

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE

MONDAY, 16 DECEMBER 2019 AT 10:00 HOURS
IN COMMITTEE ROOM 2, COUNCIL HOUSE, VICTORIA SQUARE,
BIRMINGHAM, B1 1BB

A G E N D A

1 NOTICE OF RECORDING/WEBCAST

The Chairman to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

2 APOLOGIES

To receive any apologies.

3 DECLARATIONS OF INTERESTS

Members are reminded that they must declare all relevant pecuniary and non pecuniary interests arising from any business to be discussed at this meeting. If a disclosable pecuniary interest is declared a Member must not speak or take part in that agenda item. Any declarations will be recorded in the minutes of the meeting.

5 - 12

4 MINUTES - AUDIT COMMITTEE - 24 SEPTEMBER 2019

To note Part 1 of the Minutes of the last meeting of the Audit Committee held on 24 September 2019.

13 - 94

5 CORPORATE RISK REGISTER UPDATE

Assistant Director - Audit & Risk Management

95 - 114

6 BIRMINGHAM AUDIT HALF YEAR UPDATE REPORT 2019/20

Report of the Assistant Director - Audit & Risk Management

- 115 - 140** 7a **GRANT THORNTON - ANNUAL AUDIT LETTER**
Report of the Interim Chief Finance Officer
- 141 - 156** 7b **GRANT THORNTON - EXTERNAL AUDITOR UPDATE**
Update from the External Auditor
- 157 - 166** 8 **AUDIT FINDINGS REPORT RECOMMENDATIONS - PROGRESS REPORT**
Report of the Interim Chief Finance Officer
- 9 **TRAVEL ASSIST**
Report of the Director of Education & Skills.
ITEM DEFERRED
- 167 - 168** 10 **SCHEDULE OF OUTSTANDING MINUTES**
Information for noting.
- 11 **DATE AND TIME OF NEXT MEETING**
The next meeting is scheduled to take place on Tuesday 28 January 2019 at 1400 hours in Committee Room 6.
- 12 **OTHER URGENT BUSINESS**
To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.
- 13 **AUTHORITY TO CHAIRMAN AND OFFICERS**
Chairman to move:-

'In an urgent situation between meetings, the Chairman jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.
- 14 **EXCLUSION OF THE PUBLIC**
That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-

Exempt Paragraph 3

PRIVATE AGENDA

15 **MINUTES - AUDIT COMMITTEE - 24 SEPTEMBER 2019 - PRIVATE**

Item Description

16 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

BIRMINGHAM CITY COUNCIL

AUDIT COMMITTEE 24 SEPTEMBER 2019
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**MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON
TUESDAY, 24 SEPTEMBER 2019 AT 1400 HOURS IN COMMITTEE
ROOM 6, COUNCIL HOUSE, BIRMINGHAM**

PRESENT:-

Councillor Grindrod in the Chair;

Councillors Bridle, Jenkins and Tilsley.

NOTICE OF RECORDING/WEBCAST

- 156 The Chairman advised and the meeting noted that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site (www.civico.net/birmingham) and members of the press/public could record and take photographs except where there were confidential or exempt items.

The business of the meeting and all discussions in relation to individual reports was available for public inspection via the web-stream.

APOLOGIES

- 157 Apologies were submitted on behalf of Councillors Akhtar, Jones, Quinnen and Webb for their inability to attend the meeting.
-

DECLARATIONS OF INTEREST

- 158 Members were reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting. If a pecuniary interest was declared a Member must not speak or take part in that agenda item. Any declarations would be recorded in the minutes of the meeting.

Councillor Grindrod (Chair) a non-pecuniary interest – Acivico Ltd
 Councillor Bridle – declared a non-pecuniary interest – Birmingham Airport
 Councillor Tilsley – declared a non-pecuniary interest – Birmingham Airport, Millennium Point Trust and Clara Martineau Trust

PUBLIC MINUTES – AUDIT COMMITTEE 30 JULY 2019

159

RESOLVED:-

That the Public Minutes of the last meeting be confirmed and signed.

STATEMENT OF ACCOUNTS 2018/19

The following report of the Chief Executive (Acting) was submitted:-

(See document No. 1)

Martin Stevens, Head of City Finance Accounts, introduced the report and briefly detailed the additional work undertaken by the external auditors.

He highlighted that part of the external auditor's work was that they had identified a number of changes which had to be made however this had not impacted on the number of usable reserves which remained unchanged.

He referred to the audit findings report and confirmed that the external auditors had set out their findings in the accounts and the changes that had to be made to the financial statements. He reported that the external auditor had made 6 recommendations and confirmed that the management response would be considered in the next report to this Committee.

At this juncture, following a brief discussion, the Chair agreed that the recommendations would be considered at a later time during the meeting.

Laura Hinsley, Grant Thornton, provided a detailed breakdown of the report.

She concluded by referring to an enquiry raised by Councillor Jenkins at the previous meeting relating to the number of users within the Council system that were deemed inappropriate. It had been identified by their IT Team (Grant Thornton) that there were 109 users with potentially inappropriate access and although this did not mean that they were using the system inappropriately, just that they had access that was not necessarily appropriate to their role.

It was noted that the recommendation was that the Council reviewed all of those users to ensure they had appropriate access.

At this juncture, Tess Barker-Phillips, Grant Thornton provided a breakdown of the key changes of the financial section of the report.

Martin provided a brief explanation regarding the invoices that were prior to 1 April 2019 that should have been included in last year's accounts.

Laura referred to the report and the improvements that had been made this year especially from a financial management perspective. She referred to the transparency of reporting and the way in which reserves management had

been dealt with since Clive Heaphy had been part of the team, adding that it had contributed to the Council's improvement which was reflected within the report.

Upon consideration, it was:

160

RESOLVED:-

Audit Committee:-

- (i) Noted the Audit Findings Report from Grant Thornton and accept the recommendations of the report;
 - (ii) Approved the Annual Governance Statement included in the Statement of Accounts for 2018/19;
 - (iii) Approved the Letter of Representation from the Chief Finance Officer;
 - (iv) Approved the Statement of Accounts for 2018/19 subject to external audit clearance of any outstanding issues.
-

At this juncture, the Chair agreed to vary the running order of the agenda.

BIRMINGHAM AUDIT ANNUAL FRAUD REPORT 2018/19

The following report of the Assistant Director, Audit and Risk Management was submitted:-

(See document No. 2)

Neil Farquharson, Group Auditor – Corporate Fraud Team, while providing a comprehensive breakdown of the report highlighted that they had been shortlisted as a finalist in the IRRV Performance Awards 2019, Excellence in Counter Fraud.

In response to Members' comments and questions the following points were captured:-

Neil referred to the issue relating to changing bank details based on email communication and subsequently detailed the various ways in which this was being addressed. He highlighted that they were constantly issuing guidance in the fraud spot light bulletin which was circulated every 6 months and they had issued an alert to all schools, on the importance of following correct procedures and that any emails received, should be treated with extreme caution.

Neil referred to payroll overpayments and subsequently detailed the ways in which they could occur. He highlighted the failure in managers not making the necessary changes when employees left the organisation and continued to receive salary payments.

He confirmed that all employees of the Council had a contractual obligation to report any incident where an overpayment had been made, adding that sometimes this was not always apparent and as a result of this, there were persistent messages sent to staff to check their payslips and bank accounts regularly.

He reported that all overpayments were paid back and in some cases depending upon circumstances, overpayments could be recovered over a longer period of time.

In response to Members' concern relating to management action with regard to overpayment of salaries, Debbie Middleton, Strategic Director, Finance and Governance, suggested that an internal audit report which summarised the extent of those errors was presented to the Council's Management Team for consideration on how to ensure that in future, directors take action as a result of those internal audit reports.

Neil referred to the positive work that had been undertaken with regard to social housing fraud and the online data matching. He confirmed that the press would be running some positive stories for BCC in regard to this and there was also the possible participation with Channel 5 in one of their programmes relating to council house fraud.

The Chair congratulated the team as a finalist for the IRRV Performance Award.

In response to further comments, Neil briefly explained the various ways in which they were continuing to enhance the data warehouse as a tool to improve intelligence as well as matching data sets. He referred to the whole range of innovative tests that they continually try to run across the main council system and highlighted the 'real time' data matching and subsequently explained how this worked with housing applications and how it flagged up any anomalies.

Craig Price, Principal Group Auditor, briefly explained how they used the data warehouse in response to salary overpayments and how they tried to identify the overpayments as quickly as possible and take the necessary action to stop them.

Upon further consideration, it was:-

161

RESOLVED:-

- (i) That the Committee noted the report; and
- (ii) that an internal audit report summarising the extent of errors caused by management failing to make the necessary adjustments when employees left the organisation be presented to the Council's Management Team (CMT) for consideration on how to ensure that in future, directors take action as a result of those internal audit reports.

OMBUDSMAN REPORT CONCERNING A COMPLAINT ABOUT REFUSE COLLECTIONS

The following report of the Chief Executive and the Assistant Director, Street Scene was submitted:-

(See document No. 3)

Miranda Freeman, Senior Liaison & Management Officer, made introductory comments to the report.

Darren Share, Assistant Director, Street Scene, reported that the complaints detailed in the report related from late 2018 to early 2019 and confirmed that since then, there had been significant progress made with the missed collections.

He subsequently detailed the various ways in which they were working in order to address the issue which included; re-routing rounds, equalising collection rounds and replacement of vehicles in order to improve reliability. He confirmed that all missed collections were reported back on a daily basis which then enabled them to allocate the necessary resources to the areas that were being missed.

He stated that they were trying to minimise the missed collections by reviewing the data and they were now reviewing the complaints, highlighting that each complaint was taken very seriously and emphasised that they were doing all that they could to resolve the problem.

Miranda referred to the complaints detailed in the report and subsequently provided a brief explanation on how the Ombudsman would consider each case on its own merit, in order to determine the amount of compensation received, adding, that complaints continued to be received by the Ombudsman that had been through the procedure.

She highlighted that residents' should continue to log their complaints with BCC whereupon the BCC complaints procedure must be exhausted, before the Ombudsman could consider them.

Members welcomed the Ombudsman report and following several comments the following points were captured:-

Darren provided a brief explanation on the differences between the old operating model (4 day working) and the new model (5 day working) and how they were trying to equalise the days of collection. He added that at the moment they had tweaked the rounds and put in resources where they could with existing days of collection however, in order to bring the service up to the level that it should be, they may have to change collection days.

He referred to the independent review and the service review that was taking place which should result in a submission to Cabinet in October 2019 in order to provide an overview of the processes that have been undertaken.

He reported on the difficulties in the past due to the number of complaints in proving personal responses and confirmed that as they were now reducing, and with working closely with the Contact Centre, they were now looking at how they could personalise those responses.

He briefly explained how they were looking to communicate to residents on a daily basis when rounds would be missed due to various circumstances and confirmed that they were currently looking into the data in order to provide that service.

He highlighted the importance of stabilising the rounds and the crews working to the most efficient and effective way and once this was in place, they would be able to utilise the computerised system which would further assist the crews. He referred to the 'rocky road' the service had been through and that all had moved on and there was now a real commitment from every member of staff to make the service as good as it could be, emphasising that there was a drive to make it happen

Following a brief discussion as to when the Committee should receive a progress update, Miranda suggested that an appropriate time would be January 2020 together with annual report, which the Chair agreed to.

The Chair concluded that given the risk to the Council's reputation, was of the opinion, that the Committee needed to have site of the policy agenda when it had been set in order that it could be appropriately monitored.

The Chair thanked officers for their attendance.

162

RESOLVED:-

That the Audit Committee noted the Director's proposed response to the Local Government and Social Care Ombudsman's recommendations.

SCHEDULE OF OUTSTANDING MINUTES - 2019

The following schedule of Outstanding Minutes was submitted:-

(See document No. 4)

The Chair introduced the Schedule of Outstanding Minutes.

Upon further consideration it was

163

RESOLVED:-

That the remaining Outstanding Minutes be continued.

AUDIT FINDINGS RECOMMENDATIONS – RESPONSE TO RECOMMENDATIONS

The following report of the Chief Executive (Acting) was submitted:-

(See document No. 5)

Martin Stevens, Head of City Finance Accounts, introduced the report and subsequently provided a comprehensive response to the six recommendations illustrated in Appendix 1 of the report.

He confirmed that the management responses would be submitted to all future Audit Committee meetings to ensure progress was monitored and appropriate action taken.

Paul Dossett, Engagement Leader, Grant Thornton, commented on the positive direction the Council was moving towards.

Upon consideration, it was:

164

RESOLVED:-

Audit Committee:-

- (i) Approved the management responses, attached as Appendix 1, to the recommendations set out in the Audit Findings Report; and
- (ii) That reports be submitted to future meetings of this committee on progress in implementing the actions proposed in response to the recommendations.

