal control arrangements were in place and operating effectively throughout the year.

The draft AGS 2021/22 summarised the actions and improvements which had been taken to enhance governance arrangements in 2021 /22, a number of areas to focus on for future improvements in ensuring continued compliance with the code of corporate governance and the statement identified three significant issues that needed to be addressed to ensure continuous improvement in the governance framework, financial and budget management within the council.

This report provides updates on the areas for future improvement (Appendix A) and the approach and actions the council has adopted in taking these significant issues forward and acknowledges that further work is required in relation to all these issues and as such the actions remain open (Appendix B).



1. Purpose

- 1.1. The draft Annual Governance Statement (AGS) 2021/22 was reported to the July 2022 Audit Committee and along with the 2020/21 draft AGS remains a draft document until conclusion of the audit of the 2020/21 and 2021/22 Accounts by the External Auditors. Whilst we recognise that the draft AGS could be subject to change, this report provides a progress update on the areas for future improvements and the actions taken to effectively manage the significant issues identified in the draft AGS for 2021/22. Due to the timing of the conclusion of the external audit of the accounts, any subsequent issues identified which are considered significant will be addressed as part of the AGS 2022/23.

2. Draft Annual Governance Statement 2021/22 Progress

- 2.1. In accordance with the Accounts and Audit Regulations 2015, the council is required to conduct an annual review of its system of internal control and publish an AGS with the annual Statement of Accounts. The process is a key mechanism for ensuring that the council has an effective system of internal control and governance, and that any shortfalls are identified and addressed.
- 2.2. The council has a duty to maintain an effective internal provision to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 2.3. 2021/22 was a year of continued uncertainty resulting from the Covid-19 pandemic. The council continued working with its partners to address the challenges brought by the pandemic as well as considering the needs of recovery and renewal. Throughout the year the financial impact on the council caused by pandemic resulted in disruption to the delivery of planned efficiencies, reduced income and additional expenditure being incurred. £56.6million is the additional costs that arose as a result of the pandemic and was fully mitigated by grants received from central government.
- 2.4. The draft AGS summarised the actions and improvements which had been taken to enhance governance arrangements in 2021/22 and the Chief Internal Auditor's (CIA) opinion that reasonable assurance could be provided that adequate governance, risk management and internal control arrangements were in place and operating effectively throughout the year, demonstrated a positive trajectory. This opinion reflected the decrease in the number of limited assurance opinions, significant improvement in the implementation, monitoring and reporting of agreed management actions. Additionally, the increased oversight by the Corporate Leadership Board in improving the governance and internal control arrangements in areas that were identified as requiring improvement in the previous year.
- 2.5. The report sets out some key aspects of how the council has complied with the seven principles set out in the council's Code of Corporate Governance and some areas to which focus should be applied for future improvement; summarised below and an overview of progress in delivering these improvements are outlined in Appendix A.

Focus of future improvement:

- Consistent and effective management of potential conflicts of interest.
- Establishing a One City Governance Board and scrutiny engagement in BCC elements of One City, including OSMB update
- Strengthening governance and monitoring of activities that contribute to carbon reduction ambitions
- Introduce a performance hub and scorecard to retain focus on performance and necessary interventions to meet targets

- Progress on the delivery of specified key improvements will be monitored through regular updates to Corporate Leadership Board and assurance from Internal Audit

2.6. An overview of progress in delivering these future improvement areas are outlined in Appendix A.

2.7. In determining the significant governance issues to disclose, the following factors are considered on whether the issues had:

- Seriously prejudiced or prevented achievement of a principal objective
- Resulted in the need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the business
- A material impact on the accounts
- Been considered as significant for this purpose by the audit committee or equivalent
- Attracted significant public interest or had seriously damaged the reputation of the council
- Resulted in formal action being taken by the Section 151 Officer/Monitoring Officer
- Received significant adverse commentary in external inspection reports and which the council has not been able to address in a timely manner

2.8. In concluding the review of effectiveness, the following three significant issues were identified and require focussed attention going forward:

1. Dedicated Schools Grant (DSG) deficit (2020/21 & 2021/22)
2. Procurement Breaches
3. Savings

2.9. The actions being taken to effectively manage these issues are detailed in Appendix B. These significant issues remain open and will be carried forward in the 2022/23 AGS, with any further insights and will be subject to ongoing review by the Internal and External auditors as appropriate.

2.10. During 2021/22, the council continued to review and strengthen many aspects of its governance arrangements and the notable strengths as identified in the 2021/22 draft AGS and some key strategies, policies and business planning processes have continued to be built on. There remains strong senior leadership ambition with a clear focus on the council's highest priorities, while ensuring we have sufficient capacity to continue to drive the enabling activity and culture that will improve the council's governance, risk management and internal control arrangements.

3. Other Options Considered – N/A

4. Risk Assessment

4.1. The publication of an AGS is a legal requirement and the processes of implementation, monitoring and reporting of improvement actions arising therefore constitutes an important element of the council's governance arrangements. The Chief Internal Auditor's annual opinion, actions identified within the response to the AGS, and limited assurance reviews constitute important measures of risks and a strong indication of areas where organisational risk management can be enhanced.

5. Public Sector Equality Duties

5.1. Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.

- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to:
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities).
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to:
 - tackle prejudice; and
 - promote understanding

5.2. No Equality Impact is anticipated from this report.

6. Legal and Resource Implications

Legal – N/A

Financial – N/A

Land – N/A

Personnel – N/A

7. Appendices:

- Appendix A – Focus of future improvement in compliance with the Code of Corporate Governance
- Appendix B – Draft Annual Governance Statement – Significant Issues

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

8. Background Papers:

- Draft Annual Governance Statement 2021/22
- Annual Internal Audit Opinion Report 2021/22

Appendix A – Focus of future improvement in compliance with the Code of Corporate Governance

Core Principle	Focus of Future Improvement	Action
A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	Consistent and effective management of potential conflicts of interest.	Due to resource pressures an e-learning module on the management of potential conflicts of interest has not been developed but training was delivered to some specific service areas. The development of the e-learning module will be prioritised and delivered in Quarter 3, 23/24. This action remains open.
B. Ensuring openness and comprehensive stakeholder engagement	Establishing a One City Governance Board and scrutiny engagement in BCC elements of One City, including OSMB update.	There have been several engagement sessions with scrutiny and other elected members, however the governance board has not progressed due to capacity within the One City team. This action remains open for 23/24 consideration.
Page 129 Defining outcomes in terms of sustainable economic, social and environmental benefits	Strengthening governance and monitoring of activities that contribute to carbon reduction ambitions.	<p>An advisory engagement on the governance arrangements introduced in 2022 was completed by Internal Audit. The engagement involved reviewing the effectiveness of these arrangements in providing oversight and challenge of Climate and Ecological Emergency (CEE) actions, a review of proposals for improving current governance, and utilising industry practice to identify areas where governance could be improved to ensure that CEE commitments are effectively delivered, tracked and reported.</p> <p>The draft conclusions of the review are:</p> <p>2.1 The council's Climate and Ecological Strategic Board is demonstrating its effectiveness in challenging council proposals for reducing carbon impacts. The governance below this strategic level is not yet established, though proposed changes agreed in April 2023 should help ensure that information flow and direction between operational and strategic levels is facilitated</p> <p>2.2 To maximise effectiveness of this governance the council will need to:</p> <ul style="list-style-type: none"> ○ consider how it will identify and manage interdependencies and cross-cutting issues between function specific working groups.

		<p>Each group should define and clarify its contribution to the council's overall climate commitments/targets</p> <ul style="list-style-type: none"> ○ ensure there is appropriate balance between top-down strategy and bottom-up implementation, reducing the risk of divergent or misaligned delivery strategies for individual workstreams ○ tighten up reporting and monitoring through the development of specific measures and milestones for each strategic commitment ○ ensure that consideration of environmental impacts are built into decision making through roll-out of the environmental assessment and capital sustainability framework. <p>The further recommendations as outlined above are in the process of being implemented and this action can be considered closed.</p>
<p>D. Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 130</p>	<p>A new performance management framework has been developed for 2022/23 which focuses on reporting on the Business Plan themes with Directors leading performance review and monitoring.</p> <p>It is also planned to introduce a performance hub and scorecard to retain focus on performance and necessary interventions to meet targets.</p>	<p>During 22/23 a new performance framework was adopted, with seven thematic quarterly performance clinics running each quarter to examine in more detail specific areas of performance. Reports from these clinics were appended to regular quarterly performance reports to Executive Director Meetings (EDM), Corporate Leadership Board (CLB), Overview and Scrutiny Management Board (OSMB) and Cabinet.</p> <p>Resource constraints prevented delivery of a new performance hub in 22/23. However, by early 23/24 the quarterly performance reporting process has been improved through the creation of a Power BI dashboard that enables leaders to view key progress and performance against targets. It is anticipated that in-flight work on an interactive Organisational Scorecard product will be complete by the end of May 23.</p> <p>Whilst the aim remains to develop a fully integrated performance hub whereby all data and insight is available through a series of dashboards tailored to specific business areas or the council as a whole. This will be a longer term goal as there is a significant amount of work required to standardise the organisation's data, its quality and our ability to access it in real time through loading more lines of business systems to our data lake.</p> <p>This action can be considered closed</p>

E. Developing capacity including the capability of its leadership and the individuals within it	No improvements identified in 2021/22	No improvements actions required in 2022/23
F. Managing risk and performance through robust internal control and strong public financial management	<p>There are a number of improvement programmes in progress within the council which continue to strengthen and redesign how services and projects are delivered more effectively. The progress relating to delivery of the improvements in these areas will be monitored through regular updates to Corporate Leadership Board and assurance from Internal Audit. These include the following:</p> <ul style="list-style-type: none"> • Procurement and Contract Management • Risk Management • Capital Project delivery • Education Transformation - Including High Needs (SEND and Deficit) • ICT • Information Governance • Performance Management 	<p>Progress relating to delivery of the improvements in these areas is being monitored through regular service or activity updates to EDM, CLB, Corporate Investment Board (CIB), Cabinet Member Briefing (CMB); Delivery Executive (DE) and assurance from Internal Audit follow up reviews. Regular updates are provided to Bristol Schools Forum in relation to the Education Transformation Programme.</p> <p>Audit Committee received the following reports during 22/23:</p> <ul style="list-style-type: none"> • Procurement and Contract Management - 8 March 2022 • Risk Management Annual Report and Improvement Plan – 26 September 2022 • ICT (Digital Transformation and Governance Update) - 30 January 2023 • Information Governance – SIRO report to be received on 30 May 2023. <p>This action can be considered closed</p>
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability	No improvements identified in 2021/22	No improvement actions required in 2022/23
Responsible Officers for Improvements: Corporate Leadership Board		

Appendix B – Draft Annual Governance Statement – Significant Issues

Item	Issue	Key Actions	Progress Update
1	<p>Dedicated Schools Grant (DSG)</p> <p>The in-year forecast deficit on the DSG is significant at £14.6m, which when added to the brought forward balance of £10.0m means that the DSG is carrying forward a total deficit at the end of the year of £24.6m. The main financial challenge continues to be the High Needs block, which has an in-year overspend of £15.3m (Carry forward deficit of £27.9m) resulting from increases in EHCP assessments and need; this is offset by an underspend of £0.9m in the schools' block and £0.1m overspend on the other blocks.</p>	<p>A separate, more detailed High Needs Block Recovery Plan is in development, which details the key mitigations required to achieve a sustainable position.</p> <p>The actions will sit alongside the DSG Deficit Management Plan and will be agreed with Bristol Schools Forum.</p> <p>Equalities Impact Assessments (EQiAs) are being completed and public consultations will commence where required.</p> <p>Bristol has accepted the DfE's offer to engage in the 'Delivering Better Value in SEND' Programme'. Diagnostic analysis will inform further actions and access to funding from the DfE to support an 18-month programme aimed at bringing spend in line with budget.</p>	<p>Bristol's DSG has reported an annual net deficit for several years, with a cumulative deficit of £39.7m as at 31 March 2023. The key financial pressure in the DSG is within the High Needs Block where Bristol has been unable to deliver local need within the budgets available. A long term programme is being developed to improve the delivery of SEND services in our local area whilst working towards financial sustainability.</p> <p>The following actions have been taken:</p> <ul style="list-style-type: none"> • The council with the Schools Forum has developed the iterative DSG Deficit Management Plan - May 2021 with regular updates to Schools Forum throughout 2022/23 • The Education Transformation Programme transitioned into the Belonging with SEND programme in September 2022, • High Needs Block Deficit Recovery Plan produced some initial proposals with iterative EQiAs, which subject to final approval could contribute to the delivery of the deficit mitigations contained in the DSG Management Plan. The indicative mitigation proposals in the High Needs Block Deficit Recovery Plan were presented to Schools Forum on 27 September 2022. • High Needs Block Recovery Plan indicative mitigation proposals engagement and survey conducted during October and November 2022

- 6-week engagement period with wider stakeholders to help shape and inform the proposals ahead of any formal statutory consultation
- Delivering Better Value in SEND - A paper outlining the preliminary findings of the DBV programme was presented to Schools Forum on **12 January 2023**
- With the agreement of the Schools Forum, secured additional £1.6m ringfenced funding to support the continuation of the Belonging with SEND Programme.
- Upon completion of a 6-month diagnostic period, a grant application based on diagnostic findings was submitted to the DfE. Bristol secured a £1.07m grant to pump-prime deficit mitigation interventions identified through the programme.

There are four separate areas of work explicitly or implicitly charged with mitigating the deficit present in the DSG High Needs Block budget:

1. DSG Management Plan (DfE reporting tool)
2. Delivering Better Value in SEND Programme
3. High Needs Block Deficit Recovery Plan
4. Belonging with SEND Programme

The following actions are proposed:

For 2023/24 The activity and programmes that have a contributing role to managing the DSG HNB deficit are being brought together into a single cohesive programme of work under a single governance structure to achieve the objectives.

Formal consultation is estimated to commence in the summer term 2023, with options being tested with stakeholders and recommendations ready to present to Cabinet in the Autumn term. Schools Forum will be asked to endorse these recommendations at September's Schools Forum and provide their feedback to include in the Cabinet report following that meeting

Monitoring and oversight will be through:

- Regular updates to Bristol Schools Forum

			<ul style="list-style-type: none"> • Our Families Transformation Board • DfE Delivering Better Value in SEND <p>Whilst annual financial sustainability has not been achieved the action will remain open. Further updates will be provided in the 2022/23 AGS and subject to ongoing review by the Internal and External auditors as appropriate.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 134</p>	<p>2 Procurement Breaches</p> <p>The number of breaches of the council's procurement rules during 2021/22 significantly increased from 2020/21. The 20/21 VFM report by the council's external auditors has recommended urgent action be taken to address the high level of breaches. When the procurement rules are breached, there is an increased risk that the council enters into a contract which is not Best Value and/or is not the best way of achieving organisational objectives. Breaches also reduce transparency and fairness of decision making, which can increase the risk of fraud, conflicts of interest and reputational damage.</p>	<p>Whilst full compliance can never be guaranteed and 'under-reporting' of breaches, in particular, is an inherent possibility, an effective and transparent breaches governance process is in place to detect instances of non-compliance.</p> <p>Procurement compliance training will be more widely rolled out via e-learning and actual compliance activity reported quarterly to Audit Committee via Internal Audit.</p>	<p>When the council's procurement rules have not been followed these are recorded as non-compliance with the council's internal Procurement Regulations.</p> <p>FY2021/22, there were 201(9%) instances of non-compliance (total value £68m, 6%), out of a total of 2206 procurement decisions made (total value of £1,088m). In 2022/23 there were 342 (16%) instances (total value £73m, 9%), out of a total of 2134 procurement decisions made (total value £786m).</p> <p>Further analysis undertaken indicates that the majority of non-compliance relate to:</p> <ol style="list-style-type: none"> 1) extending or entering into a new contract without first seeking the signoffs required under BCC's internal procurement rules 2) extending or awarding a new contract via direct award when BCC's internal procurement rules require competition <p>Whilst this does not evidence whether better value would have been achieved had an alternative course of action been followed, it does however indicate a weakness in internal control and risk that best value may not be achieved.</p> <p>The 22/23 analysis indicates that the category of purchases result in the most breaches are: urgent social care & support for adults, children's & education provision, agency staffing spend within children, families & safer communities, professional consultancy services and technology (IT).</p> <p>The following actions have been taken in 2022/23:</p> <ul style="list-style-type: none"> • Additional data collection and reporting on breach risks and root causes developed to give greater insights for officers and senior leaders • Training on procurement compliance developed, launched and promoted to officers who have been involved in procurement activity (79% completed) • Targeted engagement with teams with cultural or process issues • Breach Dashboard launched last summer and gives "live" detailed information on procurement breaches with a tab for each Division

			<ul style="list-style-type: none"> • Joint planning of future procurement activity as part of service planning • The Proactis Contract Management system now allows contract managers to schedule reminders in order to keep track of contract end dates and actions. • Live breach reporting for Directors developed and recently re-promoted <p>It is recognised that more needs to be done to improve compliance with our standards and an action plan is in place to address this. The following actions are proposed:</p> <ul style="list-style-type: none"> • Quarterly DMT (by request) & EDM attendance by procurement Business Partners • Additional specific quarterly reports on procurement compliance to EDMs, CLB and CMB will start in Q1 FY2023/24 • Overview of future procurement activity as part of Induction for new officers with commissioning responsibilities • Greater Executive Director accountability for compliance • Incorporating the requirement for procurement compliance as a collective objective within individual's performance frameworks • Explore system development and Power BI reporting to increase visibility of contract end dates and spend <p>This action remains open due to the increasing trend and will be subject to further CLB oversight, ongoing review by the Internal auditors and further updates to be provided to the Audit Committee in 2023/24.</p>
3	<p>Savings</p> <p>The council continues to face challenges in delivering required savings.</p> <p>Out of the £11.7m of savings planned for delivery within the 2021/22 budget only 46% was achieved on a recurrent basis. If these</p>	<p>The council has experienced a period of sustained increase in demand resulting from current global market factors (such as supply chain and fuel shortages) and for some of the services provided for the most vulnerable members of the community (as a result of Covid and subsequent economic impact), particularly within adult and children's social care.</p>	<p>It was recognised in the 2022/23 budget report that the savings were at varying degrees of development and given the level of savings proposed, stage of due diligence on each, crosscutting nature of a number of the propositions and a number that may require consultation, the savings were underpinned by an optimism bias and savings delivery contingency totalling £6.2m.</p> <p>The savings programme agreed by Council in March 2022 included 2022/23 savings totalling £18.0m. These combine with £6.2m of savings carried forward from prior years still requiring delivery, to bring the total savings delivery target for 2022/23 to £24.2m.</p>