AUTHORITY TO CHAIRMAN AND OFFICERS

165

RESOLVED:-

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

EXCLUSION OF THE PUBLIC

166

RESOLVED:-

That, in view of the nature of the business to be transacted, which includes exempt information of the category indicated, the public be now excluded from the meeting:-

Exempt Paragraph 3

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:

Audit Committee

Report of:

Assistant Director, Audit & Risk Management

Date of Meeting:

16th December 2019

Subject:

Corporate Risk Register Update

Wards Affected:

All

1.

Purpose of Report

1.1

To update the Audit Committee on the management of risks and issues contained within the Corporate Risk Register (CRR); Appendix A. A risk heat map together with an index of risks, showing the direction of travel, are also included.

2.

Recommendation

2.1

That the Audit Committee:

i)

notes the CRR updates detailed in Section 3 below; and

ii)

review the CRR and assess whether the risk ratings and actions are reasonable / effective or if further explanation / information is required in order to satisfy itself that the Risk Management Framework has been consistently applied.

3.

Changes to the CRR

3.1

Reworded Risk

<u>Risk</u>	<u>From</u>	<u>To</u>	<u>Page</u>
17	Ineffective Corporate Risk Marker IT Solution	Staff harm by not sharing data effectively	46

A project group is being establish to restate Risk 17 and develop a supporting action plan.

3.2 Decreased Risk Ratings

<u>Risk</u>	<u>From</u>	<u>To</u>	<u>Page</u>
7 Culture change & transformation	High / High	Medium / Medium	65
12 Equality Act	Significant / Significant	Medium / Significant	33
10 Transformation	Significant / Significant	Significant / Medium	67

3.3 Risk Profile

The current risk profile is summarised below:

Risk Category	Severe	Material	Tolerable	Total
Safeguarding / Welfare	4	1	0	5
Statutory Responsibilities	2	7	1	10
Financial Resilience	2	3	0	5
Political	0	0	0	0
Technology	1	0	0	1
Transformation	0	4	0	4
Service Delivery	1	2	0	3
Total	10	17	1	28

4. Background Information

4.1 Members have a key role within the risk management and internal control processes.

4.2 The Audit Committee terms of reference, sets out its responsibilities and in relation to risk management these are:

- providing independent assurance to the Council on the effectiveness of the risk management framework and the associated control environment;
- whether there is an appropriate culture of risk management and related control throughout the Council;
- to review and advise the Executive on the embedding and maintenance of an effective system of corporate governance including internal control and risk management; and
- to give an assurance to the Council that there is a sufficient and systematic review of the corporate governance, internal control and risk management arrangements within the Council.

5. Corporate Risk Register Update

- 5.1 The CRR is aligned to the corporate objectives of the Council and identifies the key risks to be managed at a corporate level.
- 5.2 The Council Leadership Team (CLT) and the Deputy Leader review the CRR on a monthly basis to strengthen oversight arrangements and have agreed to the above changes. CLT are developing a Strategic Risk Register to give increased focus to risks which require leadership direction or impact directly on the ability of the Council to deliver its objectives and priorities. This will be brought to the Committee in early 2020.

6. Risk Management Framework

- 6.1 The Council's Risk Management Strategy, Policy and Toolkit have been reviewed and consolidated into a single Risk Management Framework. This revised Framework, which places greater emphasis on the actions that are required to manage risks, was approved by the Audit Committee at its January 2019 meeting.
- 6.2 Tools to support the implementation of the framework, guidance for managers and an E-learning module, have been developed and made accessible via the Council's Intranet.
- 6.3 All risks have been comprehensively reviewed, transferred into the new template and action plans established. Each action has been assigned a R.A.G status as follows:

Red	Target date will not be achieved; significant difficulties encountered delivering the action.
Amber	Slight slippage against the target date. Action will be substantially delivered.
Green	On track, action will be fully delivered by the target date.

We are working closely with directorate risk representatives to continue to develop and strengthen action plans. Completed actions will be removed after they have been reported to Audit Committee.

7. Embedding Risk Management

- 7.1 There are directorate risk registers in place supported by individual risk registers for service areas. Monthly updates are facilitated through the

Directorate Risk Representatives.

- 7.2 The current main route to provide risk management awareness is the e-learning package for managers, accessed via the internet. All documents and web pages have been refreshed.
- 7.3 Service managers are asked about their risk management arrangements as part of routine audit work.
- 7.4 Corporate Directors are required to provide an annual assurance that they have embedded risk management to support the Annual Governance Statement.

8. Legal and Resource Implications

- 8.1 The work carried out is within approved budgets.

9. Equality Impact Assessment Issues

- 9.1 Risk management forms an important part of the internal control framework within the Council.
- 9.2 The Council's risk management strategy has been Equality Impact Assessed and was found to have no adverse impacts.

10. Compliance Issues

- 10.1 Decisions are consistent with relevant Council Policies, Plans and Strategies.

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Sarah Dunlavey
Assistant Director, Audit & Risk Management

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Risk Map – November 2019					
Likelihood	High		<div>Risk of fines re air quality (R34)</div>	<div>Highways PFI – Core Investment deliverables (R6)</div> <div>The Early Years Health and Well Being Contract (R43)</div> <div>Schools Deficits – National funding arrangements have resulted in real term funding reductions (R41)</div>	<div>Compliance re Counter Terrorism & Security Act (R26)</div>
	Significant		<div>Equal Pay claims (R1)</div> <div>Statutory homeless service (R31)</div> <div>Improvement Activity Progress (R10)</div>	<div>Malicious attacks of web based services (R16)</div> <div>Failure of STP to deliver change/improve health & wellbeing (R33)</div>	<div>Improving children's safeguarding (R2)</div> <div>Travel Assist – cost of provision and ability to deliver the agreed level of service (R42)</div>
	Medium		<div>Failure to Deliver Culture Change and Transformation (R7)</div> <div>Not divesting of property assets (R15)</div> <div>Evaluation of service delivery options (R18)</div> <div>Staff Harm by not sharing data effectively (R17)</div> <div>Commonwealth Games – Athletes Village (R40)</div> <div>Universal Credit (R46)</div> <div>Allowance Payments (R44)</div> <div>Delivery of HS2 following Royal Assent of the HS2 Act (R39)</div>	<div>Loss of personal/sensitive data (R11)</div> <div>Responding to emergency incidents including acts of terrorism (R32)</div> <div>Compliance to timescales for DoLS referrals (R25)</div> <div>Management of the Enterprise Zone Programme in line with its delivery Plan (R38)</div> <div>Compliance to Equality Act 2010 & PSED (R12)</div>	<div>Containing expenditure within approved budget (R29)</div> <div>Homeless Reduction Act (R37)</div>
	Low	<div>Grenfell Tower Enquiry (R36)</div>			
Key		Low	Medium	Significant	High
		Impact			
	Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained/improved.			
	Material	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained			
	Tolerable	Regular review, low cost control improvements sought if possible.			

Risk Index

INDEX OF RISKS – PREVIOUS UPDATES

Safeguarding / Welfare

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
2	Not responding fully and effectively to the improvement agenda for children - Failure to improve children's safeguarding and children's social care.	12	S/H ↔	S/H ↔	S/H ↔	S/H ↔	S/H ↔	S/H ↔
32	Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism.	15	S/H ↔	S/H ↔	M/S ↓	M/S ↔	M/S ↔	M/S ↔
33	Failure of the Council to make its contribution to deliver a step change to the Health and Social Care system resulting in an improvement to the health and well-being of Birmingham citizens.	16	S/S ↔	S/S ↔	S/S ↔	S/S ↔	S/S ↔	S/S ↔
42	Travel Assist There are risks within the service over the cost of the provision and ability to deliver the agreed level of service within the agreed budget.	18	S/H ↔	S/H ↔	S/H ↔	S/H ↔	S/H ↔	S/H ↔
43	Early Years Health and Well Being contract There are risks that the assumed financial savings from the contract will not be fully realised due to unforeseen costs and possible grant claw-backs.	20	H/S ↔	H/S ↔	H/S ↔	H/S ↔	H/S ↔	H/S ↔

Statutory Responsibilities / Compliance with Statutory Responsibilities

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
1	Management of equal pay claims.	22	S/H ↔	S/H ↔	S/H ↔	S/M ↓	S/M ↔	S/M ↔
26	Failure to comply with all of the requirements of the Counter Terrorism and Security Act (2015) and the Prevent Duty.	25	H/H ↔	H/H ↔	H/H ↔	H/H ↔	M/H ↓	H/H ↑
31	Increased pressure on the statutory homeless service.	27	H/H ↔	H/H ↔	S/S ↓	S/M ↓	S/M ↔	S/M ↔
34	Risk of fines being passed down to Local Authorities in relation to air quality / ongoing fines related to not meeting air quality compliance.	31	H/M ↔	H/M ↔	H/M ↔	H/M ↔	H/M ↔	H/M ↔
12	Failure to comply with all the requirements of the Equality Act 2012 and the Public Sector Equality Duty.	33	M/S ↔	M/S ↔	S/S ↑	S/S ↔	M/S ↓	M/S ↔
25	Failure to comply with statutory timescales in relation to DoLS (Deprivation of Liberty) referrals, which could lead to legal challenge and result in financial loss to the Council.	35	M/S ↔	M/S ↔	M/S ↔	M/S ↔	M/S ↔	M/S ↔
11	The loss of significant personal or other sensitive data	38	M/S ↔	M/S ↔	M/S ↔	M/S ↔	M/S ↔	M/S ↔
36	Failure to respond positively and effectively to the required outcomes of the Grenfell Tower enquiry once known.	40	L/M ↔	L/M ↔	L/M ↔	L/L ↓	L/L ↔	L/L ↔

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
37	Homelessness Reduction Act – Insufficient council resources to meet the requirements of the Act fully.	42	M/H ↔	M/H ↔	M/H ↔	M/H ↔	M/H ↔	M/H ↔
17	Staff Harm by not sharing data effectively.	46	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔

Financial Resilience

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
29	Not developing sufficiently robust plans to support setting a balanced budget (including in the medium term), and not containing net spending within the approved budget.	48	M/H ↔	M/H ↔	M/H ↔	M/H ↔	M/H ↔	M/H ↔
15	Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery.	52	M/M ↓	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔
38	Management of the Enterprise Zone Programme in line with its delivery plan	55	M/S ↓	M/S ↔	M/S ↔	M/S ↔	M/S ↔	M/S ↔
41	School Deficits National funding arrangements have resulted in real term funding reductions	57	H/S ↔	H/S ↔	H/S ↔	H/S ↔	H/S ↔	H/S ↔
46	Universal Credit risks	61	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔

Political

None.

Technology

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
16	That web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services.	63	S/S ↔	S/S ↔	S/S ↔	S/S ↔	S/S ↔	S/S ↔

Transformation

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
7	Lack of capacity and capability to respond to employee relations tensions, poor service, performance issues, sickness absence levels and poor morale due to organisational downsizing and pay freezes.	65	H/H ↔	H/H ↔	S/H ↓	H/H ↑	H/H ↔	M/M ↓

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
10	Failing to make sufficient progress in key areas of improvement activity	67	S/S ↔	S/S ↔	S/S ↔	S/S ↔	S/M ↓	S/M ↔
18	Failure to adequately evaluate the costs and benefits of alternative delivery models. Failure to fully implement the decisions made to change policy and service delivery.	68	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔
44	Allowance payments	71	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔

Service Delivery

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
6	Failure to achieve all of the services required including delivery of significant investment into the Highway network within the first five years of the contract.	72	H/S ↔	H/S ↔	H/S ↔	H/S ↔	H/S ↔	H/S ↔

Risk No.	Risk Title	Page No.	Actual Rating May 2019 L / I	Actual Rating June 2019 L / I	Actual Rating July 2019 L / I	Actual Rating August 2019 L / I	Actual Rating September 2019 L / I	Actual Rating October 2019 L / I
39	HS2 Delivery of HS2 following Royal Assent of HS2 Act. BCC role to help facilitate delivery of new railway (including Curzon Station and depot). Maximise benefits for City and minimise/mitigate impact during construction.	74	M/M ↓	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔
40	Commonwealth Games – Athletes Village Delivery of the Athletes Village dependant on the funding & acquisition of land in addition to potential changes to sporting schedules affecting the village's capacity to accommodate athletes.	76	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔	M/M ↔