<p>savings continue to be unachievable in the future the council will need to identify other ways of delivering these savings which could result in significant impact on service delivery.</p>	<p>Following the announcement of government grant allocations and estimates of the council's funding, a significant challenge remained in the council budgets.</p> <p>The council identified six key areas for service reviews:</p> <ul style="list-style-type: none"> • Property and capital • Be more business-like and secure more external resource • Improving efficiencies • Digital transformation • Reducing the need for direct services • Redesigning, reducing, or stopping services. <p>Savings, efficiencies and income generation opportunities in the region of £34.3 million, subject to final due diligence, optimism bias, engagement, impact assessment and consultation has been identified over the medium term.</p> <p>The development of detailed plans and activity is being closely monitored by EDM, CLB and Delivery Executive and details will be included in the quarterly Finance reports to Cabinet.</p> <p>In addition, work has commenced early in 2022/23 to refresh the MTFP model assumptions and identify any new emerging pressures which may need to be addressed for 2023/2.</p>	<ul style="list-style-type: none"> • Of these £16m (66%) were delivered on a recurrent basis with £8.2m (34%) not being achieved in year as planned. Of the £8.2m, £0.5m (2%) of savings were deemed to not be deliverable and were written off in the 2023/24 budget process. The impact of initial propositions not being achieved has been partially mitigated during the year utilising £4.1m of the savings / optimism bias contingency. • Alternative recovery activity/savings of £10.0m (allowing for £0.5m of corporately held savings) predominantly one off were identified, where original plans were predicted to not achieve targeted savings and additional in year pressures noted. Of the in-year recovery savings £8.4m (84%) were delivered. The residuals were mitigated on a one off basis utilising a further £1.6m of the savings / optimism bias contingency. <p>The outcome results in £8.6m being carried forward to be delivered on a recurrent basis in 2023/24.</p> <p>This action remains open due to the scale of the carried forward savings combined with the 2023/24 savings programme to be delivered to achieve a balanced budget in 2023/24.</p> <p>The development of detailed plans and activity is being closely monitored by Governance Boards, CLB and Delivery Executive and details will be included in the quarterly Finance reports to Scrutiny and Cabinet and ongoing review by the Internal auditors in 2023/24.</p>

Audit Committee

30th May 2023



Report of: Director Finance, S151

Title: Q4 2022/23 Corporate Risk Report Update.

Ward: Citywide

Officer Presenting Report: Denise Murray – Director of Finance, S151

Contact Telephone Number: 0117 3576255

Recommendation

.1 The Audit Committee review and comment on the Q4 2022/23 Corporate Risk Report (CRR)

Summary

This report presents the Corporate Risk Report (Appendix A) as at March 2023.

The significant issues in the report are:

- The CRR is an important tool in managing risk. It aims to provide an overview of the significant risks facing the council and how they are being managed. The CRR is attached to this report at Appendix A and is the latest formal iteration following a review by members of the council's Corporate Leadership Board (CLB).



1 Policy

- 1.1. The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS). The Council is required to comment on the effectiveness of its arrangements in this regard. The statement must also identify any significant governance issues that may have resulted from failures in governance and risk management.
- 1.2. Risk Management is an integral part of good governance to which the Council is committed. Risk Management provides the framework and processes that enables the Council to manage uncertainty in a systematic way. As part of the Risk Management arrangements the Council reviews the Risk Management Assurance Policy on an annual basis.
- 1.3. It is considered good practice to regularly review and update the Risk Management Assurance Policy to ensure it strengthens the Council's approach to its risk management and assurance arrangements.
- 1.4. Ensuring that the Corporate Risk Report (CRR) is soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council's objectives and prioritise actions for managing those risks.
- 1.5. The CRR provides assurance to management and Members that Bristol City Council's significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed.
- 1.6. The CRR is a management tool and needs regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.
- 1.7. The CRR has been prepared and presented in line with the Risk Management Assurance Policy that was approved by Cabinet in January 2019.

2 Consultation

Internal - First to fourth tier managers, Extended Leadership Team, Corporate Leadership Team, Cabinet Member, City Economy, Finance and Performance.

External - None

3 Context

Corporate Risk Register (CRR)

- 1.8. The registers and reports are a management tool. They need regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.

1.9. The Q4 22-23 Corporate Risk Report (CRR) as at March 2023 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
<ul style="list-style-type: none"> ▪ 2 Critical risks ▪ 20 High ▪ 3 Medium ▪ 1 Escalating from service risk registers ▪ 2 Improving ▪ 2 Deteriorating 	<ul style="list-style-type: none"> ▪ 1 High 	<ul style="list-style-type: none"> ▪ 1 Critical ▪ 1 High ▪ 1 Medium

1.10. A summary of risks (Threat and Opportunities) for this reporting period are set out below with full detail available in Appendix A:

Threat Risks1.11. There are **two critical** threat risks:

- 'CRR13 - Financial Framework and Medium-Term Financial Plan (MTFP)' The risk rating being $4*7 = 28$ critical threat risk. This risk is managed on the Resources Service Risk Register.
- 'CRR15 - In-Year Financial Deficit' The risk rating being $4*7 = 28$ critical threat risk. This risk is managed on the Resources Service Risk Register.

1.12. There is **one new** threat risks:

- 'CRR54 Financial sustainability of nursery schools' The risk rating being $3*7 = 21$ High Risk Level. This risk has escalated from the Children directorate risk report.

1.13. There are **two improving** threat risks within the report:

- 'CRR12 - Emergency planning measures and resources overwhelmed by scope and scale of an emergency or incident faced by the council' The risk rating being $2*4 = 14$ High Risk Level improving from a level of 21.
- 'CRR39 - Adult and Social Care major provider/supplier failure' The risk rating being $3*5 = 15$ High Risk Level improving from a level of 20.

1.14. There are **two deteriorating** threat risks within the report:

- 'CRR45 - Failure to deliver statutory duty in respect of Children' The risk rating being $4*5 = 20$ High Risk Level, deteriorating from a 15 High Risk Level.
- 'CRR15 - In-Year Financial Deficit' The risk rating being $4*7 = 28$ Critical Risk Level, deteriorating from a 21 High Risk Level.

External and Civil Contingency Risks1.15. There is **one critical external risk**:

- 'BCCC5 - Cost of Living Crisis impact on Citizens and Communities'. This risk has a risk rating of $3*7 = 21$ High Risk to $4*7 = 28$ critical risk.

Additional Information:

- For more detail on individual risks and their management, please see the attached Appendix A.
- The closed risks are now reflected within individual risks across the Council's Service Risk Registers.
- All risks on the CRR have management actions in place.

It is not possible to eliminate the potential of failure entirely without significant financial and social costs. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.

Risk Management Framework

1.16. Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the council achieving its priorities and objectives and a key element of the council's governance framework.

1.17. The risk management framework and process continue to be developed. During 2022/2023 we have:

- Continuous implementation of a new risk management database and risk data migration to the new system. New risk dashboards have been created for every division and directorate of the council to provide detail of their risks and actions in place to mitigate these. In addition, guidance documents and workshops has been provided on the systems' use.
- Risk workshops and better use of Pentana system to continue.
- The risk process continues to be embedded within the council with Risk and Insurance Colleagues attending where possible all DMTs, EDMs and CLB quarterly to review the identification and management of the council's significant threat and opportunity risks utilising risk dashboards created on our risk management database.

4) Proposal

- The Audit Committee are requested to receive and note the Risk Management update.
- The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a source of assurance that risk management arrangements are in place.

5) Other Options Considered

None necessary. Having robust risk management processes in place is a requirement of the City Council. The CRR has been developed in line with the Risk Management Assurance Policy.

6) Risk Assessment

The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council and help the management of risk arrangements embed.

7) Public Sector Equality Duties

Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following "protected characteristics": age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:

- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
- ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic.
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.


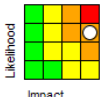

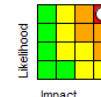



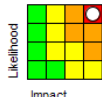

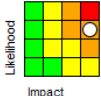

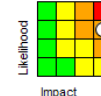

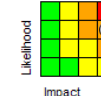

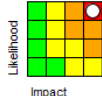

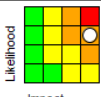

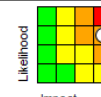



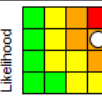
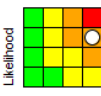

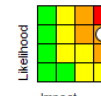





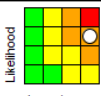

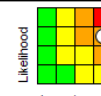




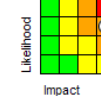

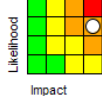
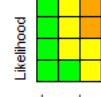

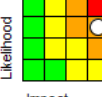
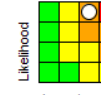

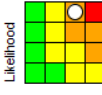

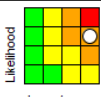

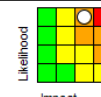

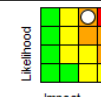

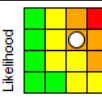
- ii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and
 - promote understanding.

7b) No equalities assessment necessary for this report.

8) Legal and Resource Implications

- Legal - N/A
- Financial - N/A
- Land - N/A
- Personnel - N/A

Threat Risk Performance Summary

Risk....	Page Number	Q1 Rating	Q1 Matrix	Q2 Rating	Q2 Matrix	Q3 Rating	Q3 Matrix	Q4 Rating	Q4 Matrix
CRR13 - Financial Framework and Medium-Term Financial Plan (MTFP)	6	21 	 Likelihood Impact	28 	 Likelihood Impact	28 	 Likelihood Impact	28 	 Likelihood Impact
CRR15 - In-Year Financial Deficit	7	21 	 Likelihood Impact	21 	 Likelihood Impact	21 	 Likelihood Impact	28 	 Likelihood Impact
CRR9 - Safeguarding Vulnerable Children	8	21 	 Likelihood Impact	21 	 Likelihood Impact	21 	 Likelihood Impact	21 	 Likelihood Impact
CRR48 - Failure to meet the affordable housing needs of the City by failing to meet the Project 1000 Delivery target (Replaced CRR32)	9	21 NEW RISK	 Likelihood Impact	21 	 Likelihood Impact	21 	 Likelihood Impact	21 	 Likelihood Impact
CRR12 - Emergency planning measures and resources overwhelmed by scope and scale of an emergency or incident faced by the council	11	21 	 Likelihood Impact	21 	 Likelihood Impact	21 	 Likelihood Impact	14 	 Likelihood Impact
CRR52 - Fire Safety in High Rise residential buildings	12					21 Escalated from service risk registers	 Likelihood Impact	21 	 Likelihood Impact
CRR51 - Risk that ASC financial unsustainability due to national and local pressures leads to a failure to deliver statutory duties and budgetary control	14					21 NEW RISK	 Likelihood Impact	21 	 Likelihood Impact
CRR53 - Risk that increased social worker and occupational therapist vacancies and sickness rates will result in vulnerable adults' care being compromised	15					20 NEW RISK	 Likelihood Impact	20 	 Likelihood Impact
CRR39 - Adult and Social Care major provider/supplier failure	16	21 	 Likelihood Impact	20 	 Likelihood Impact	20 	 Likelihood Impact	15 	 Likelihood Impact

Appendix A – Corporate Risk Register as of March 2023



Risk....	Page Number	Q1 Rating	Q1 Matrix	Q2 Rating	Q2 Matrix	Q3 Rating	Q3 Matrix	Q4 Rating	Q4 Matrix
CRR7 - Cyber Security	17	20 		20 		20 		20 	
CRR25 - Suitability of Line of Business (LOB) systems	18	20 		20 		20 		20 	
CRR40 - Unplanned Investment in Subsidiary Companies	19	20 		20 		20 		20 	
CRR49 – Workforce Resilience	20	21 NEW RISK		20 		20 		20 	
CRR41 – Capital Portfolio Delivery	22	20 		20 		20 		20 	
CRR37 – Homelessness	24	20 		20 		20 		20 	
CRR43 - Lack of progress for Mass Transit Impact on city	26	20 		20 		20 		20 	
CRR45 - Failure to deliver statutory duty in respect of Children	27	9 		15 		15 		20 	
CRR10 - Safeguarding Adults at Risk with Care and support needs	28	15 		15 		15 		15 	


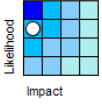

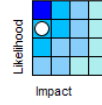


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Appendix A – Corporate Risk Register as of March 2023


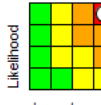



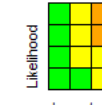



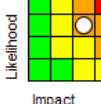

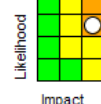

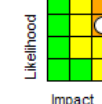

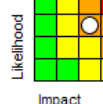

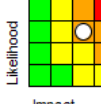



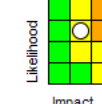

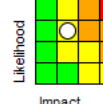


Risk....	Page Number	Q1 Rating	Q1 Matrix	Q2 Rating	Q2 Matrix	Q3 Rating	Q3 Matrix	Q4 Rating	Q4 Matrix
CRR6 - Fraud and Corruption	29	15		15		15		15	
CRR27 – Failure to deliver the Capital Transport Programme Delivery	31	15		15		15		15	
CRR5 - Business Continuity and Operational Resilience.	32	15		15		15		15	
CRR26 - ICT Resilience.	33	14		14		14		14	
CRR29 - Information Security Management System (ISMS)	34	10		10		10		10	
CRR4 - Failure to Deliver an effective Corporate Health, Safety and Wellbeing Framework	35	15		10		10		10	
CRR18 - Failure to deliver enough new homes to meet Mayoral and Annual Business Plan targets. (Formerly 'Failure to deliver enough homes to meet the City's needs')	37	15		10		10		10	
CRR54 - Financial sustainability of nursery schools	???	15		15		15		21 Escalated	




Opportunity Risk Performance Summary

Risk	Page Number	Q1 Rating	Q1 Matrix	Q2 Rating	Q2 Matrix	Q3 Rating	Q3 Matrix	Q4 Rating	Q4 Matrix
OPP1 - One City Approach	38	21 		21 		21 			

External and Civil Contingency Risk Summary

Risk	Page Number	Q1 Rating	Q1 Matrix	Q2 Rating	Q2 Matrix	Q3 Rating	Q3 Matrix	Q4 Rating	Q4 Matrix
BCCC5 - Cost of Living Crisis impact on Citizens and Communities	39	28 NEW RISK 		28 		28 		28 	
BCCC1 – Flooding	40	15 		15 		15 		15 	
BCCC4 - Winter diseases including COVID-19 and Flu (formerly COVID-19 Population Health)	41	15 		9 		9 		9 	

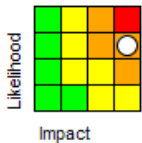
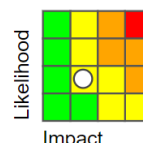
Risk Trend Key

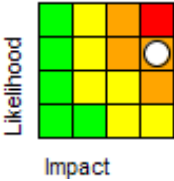
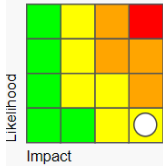
Arrow	Description
	The risk rating has improved from the previous quarter, having reduced in its severity.
	The risk rating has deteriorated from the previous quarter, having increased in its severity.
	The risk rating has not changed from the previous quarter.

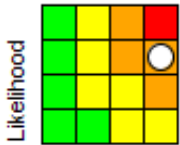



Threat Risks

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level			
<p>Risk Title: CRR13 - Financial Framework and Medium-Term Financial Plan (MTFP)</p> <p>Description: Failure to be able to reasonably estimate and agree the financial 'envelope' available, both annually and in the medium-term and the council is unable to set a balanced budget.</p>	Constant	28 Likelihood = 4 Impact = 7		14 Likelihood = 2 Impact = 7			
<p>Risk Causes: Failure to achieve Business Rates income- appeals/general economic growth/loss of major sites Economic uncertainty impact on locally generated revenues - business rates and housing growth, impacting on council tax, new homes bonus and business rate income. The general economic uncertainty affecting the financial markets, levels of trade & investment Local Government finance settlement from spending review Continued Impact of Covid-19 on key income sources. Inadequate budgeting & budgetary control/Financial Settlements & wider fiscal policy changes:- The potential for new funding formulas such as fair funding, business rates retention to significantly reduce the government funding available to the council alongside possible increase in demand for council services. Embedding of the new national funding formula for schools and High Needs. Political failure to facilitate the setting of a lawful budget. Unable to agree a deliverable programme of propositions that enable the required savings to be achieved. Insufficient reserves to mitigate risks and liabilities and provide resilience. Rising inflation could lead to increased cost. Impact of Adult Social Care reform and sufficient funding available to meet increased cost</p> <p>Risk Consequences: Potential failure to set a legal budget and council tax by the due date, would have a significant adverse impact on the council's ability to provides services and the council's reputation locally and nationally in terms of investor confidence. That the budget is unlikely to reflect council priorities and objectives. That the budget may not adequately resource pressures and increases in demand. That the budget includes savings which are not deliverable. That the council reserves are used for mitigating the medium-term financial plan; running down reserves, avoiding decision and reducing the Council's resilience. Negative impact on front line services. A negative opinion from external audit. Secretary of State intervention.</p>							
		Existing Controls		Mitigating Actions			
		Control		Action Title	Due Date	Progress	
		<p>1. Budget Preparation, Setting and Budget Accountability Framework - BCC manages its financial risks through a range of controls including budget preparation, budget setting and a Budget Accountability Framework. Clear roles and responsibilities for managing, monitoring and forecasting income and expenditure against approved budgets are in place.</p> <p>2. Medium Term Financial Plan – Twice yearly update including sensitivity and scenario based financial modelling on all assumptions including inflation and demand growth</p>		1. Implementation of CIPFA Financial Management Code	June 2023	40%	
					2. Review of financial outlook assumptions	June 2022	100%
					3. Undertake annual financial resilience assessment - Links to CIPFA Action	June 2022	100%
					4. Fully refreshed MTFP report to Cabinet in October	September 2022	100%
					5. Establishing the Business & Budget Planning Board to oversee development of budget	February 2023	100%
					6. Making representation to government departments in relation to: - the likely costs at a local level for the proposed Adult Social Care reforms	March 2024	0%
<p>Risk Owner(s): Chief Executive and Director of Finance (S151 Officer).</p> <p>Portfolio Flag: Finance, Governance and Performance</p> <p>Strategic Theme: Our Organisation</p>		<p>Summary of Progress: The 2023/24 budget has been agreed by full council in a balanced position. The 2023/24 does require significant savings to be delivered. The 5-year MTFP remains unbalanced in the latter years.</p>					

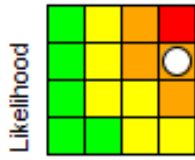
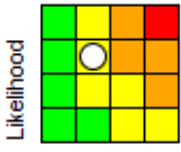
Threat Risk	Trend	Current Risk Assessment			Risk Tolerance Level																					
<p>Risk Title: CRR15 – In-Year Financial Deficit</p> <p>Description: The council's financial position goes into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the council's reserves policy.</p>	<h2>Deteriorating</h2>	<h1 style="color: red;">28</h1> <p>Likelihood = 4 Impact = 7</p>		<h1 style="color: orange;">6</h1> <p>Likelihood = 2 Impact = 3</p>																						
<p>Risk Causes: A failure to appropriately plan and deliver savings. Unscheduled loss of material income streams. Increase in demography, demand and costs for key council services. The inability to generate the minimum anticipated level of capital receipts. Insufficient reserves to facilitate short term mitigations, risks and liabilities. Interest rate volatility impacting on the council's debt costs. Impairments in our commercial Investments are realised. Response to inadequate SEND inspection in 2019, Increased demand for EHCPs, Lack of specialist provision in Bristol, increased compliance to statutory requirements in relation to SEND.</p>																										
<p>Risk Consequences: The council's financial position goes into significant deficit in the current year resulting in reserves (actual or projected) being less than the minimum specified by the council's reserves policy.</p>	<p>Existing Controls</p> <p>Control</p>		<p>Mitigating Actions</p> <table border="1"> <thead> <tr> <th>Action Title</th> <th>Due Date</th> <th>Progress</th> </tr> </thead> <tbody> <tr> <td>1.DSG - Analysis for Further Mitigations</td> <td>August 2022</td> <td>100%</td> </tr> <tr> <td>2. DSG - Phase 2 Programmes</td> <td>April 2022</td> <td>100%</td> </tr> <tr> <td>3. DSG - Proposal for Phase 3 Educations Transformation Programme</td> <td>August 2022</td> <td>100%</td> </tr> <tr> <td>4. Engagement process for indicative mitigations of the DSG management plan</td> <td>February 2023</td> <td>100%</td> </tr> <tr> <td>5. On-going process to develop, identify and delivery in-year mitigating actions</td> <td>March 2023</td> <td>75%</td> </tr> <tr> <td>6. DfE Deliver Better Programme</td> <td>March 2023</td> <td>0%</td> </tr> </tbody> </table>			Action Title	Due Date	Progress	1.DSG - Analysis for Further Mitigations	August 2022	100%	2. DSG - Phase 2 Programmes	April 2022	100%	3. DSG - Proposal for Phase 3 Educations Transformation Programme	August 2022	100%	4. Engagement process for indicative mitigations of the DSG management plan	February 2023	100%	5. On-going process to develop, identify and delivery in-year mitigating actions	March 2023	75%	6. DfE Deliver Better Programme	March 2023	0%
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5. On-going process to develop, identify and delivery in-year mitigating actions	March 2023	75%																								
6. DfE Deliver Better Programme	March 2023	0%																								
<p>Risk Owner(s): Director of Finance (S151 Officer).</p>	<p>1. BCC Financial Framework - BCC's Financial framework ensures that we have in place sound arrangements for financial planning, management, monitoring and reporting through to Corporate Leadership Team and Cabinet.</p> <p>2. Deep Dives on non-containable pressure areas - We have continual oversight and ongoing management of the council's financial risks and deep dives in areas reported of non-containable pressures.</p> <p>3. Ensuring engagement at local, regional and national level - in round table and working groups to keep abreast the spending review, Business Rates retention and new funding formulas for Local Government. To ensure funding for Bristol is maximised and impact of changes are fed into our long-term financial planning and strategic planning.</p> <p>4. Policy and Budget Framework - The Policy and Budget Framework provides clear guidance in relation to the approval process for supplementary funding both capital and revenue.</p> <p>5. Re-assessment of service delivery risks and opportunities and risk and other reserves - We will carry out frequent re-assessment of service delivery risks and opportunities and risk and other reserves.</p> <p>6. DSG - Detailed Management Plan Based on DfE Framework - A detailed Management Plan is in development, using the DfE's recommended framework - The deficit and development of the plan was discussed with the DfE in Spring 21. The DfE were not requesting a formal submission at this time.</p> <p>7. DSG - Early Years Block Task and Finish Group</p> <p>8. Vacancy Freeze to manage budget overspend</p>																									
<p>Portfolio Flag: Finance, Governance and Performance</p>	<p>Summary of Progress: 'The P10 report has highlighted further deterioration in the financial position of the council. This risk is updated to reflect further need and associated financial risk which has emerged as at Period 10 within the People Directorate's Children and Families (CSC) division, Education (including pressures in respect of nursery schools) and within the Growth and Regeneration's Directorate's Property, Assets and Infrastructure's Energy service and Management of Place's Parking service where previous risks have now been built into forecast. The position is being closely monitored and further work is being undertaken to explore a range of possible mitigations and opportunities across all Council budgets.</p>																									
<p>Strategic Theme: Our Organisation</p>																										

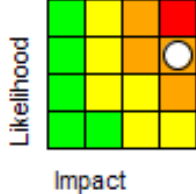
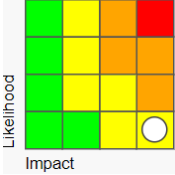
Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR9 - Safeguarding Vulnerable Children</p> <p>Description: The council fails to prevent increased risk of harm to children, resulting in harm or death to a vulnerable child.</p>	Constant	21 Likelihood = 3 Impact = 7		7 Likelihood = 1 Impact = 7	
<p>Risk Causes:</p> <ul style="list-style-type: none"> -Demand for services exceeds service capacity and capability. -Inadequate controls result in harm. -Increase in child protection, complex safeguarding risks, criminal exploitation, serious youth violence and gang affiliation. -Hidden harm resulting from periods of lockdown, increased stress in families and service disruption during COVID -Placement failure due to COVID infection across children's home or fostering households. -An increase in demand of 6% evident across care population - specific pressures are clear for teenagers and unaccompanied children requiring our care 					
	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
			Reviewing national serious case reviews on the back of recent high profile child deaths through multiagency safeguarding arrangements	December 2022	100%
			New Quality Assurance Processes – including targeted mentoring and training for social workers	Sept 2022	100%
			Draft revised Threshold Document which is due to be approved by Keeping Bristol Safe Partnership over the next quarter.	March 2023	90%
			Procure a strategic partner to undertake work regarding extra familial harm and with our children who go missing from home or care. (JA – different due date in the system)	April 2023	80%
			Working with Cornwall as part of Sector Led Improvement to review our place-based leadership arrangements and prevention of care offer.	March 2023	100%
<p>Portfolio Flag: Children's Services, Education & Equalities</p>	<p>Summary of Progress: Demand continues to increase for services due to; 1. Cost of living crisis and poverty, 2. Increase in children seeking asylum., 3. Increase in children presenting with trauma. And 4. We have increasing numbers of children coming into care and due to increased demand and placement sufficiency we have placed a number of children in unregistered provision.</p>				
<p>Strategic Theme: Our Organisation, Empowering and Caring, Wellbeing.</p>					

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
Risk Title: CRR48 - Failure to meet the affordable housing needs of the city by failing to meet the Project 1000 Delivery targets. (Replacing CRR32)	<h1>Constant</h1>	<h1>21</h1> Likelihood = 3 Impact = 7		<h1>14</h1> Likelihood = 2 Impact = 7	
Description: Failure of the City to deliver to the Mayoral Target of 1000 affordable homes per year by 2024. Strategies and delivery models designed to further stimulate growth in the housing market and deliver diversity of the housing in the city prove to be ineffective.					
Risk Causes: <ul style="list-style-type: none"> - Availability of public subsidy from homes England and challenges in meeting their funding viability and value for money assumptions -reduction in the levels of Capital funding the Council has to support affordable housing delivery by third party providers -the complexity and costs associated with the development of brownfield sites, leading to viability challenges for both direct and 3rd party delivery. - Insufficient land available - continued impact of Covid 19 on the delivery programme of developments in the City - Not enough planning applications submitted - Not enough planning permissions granted and delays within the planning process - Inability of the housebuilding industry to deliver at this level to meet need through the planning system - Increased uncertainty in the market due to Brexit - Lack of capacity within the council's delivery system and the local market - Insufficient housing land identified in strategic planning documents 	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	<ol style="list-style-type: none"> 1. Improved our monitoring of affordable housing delivery and pipeline including identification of where HDT can unblock barriers to delivery. 2. Requiring a minimum of 30% affordable housing on land released by the Council. 3. Working collaboratively with Homes England to maximise subsidy in schemes - This provides as much affordable housing as possible. New framework for regular collaboration and review in place, focussing on both BCC direct delivery and RP delivery. 4. Project 1000 and Housing Delivery Boards - Scrutiny and active decision making / support at a senior and political level to influence and unblock barriers to delivery. Project 1000 leads in place. 5. KPI Targets for affordable housing delivery - quarterly reporting of KPI targets through spar.net providing corporate scrutiny on annual delivery against targets 6. Revised Affordable Housing Practice Note 		<ol style="list-style-type: none"> 1. Bid for second round funding through OPE BFLR fund to unlock a second CLH site. 2. Develop the Housing Delivery Plan 2022-25. 3. Review & amend the Affordable Housing Practice note in 2021/22. 4. Revised Affordable Housing Funding Policy 2022-2025 	<ol style="list-style-type: none"> July 2022 December 2022 July 2022 March 2022 	<ol style="list-style-type: none"> 100% 100% 100% 100%
Risk Consequences: <ol style="list-style-type: none"> 1. Reputational damage 2. Increased levels of homelessness 3. Increased demand from the private rented sector, (non-affordable), by those in highest need 4. Residualisation of lower value areas of the city 5. Economic deprivation, poorer health and lower educational attainment of households living in poverty in poor housing conditions with limited tenancy sustainability 			<ol style="list-style-type: none"> 5. Secure Homes England Affordable Housing Programme Funding 6. Accelerating Planning for Affordable Housing 7. Develop new practice notes on affordable housing delivery through Build to Rent and First Homes 8. Plan and establish a monthly Project 1000 working group to oversee all affordable housing development activity, monitor and 	<ol style="list-style-type: none"> March 2026 December 2022 April 2022 August 2022 	<ol style="list-style-type: none"> 40% 56% 100% 100%

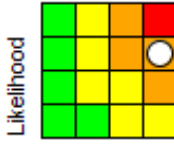
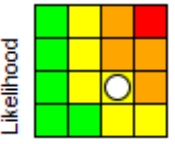


<p>6. Balance between addressing need for family homes V increased viability of delivering smaller units</p>		<p>manage risk and unblock internal barriers to delivery</p>		
<p>Risk Owner(s): Executive Director Growth and Regeneration, Director Development.</p>		<p>9. Develop a new framework of appraisal parameters and agree a clear funding programme approach for HRA delivery</p>	<p>October 2022</p>	<p>100%</p>
		<p>10. Review structure and capacity of current Housing Delivery Team to ensure the team has the ability to meet Project 1000 and HRA Business plan targets for direct delivery</p>	<p>December 2022</p>	<p>100%</p>
		<p>11. Maximise capital funding from Homes England, WECA and DLUHC to address the complexities and additional costs of delivering an affordable housing programme on brownfield sites, including looking at ways of developing a strategic approach with key funding partners to meet infrastructure and abnormal costs.</p>	<p>March 2025</p>	<p>60%</p>
<p>Portfolio Flag: Housing Delivery and Homes</p>	<p>Summary of Progress. Concerns remain in the construction sector around materials cost and labour availability that remain a risk to affordable housing delivery within the current timescales. This may delay delivery beyond 2023/24 or at worst case mean sites are no longer viable and are not brought forward for development, effecting the longer-term pipeline. There are currently 1,300 affordable homes in active development and many more to commence on site in 2023/24, contributing to the totals for delivery in the coming years.</p>			
<p>Strategic Theme: Fair and Inclusive</p>				

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR12 - Emergency planning measures and resources overwhelmed by scope and scale of an emergency or incident faced by the council</p> <p>Description: A Major Incident or emergency which exceeds the response capacity of the council and partner responding organisations leading to mass fatalities, excess deaths, damage to property and infrastructure and an ability to deliver key service to the community. In addition, further consequences could be litigation and reputational damage to the council.</p>	Improving	14 Likelihood = 3 Impact = 7		9 Likelihood = 3 Impact = 3	
<p>Risk Causes:</p> <ul style="list-style-type: none"> -Emergency risks not identified and prepared for. -Lack of trained and available responding staff. -Emergency roles and responsibilities not embedded. 					
<p>Risk Consequences:</p> <p>Increased risk of:</p> <ul style="list-style-type: none"> - Disruption of public services - Disruption of transport networks - Death/injury - Displacement of people 	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	1.24/7 Operations Centre provides effective monitoring for the city and a co-ordinatory role in response and recovery.		1.Emergency training – rest centres, humanitarian assistance and training for Marshals currently running	April 2022	100%
	2.Corporate Resilience Group, overseeing mitigations of contingencies risks identified on the National Security Risk Assessment and delivery of Category 1 Responder duties		2.Plan and Deliver Corporate exercise	October 2022	100%
	3.Active participation in the Avon and Somerset Local Resilience Forum and close working with multi-agency partners, including training and exercising		3.Development and sign off of Strategic Crisis Management Plan	May 2022	100%
	4.Emergency Plans		4.Development and roll out of the Emergency Planning e-learning package	October 2023	60%
	5.Duty Director rota in place		5.Community Resilience Mapping development	October 2023	75%
	6.Duty Civil Protection Officer and other duty rotas in place (Highways, Dangerous Structures, Public Health, Social Care, etc)		6.Supporting the review of the ASLRF work programme and Operational Model	May 2022	100%
	7.BCC emergency plan training and exercising in place		7.Continued support to the Covid response, particularly around testing and vaccinations	June 2022	100%
	8.Monitoring of severe weather events		8.Coordination of support for Afghan refugee hotels	May 2022	100%
9.Close working with Safety Advisory Group for Events					
<p>Risk Owner(s): Executive Director Growth and Regeneration, Director Management of Place.</p>	9.Horizon scanning for emerging risks, including Ukraine war (through CRG, BC Group and LRF)				
<p>Portfolio Flag: City Economy, Finance & Performance</p>	<p>Summary of Progress: The risk score for this risk has been reduced this quarter. Although impact scores have stayed the same, the likelihood has reduced from 3 likely to 2 unlikely to reflect coming out of the winter period, a stabilisation in international energy prices, progress made on mitigating the risk to our high-rise blocks and a continued reduction in Covid impacts.</p>				
<p>Strategic Theme: Our Organisation, Wellbeing</p>					

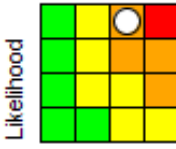
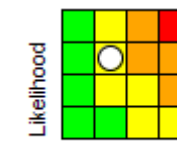
Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR52 - Fire Safety in high Rise residential buildings</p> <p>Description: Risk of failing to ensure high rise properties meet safety requirements</p>	Constant	21 Likelihood = 3 Impact = 7		7 Likelihood = 1 Impact = 7	
<p>Risk Causes: Findings from new PAS9980 inspection regime, learning from fires and new regulatory requirements. Difficulty recruiting to new posts and conducting service review resulting in no additional dedicated resources with responsibility for building safety cases and resident engagement.</p>					
<p>Risk Consequences: Risks to personal safety, reputational and legal (financial and criminal), increased insurance costs.</p>	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
<p>Risk Owner(s): Executive Director Growth and Regeneration, Director Homes and Landlord Service</p>	<ul style="list-style-type: none"> Carry out fire risk assessments on all communal areas/assets identified as requiring an FRA on an annual of bi-annual basis depending on level of risk and occupancy (97% complete) Fire Engineer Independent Assessments (IA) on its High-Rise blocks. The IA's included holistic assessments of fire safety equivalent to type 4 intrusive investigations. Separate contractual arrangements for FRA's and remedial works Deliver programme of PAS 9980 appraisals and FRAEW's BCC instructs further assessments as directed from FRA's Carpenters are TRADA trained to ensure fire doors meet required standards Fire risk assessments are carried out by qualified and competent people. Fire safety and awareness training for staff in place Fire safety policy implemented and includes approach to stay put, evacuation etc. Monthly building safety board meetings monitor fire and building safety compliance Our current fire safety consultant for High rise (Building Control) is IFE (Institution of Fire Engineers) accredited. For low rise, our current assessor is FRACS (Fire Risk Assessor's Certification Scheme) qualified. Separate contractual arrangements are held for FRA's and remedial works 		Waking watch implemented in all 38 blocks with EPS cladding	November 2022	100%
			Building new investment into the budget/business plan for 2023/24	March 2023	100%
			Complete a review of business innovation	April 2023	0%
			Complete a review of fire safety policies and processes	May 2023	0%