Corporate Risk Register

Safeguarding / Welfare									
Risk No: 2		Risk Title: Safeguarding Children							
Risk Description: <ul style="list-style-type: none">•Not responding fully and effectively to the improvement agenda for Children•Failure to improve children’s safeguarding and children’s social care									
Risk Owner: Director, Education and Skills			Risk Lead: Lead: Assistant Director Commissioning , Education and Skills			Risk Type / Category: Customer / Citizen			
Inherent / Gross Risk			Residual / Current Risk			Target Risk			
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	
Significant	High	Severe	Significant	High	Severe	Medium	Significant	Material	
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none">• Service Delivery Contract is in place and Commissioning arrangements are being developed to manage the Contract with the Trust.• A monthly Operational Commissioning Group meets to consider performance and contract issues; this will also include risk updates and will be chaired by Tim O’Neill.• Annual contract review.				Sources of Assurance on Effectiveness of Identified Controls: <ul style="list-style-type: none">•Noting the positive steps from the recent Ofsted Safeguarding Inspection carried out in December 2018 and that Birmingham now is rated as “Requires Improvement to be Good”•Birmingham Children’s Trust Adoption Agency received a positive outcome from their first adoption inspection, held in February this year. The service was judged to be ‘good’ overall and leadership and management was judged to be ‘outstanding’.•The Lead Member for Children’s Services will meet regularly with the Chief Executive of the Trust to be briefed on progress.•KPI’S agreed with Trust at OCG in April. Throughout the next year a review of the contract will be carried out to take effect from 1 April 2020.•Internal Audit completed reviewing audit compliance of BCT					
No.	Actions to Reduce Risk to Target		Owner	Target	Progress				RAG

Safeguarding / Welfare					
Risk No: 2		Risk Title: Safeguarding Children			
			Date		
1	Remodel the Virtual School's procedures, to ensure educational progress is reviewed and supportive interventions implemented, to enable all looked after children to make good progress.	Assistant Director Inclusion and SEND	January 2020	<ul style="list-style-type: none"> New Head of Birmingham Virtual School started in September. Development/collaborative work with outstanding LA Virtual Schools in Suffolk and Leeds ongoing to inform future local area practice. Appointment of Virtual School Headteacher is from an Outstanding Virtual School (March 2019) and will also develop collaborative working with other large Virtual Schools through NAVSH national association. Review of Governance model and approach due to conclude 31st of October with report with findings and recommendations to be presented to full governing board. The Virtual School Headteacher will act on the governance review, create new terms of reference and membership for governance in a full board meeting 21st November. The governance will align with the performance matrix of Birmingham's Corporate Parent Board and the audit findings commissioned in Summer 2019 of the Virtual School. All members of the virtual school are currently reporting on individual progress and actions in relation to raising attendance, raising attainment and raising the quality of the PEPs. There will be termly review of this across the staff by the Virtual School Headteacher. The Virtual School Headteacher will review current role profiles and structures across the service in Autumn term 2019 to ensure alignment with service plans and delivery. Recruitment into vacant posts will be required by January 2020. An audit of the Virtual School was undertaken by the audit team in summer 2019. Report findings currently being shared with directorate and will inform future structures and workstreams for 2020. 	Amber

Safeguarding / Welfare					
Risk No: 2		Risk Title: Safeguarding Children			
				<ul style="list-style-type: none"> • Programme of Joint planning and working in place between BCC AD for SEND and Director from BCT to ensure strong collaboration and appropriate interdependencies between the work of BCT and BCC Education Services. • BCC AD for SEND and BVS Headteacher to attend BCT Executive Board 14th October to share audit review findings and BVS Headteacher's overview of the BVS from her first month in role. • Monthly meeting with BCC PSS Business Support Manager to discuss progress against previous BVS PSS review and current business needs. • Regular meetings set up between BCT Corporate parent Manager and Headteacher of BVS to agree new partnership working for academic year 2019-20. • Work is developing with BCC Early Years and BCC 14-19 officers to support CIC and work of BVS around education planning and the writing of effective Personal Education Plans. 	
2	<p>Review of Safeguarding arrangements in Commissioned Services</p> <p>Review of internal compliance and controls</p>	<p>AD Education & Skills</p> <p>Safeguarding – School Advisor</p>	September 2019	<p>Following an initial audit of the Home to School transport service; a service specific safeguarding review tool has been developed.</p> <p>A pilot of 3 providers will be undertaken. Officers from Education Safeguarding and Home to School Transport will work together to ensure that the audit tool supports both compliance and good practice.</p> <p>A review of commissioned services is being developed in conjunction with the Education Safeguarding team and Internal Audit. This will look at safeguarding governance and compliance. This will be developed with the support of the</p>	Amber

Safeguarding / Welfare					
Risk No: 2		Risk Title: Safeguarding Children			
				Safeguarding Board to capture best practice in this area. An internal review of the current Section 11 audit process to be carried out and areas for development to be identified and actioned	
Updated BY:		E&S Risk Rep		Date:	24/10/19

Safeguarding / Welfare								
Risk No: 32		Risk Title: Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism.						
Risk Description: Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism.								
Risk Owner: Chief Executive			Risk Lead: Head of Resilience (HOR)			Risk Type / Category: Customer / Citizen		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	Significant	Severe	Medium	Significant	Material	Low	Significant	Material
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none">- Corporate and Multi-Agency emergency plans in place.- Working with partners in all areas- 24/7 out of hours emergency duty officer service in place including emergency control room.- Experienced Emergency Planning Professionals in place- New Emergency Plan launched New BC Plan Launched and EP & BC Promotion.					Sources of Assurance on Effectiveness of Identified Controls: <ul style="list-style-type: none">- Training delivered- Test and exercise results- Annual exercise- Delivery of wider engagement and validate			

Safeguarding / Welfare					
Risk No: 32		Risk Title: Risk of significant disruption to Council services and failure to effectively manage and respond to emergency incidents, including acts of terrorism.			
<ul style="list-style-type: none"> - BC Programme roll out - Roles and people identified. - Training & Exercising programme established - Command team meeting - New response and duty process implemented. - Further review of wider response arrangements underway. - Regular risk reviews eg workshops, risk meetings to assess risk position. 					
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	Full review of risk to be carried out and plan to be developed	Head of Resilience (HOR)	End July 2019	Risk review workshop carried out late June to review current risk position.	Green
2	Maintain and review controls	HOR		Ongoing	Amber
Updated BY:		HOR	Date:	25/10/2019	

Safeguarding / Welfare					
Risk No: 33		Risk Title: STP (Sustainability Transformation Programme)			
Risk Description: Failure of the STP to deliver a step change to the Health and Social Care system resulting in an improvement to the health and well-being of Birmingham citizens.					
Risk Owner: Director for Adult Social Care (DASS)		Risk Lead: Director for Adult Social Care		Risk Type / Category: Social	
Inherent / Gross Risk		Residual / Current Risk		Target Risk	

Safeguarding / Welfare								
Risk No: 33		Risk Title: STP (Sustainability Transformation Programme)						
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	Significant	Severe	Significant	Significant	Severe	Low	Medium	Tolerable
Current Controls Mitigating Inherent Risk: The STP “purpose” is evolving under new leadership. A draft vision and values has been developed and under consideration by the STP Board. The revised STP purpose has been accepted by the STP Board					Sources of Assurance on Effectiveness of Identified Controls: STP board which is represented by the Leader / Cllr Hamilton, CEO and Graeme Betts.			
No.	Actions to Reduce Risk to Target		Owner	Target Date	Progress			RAG
1	STP is a standing item on the Health and Wellbeing Board; bi-monthly meetings to receive updates from the Birmingham and Solihull CCG. Graeme Betts is a member of the STP Programme Board and Justin Varney (started February 2019) is a member of the Development and Delivery Board. Public Health is currently auditing the involvement in the BSol STP process to ensure appropriate engagement.		Director of Adult Social Care (DASS)	Ongoing	Ongoing Action The Council supports the Health and Wellbeing Board with live web casting and publically available papers.			Amber
2	The STP Board has agreed its strategy and is engaging with the public and stakeholders. Work streams have been agreed and priorities identified. There is a high degree of commitment amongst the partners. The main risk is that the work streams are not all as well-advanced as others which means that the risk that		DASS	Ongoing	Ongoing Action The [Adult Social Care] Directorate continues to be an active partner on the Sustainability and Transformation Plan (STP) and in leading the STP Birmingham Older People Programme. The Assistant Director Commissioning is the SRO [Senior Responsible Officer] for the Prevention work stream and other officers act as project leads across work streams. Specific activity in support of the Programme includes procurement and contract management of the Early Intervention External Support			Amber

Safeguarding / Welfare					
Risk No: 33		Risk Title: STP (Sustainability Transformation Programme)			
	improvement for some citizens may take longer than would be desirable.			Partner. Future activity through the partnership will include the development of integrated commissioning arrangements.	
Updated by: Risk Rep, – No further update at this time		Date:	15/10/19		

Safeguarding / Welfare		
Risk No: 42	Risk Title: Travel Assist	
<p>Risk Description:</p> <ul style="list-style-type: none">•There are risks within the service over the cost of provision and ability to deliver the agreed level of service within the agreed budget.•There are also wider service risks about the capacity of the market to deliver this service and the reliance upon a single provider due to limited minibus capacity.•Birmingham has a higher than average number of children with SEN (17.8% in the city; 15.5% nationally).•Travel Assist supports over 5,700 children and young people to an educational setting. Of these, over 4,200 are on some form of specialised transport (mini-bus/coach/one-to-one transport).•The TA budget for the last few years has been artificially low. It was significantly reduced to £13.6m in 2016/17 which resulted in 2016/17 in a £5.3m overspend (£18.9m), and an unprecedented number of complaints and negative attention placed on the service and BCC.•Over the course of the academic year 2016/17 90% of the change programme was delivered and while the TA budget was increased for 2018/19 the service still wasn’t able to deliver the budget savings.•Recent risks have been realised with the contractor Accessible Transport Group Contract Services Limited (ATGCSL) going into administration but work has been undertaken to implement contingency planning and develop future options.		
Risk Owner: Director, Education and Skills	Risk Lead: Lead: Assistant Director Commissioning , Education and Skills	Risk Type / Category: Customer / Citizen
Inherent / Gross Risk	Residual / Current Risk	Target Risk

Safeguarding / Welfare								
Risk No: 42		Risk Title: Travel Assist						
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	High	Severe	Significant	High	Severe	Medium	Significant	Material
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none"> •Travel Assist Contingency Programme Board put in place to progress immediate required activity and to plan longer term development. •Schools Transport Policy in place. 					Sources of Assurance on Effectiveness of Identified Controls: <ul style="list-style-type: none"> •Oversight from legal and finance as part of the Programme Board •Services have been run by administrators and have seen an improvement in performance. •Currently working positively with TfWM and administrators to develop the next stages. •An SCN is being drafted setting out the recommended approach to secure on going provision. •The Transitional Support Service Agreement runs until the end of May with the need to either secure services by June or look to extend the agreement. 			
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress				RAG
1	Discussions with alternative providers and routes re-allocated (where possible)	Improvement Consultant – Education and Skills	Completed	<p>This is complete and now needs to be closed.</p> <p>Received positive responses to discussions between future providers and TfWM with 3 formal bid received by administrators for purchase of ATG</p> <p>Previous update April:</p> <p>Work is actively being undertaken to find alternative provider(s) to take over the affected routes. 11 routes of routes have already been redirected from ATGCSL to alternative providers and a further 4 on 1st April 2019 . Under the TTSA the Council upon a weeks’ notice can remove routes from the scope of the services</p>				Green

Safeguarding / Welfare					
Risk No: 42		Risk Title: Travel Assist			
				This is complete and now needs to be closed	
2	Review of providers contractual arrangements being carried out including quality assurance, safeguarding and governance compliance	Improvement Consultant – Education and Skills	July 2019	<p>Work continues on commissioning led quality assurance</p> <p>Review and internal audit report completed. Improvement Plan in place.</p> <p>Good progress is being made against the Improvement Plan</p>	Green
Updated by:		E&S Risk Rep	Date:	24/10/19	

Safeguarding / Welfare		
Risk No: 43	Risk Title: Early Years Health and Well Being contract	
<p>Risk Description:</p> <ul style="list-style-type: none">•There are risks that the assumed financial savings from the contract will not be fully realised due to unforeseen costs and possible grant claw backs. Previous unforeseen costs have been identified in relation to estates and staffing issues•There are also wider risks relating to the construction of the contract itself and the lack of robust contract management arrangements.•All risks have been increased due to a lack of permanent commissioning and contract management arrangements		
Risk Owner: Director, Education and Skills	Risk Lead: Lead: Assistant Director Commissioning , Education and Skills	Risk Type / Category: Financial