Portfolio Flag: Housing Delivery and Homes	Summary of Progress: Tendered for provider to complete FRAs Tendered for framework of providers to carry out FRAEW Action plan in place to meet new fire safety regulatory requirements including communication and signage (risk of meeting compliance scored separately). Interim measures (waking watch) in place and budget provision for EPS removal, interim measures, and sprinkler programme in place. Risk can be reviewed when new inspection programmes implemented and regs action plan is completed.
Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing	

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level		
<p>Risk Title: CRR51 - Risk that ASC financial unsustainability due to national and local pressures leads to a failure to deliver statutory duties and budgetary control</p> <p>Description: There is a risk that ASC financial unsustainability due to a number of national and local pressures compromises the ability to deliver statutory duties and the independence of people that draw on care and support.</p>	Constant	21 Likelihood = 3 Impact = 7		10 Likelihood = 2 Impact = 5		
<p>Risk Causes:</p> <p>Rising demand in Adult Social Care which must be met under the Care Act. Particularly from complex needs and higher cost requirements in people under 65. These needs are more likely to be met outside of area, be subject to lower personal contributions, and be needed for longer.</p> <ul style="list-style-type: none"> -Increase of needs due to more health services being delivered in the community without appropriate funding following the patient. -Increased complex needs across our demographics that must be met under the Care Act. -Lack of funds available within budget to meet statutory duties. -Lack of systems in order to ensure effective governance and control of all spend. -Pressure from wider system pressures - for example, delays in hospitals which lead to increased long term cost provision for care. -Non-recurrent funding which limits opportunity for long term investment. <p>Risk Consequences:</p> <ul style="list-style-type: none"> - Overspending on the budget which may impact the wider council. 						
	Control			Action Title	Due Date	Progress
	<ul style="list-style-type: none"> Established Care Cubed to improve pricing controls - enabling the service to maximise value for money Improved Business Intelligence - Developing advanced tools for analysing and reporting business intelligence and performance information Improved governance process on all spend - Improved case discussion where all spend is approved through tighter governance. Leading integration opportunities with Health - Through establishment of the Integrated Care Board (ICB) BCC are leading implementation of integration opportunities which will maximise vfm e.g. joint commissioning of learning disability and autism team Realignment of ASC Operations - Using new locality teams to work with local providers, community and voluntary sector to maximises care and support provision outside of Council statutory provision. This builds resilience in communities and individuals, and ensure statutory services are focused on the right interventions. Reset the ASC Transformation Programme - Reset the programme to address market provision, workforce 	<ul style="list-style-type: none"> Develop alternative to long term care provision - Increase provision of Technology Enabled Care, Shared Lives and Direct Payments Increase the number of direct payments through reviewing process and practice Increase the take up and opportunity around the use of technology enabled care Management restructure and vacancy management to deliver savings Review of in-house service provision to deliver efficiencies and savings 	<ul style="list-style-type: none"> December 2022 March 2023 January 2023 March 2023 March 2023 	<ul style="list-style-type: none"> 50% 40% 70% 70% 50% 		

Appendix A – Corporate Risk Register as of March 2023

<p>-The consequence of this risk are that appropriate and effective care and support as required under the Care Act may not be possible for all those who require it. The consequence could be felt in the quality or quantity of care and support, or in both.</p>	<p>challenges, price control, practice, and integration</p>		
<p>Portfolio Flag: Children’s Services, Education & Equalities Portfolio Flag: Adult Social Care & Integrated Care System</p>	<p>Summary of Progress: The score remains the same due to continued pressure on the ASC care budget. Currently there are mitigations in place to address this but going into 23/24 there is around £9m pressure on the care budget and around £6m savings agreed that will need to be delivered.</p>		
<p>Strategic Theme: Our Organisation, Empowering and Caring, Wellbeing.</p>			

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR53 - Risk that increased social worker and occupational therapist vacancies and sickness rates will result in vulnerable adults’ care being compromised.</p> <p>Description: Limited staff capacity within operational teams will result in increased waiting times for assessment and review potentially putting vulnerable adults at risk of going without sufficient care and support.</p>	<p>Constant</p>	<p>20 Likelihood = 3 Impact = 7</p>		<p>9 Likelihood = 3 Impact = 3</p>	
<p>Risk Causes:</p> <ul style="list-style-type: none"> -Difficulties recruiting and retain experienced social workers and OTs. This is in line with national picture of increasing vacancy rates in statutory adult care social care departments across the country. -These vacancies are not distributed equally with some operational teams having nearly 50% vacant posts. -Sickness absence in operational teams have also increased during this period which is further compounding operational teams’ ability to respond to those in most urgent need. -Cost of living crisis is also likely to impact on retention rates of social work staff 					
<p>Control</p>		<p>Action Title</p>		<p>Due Date</p>	<p>Progress</p>
<ul style="list-style-type: none"> • Increase Social Work and OT Apprentice capacity - ASC have doubled the amount of SW and OT apprentices this year increasing to 6 SW Apprentices per year and 2 OT apprentices. • Operational Business Continuity plans duty - All operational teams have internal prioritisation process for workflow and demand. Additionally, they have 		<p>Review AMHP Market Supplement</p>		<p>January 2023</p>	<p>100%</p>
		<p>Recruit Non- registered Social Care Practitioners to bolster workforce - Agreed to recruit Social Care Practitioners and OT aides on a fixed term basis to off sent challenges in</p>		<p>October 2022</p>	<p>100%</p>

Appendix A – Corporate Risk Register as of March 2023

Risk Consequences: - As a result of this decreased operational capacity this has seen an increase in numbers of people waiting for assessment and reviews (insert data) -The percentage of individuals who have had an annual review of their care and support needs has also decreased in the last year with less than 50% of individual in receipt of care and support having had a formal review.	robust duty systems in place with duty workers present to respond to urgent demands or cases to mitigate against highest risk of harm to citizens and respond in a timely way to those at greatest need. <ul style="list-style-type: none"> Recruitment Strategy - Developed new recruitment strategy and implemented rolling recruitment advert. Developing enhanced Wellbeing offer for operational staff - dedicated additional resource within Adult Workforce L&D to enhance our wellbeing and support offer. 	recruiting registered staff. Cost will be covered by SW vacancies and underspend and can offer some mitigation. Historically we have more success and recruiting and retaining non-registered staff than SW and OT roles.	
Risk Owner(s): Executive Director People, Director Adult Social Care.			
Portfolio Flag: Adult Social Care & Integrated Care System	Summary of Progress: Operational capacity within ASC continues to be stretched. Currently average practitioner capacity sits at 70% which includes vacancies and all absences. This varies significantly across teams and localities with 3 operational teams below 50%. This has been impacted further by delays resulting from further vacancy management and dispensation process.		
Strategic Theme: Our Organisation, Empowering others and Caring, Fair and Inclusive, Well connected, Wellbeing.			

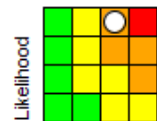

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Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
Risk Title: CRR39 – Adult and Social Care major provider/supplier failure Description: Failure or potential degradation of ASC service provision linked to a complex set of internal / external risks causing service interruption or cessation. Failures or closures in the supply chain mean insufficient supply to source adequate appropriate support and meet Care Act needs.	Improving	15 Likelihood = 4 Impact = 5		14 Likelihood = 2 Impact = 7	
Risk Causes: - Provider goes into liquidation or ceases operations -Provider unable to meet demand due to recruitment / workforce/ or organisational issues. -Factors influencing provider/supplier failure: Increased demand and increased complexity of need of individuals putting further pressure on social care sector. Chronic workforce recruitment and retention problems heightened by pandemic. The social care sector facing a number of other issues – highly competitive job market, covid 'exhaustion', rising energy costs, changes to National Living Wage, inflation/ raising costs of supplies, high cost of living in Bristol, significant pressures from two large acute hospitals.		Existing Controls		Mitigating Actions	
	<ul style="list-style-type: none"> Daily review of supply and sustainability issues and x3 week business continuity meetings across operations Twice weekly Operational Business continuity meetings Weekly ASC Business continuity meeting – DMT level Weekly produced Sit Rep with information on Covid Outbreak Management, supply, demand, provider quality Regular information received from D&B Credit ratings to help assess financial risk Each major contract (Home Care, Care Homes, Community 		Action Title Review of Provider Financial Sustainability process	Due Date December 2022	Progress 100%
			Proud to Care Programme	March 2023	50%

Appendix A – Corporate Risk Register as of March 2023


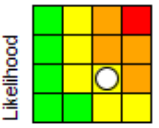
<p>Risk Consequences: Citizens (many of whom are very vulnerable) may have services ended or reduced without much notice putting them at risk and causing distress Lack of suitable local provision may mean people moving away from community, support networks Lack of alternative provision should mean not meeting statutory duties under Care Act Pressures on ASC workforce (social work, contracts, brokerage commissioning etc) to review and find alternative provision in timely manner Financial pressures as demand may drive prices up Lack of suitable provision resulting people moving to inappropriate more costly provision (e.g. care home instead of home care)</p>	<p>Support Services, ECH) has a multi-disciplinary Business Relations team which assess risks to those provisions and plan response whether QA or Commissioning</p> <ul style="list-style-type: none"> • Provider Sustainability Panel is a forum where ASC can assess the financial issues facing individual provider and consider support options • Regular meetings with a) key Strategic Providers in the city b) all provider forums and regular dialogue with Care and Support West Care Association • Daily assessment of supply - via Brokerage team, Business relationship team and Contracts • Strategic Planning and information sharing with CCG, other LAs and other key stakeholders - Great integration across BNSSG and joint problem solving, sharing of information and resources. • Provider Failure/Service Interruption Process 	<p>Fair Cost of Care exercise</p>	<p>October 2022</p>	<p>100%</p>
<p>Risk Owner(s): Executive Director People, Director Adult Social Care.</p>		<p>Cost of Living Work</p>	<p>October 2022</p>	<p>100%</p>
<p>Portfolio Flag: Adult Social Care & Integrated Care System</p> <p>Strategic Theme: Our Organisation, Empowering others and Caring, Fair and Inclusive, Well connected, Wellbeing.</p>	<p>Summary of Progress: In recent quarter we have experienced planned closures of services. There is a likelihood of continued planned closures and care providers consolidating their service provision at regular intervals.</p>			
<p>Update of Provider Failure Procedure</p>		<p>December 2022</p>	<p>50%</p>	

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Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level		
<p>Risk Title: CRR7 – Cyber Security</p> <p>Description: The Council's risk level in regard to Cyber-security is higher than should be expected.</p>	<p>Constant</p>	<p>20 Likelihood = 4 Impact = 5</p>	 <p>Likelihood</p> <p>Impact</p>	<p>5 Likelihood = 1 Impact = 5</p>	 <p>Likelihood</p> <p>Impact</p>	
<p>Risk Causes:</p> <ul style="list-style-type: none"> • Lack of investment in appropriate technologies. • Reliance on in-house expertise, and self-assessments (PSN). • Lack of formal approach to risk management (ISO27001). 			<p>Existing Controls</p>		<p>Mitigating Actions</p>	
	<p>Control</p> <p>1. Phishing attack exercises - As well as technical controls, the Council continues to carry out regular Phishing attack exercises where we are sending emails to staff to see how</p>		<p>Action Title</p> <p>1. Work with ICT colleagues continues and discussions around cementing roles and responsibilities is being undertaken</p>	<p>Due Date</p> <p>August 2023</p>	<p>Progress</p> <p>85%</p>	

Appendix A – Corporate Risk Register as of March 2023

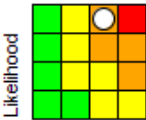

<ul style="list-style-type: none"> • Historic lack of focus. <p>Risk Consequences:</p> <ol style="list-style-type: none"> Information security incidents resulting in loss of personal data or breach of privacy / confidentiality. Safeguarding data breach impacting on safety of vulnerable child or adult. Risk of breaching the regulations and being subject to penalties/fines - Regulations Fines increasing from up to £500,000 to 10-20m Euros of 4% of global turnover, enforced by the Information Commissioners Office on behalf of the European Union. Increased litigation. Reputational damage. <p>Risk Owner(s): Chief Executive, Senior Information Risk Owner (SIRO).</p>	<p>users react to this type of Cyber Attack. Anyone clicking on links is directed towards targeted training.</p>			
	2. Targeted Training of employees – The Information Governance and ICT team will continue to work together to support the SIRO to develop appropriate targeted training for all Council staff relating to cyber security. developed by IG and ICT Teams	2. Implement audit actions with oversight by IG Board	August 2023	80%
	3. Technical controls			
		4. Security team training		
<p>Portfolio Flag: Finance, Governance and Performance</p> <p>Strategic Theme: Our Organisation</p>	<p>Summary of Progress. No change to the score currently. Progress is being made in addressing some large and complex areas of concern, such as the creation of a Security Operations Centre (SOC) & configuration and updates of our Security Incident Event Monitoring (SIEM). Support is being given from 3rd Part SMEs and the DSP.</p>			

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR25 – Suitability of Line of Business (LOB) Systems</p> <p>Description: The Council has reliance on legacy software systems which cause a number of risks due to; 1. Supportability from internal IT resource 2. The supportability of the hardware utilised 3. Lack of alignment to strategy and therefore a blocker to Digital Transformation 4. Within an appropriate support contract 5. Legacy data used for current work (GDPR) 6. Lack of Information (Cyber) Security controls 7. High cost where alternative core Council solutions exist</p> <p>Risk Causes: Sovereignty within service areas, and a</p>	<p>Constant</p>	<p>20</p> <p>Likelihood = 4 Impact = 5</p>		<p>10</p> <p>Likelihood = 2 Impact = 5</p>	
<p>Existing Controls</p>					

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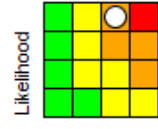

Appendix A – Corporate Risk Register as of March 2023

lack of motivation to change. Cost of transition. Lack of knowledge of which systems are problematic and the impacts of these. Lack of understanding of impact. Lack of ownership from Information Asset Owners. Lack of documentation pertaining to software systems and ownership of strategy. Cost avoidance of replacing systems. This is seen as an IT problem, not one for the software system owners.	Control		Action Title	Due Date	Progress
	1. Auditing of all councils Line of Business (LOB systems)		1.Undertake comprehensive review of all software systems and identify potential risks (as per threat risk description). Place all risks into an Operational Risk format. Risks will be scored and any known mitigation noted. This will be presented to CLB for further review and to agree action plan.	December 2022	100%
	2. IT Services highlight risks and shortcomings with systems (in an informal manner) to Heads of Service and Senior Leadership		2.Channel Shift Project - Review legacy line of business systems with the view to rationalising and replacing either by building on existing internal platforms such as dynamics or via procurement of new products and better utilisation of functionality.	February 2028	0%
Risk Consequences: Lack of resilience and continuity in event of an incident/failure High-cost applications without appropriate support. Inability to improve service delivery through digital transformation. May feed into Information (Cyber) Security risks.	3. Work with Information Governance perpetuate a Cyber Security or Information Management risk are identified and service areas understand the risks to their services.				
Risk Owner(s): Director, Digital Transformation, Senior Information Risk Owner (SIRO) for Cyber Security. Service Areas for BCP/DR.					
Portfolio Flag: Finance, Governance and Performance	Summary of Progress: Awaiting confirmation from Risk team that all risks from the application risk spreadsheet supplied have been entered into Pentana with the correct business owners.				
Strategic Theme: Our Organisation					

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
Risk Title: CRR40 – Unplanned Investment in Subsidiary Companies Description: There is a risk that BCC'S investments in subsidiaries may require greater than anticipated capital investment.	Constant	20 Likelihood = 4 Impact = 5		6 Likelihood = 2 Impact = 3	
Risk Causes: Failure to have effective corporate governance arrangements in place in one or more	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress

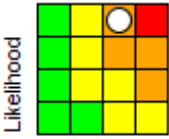
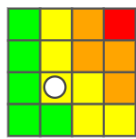
Appendix A – Corporate Risk Register as of March 2023

<p>of the companies. Failure to ensure the right leadership with the right skills across the Companies. Business Failure due to severe economic downturn caused by external factors (incl. Pandemic & Brexit). Service delivery failure as a result of specific market changes (e.g., recyclate market, housing market, volatility in gas and electric market prices, delays in timing of income from customer heat network connections), failure to secure planning etc. Delivery of BE2020 wind up within financial envelope. Legislation changes. Cyber Security - risk that key systems are compromised and that sensitive data is stolen Failure to develop and grow commercial trading activities</p> <p>Risk Consequences: Financial Loss Reputational damage to the council Impact to service provision provided by subsidiary companies</p> <p>Risk Owner(s): Chief Executive and S151 Officer.</p> <p>Portfolio Flag: Finance, Governance and Performance</p> <p>Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing</p>	<ol style="list-style-type: none"> Audit and Risk Committee - Supports on issues of risk, control and governance Board Effectiveness Reviews to be annual workforce planning Continued monitoring of the impact of External issues such as COVID on the business and adaptive approach being proposed for optimising emerging opportunities and mitigating pressures Effective engagement with BHL re reserved matter decisions and wider engagement with BCC Client teams to review performance, quality and set clear KPIs Shareholding Group Weekly progress review provided and regular review of assumptions, cash flow and risks 	1. Align Risk Management Arrangements Between BCC/BHL	April 2023	50%
		2.BCC Capital Strategy limits BCC exposure to loans	December 2021	100%
		3.Business Plan for Holding Companies 23/24	March 2023	0%
		4.Business Plan for Holdings Companies	March 2022	100%
		5. Capital Programme	March 2022	100%
<p>Summary of Progress: Risk Parameters remain same. Indication of Financial support for BWC identified in the latest BWC Budget for this year and next year.</p>				