Safeguarding / Welfare								
Risk No: 43		Risk Title: Early Years Health and Well Being contract						
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	High	Significant	Severe	Significant	Medium	Material
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none"> A newly established Children's and Young People's Commissioning Board which has cross directorate senior representation; A Monthly EYHWB Programme Board was established and due diligence undertaken. Officers report formally about progress against the key actions required; Discrepancies in the Estates Schedule are being jointly revised to ensure the correct buildings are in use or where appropriate changes made to correct these, following the process set out in the Change Control Schedule; There are formal Contract management arrangements in place through the recently established Intelligent Client Function (ICF) commissioning team in the Education and Skills directorate; Monthly employee reports are being shared by HRBP to each of the sub-contractors to capture staffing data including resignations, changes to hours, moves, maternity, LTS, etc.; 					Sources of Assurance on Effectiveness of Identified Controls: <ul style="list-style-type: none"> Contract Governance mechanism in place that incorporates a Monthly Contract Management Review to hold BCHCT to account for contract performance against the metrics; A review of contract is underway with specific focus on performance measurement, estates, finance, employment and service specifications to be complete by end of March 2019; Position regarding designations agreed with DfE. 			
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress				RAG
1	- A review of contract is underway with a specific focus on performance measurement, estates, finance, employment and service specifications to be complete by end of	Improvement Consultant – Education and Skills	July 2019	On going discussion with BCHCT around contractual issues and performance This is now complete				Green

Safeguarding / Welfare					
Risk No: 43		Risk Title: Early Years Health and Well Being contract			
	March 2019.				
2	- Finalising options for the transfer of staff post the end of the secondment agreement		Improvement Consultant – Education and Skills	September 2019	<p>TUPE consultation process now underway and actions are on track.</p> <p>September Cabinet approved the recommendations regarding transfer of staff at the end of the secondment period. This decision has now been cleared for implementation following the end of the call-in period.</p> <p>Discussions are continuing with the involvement of Legal, HR and BCHCT</p>
Updated BY:		E&S Risk Rep	Date:	24/10/19	

Statutory Responsibilities / Compliance with Statutory Responsibilities	
Risk No: 1	Risk Title: Management of Equal Pay Claims
<p>Risk Description:</p> <p>Since 2006, a significant number of equal pay claims have been brought against the Council. The predominance of these claims relates to liability for the period before the implementation of Single Status, which took place in 2008, and liability for the period following the implementation of Single Status. The time limit for issuing these types of claims has now expired – in 2014 for the former; in 2017 for the latter.</p> <p>The Council has also received claims for the period following the implementation of the Birmingham Contract (in November 2011); some with limited particularisation.</p> <p>The past industrial action in Waste Management (July to November 2017) has increased the profile of equal pay. There remain considerable unknowns as to how many further claims might be brought and what risk or level of liability these claims might attract. A law firm acting for approximately 1,000 employees and formers employees on a “no win no fee” basis is pursuing its claims in the Tribunal, having rejected the Council’s settlement proposals. This firm has further particularised its claims, and the Council is currently in the process of</p>	

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 1		Risk Title: Management of Equal Pay Claims						
preparing its response/defence.								
Employees have been raising complaints/grievances regarding their perceived right to a payment equivalent to those made to employees in Waste Management following the industrial dispute in March 2019. Their grievances having been rejected, some employees have referred their complaints to ACAS, though no claim has yet been issued in the Employment Tribunal. The Council’s position is that the complaints which have been raised so far are not claims that would fall under equal pay law, since the payments in question do not constitute contractual pay and were made in settlement of legal proceedings.								
Risk Owner: Director of Finance			Risk Lead: Head of Legal Services			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	Significant	Medium	Material	Medium	Low	Tolerable
Current Controls Mitigating Inherent Risk:					Sources of Assurance on Effectiveness of identified Controls:			
Significant progress has been made in terms of defending equal pay claims, managing settlement negotiations and executing settlement schemes, where approved by the Council. The Council’s overarching settlement strategy is based on the level of assessed risks in relation to the likely success of claims through the Tribunal/Court process and the availability of financial resources.					Management assurance – reporting to Equal Pay Executive Cabinet Sub-Group, Corporate Governance Group, Audit Committee, the District Auditor and Employment Governance Group/Steering Board			
The validity of all equal pay claims is constantly challenged by the Legal & Governance department. Each claim is subject to robust legal challenge before any offer to settle is made.								
A litigation strategy has been developed to address any risks arising from the grievances/complaints from employees seeking equivalent payments to those made to staff in Waste Management (“parity payments”).								

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 1		Risk Title: Management of Equal Pay Claims			
With a view to preventing any discriminatory working practices, a robust review of processes and checks and balances are undertaken to mitigate against/prevent further liability where evidence of potential risks is known/identified.					
No.	Actions to Reduce Risk to Target	Owner	Date	Progress	RAG
1	Defend all low risk claims in the Tribunal and County Court	Equal Pay (EP) team	31/3/20	89% of claims for the period prior to the implementation of the Birmingham Contract have now been resolved; and 83% of claims for the period after the implementation of the Birmingham Contract have now been resolved.	Green
2	Undertake settlement negotiations with employees, or their representatives or unions, with potentially meritorious claims	EP team	31/3/20	An offer has been made to unions to settle their members' prospective claims for the period after the implementation of the Birmingham Contract. A framework agreement is to be drafted once that offer has been accepted formally. Negotiations with individual claimants and representatives with a relatively low number of claims are ongoing.	Amber
3	Execute outstanding settlement schemes	EP team	31/3/20	89% of claims for the period prior to the implementation of the Birmingham Contract have now been resolved; and 83% of claims for the period after the implementation of the Birmingham Contract have now been resolved.	Amber
4	Defend live litigation in the Tribunal	EP team	31/3/20	The Council has put its settlement proposals back on the table. Individual offers are in the process of being calculated and will made to the claimants in due course.	Red
5	Implement litigation strategy for "pay parity" complaints	EP team	31/3/20	875 grievances/complaints have been received by the Council, all of which have been responded to and rejected. Approximately 80 employees have referred their complaints to ACAS, who have	Green

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 1		Risk Title: Management of Equal Pay Claims			
				issued early conciliation certificates. To date, no claim has been brought to the Tribunal	
6	Monitor working practices in Waste Management so as to identify and address any further equal pay risks	Employment Gov Group (EGG)	31/3/20	The Employment team is working closely with Waste Management and will, as part of that ongoing relationship, monitor working practices.	Amber
7	Develop and maintain risk register to identify any practices in the organisation which could pose an equal pay risk	EGG	31/3/20	This action will continue in perpetuity.	Amber
8	Dismissal and re-engagement to end any ongoing equal pay liability	EGG	31/3/20	A team with the remit of identifying and addressing any non-standard arrangements and practices within the organisation is being set up, so as to ensure staff are not re-engaged on terms which perpetuate any current risks of further equal pay liability.	Red
Updated By:		Principal Legal Assistant	Date:	28/10/2019	

Statutory Responsibilities / Compliance with Statutory Responsibilities		
Risk No: 26	Risk Title: Failure to comply with all of the requirements of the Prevent Duty as specified within the Counter Terrorism and Security Act (2015.)	
<p>Risk Description: The threat and vulnerability risk assessment of a terrorist attack in the UK places Birmingham as the most vulnerable city after London. In 2015 the Council and partners reviewed its infrastructure around this risk to take into account the Counter-Terrorism and Security Act 2015, that includes a duty on certain bodies ('specified authorities' listed in Schedule 6 to the Act), in the exercise of their functions to have 'due regard to the need to prevent people from being drawn into terrorism'.</p> <p>The duty does not confer new functions on any specified authority. The term 'due regard' means that the authorities should place an appropriate amount of weight on the need to prevent people being drawn into terrorism when they consider all the other factors relevant to how they carry out their usual functions.</p>		
Risk Owner: Assistant Chief Executive	Risk Lead: Prevent Manager	Risk Type / Category: Legislative / Regulatory

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 26		Risk Title: Failure to comply with all of the requirements of the Prevent Duty as specified within the Counter Terrorism and Security Act (2015.)						
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	High	High	Severe	High	High	Severe
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none"> •The Council has applied a partnership and mainstreaming approach to mitigate the risks associated with the threat. •Governance for the Prevent programme has been strengthened with the Prevent coordinator now reporting directly to Assistant Chief Executive increasing visibility across the Council. •Security briefings to Council House staff & Members. •Training for front line staff moved to a 'train the trainer' model - 600 trainers having been trained to deliver future WRAP awareness training to schools alleviating capacity issues within the local authority. The Council has also developed a Prevent Awareness course e-learning package that will be ready for Q3 in 2019. •Support continues to be provided to schools around Prevent and Prevent is embedded within the Children's Trust and CASS/MASH arrangements •CHANNEL is in place as a multi-agency pre-criminal space platform to support vulnerable people • Risk workshop carried out June 2019 to review current risk position 					Sources of Assurance on Effectiveness of Identified Controls: <p>The Home Office Peer review of Birmingham City Council's Prevent responsibilities highly commended the work Birmingham is doing.</p> <p>Birmingham has been identified as an area the Home Office would like the newly appointed reviewer of Prevent to visit.</p> <p>Home Office receive regular monitoring reports on a quarterly basis.</p> <p>Contest Board and Prevent Executive Board receive regular performance reports, to include referral data.</p>			
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress				RAG
1	To continue with the suite of controls	Prevent Manager	End of Q4	Ongoing.				Amber
2	The Council to develop a Prevent Awareness course e-learning package	Prevent Manager	Q3 in 2019.	Under Construction				Amber
Updated By: Prevent Manager		Date: 25/10/19						

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 31		Risk Title: Increased pressure on the statutory homeless service						
Risk Description: Increased pressure on the statutory homeless service in regards to volume of customers, which leads to significant financial pressure on the general fund due to increased use of B&B.								
Risk Owner: Director			Risk Lead: Service Director			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	Significant	Severe	Significant	Medium	Material	Medium	Significant	Material
Current Controls Mitigating Inherent Risk: New Homeless Reduction Act Legislation implemented from April 2018. The opening of two additional homeless centres in April 2019 as part of the Council’s statutory duty to provide temporary accommodation has been completed. Residents are now occupying the centres. (Barry Jackson Tower and Magnolia House. Bed and breakfast has more than halved since May 2018. The homeless prevention strategy is now approved by Cabinet which aims to prevent people becoming homeless and assisting in sustaining tenancies. A domestic abuse hub, operated in partnership with BSWAID was initially piloted from 4 February 2019 and became fully operational from Monday 11 March 2019. It provides a support to those experiencing and fleeing domestic violence.					Sources of Assurance on Effectiveness of Identified Controls: This risk is being closely monitored by Directorate Management Team and Cabinet Member for Homes and Neighbourhoods. There is a programme of regular Cabinet Member briefings dedicated to homelessness tracking and a standard dashboard has been developed to aid close monitoring and scrutiny. A comprehensive re-design programme is underway and a number of key work streams are in place to address this risk. These incorporate improvements to homeless prevention work and a plan to address temporary accommodations and bed and breakfast numbers. A re-design project board has been established and an ambitious programme plan. The intended outcomes include ensuring the service is designed and managed fit for purpose and the correct resources are in place. Delivery of the programme to reduce this pressure is monitored by Directorate Management Team and Cabinet Member for Homes and Neighbourhoods. There is a			

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 31		Risk Title: Increased pressure on the statutory homeless service			
A dispersed void project was completed in December 2018 which created an additional 750 self-contained temporary accommodation units.				<p>programme of regular Cabinet Member briefings dedicated to homelessness tracking and a standard dashboard has been developed to aid close monitoring and scrutiny.</p> <p>Birmingham Audit has commenced a review of the Temporary Accommodation Service.</p> <p>Monthly finance monitoring meetings to ensure effective management of actual and forecast income and expenditure.</p>	
No.	Actions to Reduce Risk to Target	Owner	Date (Target)	Progress	RAG
1	There is close monitoring of the delivery of the budget and additional governance arrangements have been introduced.	Service Director/Service Integration Head - Homelessness	March 2020	Monthly finance monitoring meetings to ensure effective management of actual and forecast income and expenditure.	Amber
2	Open a Homeless Prevention Hub in June 2019.	Housing Trailbazer Lead	June 2019	<p>£400,000 of commissioned services has been identified and mobilisation in progress, the Ladywood hub opens on Monday 17th June 2019 for staff training. It will be operational from Monday 24th June 2019.</p> <p>32 households have been at the hub. The issues presented by the customers included housing, family support, financial and mental health. Each of the households who attended the hub was provided with support to help them resolve their specific housing need. The average appointment period is 2 hours. The pilot will be reviewed at the end September 2019.</p>	Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities

Risk No: 31		Risk Title: Increased pressure on the statutory homeless service			
				<p>The pilot has created a learning environment to enable understanding of what 'pull on' support is required. The hub is currently working with NAIS, Registration, and Rents Team. Going forward we seeking to include partners external to the council to ensure continuing support can be provided at a more local level. Further into the pilot need to look at how this model can be implemented as business as usual.</p> <p>The pilot activity increased to 6 officers week commencing 14 October 2019 and additional prevention appointments are being offered. The outcome of this model will be evaluated in December 2019 and inform mobilisation.</p>	
3	Private Rented Sector Access Fund	Housing Trailbazer Lead / Service Manager	Sept. 2019	<p>We will be emulating the private rented sector secure sustain model in the prevention hub and TA pilots. We will be identifying private landlords to work with moving forward and discharging duty into the private rented sector from September 2019.</p> <p>The pilot has achieved 24 PRS lettings to date.</p> <p>The PRS access scheme and Help2rent social housing platform is being presented at the Annual Landlord Conference on 18 October 2019.</p> <p>The Help2rent SLA is being checked by procurement and legal services and the platform is expected to be launched in December 2019.</p>	Green
4	New emergency homeless placement model	Service Manager Homeless & Pre-Tenancy / Housing Trailbazer	Sept. 2019	<p>New Homeless Centre and TA step down accommodation model is being piloted at Barry Jackson Tower. This pilot is looking at improving support for homeless on the day cases needing TA, the pilot started on the 13th June 2019. An evaluation and will be evaluated over the forth coming weeks and the model is looking to ensure flow through the system where support is provided at the point of access and intensive until step down is possible. This will target resources in the right place and ensure maximum impact for customer.</p>	Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities

Risk No: 31		Risk Title: Increased pressure on the statutory homeless service			
		Lead			
5	Review of spending/commissioned provision	Housing Trailbazer Lead	April 2020	Mapping of current commissioned provision and an analysis of homeless households support needs have commenced. The FHSG element has been evaluated and transferred to Housing Strategy and we now have an understanding of the resource use and delivery. This element is being reviewed to ensure we make best use of resources at contract end. Work is ongoing to understand the totality of resources available for prevention and we are developing these as part of the prevention hub and TA move on model.	Amber
6	Commissioning of a new universal prevention model is in progress by the CCoE . The procurement is for local delivery of a Housing and Wellbeing Centre's as part of the Vulnerable Adults Housing and Wellbeing Support Service. The commissioning model does seek to establish specialist advice and welfare centres for young people, domestic abuse, single adults and offenders upon prison release. The objective is to provide early intervention to prevent homelessness. There will be an opportunity to co-locate statutory homeless personnel into the new Health and Wellbeing Hubs. This approach embeds early and personalised support and prevention, to reduce the impact of more costly crisis stage interventions which are	Service Lead CCoE / Service Integration Head – Homelessness / Service Manager	1 Dec 2019	<p>The procurement process is in flight with tenders received and evaluations currently being completed. Upon approval and notification of the new commissioned partners, co-location and lessons learned from the Homeless Prevention Hub can be explored and mobilisation planned.</p> <p>The transition plan with the Rough Sleeping Outreach service, Domestic Abuse Hub and Youth Hub is being developed. Additional HRA funding is being identified to add a contract variation to include HRA activities.</p>	Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 31		Risk Title: Increased pressure on the statutory homeless service			
	based upon statutory thresholds or definitions.				
7.	Increase supply of suitable temporary accommodation and eradicate the use of bed and breakfast.	Service Manager Homeless & Pre-Tenancy	March 2020	Additional temporary accommodation, for dispersed and homeless centre units, are being explored including: <ol style="list-style-type: none"> 1. Oscott Gardens, Perry Barr; 2. Oldfield Road, Balsall Heath 3. Bescot Court, Perry Barr 4. Belgrave Middleway, Edgbaston 5. Clearance Properties 6. Void BCC general need properties A Capital Funding Bid is in the process of being drafted for £15 million.	Amber
Updated BY:		Service Integration Head – Homelessness	Date:	28/10/2019	

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 34		Risk Title: Air Quality			
Risk Description: Failure to deliver a Clean Air Zone as mandated by Government by the target date of January 2020. Failure to do so could result in ongoing fines for not complying with air quality standards. related to Birmingham not meeting air quality compliance.					
Risk Owner: Director Inclusive Growth		Risk Lead: AD Inclusive Growth		Risk Type / Category: Legislative / Regulatory	
Inherent / Gross Risk		Residual / Current Risk		Target Risk	

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 34		Risk Title: Air Quality						
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	High	Medium	Material	Medium	Low	Tolerable
Current Controls Mitigating Inherent Risk: <p>The Council has been issued with ministerial directions under the Environment Act (1995) to complete key milestones to be compliant for roadside NO₂ by 2021</p> <p>This Business Case fully complies with the Ministerial Direction, with the required Charging Order approved by Cabinet- but yet to be approved by Government. Government have indicated a number of delays in their CAZ IT framework, which subsequently will impact on the CAZ start date, now anticipated to be July 2020</p> <p>These headline mitigations are supported by: -</p> <ul style="list-style-type: none"> - Weekly teleconference meetings with DEFRA's Joint Air Quality Unit to update mitigation plans. - SRO meetings with DERA/JAQU. - Development of overarching clean air policy for Birmingham for 2019. - Ongoing joint development work and positive engagement with WMCA. <p>Key progress comprises the completion of a Preferred Clean Air Zone Option Business Case and Cabinet report approval and Government approval, as required by the Ministerial Direction. The report follows the largest ever response of circa 11,000 to the CAZ consultation.</p>				Sources of Assurance on Effectiveness of Identified Controls: <p>Wider Air Quality Plan that includes:</p> <ul style="list-style-type: none"> • Traffic management, signalling and signage controls - 12/2018. • Controlled Parking Zones - 12/2018. • BCC Internal & External Fleet transition to low / zero emission full Low / zero re-fuelling infrastructure - 04/2020. • Clean Air Zone strategic business case signed off by Secretary of State by 12/ 2018 to enable CAZ infrastructure for access restrictions deployed by 04/2019. • Revised Birmingham Taxi Licensing Policy based on air quality compliance emissions - 12/ 2019 • All BCC procurement frameworks and tendering processes aligned with CAZ compliance - 12/ 2019. 				

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 34		Risk Title: Air Quality			
The Charging Order that legally authorises the Council to implement a CAZ charging scheme (and the level of exemptions to be applied) was approved by Cabinet in June 2019.					
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	CAZ implementation of cameras and programmed support measures will still commence as planned ahead of revised July 2020 start date.	SRO- Assistant Director for Transport & Connectivity.	04/2020	Contractual issues with contractors. Dialogue ongoing to resolve. Alternative approach to procurement of build contractors in place. Due to complete in November. Rollout of cameras and signage to start shortly after. End date for rollout updated accordingly.	Choose an item.
2	Development of mitigation support measures to support transition to compliant, low/zero emission vehicles for businesses, CAZ workers and residents.	Head of Clean Air Zone (CAZ)	01/2020	Approach to governance in terms of delegated authorities confirmed with Legal, Finance and Procurement reps. Taxi schemes and mobility credit schemes scheduled for review by cabinet in December 2019. Scrappage scheme and taxi rental scheme expected to be complete in early 2020. Approach in line with approvals from cabinet report in December 2018	Choose an item.
3	Development of back office systems and processes to support application process for exemptions and mitigations	Head of Caz	01/2020	First round of UAT testing with exemption system complete. Final round of UAT with CAZ team scheduled for November 2019. Development of system to support applications for mitigations underway and due to be completed in January 2020	
Updated By: IGRisk Rep		Date: 24/10/2019			

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 12		Risk Title: Failure to comply with all the requirements of the Equality Act 2012 and the Public Sector Equality Duty.						
Risk Description: Core/Gross Risks								
1. Failure to comply with the Equality Act (2010) – High likelihood, High risk								
2. Capacity to delivery community cohesion strategy and cabinet member expectations – H likelihood, H risk								
3. Capacity and resource to support response to incidents & community issues – H likelihood, H risk								
4. Lack of skills and knowledge across the business on cohesion and equalities – H likelihood, H risk								
5. Failure to consider equality and cohesion in context of consultation leading to judicial review – H likelihood, H risk								
6. Failure to consider impact of council budget savings on protected characteristics as defined in Equality Act 2010 leading to judicial review– H likelihood, H risk								
7. Reputational damage H likelihood.								
Risk Owner: Director of Public Health			Risk Lead: Partnership Manager			Risk Type / Category: Legislative / Regulatory		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	Medium	Significant	Material	Low	Medium	Tolerable
Current Controls Mitigating Inherent Risk:					Sources of Assurance on Effectiveness of Identified Controls:			
Draft equality objectives approved by CMT in July 2019 and currently consulting with legal on whether public consultation needed.					CMT minutes, Sharepoint			
CMT & ELT diversity champions appointed and provide quarterly updates on the protected characteristics of equality.								
No.	Actions to Reduce Risk to Target		Owner	Target Date	Progress			RAG
1	a. Refresh of corporate equality objectives in 2019. b. CMT & ELT champions for diversity and inclusion appointed in May 2019. c. Working with Cabinet member to develop ‘star chamber’ type review of equalities work within		Partnership Manager	December 2019	Draft equality objectives have been approved by CMT and Cabinet Member for public consultation. Internal and public consultation will run until 28 th October. Consultation findings will shape a Council-wide action plan in December 2019. CMT & ELT champions appointed and quarterly updates on actions and progress through ELT.			Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 12		Risk Title: Failure to comply with all the requirements of the Equality Act 2012 and the Public Sector Equality Duty.			
	directorates.			Draft TOR agreed with Cabinet member and now starting process through CMT and EMT.	
2	a. Service review proposal to expand Equalities and Cohesion team being developed.	Director of Public Health	September 2019	Draft service review proposal developed and working with Jonathan Tew and HR on taking forward. Proposals have been approved in principle and will be presented to EMT	Amber
3	a. Service review proposal to establish a specific incident response capacity.	Director of Public Health	September 2019	Draft service review proposal developed and working with Jonathan Tew and HR on taking forward.	Amber
4	a. Improve understanding of protected characteristics through Public Health and Equalities & Cohesion team working together on developing core briefings to improve quality of Equality Impact Assessments b. EIA training programme rolled out across BCC to senior and middle managers. c. Member equalities training programme.	Director of Public Health	October 2019	Briefings have been commissioned from the core reports and are expected in Autumn 2019. The EIA training is being continually reviewed and developed based on feedback from users. There is further work needed to map the core staff who need the training to ensure full coverage. The member equality training is in train and two sessions have been held. EIA Toolkit to be updated to make it more user friendly. Equalities lead officer integral part of the budget planning process. Providing Advice and guidance on cumulative Equalities impact.	Amber
Updated By: Partnership Manager		Date: 25/10/2019			

Statutory Responsibilities / Compliance with Statutory Responsibilities	
Risk No: 25	Risk Title: DoLS (Deprivation of Liberty Safeguards)
Risk Description: Failure to comply with statutory timescales in relation to DoLS (Deprivation of Liberty) referrals, which could lead to legal challenge and result in financial loss to the	

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 25		Risk Title: DoLS (Deprivation of Liberty Safeguards)						
Council.								
Risk Owner: AD Community and Operations, Adult Social Care			Risk Lead: Head of Adult Safeguarding, Adult Social Care			Risk Type / Category: Legislative / Regulatory		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	Significant	Severe	Medium	Significant	Material	Medium	Significant	Material
Current Controls Mitigating Inherent Risk: Refer Actions 1-3 below					Sources of Assurance on Effectiveness of Identified Controls: A monthly position report is presented to the Directorate DOLS Project Board. A bi-monthly report is presented to the Cabinet Member.			
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress				RAG
1	A monthly position report is presented to the Directorate DOLS Project Board. When government proposals for how the transition to LPS are known, a brief will be prepared to the cabinet member based upon an agreed strategy	Head of Adult Safeguarding , Adult Social Care	Ongoing	Ongoing action				Green
2	1) DOLS in Care Homes and Hospitals - DOLS strategy was reviewed in July. ASCMT and the Cabinet Member subsequently adopted the recommendation to adopt an alternative view of the balance of litigation risks v financial risks in this area. In line	Head of Adult Safeguarding , Adult Social Care	Review end September 2019	The situation described at 1) above altered due to the number of DOLS referrals continuing to rise (up by 35% rise in the year to August 2018). As a consequence a back log of high priority cases began to develop. The position is to be monitored to understand if the position can be managed within existing resources. A backlog of high priority cases could increase the likelihood of a challenge, but it is not clear that this would alter the position to the extent that a challenge could be described as				Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 25		Risk Title: DoLS (Deprivation of Liberty Safeguards)			
	with the approach taken by the majority of West Midland Local Authorities, it will in future only undertake DOLS assessments for those adults who meet the ADASS "High" criteria. The significantly enlarged Best Interest Assessor (BIA) team, with increased management and administrative support will remain but expenditure on the external BIA service has ceased. The effect is anticipated to be a reduction in the number of DOLS authorisations, but an increase of those of "High" priority (and existing cases due for renewal) being completed within the legal time limit. The overall position of the number of cases which have not been assessed will steadily increase, but this will be viewed as a lower risk to the Council than previously.			highly likely.	
3	2) Community DOLS - A business process, staff procedure, manager prioritisation guidance and staff training have been established, in conjunction with legal Services, and are now in use. This level of activity seems to be in line with that of	Head of Adult Safeguarding , Adult Social Care	Review end September 2019	Ongoing monitoring	Green