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR49 - Workforce Resilience</p> <p>Description: A lack of workforce resilience or capacity to provide statutory services and achieve strategic aims</p>	<p>Constant</p>	<p>20 Likelihood = 4 Impact = 5</p>		<p>9 Likelihood = 3 Impact = 3</p>	



and objectives					
<p>Risk Causes: Failure to recruit – particularly in specialist areas where the market is highly competitive COVID-19 impact in labour market and workforce sickness High levels of staff turnover High staff sickness levels Ineffective prioritisation of workloads</p> <p>Risk Consequences: Key services fail – inability to meet service demands Statutory and/ or regulatory obligations are not delivered Strategic priorities and aims are not delivered. The council becomes unfocused and demand led. Increasing levels of sickness absence Higher staff turnover and loss of talent HSE/Legal action Reputational damage Poor customer satisfaction leading to complaints and requests for compensation</p>	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	<ul style="list-style-type: none"> • Agreements in place with employment businesses for the supply of contingent workforce; agency and statement of works • Promotion of apprenticeships and internal progression opportunities • Regular and close review of management information (through HR Dashboards and leavers survey) to monitor turnover, staff starters/exits to enable targeted actions to be taken • Stress risk assessments, supporting attendance policy, occupational health advice and Employee Assistance Programme are in place to minimise the incidence and length of sickness absence. A refreshed stress risk assessment has been developed through consultation with trade unions and staff led groups and is due for launch in December 22. • Support for managers with future workforce planning and succession planning, with bespoke action plans to target diversity and skills gaps • Consideration of impact of cost of living and winter pressures, encouraging take up of booster and flu jabs and review the facilities available in the workplace • Introduction of an agile self-assessment form - for managers to discuss with team members and put in place actions to help ensure a workplace that is suitable for their physical and mental wellbeing • Prioritisation of tasks to better manage workforce pressures 		Analysis of staff feedback (from surveys and team discussions) to take targeted action to support the resilience and wellbeing of the workforce. This includes the introduction of workshops, e-learning resources, training courses, coaching and advice, in addition to the Employee Assistance Programme	October 2022	100%
		Workforce Strategy is currently being refreshed and will have workforce resilience and wellbeing as a primary theme	March 2023	75%	
<p>Risk Owner(s): Chief Executive, Director of Workforce and Change</p>	<p>Summary of Progress: This risk remains as High due to the adverse impact of the budget saving proposals may have on workforce resilience and wellbeing, the impact of the continued vacancy controls, capacity in hard to fill roles, and the impact this will have on service resilience.</p>				
<p>Portfolio Flag: City Economy, Finance & Performance</p>					
<p>Strategic Theme: Our Organisation</p>					

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level		
<p>Risk Title: CRR41 – Capital Portfolio Delivery</p> <p>Description: Capital portfolio is not delivered on time, within budget and does not deliver One City Plan and Corporate Strategy objectives.</p>	<p>Constant</p>	<p>20 Likelihood = 4 Impact = 5</p>		<p>6 Likelihood = 2 Impact = 3</p>		
<p>Risk Causes: Strategic, geographic, social, financial and economic conditions changing over time Oversight of Project Interdependencies not well managed Insufficient in-house resources to progress major projects lead to missed opportunities to leverage third party investment Failure to anticipate and secure investment and resources to deliver enabling works and infrastructure</p> <p>Risk Consequences: The cost is higher than expected The capital portfolio is delivered later than planned The operating and maintenance cost of assets exceeds expectations Benefits not delivered resulting in failure to deliver outcomes to secure strategic objectives</p>	Existing Controls		Mitigating Actions			
	Control		Action Title	Due Date	Progress	
	Introduction of enhanced highlight and exception reporting at the G&R Board - Change Services PMO have regular Highlight reports submitted to G&R Board from key and/or large capital programmes and projects. This is now ongoing		Deliver workshops on the review and refresh of the capital programme and review of Capital receipting/disposal.	31 August 2022	100%	
	Internal/External comms factored in into all resource requests to reduce reputational risks		Collaboration with Sustainable City and Climate Change Service to develop a Bristol Capital Sustainability Standard	October 2022	100%	
	Additional headroom in MTFP assumptions to manage inflationary and supply chain issues - Change Services PMO have regular Highlight reports submitted to G&R Board from key and/or large capital programmes and projects. This is now ongoing.		Developing of a new comprehensive delivery framework, lifecycle and standard operating procedure Spring 21 that overlaid with existing BCC governance and Decision Pathway.	October 2022	100%	
		Commissioned capital strategic partner	February 2021	100%		
<p>Risk Owner(s): Executive Director Growth and Regeneration.</p>						
<p>Portfolio Flag: Mayoral Portfolio and City Economy, Finance & Performance</p>	<p>Summary of Progress: The main risks and mitigation actions remain like last reporting cycle. I have retained text from previous notes and updated with new updates below. In this note I have set out some of the key areas of risk with high impact scores and discuss management plans / mitigation strategies and why they are scored a such:</p>					

Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing

Communities / Social

The capital portfolio contains works that if delayed could have a severe but manageable negative impact on vulnerable groups/individuals (school places, affordable homes, transport infrastructure etc). Management responses to risk areas below will help manage the impact on this.

Environmental

The capital portfolio is a high waste creator and polluter. It also offers significant opportunity to construct and install tech and infrastructure essential to meeting strategic aims and reducing its negative impact on the environment in the delivery phase.

Delivering sustainable projects within policy is now more prevalent but there is significant opportunity to improve. Capital Projects Service is collaborating with Sustainable City and Climate Change Service to develop a Bristol Capital Sustainability Standard. This will set out a strategic plan for environmental sustainability across the whole of Bristol City Council’s capital portfolio. It contains objectives for the portfolio as a whole and guidance to help delivery staff understand the relevance to their projects. It will provide a set of metrics to track the sustainability performance of the capital portfolio. It will provide advice on what individual projects should report on to feed into these metrics. It will provide an approach to addressing sustainability across the lifecycle of a capital project.

This is being piloted currently in Capital Strategic Partnership commissions.

I feel we should also consider adding the capital portfolio as a **strategic opportunity** to support attainment of strategic environmental goals. Public realm, building asset operation, energy creation & distribution, sustainable transport, ways of working, modern methods of construction can all make significant contributions if embedded **consistently** in the portfolio with good structures, process and management.

Financial

Impact is 5 as the capital portfolio is currently operating within its 'assumptions'. In short there is sufficient capital to meet its liability. Inflation and the impact on labour and material due to geopolitical factors will place significant strain on budgets and will likely require use of portfolio contingency. Headroom has been created in the MTFP 2023 to protect the ability to meet contractual obligations and high-level aspirations. **This includes the impact of the Bristol Beacon additional cost on the**

Capital programme.

An iteration of this was completed in February 23 budget to create additional headroom in the MTFP to manage high level risk over inflation and cost increases in the capital portfolio. In June 2022 Grant Thornton published its interim Auditors Report on Bristol City Council. The report made several observations on capital delivery and capital spend including that the capital programme historically delivers 75% of its spend in the final quarter of the financial year. The recommendations and actions made in the report are factored into the responses and actions associated with this risk. Accurate forecasting and highly assured and smooth delivery of the capital portfolio are the key goals for the steps articulated in the Programme and Project Management section below. As part of the contract with the Strategic Capital Partnership, resource and support has been provided to increase training for officers to improve accuracy of current and future forecasting and budget requests for consideration within decision pathways and corporate governance.

Programme & Project Management

The capital programme was rated as 'Limited' when internally audited in 2021. Head of Capital Projects developed a new comprehensive delivery framework, lifecycle and standard operating procedure Spring 21 that overlaid with existing BCC governance and Decision Pathway. This was internally audited at the same time and was given a 'Reasonable' assurance level with the steps to make it Substantial being to roll it out for all capital projects, not just Strategic Partner commissions. This is now a Audit management action allocated to the Head of Capital Projects.

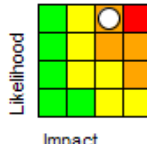
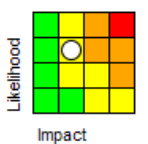
All Strategic Partner commissions are using the framework and SOS's. City Transport are adopting as part of the organisational refresh with 5 projects trialling already. Housing Delivery are currently considering pilot schemes for the framework as well.

The need for a Portfolio Management Office set up has been recognised by the organisation to coordinate the portfolio's programmes and sub projects. This will allow far greater level 2 assurance, understanding interconnected risks and issues and the application of the framework across the majority of the portfolio. This will improve reporting, decision making, control and risk management. Capital Projects is working with Change Services to design and implement this capital PMO function.

Resource has been a continual issue in delivery of capital programmes and projects. In Feb 21 the Capital Strategic Partner was commissioned. This has enabled quick call off for professional services required for capital delivery. The take up of the Partnership by officers has been greater than initially anticipated. This indicates that key projects and programmes are benefiting from this resource particularly in PM and Programme Management. Demonstrable improvements are seen in the parts of the portfolio with pilots and those that are using the new delivery framework but this score will only be reduced when there is a consistent improvement across

Appendix A – Corporate Risk Register as of March 2023

	<p>the whole capital portfolio.</p> <p>Reputation External and internal comms are being factored into all resource requests (mandate, OBC, FBC). There is significant risk capital delivery (Bristol Beacon as an example). I would note that our reputation in the market is also very important. The construction market is volatile and unpredictable at the moment. The Council needs to be considered a client of choice that suppliers want to work with or there is a significant risk that tender responses will be limited with poor value for money implications. Behaviours of commissioners and how the Council communicates its aspiration and values is key to manage this.</p> <p>Likelihood I have reviewed the likelihood against the criteria (specified on Pentana) and believe there is some justification in considering reducing to a Likely level due to the management actions we have in place and the steps we have taken to address PM and Programme Management deficiencies and resource issues. However I have decided to recommend we keep at Almost Certain for review in 3 months' time. We will have had more time to assess the impact of the strategies/actions and have evidence in tangible outputs (completed projects & programmes) that will evidence the reduction rather than the improvement being only anticipated</p>
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Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level		
<p>Risk Title: CRR37 - Homelessness</p> <p>Description: The risk that homelessness and the subsequent cost of providing suitable affordable accommodation to meet needs and achieve effective long-term outcomes increases.</p>	Constant	20 Likelihood = 4 Impact = 5		9 Likelihood = 3 Impact = 3		
<p>Risk Causes:</p> <ul style="list-style-type: none"> -The ending of the eviction ban -Unemployment and cost of living rising leading to an increase in evictions. -A recent sharp increase in the number of households partly or wholly reliant on welfare benefits [UC claimant households in Bristol have risen from 17,000 in number in April 2020 to 38,000+ in Feb. 2022]. For most welfare benefits recipients, particularly those living in the private rented sector, housing and essential household costs are not met by their benefits entitlements'. -Impact of the pandemic leading to an increase in mental health issues, family relationship breakdown and domestic violence & abuse. 	Existing Controls		Mitigating Actions			
	Control		Action Title	Due Date	Progress	
	<ul style="list-style-type: none"> • Joint commissioning of services - Focus on more joint commissioning of services for those homeless households who also face multiple disadvantages - to create a more holistic approach and to improve outcomes. Proposals for commissioning a new framework for supported TA is going to cabinet in October 2022. • Effective Commissioning - Recommission our short-term supported housing (Pathways) accommodation & support contracts - to maximise effectiveness of these resources / funding stream and minimise repeat homelessness • Effective cost - New supplier contracts - successfully 		<ul style="list-style-type: none"> Changing Futures Programme Introduce longer term block contracts for Temporary Accommodation that will reduce the net unit cost of TA to BCC Increase the supply of move on accommodation - RSAP round 5 bid deadline 13th April 2022 	<ul style="list-style-type: none"> March 2024 July 2022 March 2024 	<ul style="list-style-type: none"> 20% 100% 60% 	



<p>-Supply of affordable rented housing reducing -Increasing popularity of Bristol as a city to move to, and associated increased pressure on demand and cost of private rented accommodation</p>	<p>introduced new block contracts for some Temporary Accommodation, reducing the cost of TA to the Council. Planning to bring more block contracts on-line this financial year</p>			
<p>Risk Consequences: Increase in homelessness and the number of households in Temporary Accommodation. Expenditure on Temporary Accommodation does not return to pre-pandemic levels and could continue to increase.</p>		<p>Cost Effective Accommodation - Initiated a project with the aim of reducing the net unit cost of Temporary Accommodation. Opportunities being explored and prioritised.</p>	<p>December 2022</p>	<p>50%</p>
		<p>Homelessness prevention - increase access to private rented - Review our approach to working with the Private rented sector and produce spend to save proposals which will increase access to accommodation and reduce TA use</p>	<p>December 2022</p>	<p>100%</p>
<p>Risk Owner(s): Executive Director Growth and Regeneration, Director Housing</p>		<p>Homelessness prevention - review client access - Review how the service and the wider homelessness sector works with clients to identify opportunities for more early intervention and prevention of homelessness</p>	<p>March 2023</p>	<p>10%</p>
<p>Portfolio Flag: Housing Delivery and Homes</p>	<p>Summary of Progress: The cost-of-living crisis poses significant risks for increasing homelessness. The scale of the impact is not yet known and will depend partly on what government support is put in place. The homelessness organisation crisis is predicting a 30% increase in homelessness. The number of households presenting to Bristol City Council is continuing to increase. There has been an increase in the number of households living in Temporary Accommodation (TA) from 1137 on 31st March 2022 to 1272 on 28th February 2023. In the last year the number of families with children living in TA has increased whilst the number of single clients has stayed roughly the same. Family TA is more expensive than that for single clients. This is adding to the financial pressure. There is an underlying pressure of £5m due to Housing Benefit Subsidy loss. With in-year mitigations the forecast pressure for 22/23 has reduced to £1.2m.</p>			
<p>Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing.</p>				

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Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level
<p>Risk Title: CRR43 - Lack of progress for Mass</p>		<p>20</p>	<p>10</p>



Transit Impact on city	Constant	Likelihood = 4 Impact = 5		Likelihood = 2 Impact = 5	
Description: Failure of regional authorities to agree way forward for development of a Mass Transit system. No sign up to results of feasibility study.					
Risk Causes: 1. Resourcing Business Case development 2. Lack of political consensus 3. Viability of Business Case 4. Lack of DfT support	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	Mass Transit Directors Board - Monthly board in place at regional level to ensure appropriate senior officer engagement with project Regular internal briefings - Regular briefings with senior managers and administration				
Risk Consequences: -Reputational impact. -Long term congestion and air pollution increase. -Regional productivity reduced. Threat to investment across the city.					
Risk Owner(s): Executive Director Growth and Regeneration, Director Economy of Place.					
Portfolio Flag: Public Health and Communities	Summary of Progress: While the issue around consultation has been resolved, issues remain around the Strategic Outline Business case that require resolution. The draft SOC has been completed and is under review, but significant work remains to reach a consensus on the way forward.				
Strategic Theme: Our Organisation, Wellbeing.					

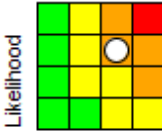
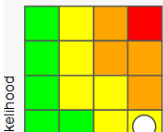
Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level
Risk Title: CRR45 - Failure to deliver statutory duty in respect of the safeguarding of children		20	6

Appendix A – Corporate Risk Register as of March 2023

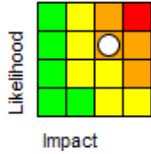
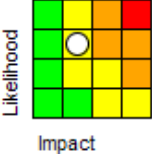
Description: Failure to deliver statutory duty in respect of the safeguarding of children resulting in harm or death to a child or other unmitigated risk to the local authority	Deteriorating	Likelihood = 3 Impact = 5		Likelihood = 2 Impact = 3	
Risk Causes: Staffing failure: recruitment and retention COVID failure: business continuity plans fail due to higher infection/isolation Management failure: failure to oversee and respond in a timely way to child protection concerns, leaving children at risk	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	1. Benchmarking salaries with regional levels		Revising recruitment and retention strategy in response to evidence of turnover and vacancies in areas of particular pressure (front door, experienced social workers and frontline managers)	May 2022	100%
	2. Investing in training and development		Commissioned independent peer review of the statutory safeguarding arrangements to ensure that the council's statutory officers are executing their responsibilities and undertaking due diligence in a legal and appropriate way.	May 2022	100%
	3. Over-recruiting where required				
	4. Reviewing system pressures and taking action on a weekly basis				
5.		Implement transformation programme of Children's service	Oct 2024	0%	
Risk Consequences: Harm or death of a child Inspection failure and regulatory action Litigation and reputational damage Other unpredicted costs to the LA	6. Systemic unit model and integrated locality arrangements				
	7. Skilled and stable workforce with low use of agency workers - Continued low use of agency workers but turnover and vacancies have risen.				
	8. Strong multiagency children's safeguarding partnership under Keeping Bristol Safe arrangements				
	9. Scrutiny of statutory safeguarding partners				
Risk Owner(s): Executive Director People, Director Children's and Families Services.					
Portfolio Flag: Children's Services, Education & Equalities	Summary of Progress: Due to placement sufficiency and the increased number of children coming into care we have placed a number of children in unregistered placements which is illegal. We are mitigating this by regular visits to undertake QA of the provision and to see children and weekly senior leadership oversight whilst we continue to search for registered placements. We have proposals in place to improve recruitment and retention of social workers as part of a proposed Transformation mandate. Couple of internal controls systems are in place to detect where intense interventions is needed.				
Strategic Theme: Our Organisation, Empowering and Caring, Wellbeing.					

Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level
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Appendix A – Corporate Risk Register as of March 2023

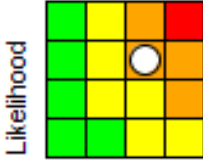
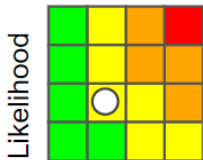
<p>Risk Title: CRR10 - Safeguarding Adults at Risk with Care and Support Needs</p>	<p style="text-align: center;">Constant</p>	<p style="text-align: center;">15 Likelihood = 3 Impact = 5</p>		<p style="text-align: center;">7 Likelihood = 1 Impact = 7</p>			
<p>Description: The council fails to ensure adequate safeguarding measures are in place for adults at risk.</p>							
<p>Risk Causes: Adequacy of controls. Management and operational practices. Demand for services exceeds capacity and capability. Poor information sharing. Lack of capacity or resources to deliver safe practice. Reduction in or lack of supply of commissioned care. Failure to commission safe care for adults at risk. Failure to meet the requirements of the 'Prevent Duty' placed on Local Authorities. Increased destitution in families, impacting on mental ill health, managing increased infection within the population. Increased isolation. (COVID19) Increased identification of self-neglect and complexity. Rarer strain / resilience. (COVID19)</p>	<p>Existing Controls</p>	<ul style="list-style-type: none"> Annual report shared with Elected Members to allow for scrutiny of progress of the Keep Bristol Safe Partnership (KBSP). Training for all key staff in the essentials of safeguarding. Twice weekly business continuity meeting around supply of commissioned care and active management of waiting list. Improved Data through PowerBI – capturing safeguarding concerns feeding into monthly management operational meetings Safeguarding Discussion Forum – multi-agency held monthly – sharing information on high risk/complex cases 	<p>Mitigating Actions</p>				
<p>Risk Consequences: Financial damage Legal liability Death/Injury Reputational damage</p>	<p>Control</p>		<p>Action Title</p>	<p>Due Date</p>	<p>Progress</p>		
<p>Risk Owner(s): Executive Director People, Director Adult Social Care.</p>			<p>Development and delivery of Safeguarding Hub as a priority for the partnership.</p>	<p>April 2023</p>	<p>80%</p>		
<p>Portfolio Flag: Adult Social Care & Integrated Care System</p>			<p>Summary of Progress: TBA</p>	<p>Review of Safeguarding Pathways and creation of Standard Operating Procedures and Performance Clinics.</p>	<p>December 2022</p>	<p>100%</p>	
<p>Strategic Theme: Strategy Theme: Our Organisation, Empowering others and Caring, Fair and Inclusive, Well connected, Wellbeing.</p>					<p>Internal Audit Actions – feeding into existing controls</p>	<p>March 2023</p>	<p>95%</p>
						<p>Developing a Risk Enablement Tool</p>	<p>April 2023</p>
						<p>Develop Self-neglect pathway – providing training, tools to better escalate cases of neglect</p>	<p>April 2023</p>

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Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level		
<p>Risk Title: CRR6 Fraud and Corruption</p> <p>Description: Failure to prevent or detect acts of significant fraud or corruption against the council from either internal or external sources.</p>	Constant	<p>15 Likelihood = 3 Impact = 5</p> 	<p>9 Likelihood = 3 Impact = 3</p> 		
<p>Risk Causes: Heightened levels of fraud, including cyber fraud, as criminals attempt to exploit the COVID-19 pandemic and current cost of living increases Relaxation of controls in current emergency environment (Covid 19) as payments and support are being dispersed quickly in line with government requirement. Failure of management to implement a sound system of internal control and/or to demonstrate commitment to it at all times. Not keeping up to date with developments, in new areas of fraud. Insufficient risk assessment of new emerging fraud issues. Lack of clear management control of responsibility, authorities and / or delegation Lack of resources to undertake the depth of work required to minimise the risks of fraud /avoidance. This potential cause is highlighted at this time given the potential impact of the current pandemic situation and with staff redeployed to support the emergency response. Under investment in fraud prevention and detection technology and resource.</p> <p>Risk Consequences: Losses to fraud under emergency measures is inevitable. Potential increase in financial losses due to increase in scams. Failure to prevent or detect acts of significant fraud or corruption could result in financial loss for the Council. Reputational damage could be suffered if fraud occurs.</p> <p>Risk Owner(s): Chief Executive and Director of Finance (S151 Officer).</p>				Existing Controls	
	Control		Action Title	Due Date	Progress
	1. A dedicated Counter Fraud and Investigation team - BCC has a dedicated Counter Fraud and Investigation team with varied skills (investigation, accountancy, audit and data analysis skills).		1. Fraud Risk Assessments	June 2023	5%
	2. Audits - Internal Audit reviews will sometimes include an assessment of fraud controls. In addition, the Counter Fraud team undertake 'Fraud Prevention reviews or Fraudits'.		2. Improve Whistleblowing process	June 2023	75%
	3. Continued use of analytic and additional resources to perform payment checks. Pre-payment checking of Covid support grants continue, including bank account validation, Company House checks, duplicate claim checks and IP address checks.		3. NFI Fraud Hub Implementation	October 2022	100%
	4. National Fraud Initiative (NFI) fraud hub App - The NFI/Cabinet Office Fraud Hub is in use, with a limited number of datasets uploaded. In addition, Appcheck has been rolled out to Housing Options team.		4. Review National Fraud Initiative Data Matching	March 2023	83%
	5. On-going improvement plan for Whistle-blowing - Whistle-blowing arrangements have been informally assessed against Protect - benchmarking assessment tool. An improvement plan has been developed and is being implemented.		5. Establish a long term more technologically advanced fraud hub	March 2023	100%
	6. Participation in anti-fraud exercises - BCC takes part in the biennial Cabinet Office National Fraud Initiative exercise, the annual Council Tax Single Persons discount exercise and have been involved in pilot exercises of data matching with HMRC/Covid grants. In addition, BCC Counter Fraud team undertake a planned programme of data analytic work.				
	7. Planned programme of proactive fraud detection and prevention work - BCC Counter Fraud team develop an annual programme of planned work based on known and				

Appendix A – Corporate Risk Register as of March 2023

	<p>increasing fraud risks.</p> <p>8. Whistleblowing procedure - New internal procedure developed. HR advisor assigned to each Whistle-blow.</p> <p>9. Increased the use of technology and data analytics - Increased use of tools, data analytics and other sources of data to prevent and detect fraud.</p>
Portfolio Flag: Finance, Governance and Performance	<p>Summary of Progress: The risk score remains the same. The current economic crisis and the use of advanced analytics by fraudsters requires the organisation to remain vigilant to the risk of fraud by ensuring there are robust arrangements for fraud prevention, identification and investigation. The Council continues to maximise use of data analytics to fight against fraud and corruption. Current focus is on review of outputs from the National Fraud Initiative exercises.</p>
Strategic Theme: Our Organisation	

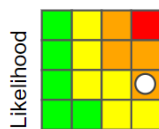
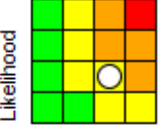
Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level		
<p>Risk Title: CRR27 – Failure to Deliver the Capital Transport Programme</p> <p>Description: Management of the overall transport capital programme is key to ensuring we deliver against mayoral priorities in the most cost and time efficient way possible. Failure to do so negatively impacts the council's reputation and finances and makes the council less likely to reduce congestion, air pollution and inequality.</p> <p>Risk Causes:</p> <ul style="list-style-type: none"> - Overspend on individual schemes leading to uncontrollable cost pressures - Underspend on annual profile - Lack of coordination and programme management across divisions - COVID - 19 - Loss of resource and inability to recruit <p>Risk Consequences:</p> <ul style="list-style-type: none"> - Financial impact - Failure to progress schemes or delays to 	<p>Constant</p>	<p>15</p> <p>Likelihood = 3 Impact = 5</p>	 <p>Likelihood</p> <p>Impact</p>	<p>6</p> <p>Likelihood = 2 Impact = 3</p>	 <p>Likelihood</p> <p>Impact</p>
	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	Biweekly Capital Programme Review Board - Capital Programme review board reviewing timescales and status of the relevant projects.		Develop proposals for management of capital programme (working with Transport Planning Team)	May 2022	100%
	PMO Capital Programme Process Review - Reviewing City Transport capital programme processes to align better with corporate PMO and develop management of the capital programme - led by Arcadis/PMO. Reporting April. Likely to replace 6 month review		Strategic partner to complete assessment of capital delivery	May 2022	100%
	Regular briefings and reporting to senior management and cabinet members.		Client Function Review alongside CA proposal - Review client function and how it is delivered to mitigate potential loss of resource and expertise to central PMO	September 2022	0%
	Biweekly capital programme review board - reviewing timescales and status of the relevant projects.				

<p>schemes impact on productivity of city and aims to reduce congestion, air pollution and inequality - Reputation Impact</p>	
<p>Risk Owner(s): Executive Director Growth and Regeneration, Director Economy of Place.</p>	
<p>Portfolio Flag: Public Health and Communities</p>	<p>Summary of Progress: Some additional resource has left the council further increasing pressures across both transport services, some projects delayed which reduces pressure but overall, still same risk level of failure to deliver projects. Strategic Partner being commissioned where necessary to fill gaps and resourcing being assessed across services.</p>
<p>Strategic Theme: Our Organisation, Wellbeing</p>	

Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level		
<p>Risk Title: CRR5 - Business Continuity and Council Resilience</p>	<h2 style="margin: 0;">Improving</h2>	<h1 style="margin: 0;">10</h1> <p>Likelihood = 3 Impact = 5</p>	 <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>	<h1 style="margin: 0;">9</h1> <p>Likelihood = 3 Impact = 3</p>	 <p style="text-align: center;">Likelihood</p> <p style="text-align: center;">Impact</p>
<p>Description: If the council has a Business Continuity disruption and is unable to ensure the resilience of key BCC operations and business activities, then the impact of the event may be increased with a greater impact on people and Council Services.</p>					
<p>Risk Causes:</p> <ul style="list-style-type: none"> - Strikes (People, Fuel). - Loss of key staff (communicable diseases (Covid - illness and self-isolation) and influenza. - Loss of suppliers / supply chain disruption. - Loss of accommodation to deliver key services. - Loss of equipment / infrastructure, including utilities. - Any event which may cause major disruption - e.g. severe weather - Unavailability of IT and/or Telecoms. - Knowledge loss. - Reduced chances of preventing/ responding to incidents due to a lack of forward planning or investment. - Climate change 	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	<ol style="list-style-type: none"> 1. A number of Policies, procedures and arrangements are in place including duty rotas for key service areas and the Duty Director rota. 2. Corporate Business Continuity Framework, including BC escalation process - Framework presented at CRG on 11th July 2022. 3. Corporate Business Continuity Group, bringing owners of 'cross cutting business support services' together (IT, FM, Procurement, HR) to horizon scan and risk manage - BC Group has met several times since March 2022 - Formalise reporting arrangements and governance required. 4. Corporate Resilience Group overseeing, corporate preparedness, including BC capability - CRG hosted power outage exercise on 22nd March, allowing key services to test business continuity arrangements. Learning from this exercise will shape a corporate power outage plan. 5. The CRG will seek assurances from key service areas regarding the robustness of continuity arrangements against local risk. 		<ol style="list-style-type: none"> 1. Align BC Planning with Service Delivery Planning 2. Review Corporate Business Continuity Framework Doc 3. Review Service-level Business Continuity Plan template 4. Lead IT Resilience / Business Continuity project, including developing battle boxes, an IT Resilience Plan, understanding DR arrangements across BCC delivered IT services and SAAS, improving service-level BC plans for managing IT outages, testing arrangements 5. Workshops to support services to complete BC templates 6. Embed CRG and BC Group into corporate governance framework, including alignment with corporate risk group 7. IT Disaster Recovery / Business Continuity project – understanding critical IT requirements, understanding disaster recovery capacity, improving IT outage planning at corporate and service levels, increasing resilience to IT outages, power failures and other risks - FBC for the project is being developed 	<p>May 2022</p> <p>September 2022</p> <p>September 2022</p> <p>December 2022</p> <p>December 2023</p> <p>Ongoing</p> <p>December 2022</p>	<p>100%</p> <p>100%</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>100%</p> <p>90%</p>
<p>Risk Consequences:</p> <ul style="list-style-type: none"> - Inability to deliver/support front line services. - Service Disruption. - Loss of service. - Transportation disruption. - Additional demand on services. - Stress. - Potential risk to staff and public safety. 					

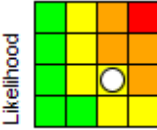
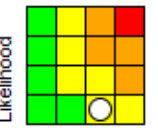
Appendix A – Corporate Risk Register as of March 2023

<p>-Increased financial cost in terms of damage control and insurance costs. -Legal compliance and financial penalty. -Reputational damage.</p>	<p>6. Service Level Business Continuity Planning - Services will be developing their BC plans in Q3, aligned to service planning.</p>	<p>and will be presented to Resources EDM on 11th July 2022. (Not in pentane)</p>	
<p>Risk Owner(s): Executive Director Growth and Regeneration Chief Executive, Director Management of Place.</p>	<p>Summary of Progress: The pace of change in the Authority, combined with significant external challenges this winter (usual winter weather, cost of living crisis, possible energy supply issues), means the risk of business continuity challenges remains likely. Work has been ongoing to address IT resilience and energy supply, however the range of impacts either event could result in makes it difficult to lower the risk score this quarter. Significant progress has been made on the Business Continuity Management System, with CLB signing off the annual Corporate Business Impact Analysis (to be completed by HoS as part of this years' service planning round), the reviewed service-level BC plan template and the BC Response Framework.</p>		
<p>Portfolio Flag: City Economy, Finance & Performance</p>			
<p>Strategic Theme: Our Organisation, Wellbeing.</p>			

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level																												
<p>Risk Title: CRR26 – ICT Resilience</p> <p>Description: The Councils ability to deliver critical and key services in the event of ICT outages, and be able to recover in the event of system and/or data loss.</p>	<p style="text-align: center; font-size: 24px;">Constant</p>	<p style="text-align: center; font-size: 24px;">14</p> <p style="text-align: center;">Likelihood = 2 Impact = 7</p>	<p style="text-align: center;">Likelihood</p>  <p style="text-align: center;">Impact</p>	<p style="text-align: center; font-size: 24px;">10</p> <p style="text-align: center;">Likelihood = 2 Impact = 5</p>	<p style="text-align: center;">Likelihood</p>  <p style="text-align: center;">Impact</p>																											
<p>Risk Causes: Poor Business Continuity (BCP) planning and understanding of key system architecture. Untested Disaster Recovery (DR) arrangements including data recovery. Untested network reconfiguration to alleviate key location outage. Untested recovery schedules in terms of order and instructions. Lack of resilience available for legacy systems (single points of failure - people and technology). Services undertaking their own IT arrangements outside of the corporate approach.</p>						Existing Controls		Mitigating Actions																								
<p>Risk Consequences: Inability to deliver services</p>	<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 30%;">Control</th> <th></th> </tr> </thead> <tbody> <tr> <td>1. Connection to BCC systems protections - With the majority of staff working from home, connection to our systems is vital and the main route is via VPN. We have tested alternative access which can be used. 2 factor authentication was tested as a back door which allows non-BCC pcs to login to Microsoft office 365.</td> <td></td> </tr> <tr> <td>2. Highlight to service areas vulnerable applications - Highlighting to service areas where applications may be vulnerable and advising on likely timescales for disruption to enable appropriate BC planning.</td> <td></td> </tr> <tr> <td>3. Moved critical systems to the cloud with more effective DR. Resilience workshops for most critical systems - Workshops are in progress to review and improve resilience for our most critical systems including: Adult and children's social care, Revs and Bens and Housing</td> <td></td> </tr> <tr> <td>4. Supplier run order in the event of multiple system outage - our disaster recovery supplier has a run order in the event of a major</td> <td></td> </tr> </tbody> </table>	Control		1. Connection to BCC systems protections - With the majority of staff working from home, connection to our systems is vital and the main route is via VPN. We have tested alternative access which can be used. 2 factor authentication was tested as a back door which allows non-BCC pcs to login to Microsoft office 365.		2. Highlight to service areas vulnerable applications - Highlighting to service areas where applications may be vulnerable and advising on likely timescales for disruption to enable appropriate BC planning.		3. Moved critical systems to the cloud with more effective DR. Resilience workshops for most critical systems - Workshops are in progress to review and improve resilience for our most critical systems including: Adult and children's social care, Revs and Bens and Housing		4. Supplier run order in the event of multiple system outage - our disaster recovery supplier has a run order in the event of a major			<table border="1" style="width: 100%;"> <thead> <tr> <th style="width: 40%;">Action Title</th> <th style="width: 20%;">Due Date</th> <th style="width: 40%;">Progress</th> </tr> </thead> <tbody> <tr> <td>1. Application/system risk log</td> <td>September 2021</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>2. IT Resilience and BCP Phase 2</td> <td>January 2023</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>3. IT Resilience and Business Continuity Project Phase 1</td> <td>March 2022</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>4. Project to move Shared Drives to Cloud</td> <td>November 2023</td> <td style="text-align: center;">50%</td> </tr> <tr> <td>5. Removal of legacy hardware from estate</td> <td>August 2025</td> <td style="text-align: center;">50%</td> </tr> </tbody> </table>	Action Title	Due Date	Progress	1. Application/system risk log	September 2021	100%	2. IT Resilience and BCP Phase 2	January 2023	100%	3. IT Resilience and Business Continuity Project Phase 1	March 2022	100%	4. Project to move Shared Drives to Cloud	November 2023	50%	5. Removal of legacy hardware from estate	August 2025	50%	
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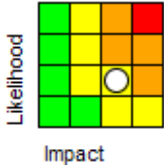
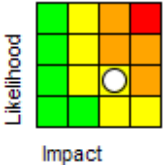
Appendix A – Corporate Risk Register as of March 2023