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 25		Risk Title: DoLS (Deprivation of Liberty Safeguards)			
	other local authority areas.				
Updated BY:	(Head of Adult Safeguarding, Adult Social Care) , (DASS)		Date:	17/10/2019	

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 11		Risk Title: Loss of significant personal or other sensitive data						
Risk Description: That the loss of significant personal or other sensitive data may put the City Council in breach of its statutory responsibilities and incur a fine of up to £20million from the Information Commissioner								
Risk Owner: CIO & Assistant Director (Interim) – Information , Technology & Digital Services (IT&D)			Risk Lead: : Senior Information (SIRO) and Director Digital and Customer Services			Risk Type / Category: Legislative / Regulatory		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	Medium	Significant	Material	Low	Medium	Tolerable
Current Controls Mitigating Inherent Risk: The Information Assurance Board (IAB), chaired by the Senior Information Risk Owner (SIRO) have agreed that the Council should achieve level 2 maturity to support the ongoing implementation of the Council’s Information Assurance Framework. A plan of action is in place with agreed targets and resource committed to complete this work.					Sources of Assurance on Effectiveness of Identified Controls: Maintain clear lines of responsibility to the Senior Information Risk Owner (SIRO) and the Monitoring Officer. Security posture for the Council is monitored and has been recently reviewed as part of a SOCITM assessment as well as the LGA Stocktake. A secure email solution, Egress, has been deployed and is operational to prevent the			

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 11		Risk Title: Loss of significant personal or other sensitive data			
				accidental loss of data. Review Breach management processes to ensure any learning from breaches is adopted to prevent further data loss.	
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	Across BCC, as well as capturing the data itself, we need to look at maintaining an inventory of the location of key personal data storage and the associated flows (including cross-border), with defined classes of personal data. We need to ensure that BCC is maintaining contracts and agreements with third-parties and affiliates consistent with the data privacy policy, legal requirements, and operational risk tolerance.	AD & CIO	31/12/19	A baselined Information Asset Register is now in place for all of the Neighbourhoods Directorate, parts of Digital & Customer Services (i.e. Customer Services only), and part of the Recruitment Processes for the HR directorate. These completed Information Asset Registers identify areas such as the location of key personal data storage and the associated flows (including cross-border) with defined classes of data. The Information Assurance Project is now addressing the 'Accountability Principle' and has identified Information Asset Owners (IAO's) within each directorate. IAO Training is currently being arranged and whilst doing so we are now working with each Information Asset Owner to establish their Information Asset Register for their respective Directorates. These Information Asset Registers will be kept in a Council wide repository and is due to be completed by the end of December 2019. In terms of maintaining contracts and agreements with third parties, the Information Assurance Project has commenced work on identifying our third parties that are in scope (i.e. whom BCC share personal and special category data with) and working with Procurement and legal to identify a programme of work which involves working with each party to ensure a Data Sharing/Processing Agreement has been sent and agreed with each third party in scope. These agreements will be kept in a Council wide repository.	Amber
2	BCC will need to maintain an information security program based on legal requirements and ongoing risk assessments. We will need to train our identified employees to be able to	AD/CIO	31/12/19	The Information Security requirements required by the GDPR being introduced are embedded into the Information Assurance Plan which is monitored by Project Board (monthly) and Information Assurance Board (Quarterly). The LGA Stocktake requirements together with the GDPR requirements are now being factored into the	Green

Statutory Responsibilities / Compliance with Statutory Responsibilities				
Risk No: 11		Risk Title: Loss of significant personal or other sensitive data		
	conduct a Data Protection Impact Assessment (DPIA) when managing change to personal data.			<p>BEP Information Security programme.</p> <p>The requirement to carry out DPIA's has been fully incorporated into the IBR process for all IT Projects being carried out. All other change management processes together with DPIA's for 'non-IT Projects' within the Council are still required to fully incorporate the DPIA's into their governance processes. The Information Assurance Project is currently working on the steps required to embed this into a business as usual practice with each Information Asset Owner for each Directorate. 12 Business Analysts have now been trained on how to conduct a Data Protection Impact Assessments (DPIA) when managing change to personal data. A revised DPIA template has been produced to ensure all GDPR requirements are being met and has been signed off through the Project Board and Information Assurance Board.</p>
Updated By:	Business Excellence Manager	Date:	25/10/2019	

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 36		Risk Title: Response to Grenfell Tower enquiry						
Risk Description: Failure to respond positively and effectively to the required outcomes of the Grenfell Tower enquiry once known.								
Risk Owner: Director			Risk Lead: Service Director			Risk Type / Category: Reputational		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Low	Medium	Material	Low	Low	Tolerable	Low	Low	Tolerable
Current Controls Mitigating Inherent Risk:				Sources of Assurance on Effectiveness of Identified Controls:				

Statutory Responsibilities / Compliance with Statutory Responsibilities

Risk No: 36

Risk Title: Response to Grenfell Tower enquiry

Delivery in responding to the outcomes of the Grenfell Tower reports are closely monitored by the Service Heads involved. Regular updates are provided at Housing DMT and escalated as required.

Project plan produced for all programmes of works required to investigate cladding systems and any associated remedial works to further enhance existing fire safety measures.

Fire safety campaign – completion April 2018

Fire awareness visits – completion autumn 2018

Awaiting further imminent regulations announcements from MHCLG following Hackitt recommendations.

This risk is also recorded on the Neighbourhoods Directorate Risk Register and monitored through this process.

Where concerns are identified appropriate action is taken.
Grenfell 2 years on report is going to Cabinet in July reporting on progress.

No.	Actions to Reduce Risk to Target	Owner	Date	Progress	RAG
1	Programme to fit Sprinkler systems to 213 high rise blocks over a 3 year period starting 1/4/18	Head of capital investment / Head of Service	2018 - 2021	Installation programme is underway and being monitored closely to ensure performance targets are met.	Green

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 36		Risk Title: Response to Grenfell Tower enquiry			
2	Programme to carry out fire risk assessments to all communal areas annually	Head of capital investment	From 2018 ongoing	These are in place to ensure all communal areas are inspected. Work is ongoing to consider all recommendations from the Building Safer Futures in relation to fire risk assessments	Green
Updated By:		Head of capital investment	Date:	28/10/19	

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 37		Risk Title: Homeless Reduction Act.						
Risk Description: Insufficient council resources to meet the requirements of the Act fully.								
Risk Owner: Director			Risk Lead: Service Director			Risk Type / Category: Legislative / Regulatory		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	Medium	High	Severe	Medium	Medium	Material
Current Controls Mitigating Inherent Risk:					Sources of Assurance on Effectiveness of Identified Controls:			
New Homeless Reduction Act Legislation implemented from April 2018.					This risk is being closely monitored by Directorate Management Team and Cabinet Member for Homes and Neighbourhoods. There is a programme of regular Cabinet Member briefings dedicated to homelessness tracking and a standard dashboard has been developed to aid close			
New IT system developed with Councils IT providers and fully operational from July								

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 37		Risk Title: Homeless Reduction Act.			
<p>2019.</p> <p>The homeless prevention strategy is now approved by Cabinet which aims to prevent people becoming homeless and assisting in sustaining tenancies.</p> <p>A domestic abuse hub, operated in partnership with BSWAID was initially piloted from 4 February 2019 and became fully operational from Monday 11 March 2019. It provides a support to those experiencing and fleeing domestic violence.</p> <p>Monthly reviews are being carried out by the Ministry of Housing Communities and Local Government (MHCLG)</p>		<p>monitoring and scrutiny.</p> <p>A comprehensive re-design programme is underway and a number of key work streams are in place to address this risk. These incorporate improvements to homeless prevention work and backlog of homeless casework. A re-design project board has been established and an ambitious programme plan. The intended outcomes include ensuring the service is designed and managed fit for purpose and the correct resources are in place.</p> <p>Delivery of the programme to reduce this pressure is monitored by Directorate Management Team and Cabinet Member for Homes and Neighbourhoods. There is a programme of regular Cabinet Member briefings dedicated to homelessness tracking and a standard dashboard has been developed to aid close monitoring and scrutiny.</p>			
No.	Actions to Reduce Risk to Target	Owner	Date	Progress	RAG
1	Redesign the Housing Option Service	Service Director	April 2019	Phase 1 completed.	Green
2	Phase 2 re-design of Housing Option Service	Service Director/ Head of Service Housing Options & PRS	January 2020	Informal consultation commenced April 2019. Formal consultation re-planned for March 2020 with implementation June/July 2020.	Amber
3.	Open a Homeless Prevention Hub in June 2019.	Housing Trailbazer Lead	June 2019	£400,000 of commissioned services has been identified and mobilisation in progress, the Ladywood hub opens on Monday 17th June 2019 for staff training. It will be operational from Monday 24th June 2019.	Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 37		Risk Title: Homeless Reduction Act.			
				<p>32 households have been at the hub. The issues presented by the customers included housing, family support, financial and mental health. Each of the households who attended the hub was provided with support to help them resolve their specific housing need. The average appointment period is 2 hours. The pilot will be reviewed at the end September 2019.</p> <p>The pilot has created a learning environment to enable understanding of what 'pull on' support is required. The hub is currently working with NAIS, Registration, and Rents Team. Going forward we seeking to include partners external to the council to ensure continuing support can be provided at a more local level. Further into the pilot need to look at how this model can be implemented as business as usual.</p> <p>The pilot activity increased to 6 officers week commencing 14 October 2019 and additional prevention appointments are being offered. The outcome of this model will be evaluated in December 2019 and inform mobilisation.</p>	
4.	Recruit to Housing Options Centre vacancies	Service Manager	October 2019	<p>Shortlisting in progress, June 2019. Some of the successful candidates are from within the service area, which has created vacancies. Will be working with DWP to create a bigger pool of prospective employees.</p> <p>All interviews have now taken place for the SHNO posts and conditional offer letters have been issued to the successful candidates.</p> <p>There have been 5 successful HNO candidates – x3 will be recruited to the HOC and x2 to the PRS. (There are a remaining 3 interviews which will take place on 05 November and one further candidate also pending).</p>	Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 37		Risk Title: Homeless Reduction Act.			
5.	Review of spending/commissioned provision	Housing Trailbazer Lead	June 2020	Mapping of current commissioned provision and an analysis of homeless households support needs have commenced. The FHSG element has been evaluated and transferred to Housing Strategy and we now have an understanding of the resource use and delivery. This element is being reviewed to ensure we make best use of resources at contract end. Work is ongoing to understand the totality of resources available for prevention and we are developing these as part of the prevention hub and TA move on model.	Amber
6.	Private Rented Sector Access Fund to be implemented to maximise “move on” opportunities to relieve homelessness	Service Manager	September 2019	<p>We will be emulating the private rented sector secure sustain model in the prevention hub and TA pilots. We will be identifying private landlords to work with moving forward and discharging duty into the private rented sector from September 2019.</p> <p>The pilot has achieved 24 PRS lettings to date.</p> <p>The PRS access scheme and Help2rent social housing platform is being presented at the Annual Landlord Conference on 18 October 2019.</p> <p>The Help2rent SLA is being checked by procurement and legal services and the platform is expected to be launched in December 2019.</p>	Green
7	Commissioning of a new universal prevention model is in progress by the CCoE . The procurement is for local delivery of a Housing and Wellbeing Centre’s as part of the Vulnerable Adults Housing and Wellbeing Support Service. The commissioning model does seek to establish specialist advice and welfare centres for young	Service Lead CCoE	1 dec 19	<p>The procurement process is in flight with tenders received and evaluations currently being completed. Upon Cabinet approval and notification of the new commissioned partners, co-location and lessons learned from the Homeless Prevention Hub can be explored and mobilisation planned.</p> <p>The transition plan with the Rough Sleeping Outreach service, Domestic Abuse Hub and Youth Hub is being developed. Additional HRA funding is being identified to add a contract variation to include HRA activities.</p>	Amber

Statutory Responsibilities / Compliance with Statutory Responsibilities									
Risk No: 37		Risk Title: Homeless Reduction Act.							
	people, domestic abuse, single adults and offenders upon prison release. The objective is to provide early intervention to prevent homelessness. There will be an opportunity to co-locate statutory homeless personnel into the new Health and Wellbeing Hubs. This approach embeds early and personalised support and prevention, to reduce the impact of more costly crisis stage interventions which are based upon statutory thresholds or definitions.								
Updated By:		Service Integration Head – Homelessness	Date:	28/10/2019					

Statutory Responsibilities / Compliance with Statutory Responsibilities								
Risk No: 17		Risk Title: Staff Harm by not sharing data effectively						
Risk Description: Staff Harm by not sharing data effectively								
Risk Owner HR Director			Risk Lead: H&S Lead			Risk Type / Category: Information		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	High	Severe	Medium	Medium	Material	Low	Low	Tolerable
Current Controls Mitigating Inherent Risk:				Sources of Assurance on Effectiveness of Identified Controls:				

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 17		Risk Title: Staff Harm by not sharing data effectively			
<p>Joint report went to CLT (from customer services and HR) on 18th January 2018, explaining how this worked currently and what the issues were around funding the costs of accessing the register, including a suggestion we bring the budget together centrally so people don't feel they can't afford to do it. There were a number of discussions points and follow on actions from CLT, including that: 1) CLT approve the use of the Data Warehouse as a mandatory requirement to check risk markers prior to any visits being undertaken by BCC employees to both domestic properties and businesses 2) CLT will review the funding of the Data Warehouse as part of the Councils long term financial plan to ensure that the risks associated with failure to comply are minimised and that the data warehouse continues to be available for use across the council 3) CLT will identify the appropriate Director to be the named officer responsible for their risk marker solution (currently this is the director of HR but only as a temporary measure – may sit better in Revenues and Benefits) 4) CLT will require the safety manager to draft the appropriate guidelines for usage of the risk marker solution</p>				<p>Management assurance.</p> <p>Currently the data warehouse pulls in the risk markers from CRM, Housing, MAPSS and CareFirst. Any user of the warehouse that searches a relevant name or address will have the respective risk markers presented to them. The risk markers not only relate to health and safety but child / vulnerable adult safeguarding too.</p> <p>The Audit team are in the process of creating an Intelligence Network across the City for anyone who has an investigative, enforcement or regulatory element to their role; or are likely to have some contact with the public. However there remain challenges regarding balancing the need for timely access by a large number of staff and the requirement to ensure sufficient security of the sensitive data. Further work on this is required</p> <p>Council Tax, Business Rates and Rents have a risk marker on their respective systems; this risk marker is extracted and added to the data warehouse.</p>	
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	During 2019 further work on effective access is required	TBD			Choose an item.
2	Monitoring the use of the IT system by Corporate Safety Services.	TBD			Choose an item.
3	Guidance for employees will be completed once surety of access for all required has been secured	TBD			Choose an item.

Statutory Responsibilities / Compliance with Statutory Responsibilities					
Risk No: 17		Risk Title: Staff Harm by not sharing data effectively			
4	Appropriate Line Managers to monitor employee safety, as applicable	TBC			Choose an item.
Updated By:	Risk is being re drafted including risk name and stakeholders	Date:	June 2019 No further updates		

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC								
Risk No: 29		Risk Title: Budget Management						
Risk Description: Not developing sufficiently robust plans to support setting a balanced budget (including in the medium term), and not containing net spending within the approved budget.								
Risk Owner: Director of Finance			Risk Lead: Director of Finance			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	Medium	High	Severe	Medium	Low	Tolerable
Current Controls Mitigating Inherent Risk: Delivery of the 2019/20 budget including management of financial pressures and delivery of the approved savings programme is being closely monitored and managed, corporate directors in collaboration with their Finance Business Partners. Further support is provided by the Programme Management Office with focus upon providing assurance in relation to the implementation of savings plans.					Sources of Assurance on Effectiveness of identified Controls: Resources O&S scrutinises budget matters on an ongoing basis and identifies areas of concern as appropriate. Where concerns are identified relevant service scrutiny committees will assess the impact on specific service areas including impact upon services of in-year mitigations.			

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

Risk No: 29

Risk Title: Budget Management

There will be scrutiny and challenge of the financial position on a monthly basis via the Council's Management Team, Member led Star Chambers, EMT and Resources Overview & Scrutiny.

On a quarterly basis and there will be further rigorous challenge of the overall financial performance via the officer Budget Programme Board chaired by the Chief Executive and supported by the Budget Planning Group. Quarterly reports will be considered by Cabinet. Additional Member led star chambers have been established for those directorates are forecasting significant overspends to explore the issues and develop solutions. This will continue throughout the year until the budgetary position is successfully recovered.

Directors have clear accountability for the delivery of savings in their directorates and this includes attendance at monthly meetings with the Cabinet Member for Finance.

The Council's LTFP is refreshed regularly to take account of latest information, including the successful mitigation of financial pressures and delivery of savings plans. A periodic assessment of the impact of in year delivery upon future financial years is undertaken to ensure proactive management.

No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	There is close monitoring of the delivery of the Budget and additional governance arrangements have been introduced	Director of Finance / Assistant Director	April 19	The CMT is building on the stabilisation of the financial position achieved with a £5.6m underspend for 2018/19. The following arrangements are in place for 2019/20: - Collaborative support, review and challenge of savings delivery and management of budgetary pressures by Finance Business Partners and PMO working closely with Directorates	Green

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

Risk No: 29		Risk Title: Budget Management			
				<div>- Monthly review and challenge by CMT, Member Led Star Chambers prior to consdieration by EMT, and Resources O&S</div> <div>- Quarterly review and challenge by CEO led Budget Programme Board supported by Budget Planning Group</div> <div>Focused deep dive of areas with significant overspends by Member Led Star Chambers to oversee development and delivery of directorate financial recovery plans.</div>	
2	Moving to a more integrated planning and performance management approach.	Director of Finance/ Assistant Chief Executive	Mar 19	<div>During 2019-20</div> <div>a. In February 2019 the Council approved a balanced MTFS over the period 2019/20 2022/23 subject to significant uncertainty over the future local government finance framework that will not become clear until the Government’s spending review in Autumn 2019. Therefore the Council will need to prepare for a range of financial scenarios that could see our resources vary between approx. £40m per annum reduction to £100m per annum increase dependent upon the Review by 2024. This may not become clear even in SR2019 as it is now expected that this will cover only 2020/21 and not a three year review as originally planned due to the delays in Brexit. We must plan for the worst to ensure we can responds to the national funding uncertainty. For 2020/21 we will plan for a reduction of £30m.</div> <div>b. Launch of 2020/21 budget process on 7 June at EMT and 20 June ELT set out the importance of moving to a business transformation and outcomes based budget cycle underpinned by a robust performance management framework to demonstrate improved Value for Money and financial resilience. We will twin track the development of savings to deliver in 2020/21 and 2021/22, whilst developing service transformation initiatives for the medium to longer</div>	Amber

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

Risk No: 29		Risk Title: Budget Management			
				<p>term.</p> <p>c. Following the refresh of the Council Plan by Cabinet in June 19, the Assistant Chief Executive is currently putting arrangements in place to introduce corporate business planning and performance management framework, building upon the foundations laid in 2018/19. These will be launched in July/August to be developed by directorates alongside their budget proposals and review of their medium term financial plans for approval in February.</p> <p>d. Delivery and monitoring – ongoing – Budget PMO established and will QA the implementation plans for budget proposals during the 2020/21 process.</p> <p>e. The Birmingham Independent Improvement Panel (BIIP) stepped down in March 2019, with the Council having completed and publicised a 2019 stock take report on future improvement areas. Since that point, the Council has continued to work with MHCLG regarding the Council’s own improvement governance arrangements and proposals will be submitted for consideration to Cabinet in July. This new model will ensure that key areas of future improvement activity are progressed in concert with the delivery of the 2019-20 profiled savings and oversight of transformation activity for 2020-21 and 2021-22.</p>	
3	Proposals will be subject to corporate public consultation commencing following Cabinet approval and more specific engagement and consultation also take place where appropriate	Director of Finance/ AD Partnerships / All CMT	Feb 20	<p>Corporate Consultation on the 2019/20 Budget completed; further localised and targeted consultation is being developed. Directorate consultations will be required within the year for specific budget proposals. This will be monitored as part of 2019/20 budget monitoring and through PMO support in developing and challenging Implementation Plans.</p> <p>Corporate Communications are planning for a 12 week consultation – though this is</p>	Amber

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC					
Risk No: 29		Risk Title: Budget Management			
				dependent on all budget savings being signed off and ready for public scrutiny by the required date. All Directorates will need to have plans for any service specific consultations that will be required as supplementary activity.	
Updated By:	F&G Risk Rep – No further updates have been provided.		Date:	21/8/19	

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC								
Risk No: 15		Risk Title: Not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery.						
Risk Description: Risk of not recognising the need to divest of costly property assets in radical new solutions to reframe service delivery; driving out property for disposal, but beyond capital receipt generation, ultimately solutions should deliver innovative and appropriate reductions in future revenue operating costs.								
Risk Owner: Director Inclusive Growth			Risk Lead: Head of Service			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	Medium	Material	Medium	Medium	Material	Medium	Low	Tolerable
Current Controls Mitigating Inherent Risk:					Sources of Assurance on Effectiveness of Identified Controls:			
Still to be obtained					Still to be obtained			

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	The approval by Cabinet in November 2018 of a new corporate Property Strategy with a key emphasis on the Operational Portfolio as one of four themes. Recommendations include reducing the level of directly managed stock in order to retain a smaller, multi-faceted, well-maintained estate	Head of Service	March 2019 July 2019	Ongoing and subject to potentially, significant change driven by BCC corporate business plan (this is currently “continuously changing in the short term”).	Amber
2	The agreed budget proposals for FY 19/20 and emerging proposals for FY 20/21 The current rounds of budget proposals for FY19/20 onwards contain a number of property rationalisation propositions across the service areas as part of the contributions to future years cost reductions. This includes the Public Hubs Programme which will remodel and reduce the Council’s frontline estate.	Head of Service	July 2019	Ongoing and subject to potentially, significant change driven by BCC corporate business plan (this is currently “continuously changing in the short term”). Progress on the Public Hub Programme was discussed at both CMT and EMT in June 2019, with further direction given. External subject matter expert with proven track record of delivering such programmes to be procured to assist in mapping out the options, formulating delivery plan and communication A “lessons learnt” event with other local authorities who have undertaken similar transformations is to be held on the 22 nd October. The newly formed Public Hubs Board had its inaugural meeting on the 8th October with a new project plan adopted, working with the community library estate as an initial proof of concept. Property Services to work with Finance to review all proposals in the Budget Process 20/21 that may have an asset implication.	Amber

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC					
3	Through the recommendations of the Property Strategy services will need to articulate their medium term asset plans and associated utilisation / resourcing which in turn will be subject to critical appraisal by the Property & Assets Board. To assist with property rationalisation alongside future service planning and development programmes, a Property Services Business Partner role has been established with the Neighbourhoods Directorate.	Head of Service	May 2019	<p>Ongoing and subject to potentially, significant change driven by BCC corporate business plan (this is currently “continuously changing in the short term”).</p> <p>As part of the 20/21 budget planning exercise a request has been made for funding for a renewed corporate programme of condition surveys / asbestos surveys / fire risk assessments, not only to ensure statutory compliance within the estate but also to articulate the current issues of the estate and provide a catalyst to decisions as to what level of building base is sustainable.</p>	Amber
4	The Corporate Landlord service has continued to deliver the facilitation of delivery of further organisation changes e.g. Service Birmingham and the Contact Centre the creation of the Children’s Trust, absorption of Service Birmingham / ICTDS and Contact Centre functions within the estate, accommodating the CWG project Team etc.	Head of Service	June 2019	<p>Ongoing and subject to potentially, significant change driven by BCC corporate business plan (this is currently “continuously changing in the short term”).</p> <p>A briefing paper will be brought to CMT in September 2019 updated the senior officers on changes required / levels of agility needed to achieve the stated savings target of £2.4m</p> <p>External subject matter expert has been appointed to assist in mapping out the options and delivery plan to report in January 2019.</p>	Amber
5	Continued development of the corporate property database (Techforge) - information and systems development continues to progress as planned and the additional functionality is being applied in	Head of Service	March 2019	Continued development of the corporate property database (Techforge) - information and systems development continues to progress as planned and the additional functionality is being applied in the management of repairs and maintenance costs, provision of information and analysis to inform strategic decision making, etc.	Amber