Risk Owner(s): Chief Executive, Director, Digital Transformation, Service Area Leads.	outage involving multiple systems. 5. Weekly testing of individual systems restore - The restore of individual systems is tested weekly on a rotational basis
Portfolio Flag: Finance, Governance and Performance	Summary of Progress: The 1st phase of this project is complete, and we await a decision from CLB in regards to phase 2 restarting in 23/24.
Strategic Theme: Our Organisation	

Threat Risk	Trend	Current Risk Assessment	Risk Tolerance Level			
<p>Risk Title: CRR29 - Information Security Management System (ISMS)</p> <p>Description: There is a risk that if the council does not have an Information Security Management System then it will not be able to effectively manage Information Security risks.</p> <p>Risk Causes: Ineffective Information Security Management System, inadequate resources to create and maintain an ISMS, management buy in and support to operate an ISMS.</p> <p>Risk Consequences: Information security incidents resulting in loss of personal data or breach of privacy / confidentiality. Safeguarding data breach impacting on safety of vulnerable child or adult. Risk of breaching the regulations, and being subject to penalties/fines - Regulations Fines increasing from up to £500,000 to 10-20m Euros of 4% of global turnover.</p>	Constant	<p>10 Likelihood = 2 Impact = 5</p> 	<p>5 Likelihood = 1 Impact = 5</p> 	Control		
Mitigating Actions						
				Action Title	Due Date	Progress
	<ol style="list-style-type: none"> Guidance and awareness campaigns supported by regular phishing campaigns. Comms and awareness being delivered to raise awareness to colleagues around the risk of Cyber incidents and how good Information Security practices (including adherence to policies) will help minimise the likelihood of these occurring Security Team Training Meta Compliance tool online to track compliance/engagement of policies 	<ol style="list-style-type: none"> Continue roll out of Policies with oversight from ICGB Information Governance Tool Implement Audit Actions with oversight by IG Board 	December 2023	75%		
				August 2023	80%	

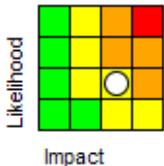
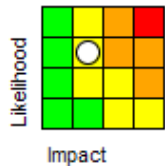
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Increased litigation. Reputational damage.	
Risk Owner(s): Senior Information Risk Owner (SIRO).	
Portfolio Flag: Finance, Governance and Performance	Summary of Progress: Policy reviews are now taking place for the remaining new policies. Next step is to embed these across the organisation; however, this work will take longer due to recruitment/resourcing challenges.
Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing	

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level		
<p>Risk Title: CRR4 – Failure to Deliver an effective Corporate Health, Safety and Wellbeing Framework</p> <p>Description: To deliver an effective management framework in place to ensure that the workplace and work environment is free from health and safety hazards. The framework the Council will use to achieve this is based on the Health and Safety Executives guidance Managing for Health and Safety (HSG65) 'Plan, Do Check Act' approach. The framework will apply to all employees who work at the Council whether on a permanent or temporary basis, Schools, contractor's agency staff visitors and other parties who have a business relationship with BCC.</p> <p>Risk Causes: If services do not have sufficient staff numbers to carry out work plans in a safe way. If services are not able to order appropriate equipment required for staff safety. Lack of appropriate equipment. Lack of appropriate training. Lack of oversight and control by local management. Lack of information on the potential or known risks. Inadequate contract management arrangements. Lack of effective processes and systems consistently being applied Policies are not kept up to date.</p> <p>Risk Consequences: Risk of injury Staff, visitors, contractors, citizens. Risk of injury to our tenants. Staff put under undue pressure leading to staff taking sick leave, or leaving the organisation.</p>	<p>Constant</p>	<p>10 Likelihood = 2 Impact = 5</p>		<p>10 Likelihood = 2 Impact = 5</p>		
<p>Existing Controls</p>						<p>Mitigating Actions</p>
	<p>Control</p>	<p>Action Title</p>	<p>Due Date</p>	<p>Progress</p>		
	<p>1. 5 Year Health and Safety Strategy - The strategy has 5 key themes - Leadership and Commitment, Risk Control, Communication and Engagement. Learning and development and Performance Management</p>	<p>1. Audit of key areas of risk</p>	<p>March 2022</p>	<p>100%</p>		
	<p>2. CDM, Legionella and Asbestos procedures have been revised</p>	<p>2. New Accident Incident Reporting System</p>	<p>March 2022</p>	<p>100%</p>		
	<p>3. CHaSMs Monitoring System Reviewed - CHaSMs completed in November and reported on to EDMs in January. Action plans in place and on the</p>	<p>3. Review Health and Safety Procedures</p>	<p>March 2023</p>	<p>20%</p>		
		<p>4. Training and Development Programme for Health, Safety and Well-being</p>	<p>December 2022</p>	<p>10%</p>		

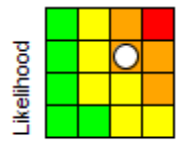
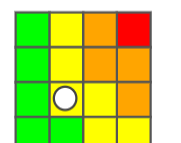
Appendix A – Corporate Risk Register as of March 2023

<p>Risk of legal action/penalties against the Council and individual managers, including possibility of Corporate Manslaughter. Impact on the reputation of the City Council. Lack of compliance with Health and Safety policies and safe practices, due to pressures of work or lack of training. Reputational damage</p>	<p>SHAREPOINT. Discussion with internal audit over the future of CHaSMs. Will become a yearly assessment September for Corporate Estate and October for Schools, will be linked to service and financial planning cycles to better embed the process. Work will continue on ensuring SMART action plans and better understanding of operational health and safety risks. The revised CHaSMs is due to be sent out in October 2022.</p> <ol style="list-style-type: none"> 4. Fire Safety Management System - Fire Safety Management System is in place and has been piloted. Is ready to be published on SOURCE by 30th March 2022. Once published a number of information sessions will take place to ensure managers and key responsible people understand how to implement system. 5. Health and Well-being plan - Health and Wellbeing plan in place and being implemented 6. New integrated OH, EAP and Physiotherapy contract - New contract in place for a year. Overall is working well there are some red spots (health surveillance) which is currently being contract managed due to delivery. 7. Reorganising the Corporate Health Safety and Wellbeing Team - New job and paperwork completed with business plan and EIA. Currently out for consultation with staff group and TU. Consultation end on 21st March 2022. Jobs will go to evaluation panel on Tuesday 29th, appointment to internal post during April onwards. The consultation process has been completed any because of Councils financial position this is being revised and will probably be implemented in two parts. 	
<p>Risk Owner(s): Chief Executive and Corporate Leadership Board (CLB), Director of Workforce Change.</p>		
<p>Portfolio Flag: Finance, Governance and Performance Strategic Theme: Our Organisation</p>	<p>Summary of Progress: The risk score for this remains unchanged at this quarterly review. Progress is being made on some of the key areas of improvement. Progress is slower than anticipated at this time due to staff shortages however it is anticipated that over the next quarter some key areas will have moved from the planning stage to the doing stage.</p>	

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR18 - Failure to deliver enough new homes to meet Mayoral and Annual Business Plan targets.</p> <p>Description: Failure of the City to deliver to the Mayoral Target of 2000 new homes per year by 2024. Strategies and delivery models designed to further stimulate growth in the housing market and deliver diversity of the housing offer across the city prove to be ineffective and do not attract and retain economically active residents.</p>	Constant	10 Likelihood = 2 Impact = 5		9 Likelihood = 3 Impact = 3	
<p>Risk Causes:</p> <ul style="list-style-type: none"> -Not enough planning applications submitted -Not enough planning permissions granted -Insufficient housing land identified in strategic planning documents -Inability of the housebuilding industry to deliver at this level -Increased uncertainty in the market due to Brexit and Covid-19. 					
<p>Risk Consequences:</p> <ul style="list-style-type: none"> -Reputational damage - Fail to deliver inclusive growth - Increased housing need / homelessness -Increased cost of housing -Failure to retain economically active 	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	1.Created a single multi-disciplinary Housing Delivery Team		Secure Homes England Affordable Housing Programme Funding	March 2026	40%
	2.Established a Local Housing Company (Goram Homes).		Revised Affordable Housing Funding Policy 2022-202	April 2022	100%
	3.Introduced the Affordable Housing Practice Note.				
	4.Issued grants to Registered Providers (RPs).				
	5.Manage a targeted grant funding programme to subsidise the delivery of affordable homes.				
6.Required a minimum of 30% affordable housing on land released by the Council.					
7.Secured additional grant funding for infrastructure.					

Appendix A – Corporate Risk Register as of March 2023

residents. -Widening gap on demand -Growth of student accommodation retracting	8.Secured funding from Homes England
	9.Service Review of Housing Delivery Team
	10.Worked collaboratively with Homes England
Risk Owner(s): Executive Director Growth and Regeneration, Director Development of Place.	11. Strategic City Planning monitor housing completions and future pipeline of consents
Portfolio Flag: Housing Delivery and Homes	Summary of Progress: Completions for 2021/22 exceeded 2,500 units, this represented the highest completion figure for some years. There remains a significant pipeline of planning consents.
Strategic Theme: Fair and Inclusive	

Threat Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
<p>Risk Title: CRR54 - Financial sustainability of nursery schools</p> <p>Description: The impact of Covid and union action on maintained nursery schools and classes will significantly reduce the funding provided to the LA and schools and could impact on sustainability and sufficiency (sufficiency being a statutory responsibility of the service) Ongoing underfunding of nursery schools continue to raise questions about their future.</p> <p>Risk Causes:</p> <ul style="list-style-type: none"> • Availability of staff to service early years learning • Census data weakened to inform on EY sector funding. • Government process change. <p>Risk Consequences:</p> <ol style="list-style-type: none"> 1. Increased financial deficits in maintained nursery schools leading to impact on the DSG and long-term sustainability. 2. Reduction in places across the maintained sector on a permanent basis 	Deteriorating (Escalated)	21 Likelihood = 3 Impact = 7	 <p>Likelihood Impact</p>	6 Likelihood = 3 Impact = 3	 <p>Likelihood Impact</p>
	Existing Controls		Mitigating Actions		
	Control		Action Title	Due Date	Progress
	<ul style="list-style-type: none"> • Identification of potential financial impact • Review of progress with agreed actions with targeted nursery schools. • Published a council position on the strategic need for nursery schools and key areas where action is required to support sustainability. • Individual finance visits to four targeted nursery schools with the largest in-year deficits to create action plans to tackle identified issues. • Communication with nursery schools to establish Covid impact and impact on pupil numbers • Development of a nursery transformation programme in collaboration with LA maintained nursery school headteachers and governors. • Context conversations to capture the strengths and strategic importance of nursery schools as well as 		<ul style="list-style-type: none"> Developing strategic proposals for nursery schools and the LA in response to the finding of the context conversations. Continuing with the nursery transformation programme and working with nursery schools to implement action plans that will reduce in-year deficits and move towards sustainable models for the future. Reviewing the space on each nursery site to evaluate the potential income from hosting co-located services. Continuing ongoing dialogue the nursery schools to establish the impact of Covid through this financial year. Establishing impact of provision of eligible 2 year old provision and SEND within nursery schools. Bringing groups of nursery schools together the develop collaborative and federation models that share resources, leadership, skills and expertise. Modelling management of change and collaborate and federation models to inform discussions. 	<ul style="list-style-type: none"> July 2022 September 2023 July 2022 March 2022 July 2022 September 2023 September 2023 	<ul style="list-style-type: none"> 100% 45% 100% 100% 100% 50% 50%

Appendix A – Corporate Risk Register as of March 2023

as schools close unsustainable nursery provision that impacts on the city's sufficiency plan.	the financial and operational challenges.	Engaging with elected members to review strategic position of nursery schools and how the council can support remodelling and securing future sustainability.	September 2023	45%
Risk Owner(s): Executive Director People, Service Director Education and Skills		Identifying additional capacity required to support programme of change. Paper being drawn up for Schools Forum to secure additional funding.	September 2023	100%
Portfolio Flag: Children's Services, Education & Equalities	Summary of Progress: Q3 outturns show that in-year deficits continue to grow. Overall deficit at end of 2022-23 will be approx. £7.5m.			
Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing				


Opportunity Risks

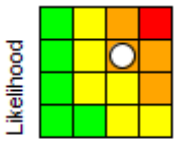
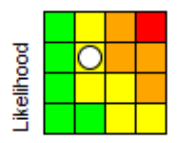
Opportunity Risk	Trend	Current Risk Assessment		Risk Tolerance Level	
Risk Title: OPP1 - One City Approach Description: The One City Approach will offer a new way to plan strategically with partners as part of a wider city system. Risk Causes: 1. Mayoral aspiration and widespread partner sign-up to principles 2. Work to date has produced outline plan and engaged partners in the long-term vision and necessary work to complete the plan. Risk Consequences: 1. The council can plan as part of a wider city system, making stronger plans based on agreed city priorities which already have partner buy-in 2. Potential to make financial and efficiency savings and/ or deliver better services and/or reduced demand for service, reducing costs whilst improving	Improving	21 Likelihood = 3 Impact = 7		28 Likelihood = 4 Impact = 7	
Existing Controls					
	Control		Action Title	Due Date	Progress
	1. V3 One City Plan Produced - We have produced v3 of the One City Plan and produced our second annual report available on the One City Website from 12 June 2021.		1. One City Plan refresh process	March 2023	10%
			2. Set up Partnership Board	October 2022	75%
			3.City Office Team Mandate	September 2022	95%

Appendix A – Corporate Risk Register as of March 2023

<p>citizen outcomes. Update April 2020: 3. Relationships already built can accelerate communication, collaboration and effective delivery of a coherent plan for the city's recovery from Covid-19</p>	
<p>Risk Owner(s): Director Policy, Strategy and Partnerships.</p>	
<p>Portfolio Flag: Finance, Governance and Performance</p>	<p>Summary of Progress: The Head of City Office has now returned from their redeployment and so this should help to deal with some of the temporary capacity issues. It should be noted however there is now a gap at the team's administration level due to loss of a staff member; a temporary solution has been found but if this is to continue then the risk to capacity will increase.</p>
<p>Strategic Theme: Our Organisation</p>	

External and Civil Contingency Risks

External and Civil Contingency Risk	Trend	Current Risk Assessment	Risk Tolerance Level																																
<p>Risk Title: BCCC5 - Cost of Living Crisis impact on Citizens and Communities</p> <p>Description: Failure of the council and its one-city partners to mitigate against, and provide adequate services to, citizens experiencing increases in living costs including fuel and food leading to increased poverty, inequity and worsening health & wellbeing as a result of the ongoing cost of living crisis.</p>	<p>Constant</p>	<p>28 Likelihood = 4 Impact = 7</p>	<p>9 Likelihood = 3 Impact = 3</p>																																
<p>Risk Causes:</p> <ul style="list-style-type: none"> -Supply chains disruption -Global COVID-19 Pandemic -Brexit -War in Ukraine -Leading to rapid inflation <p>Risk Consequences:</p> <ul style="list-style-type: none"> -Destitution - homelessness -Inability for citizens to pay general services and utilities -Increased debt for citizens and the council -Health and well-being deterioration -Inequity deepening -Increased demand on services across the council leading to failure to meet this demand 					<p>Existing Controls</p> <table border="1"> <thead> <tr> <th>Control</th> </tr> </thead> <tbody> <tr> <td>1. Baseline / impact assessment to understand potential impact on Bristolians</td> </tr> <tr> <td>2. Creation of monitoring framework with 'red flag' indicators</td> </tr> <tr> <td>3. Development of civic & community asset map</td> </tr> <tr> <td>4. Development of framework for targeted action</td> </tr> <tr> <td>5. Data monitoring of key 'red flag' indicators - monitored by the One City and One Council Group</td> </tr> <tr> <td>6. Established One Council Group to</td> </tr> </tbody> </table>	Control	1. Baseline / impact assessment to understand potential impact on Bristolians	2. Creation of monitoring framework with 'red flag' indicators	3. Development of civic & community asset map	4. Development of framework for targeted action	5. Data monitoring of key 'red flag' indicators - monitored by the One City and One Council Group	6. Established One Council Group to	<p>Mitigating Actions</p> <table border="1"> <thead> <tr> <th>Action Title</th> <th>Due Date</th> <th>Progress</th> </tr> </thead> <tbody> <tr> <td>Update baseline assessment following gov announcement 26 May 22</td> <td>July 2022</td> <td>100%</td> </tr> <tr> <td>Work with Quartet to ensure COVID recovery /health inequity funding is directed to response and building community resilience</td> <td>July 2022</td> <td>100%</td> </tr> <tr> <td>Communication plan</td> <td>July 2022</td> <td>100%</td> </tr> <tr> <td>Establish network of community hubs and 'city offer' by September</td> <td>September 2022</td> <td>100%</td> </tr> <tr> <td>Cost of Living – assess impact on business</td> <td>September 2022</td> <td>100%</td> </tr> <tr> <td>Work with Quartet and other funders to deliver grant funding to implement autumn/winter response as agreed</td> <td>September 2022</td> <td>100%</td> </tr> <tr> <td>Work with Quartet to deliver Social Action Grants</td> <td>January 2023</td> <td>100%</td> </tr> </tbody> </table>	Action Title	Due Date	Progress	Update baseline assessment following gov announcement 26 May 22	July 2022	100%	Work with Quartet to ensure COVID recovery /health inequity funding is directed to response and building community resilience	July 2022	100%	Communication plan	July 2022	100%	Establish network of community hubs and 'city offer' by September	September 2022	100%	Cost of Living – assess impact on business	September 2022	100%	Work with Quartet and other funders to deliver grant funding to implement autumn/winter response as agreed	September 2022	100%	Work with Quartet to deliver Social Action Grants
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-Community cohesion deteriorates	monitor impact and coordinate action (meeting appx every 3 weeks)	Update Impact Assessment	December 2022	100%
Risk Owner(s): Executive Director People, Director Public Health	7. Established One City Coordination Group 8. Communication plan in place led by BCC External Communications 9. Bi-weekly meetings of Community Exchange - Meetings with community partners delivering response	Review funding approach with Quartet for 2023	February 2023	50%
		Planning for 2023 event - Review approach and plan for winter 2023	April 2023	20%
		Mid-point review - In person workshop with al partners - review what's happened to date, what's gone well/what needs to change	January 2023	100%
		Portfolio Flag: Public Health and Communities		
Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing		Summary of Progress: Welcoming spaces are reporting increasing numbers and people discover what's on their doors stop. Poverty, inequity and the cost of living continue to have a significant impact on citizens, families and communities. We are now planning the transition from winter response to focus on resilience and how we grasp the potential of what's been achieved through the one city response. We will review the score at the end of March.		
External and Civil Contingency Risk	Trend	Current Risk Assessment		Risk Tolerance Level
Risk Title: BCCC1 - Flooding	Constant	15 Likelihood = 3 Impact = 5		9 Likelihood = 3 Impact = 3
Description: There could be a risk of damage to properties and infrastructure as well as risk to public safety from flooding which may be caused by a tidal surge, heavy rainfall and river flood events.				
Risk Causes: - Tidal surge, heavy rainfall, and river flood events - Impact of climate change - Lack of effective flood defences and preparedness for major incidents - Failure of existing flood defences	Existing Controls		Mitigating Actions	
	Control	Action Title	Due Date	Progress
Risk Consequences: -Economic Impacts incl loss of Property -Loss of Life/injury -Reputational Damage	1. Avon and Somerset Local Resilience Forum - The Avon and Somerset Local Resilience Forum (LRF) is a partnership of all the organisations needed to prepare for an emergency in the LRF area. It includes the emergency services, health services, Maritime and Coastal Agency, Environment Agency, volunteer agencies, utility companies, transport providers and the five councils of Bath and Northeast Somerset, Bristol, North Somerset, Somerset, and South Gloucestershire.	Avonmouth Village Flood Scheme	June 2027	20%
	2. Engagement with external partners to develop flood response plans and procedures - Working with emergency services, local authorities, and other agencies to develop flood response plans and procedures, investigating instances of flooding, training specialist staff in swift water rescue techniques, communicating with housing and business developers to incorporate flood protection into new developments. It provides guidance to members of the public about flooding, including flood warnings and what people can do to help themselves.	Deliver Bristol Avon Flood Strategy	December 2023	25%
		Deliver Local Flood Risk Management Actions	February 2030	25%
	3. Local Flood Risk Management Strategy - Bristol has in place a local Flood Risk Management Strategy which comprises of 5 key themes	Expression of Interest to participate in the DEFRA Innovation and Resilience programme	June 2021	100%
		Strategic Outline Case for Managing River Avon Flood Risk	June 2021	100%
	Frome Catchment Innovation Programme - Development of a number of measures to mitigate flood risk from the river Frome	March 2027	0%	

	and 43 separate actions in line with Environment Agency's national strategy. The Strategy has used outputs from a number of key studies (which identify the risk of flooding to the city) to structure our response to flood risk management, from emergency management to flood mitigation schemes					
Risk Owner(s): Executive Director Growth and Regeneration, Director Economy of Place.	4. Regular and Emergency Maintenance and Clearing of Gullies and Culverts – especially in advance of storm warnings 5. Ongoing engagement with Civil Protection unit					
Portfolio Flag: Climate, Ecology, Energy & Waste and Strategic Planning, Resilience and Flood Strategy	Summary of Progress: Recruitment process carried out for principal flood officer to lead Frome innovation project. This will ease pressures on the team as a whole. Overall team structure to be considered now to assess how best to move forwards and cover management functions. Risk level remains the same overall.					
Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing.						
External and Civil Contingency Risk		Trend	Current Risk Assessment		Risk Tolerance Level	
Risk Title: BCCC4 – Winter diseases including COVID-19 and Flu (formerly COVID-19 Population Health)		<h1>Constant</h1>	<h1>9</h1> Likelihood = 3 Impact = 3		<h1>14</h1> Likelihood = 2 Impact = 7	
Description: Covid 19 poses multiple risks to population health. Directly from infection; indirectly through social and economic impacts; and through pressures on the health and care system. On 21ST Feb 2022 the Gov announced Living with Covid Strategy which includes withdrawal of population testing and contact tracing. Isolation and other compliance is voluntary. New risks are: Reduced ability to see infection Negative impacts on business continuity and health from high levels of circulating infection • Harms to high-risk individuals and risks within high consequence settings • Emergence of harmful new variant						
Risk Causes: Covid 19 poses multiple risks to population health. Directly from infection; indirectly through social and economic impacts; and through pressures on the health and care system. Removal of Covid controls reduces ability to contain infection.		Existing Controls		Mitigating Actions		
		Control	1. Daily Situation Reports – weekly from April 2022 and will be produced in current format until 31st March 2023 2. Investment in Infection Prevention and Control - Additional recurrent investment has been made in Community Infection Prevention and control. Regional and Health system IPC oversight established 3. Local Outbreak Management and Response Plan - LOMP has been replaced by living with Covid Plan -developed with partners. Mitigations in place include: New Surveillance,	Action Title	Due Date	Progress
				There are 9 COVID Population Health Sub risks with multiple mitigating Actions		

	<p>Communication, Engagement, Prevention – including vaccination, Protection – high risk settings and Response and surge preparedness. Weekly Outbreak Management Group replaced by weekly Living With Covid Group. Monthly reports to CLB Gold and regular updates to ELM Regular staff and public bulletins</p>	
<p>Risk Consequences: Infection from Covid, proportion of severe illness, long Covid and deaths. Disruption to work, school, university. Emotional and mental health impacts, for all ages including loneliness. Food poverty.</p>	<p>4. Ongoing Community Engagement and Mental Health Work - Additional investment in MH work through Thrive. £500k from CCG for student MH. One City focus on YP and night-time activities. Additional investment in communities, VCSE - £2m from CCG and additional funds for community vaccine champions.</p>	
<p>Risk Owner(s): Executive Directors & Director of Public Health</p>	<p>5. Priority Programmes focussed on Mental Health, Well-Being and Food Poverty</p> <p>6. Protecting Health Function - Enhanced protecting health function - completed / Green. Weekly reports published – will remain in place but frequency may change - Green</p> <p>7. Weekly Death Management and Vaccine Reports</p>	
<p>Portfolio Flag: Mayor</p>	<p>Summary of Progress: Mitigations in place - no change to overall risk position.</p>	
<p>Strategic Theme: Our Organisation, Empowering and Caring, Fair and Inclusive, Well Connected, Wellbeing</p>		

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Risk Scoring Matrix

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		Threat Impact (Negative risks)					Opportunity Impact (Positive Risk)						
Threat Likelihood	Almost certain	4	4 (Low)	12 (Medium)	20 (High)	28 (Critical)	28 (Significant)	20 (High)	12 (Medium)	4 (Low)	4	Almost certain	Opportunity Likelihood
	Likely	3	3 (Low)	9 (Medium)	15 (High)	21 (High)	21 (High)	15 (High)	9 (Medium)	3 (Low)	3	Likely	
	Unlikely	2	2 (Low)	6 (Medium)	10 (Medium)	14 (High)	14 (High)	10 (Medium)	6 (Medium)	2 (Low)	2	Unlikely	
	Rare	1	1 (Low)	3 (Low)	5 (Medium)	7 (Medium)	7 (Medium)	5 (Medium)	3 (Low)	1 (Low)	1	Rare	
			1 Minor	3 Moderate	5 Major	7 Critical	7 Exceptional	5 Significant	3 Modest	1 Slight			

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Threat Level	Opportunity Level	Level of Risk	Actions Required
1-4	1-4	Low	May not need any further action / monitor at the Service level.
5-12	5-12	Medium	Action required, manage and monitor at the Directorate level.
14-21	14-21	High	Must be addressed - if Directorate level consider escalating to the Corporate Risk Report, if Corporate consider escalating to the Cabinet Lead.
28	28	Critical / Significant	Action required - escalate if a Directorate level risk, escalate to the Corporate Level, if Corporate bring to the attention of the Cabinet Lead to confirm action to be taken.

Likelihood And Impact Risk Rating Scoring

Likelihood Guidance..

Likelihood	Likelihood Ratings 1 to 4			
	1	2	3	4

Description	Might happen on rare occasions.	Will possibly happen, possibly on several occasions.	Will probably happen, possibly at regular intervals.	Likely to happen, possibly frequently.
Numerical Likelihood	Less than 10%	Less than 50%	50% or more	75% or more

Severity of Impact Guidance (Risk to be assessed against all of the Categories, and the highest score used in the matrix).

Impact Category	Impact Levels 1 to 7			
	1	3	5	7
Service provision	Very limited effect (positive or negative) on service provision. Impact can be managed within normal working arrangements.	Noticeable and significant effect (positive or negative) on service provision. Effect may require some additional resource, but manageable in a reasonable time frame.	Severe effect on service provision or a Corporate Strategic Plan priority area. Effect may require considerable /additional resource but will not require a major strategy change.	Extremely severe service disruption. Significant customer opposition. Legal action. Effect could not be managed within a reasonable time frame or by a short-term allocation of resources and may require major strategy changes. The Council risks 'special measures'. Officer / Member forced to resign.
Communities	Minimal impact on community.	Noticeable (positive or negative) impact on the community or a more manageable impact on a smaller number of vulnerable groups / individuals which is not likely to last more than six months.	A more severe but manageable impact (positive or negative) on a significant number of vulnerable groups / individuals which is not likely to last more than twelve months.	A lasting and noticeable impact on a significant number of vulnerable groups / individuals.
Environmental	No effect (positive or negative) on the natural and built environment.	Short term effect (positive or negative) on the natural and or built environment.	Serious local discharge of pollutant or source of community annoyance that requires remedial action.	Lasting effect on the natural and or built environment.
Financial Loss / Gain	Under £0.5m	Between £0.5m - £3m	Between £3m - £5m	More than £5m
Fraud & Corruption Loss	Under £50k	Between £50k - £100k	Between £100k - £1m	More than £1m
Legal	No significant legal implications or action is anticipated.	Tribunal / BCC legal team involvement required (potential for claim).	Criminal prosecution anticipated and / or civil litigation.	Criminal prosecution anticipated and or civil litigation (> 1 person).
Personal Safety	Minor injury to citizens or colleagues.	Significant injury or ill health of citizens or colleagues causing short-term disability / absence from work.	Major injury or ill health of citizens or colleagues may result in. long term disability / absence from work.	Death of citizen(s) or colleague(s). Significant long-term disability / absence from work.
Programme / Project Management <i>(Including developing commercial enterprises)</i>	Minor delays and/or budget overspend but can be brought back on schedule with this project stage. No threat to delivery of the project on time and to budget and no threat to identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones, and/or budget overspends. No threat to overall delivery of the project and the identified benefits / outcomes.	Slippage causes significant delay to delivery of key project milestones; and/or major budget overspends. Major threat to delivery of the project on time and to budget, and achievement of one or more benefits / outcomes.	Significant issues threaten delivery of the entire project. Could lead to project being cancelled or put on hold.
Reputation	Minimal and transient loss of public or partner trust. Contained within the individual service.	Significant public or partner interest although limited potential for enhancement of, or damage to, reputation. Dissatisfaction reported through council complaints procedure but contained within the council. Local MP involvement. Some local media/social media interest.	Serious potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Dissatisfaction regularly reported through council complaints procedure. Higher levels of local or national interest. Higher levels of local media / social media interest.	Highly significant potential for enhancement of, or damage to, reputation and the willingness of other parties to collaborate or do business with the council. Intense local, national and potentially international media attention. Viral social media or online pick-up. Public enquiry or poor external assessor report.

Audit Committee

30 May 2023



Report of: Director of Legal and Democratic Services – Senior Information Risk Owner

Title: Senior Information Risk Owner Update

Ward: n/a

Recommendation

That the Committee notes the contents of this report.

Summary

This report provides an overview of the assurances that the Council's Senior Information Risk Owner has received in respect of the Council's management of information risk.

The significant issues in the report are:

As set out in the report.



Policy

1. In September 2021, the Senior Information Risk Owner (SIRO) reported on the matters that were being progressed to strengthen the Council’s management of information risk. In September 2021, the foundations of good information risk management were in place, however, it was recognised that further improvements were required in certain areas.

This report provides an overview of the sources of assurance for the SIRO, actions that have taken place since September 2021 to improve the Council’s management of information risk, and a look ahead to areas for further action over the next year.

Consultation

2. **Internal**
Chief Internal Auditor; Head of Information Assurance.
3. **External**
Not applicable.

Background

4. The SIRO is the senior officer at the Council with overall responsibility for Information Risk and who has responsibility for sponsoring and promoting Information Governance policy within the Council.
5. The SIRO provides assurance to the Council as part of the Annual Governance Statement, which includes the following comment in respect of information risk:

“Policies and processes are in place for the management of information governance risks. The Information Governance Team works to identify and manage cyber security risks. This remains a high risk for the Council due to the ever-changing nature of cyber threats. There is an escalation process for the approval of exceptions to information security policies, which is documented as part of the Risk Management Framework and risks will be escalated to the Senior Information Risk Owner as appropriate. The establishment of a centralised disclosures team this year brings together expertise to improve the robustness in approach across the Council to the effective management of data.

The Council’s Senior Information Risk Officer has confirmed that there are no significant exceptions or breaches that have been identified in respect of compliance with the information security policies during 2022/23. An Internal Audit review of GDPR Compliance concluded reasonable assurance that controls are in place to support compliance by the Council.”

Sources of assurance

6. The SIRO looks to the following areas of activity to obtain assurance about the Council’s approach to the management of information security risk.

6.1. Information Governance Board

The arrangements relating to the Information Governance Board are well-established and there is cross-Council representation and embedded assurance from Internal Audit on this Board. Assurance mapping has been done to inform the work programme for the Board, with monthly reporting from the Head of Information Assurance and review of management actions relating to Internal Audit reports.

6.2. Data Protection

The Council's has appropriate arrangements in place to ensure compliance with data protection laws. In addition, the Council's arrangements for managing data protection duties have been strengthened by the centralisation of a Disclosures Team as part of Common Activities.

6.3. Information Asset Owners

Information Asset Owners are accountable for the information being created, received or obtained by their directorate. Recent Internal Audit work has identified that this remains an area for improvement and appropriate management action is required to ensure that the obligations and responsibilities of IAOs are understood and embedded within the Council.

6.4. Internal Audit work

There has been a significant amount of internal audit work to support the Council's information security activity since September 2021. The internal audit work has concluded that IT Asset Management, GDPR compliance and Ethical Use of Data are areas with a reasonable level of assurance. However, IT Resilience, IT governance, Cloud resilience, Core Systems Access Controls and Information Asset Ownership governance are all areas with a limited level of assurance and these have been reported to the Council with appropriate management plans identified.

In particular, there are a number of 'limited assurance' audit findings which require extensive management action. The report by the Director: Policy, Strategy and Digital to the Audit Committee in January 2023 set out a wide range of management action that would be taken forward to enhance IT governance and resilience.

6.5. External accreditation

To access data from third parties, it is necessary for the Council to meet minimum standards of security. The Council continues to maintain the following external accreditations: PSN, NHS and GIRR.

6.6. Where gaps have been identified above, these will inform future areas of internal audit activity and management action as set out in section 8 of this report.

Areas for improvement

7. In September 2021, the report to the Audit Committee identified a number of areas for improvement.

7.1. The following table sets out the areas of improvement that were identified in September 2021 and details of how these matters have been progressed.

Area for improvement	Progress
Development of an Information Governance Strategy/Framework	An Information Governance Strategy and an Information Governance Framework have been adopted
Embedding Information Security Management policies and training	A suite of Information Security Management policies has been prepared and mandatory training is in place. Further training will be developed on specific policies.
Remediation activity as identified in risk mitigation plans	The Information Governance Service continues to support service areas with the mitigation of information security risks
Progress management actions relating to cyber security audits	There are plans in place to progress management actions from cyber security audits as referenced elsewhere in this report
Progress of GDPR phase II project	This project has now been delivered
Maintaining external certification	The Council continues to maintain PSN, NHS and GIRR accreditation
Common Activities work	The Council has completed the Common Activities work to create a centralised Disclosures Team
Internal Audit work	There continues to be embedded assurance from Internal Audit at the Information Governance Board and a regular programme of internal audit activity. Internal Audit also provides embedded assurance at the Digital Transformation Programme Board
Information governance support to Digital Transformation	There continues to be appropriate representation and support from Information Governance at Digital Transformation Programme Board and relevant project boards
Cyber security business continuity exercise	Cyber security has been the subject of a business continuity exercise and further exercises are planned
Role of Caldicott Guardian	The Caldicott Guardian role is embedded within the Council's information governance arrangements
Use of IT controls to minimise cyber security threats	The Council continues to explore how to optimise relevant digital tools to combat cyber security threats

7.2. Where gaps have been identified above, these will inform future areas of internal audit activity and management action as set out in section 8 of this report.

Future Actions

8. As identified in the preceding sections of this report there remain some gaps and risks in relation to the management of information risk within the Council, which will require management action as well as Internal Audit activity.
9. The areas of management action have been identified as follows:
 - Actions to enhance IT governance and resilience;
 - Further training on specific information security management policies;
 - Implement management action arising from cyber security audits;
 - Further cyber security business continuity exercises;
 - Optimising relevant digital tools to combat cyber security threats.
10. It is anticipated that Internal Audit activity will focus on the following areas:
 - Records management;
 - Cyber security;
 - Disclosures Team processes;
 - Information Asset Ownership – follow-up;
 - Core Systems Access Controls – follow up; and
 - Continued embedded assurance at the Information Governance Board.

Conclusion

11. The landscape relating to information risk management is ever-changing. The Council has made good progress to embed appropriate information risk management policies and procedures since September 2021. There remain areas for further on-going action. However, the risks are being appropriately managed.

Appendices:

None

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**Background Papers:**

None