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC				
	<p>the management of repairs and maintenance costs, provision of information and analysis to inform strategic decision making, etc.</p> <p>The “Modern Workplace” project is intended to increase agility and bring further organisation and management culture change across the Council. A key outcome will be further rationalisation of the Central Administration Buildings portfolio.</p>	Head of Service	June 2019	<p>The “Modern Workplace” project is intended to increase agility and bring further organisation and management culture change across the Council through improved ICT and revised HR policies. A key outcome will be the opportunity for increased agility and different ways of working, enabling further rationalisation of the Central Administration Buildings portfolio and this will form the basis of the above referenced briefing note to CMT in September 2019. HR, ICTDS AND Property Services will work closely and collaboratively to ensure such changes are implemented.</p>
Updated BY:	Head of Service Inclusive Growth	Date:	16/10/2019	

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC				
Risk No: 38	Risk Title: To manage the Enterprise Zone Programme in line with its delivery plan.			
Risk Description: Risk of under achieving: potential business rates income, economic growth, and outputs/achievements.				
Risk Owner Director Inclusive Growth		Risk Lead: Inclusive Growth (Delivery) / Finance and Governance (Accountable Body)		Risk Type / Category: Reputational
Inherent / Gross Risk		Residual / Current Risk		Target Risk

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Medium	High	Severe	Medium	Significant	Material	Medium	Significant	Material
<p>Current Controls Mitigating Inherent Risk:</p> <ul style="list-style-type: none"> Financial principles are integrated in to the Enterprise Zone (EZ) Model, to inform and provide assurance that funding of projects is affordable prior to it being committed. Collaboration with Finance to manage the EZ Business model and ensure it contains the latest data on spend and business rates income. Collaboration with BCC Planning officers and business rates team to enable effective monitoring of development on EZ sites and their hereditaments to ensure the forecasts for business rates income are accurate and up to date. Collaboration with GBSLEP Programme Management Office (PMO) on quarterly reporting by EZ projects. Reporting to the Programme Delivery and GBSLEP Boards providing reports and requesting approval. Substantial proportion of business rates income is ring fenced on an annual basis to create a financial contingency as a safeguard against business rates income not coming forward as per forecast. 					<p>Sources of Assurance on Effectiveness of Identified Controls:</p> <ul style="list-style-type: none"> All projects now follow the GBSLEP's assurance framework, thus the Treasury Green Book process for developing business cases for funding. The EZ and Curzon Delivery Board meets monthly (last meeting 18 July 2019) to implement the delivery of the EZ Investment Plan, and monitor and oversee the delivery of EZ and Curzon projects managed by the Economy Directorate. Major EZ projects are reported to BCC Capital Board. 			
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress				RAG
1	Develop EZ and Curzon projects to meet requirements as outlined in the Investment	EZ Programme	To cover 10 year	Management of Enterprise Zone Model Regular Monitoring of projects				Green

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC					
	Plan.	Manager	Investment Plan	Capital Board Business cases for funding meet HM Treasury's Green Book Standard.	
2	To monitor Enterprise Zone BCC managed projects (EZ and Curzon).	EZ Programme Manager	To cover 10 year Investment Plan	Management of Enterprise Zone Model Regular Monitoring of projects Capital Board EZ and Curzon Project Delivery Board meets regularly to discuss the management of the EZ Model. Regular monitoring of projects continues. Senior representation at the BCC Capital Board.	Green
3	To maintain state aid systems and monitor EZ business rates relief.	EZ Programme Manager	To cover 10 year Investment Plan	Management of Enterprise Zone Model Regular Monitoring of projects Capital Board Management of a EZ business rates relief system received by businesses located on eligible EZ sites. Regular Monitoring of the sums received by the businesses. Paper trail with businesses in receipt of EZ business rates relief.	Green
4	Collate BCC EZ and Curzon delivery programme outputs and outcomes.	EZ Programme Manager	To cover 10 year Investment Plan	Management of Enterprise Zone Model Regular Monitoring of projects Capital Board Management of Enterprise Zone Model activity. Regular monitoring of projects. Ongoing monitoring of those businesses received EZ business rates relief. Capture of activity on EZ sites. Following the monitoring and slippage of the One Chamberlain Square and Three Snow Hill development, overall forecast business rates income has reduced for 2019/2020 and	Green

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC				
				2020/2021. To address this the team reviewed the financial model to identify where activity / spend could be slipped and did so to cover the shortfall.
Updated BY:	EZ Programme Manager	Date:	24/10/2019	

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC								
Risk No: 41		Risk Title: School Deficits						
Risk Description: <ul style="list-style-type: none">•National funding arrangements have resulted in real term funding reductions which coupled with rising costs means that there is a risk that increasingly, schools are not able to run balanced budgets:-•There is the potential that some schools may build up deficits which cannot be cleared and which ultimately may need to be met by BCC•In addition there is a pressure on the high needs block which centrally supports places for children with SEND.								
Risk Owner: Director Education and Skills			Risk Lead: Assistant Director – Education and Early Years / Assistant Director SEND			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC								
Risk No: 41		Risk Title: School Deficits						
High	High	Severe	High	Significant	Severe	Medium	Significant	Material
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none"> •Earlier use of financial warning notices where there are financial concerns. Intervention considered as appropriate inc. removal of cheque book facility to the removal of governing body and replacement with an Interim Executive Board •Collaboration with Regional Schools Commissioner to ensure swift action taken to address school improvement requirements by identifying a Sponsor early to then maximise the impact of additional investment in school improvement. •Schools financial monitoring procedures to be reinforced with requirement that these are reported to all Governors. •Schools identified to be financially vulnerable, to have imposed level of spend agreed by BCC •Schools Financial Services to work directly with vulnerable schools to establish a financial recovery plan •School Causing Concern Pre-warning and then warning notices if there are no improvement in the financial management, to be sent to all schools with a forecasted deficit. (DfE regulations) 				Sources of Assurance on Effectiveness of Identified Controls: <ul style="list-style-type: none"> •Schools Financial Governance Group set up to co-ordinate support and challenge to schools. •Initial Audit review carried out with findings being adopted and second review to be set up to include more detailed stress testing of schools ability to cope with further cuts in funding. •More targeted audits of schools 				
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress				RAG
1	Strengthen Schools Finance Governance Board, by: <ul style="list-style-type: none"> •Corporate Director to chair 	Director Education and Skills	April	A further report to CMT will be provided in October updating the August position on deficits and action taken and further actions proposed. Change of chair has been agreed and implemented. Terms of reference drafted and adopted. The June Finance Governance Board was chaired by the Director of				Green

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC					
Risk No: 41		Risk Title: School Deficits			
	<ul style="list-style-type: none"> •Review methodology and develop risk register •Quarterly strategic forecasting to determine financially vulnerable schools 			<p>Education and Skills.</p> <p>Follow up report with School Deficits Action Plan presented to CMT on 13 May</p>	
2	<p>Schools Forum to consider financial position of school budgets:</p> <ul style="list-style-type: none"> •Identify a Schools Forum rep to join the Schools Finance Governance Board, •Agree criteria by which schools are identified as being financially vulnerable, •Receive reports and monitor the school budget position 	Senior Business Analyst / Finance BP	June 2019	<p>A draft Policy on the Clawback of Surplus Balances will be taken to the September School Forum meeting for consideration and approval.</p> <p>School Forum meeting took place in June and a request for representative to join the Board was made at the meeting and accepted in principle – name to be confirmed.</p> <p>A report was taken on the School Carried forward balances at the end of 2018/19, which included schools in deficit and a commitment agreed to bring quarterly reports on school deficit position to School Forum meetings.</p>	Amber
3	<p>Management of school deficits, by: -</p> <ul style="list-style-type: none"> •Inadequate schools to be risk assessed to determine if Governing Body to either be replaced by an IEB or strengthened with an additional finance governor, •Meeting to be held with Head Teacher /Chair of Governors for any school facing 	Senior Business Analyst / Finance BP/Director of Education & Skills	Sept 19	<p>A further report on Schools Causing Financial Concerns has been produced for August 2019. This was discussed at the Finance and Governance Group (Schools in Financial Difficulty) on 17th September and will be presented to the School Forum September meeting and further actions agreed as appropriate.</p> <p>The report on Schools Causing Financial Concern has been produced for June 2019 and the actions outlined in this section will be progressed in line with the information and concerns within the report.</p>	Green

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

Risk No: 41

Risk Title: School Deficits

potential removal of delegated powers and actions agreed

- In exceptional circumstances the schools delegated powers to be removed.

Updated BY:

E&S Risk Rep

Date:

24/10/19

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

Risk No: 46

Risk Title: Universal Credit

- **Risk Description:** UC cases in rent arrears stands at £7.7m. This accounts for 50.33% of all rent arrears, which currently stands at £15.3m. It should be noted that £5.5m of the UC cases was pre existing arrears, therefore the remaining £2.2m are arrears accrued entirely as a result of UC and accounts for 14.4% of all rent arrears. Reduction in HB income of £25 million to the rent account projected for 2019/20
- Increase in rent arrears
- Decrease in tenancy sustainability
- Increase in evictions and homelessness
- Increase in citizens debt
- Increased council tax arrears
- Lower rates of debt recovery of housing benefit overpayments
- Lower take-up of council tax support
- Reduction in DWP funding adds pressure to budgets and remaining HB recipients
- Further short notice change announcements from DWP
- Multiple changes of implementation dates from DWP

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC								
<ul style="list-style-type: none"> Confusion for citizens 								
Risk Owner: Assistant Director, Revenues and Benefits			Risk Lead: Director, Digital and Customer Services		Risk Type / Category: Financial			
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	Significant	Severe	Medium	Medium	Material	Low	Low	Tolerable
Current Controls Mitigating Inherent Risk: <ul style="list-style-type: none"> Pilot work continues underway to examine interventions in order to mitigate the impact on tenants and the HRA. This is being built into a forthcoming service redesign for the Rent Service. Alternative Payment Arrangements (APAs) are being encouraged so the Council receives the rent direct from UC payments where possible. Close working with DWP work coaches and other partners is helping to reduce the impact. Alternative ways of working have been explored with other housing providers – as well as software solutions. Housing Benefit recovery is being closely monitored and a recent initiative will increase recovery rates for people who are in work. New 50% earnings disregard in place and allowing increased rates of recovery on HB cases before more are 'lost' to UC Awareness around Council Tax Support claim process is being increased at regular strategic meetings between the Council and the DWP. Benefit Service is working on new arrangements for service delivery from 2019/20 in order to mitigate against DWP cuts and protect vulnerable tenants. 					Sources of Assurance on Effectiveness of Identified Controls: <ul style="list-style-type: none"> Headline arrears figure for the first 25 weeks 2019/20 is only slightly up on the arrears figure this time last year demonstrating the effective work of the pilot and close working with the DWP. Ongoing dialogue with DWP Progressing rent and benefit service redesigns Maintaining a view of national picture through attendance at meetings with LGA/DWP Promoting council tax support (CTS) Consider options for council tax debt on CTS cases – work with Enforcement Agents on vulnerability issues Close subsidy monitoring on UC/HB related cases Use of specific reserve to ensure vulnerable people don't suffer and subsidy income is maximised Council tax support cases have started to increase back to previous levels Income generated through the earnings disregard is bringing the council in around £45,000 per week 			

Financial Resilience - Risks associated with austerity and the financial challenges facing BCC

No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	Rent Service redesign (structure review) to be implemented following successful pilot	Head of Income Collection	Dec 19	Implement to mitigate against the impact of UC on the HRA (Pre staff consultation)	Amber
Updated BY:		Judith H Deeks, Risk Rep. No further updates : 11/10/2019	Date:	30/9/19	

Political - Risks driven by the political agenda

None

Technology								
Risk No: 16		Risk Title: Technology – Cyber Attacks						
Risk Description: There is a risk that web services to customers or work with partners may be disrupted by malicious attacks on the City Council's web based services.								
Risk Owner: CIO & Assistant Director (Interim) – Information, Technology & Digital Services (IT&D)			Risk Lead: Director, Digital and Customer Services			Risk Type / Category: Technology		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	High	Severe	Significant	Significant	Severe	Low	Low	Tolerable
Current Controls Mitigating Inherent Risk: The following control measures are routinely				Sources of Assurance on Effectiveness of Identified Controls:				

Technology		
Risk No: 16	Risk Title: Technology – Cyber Attacks	
<p>taken by the Council's Information, Technology and Digital Services Team:</p> <ul style="list-style-type: none"> Continuously scan the information security landscape with partners to detect upcoming and new vulnerabilities which could be exploited by potential hackers. This ensures that IT&D are aware of all risk posed by different intrusion methods. Have updated the Councils firewalls and introduced Intrusion Prevention Services as part of the firewall implementation. This means the firewalls are receiving regular updates from the supplier to detect new and evolving types of security attack. The firewalls detect and defeat many thousands of attacks every day. Have implemented a cloud based Distributed Denial of Service system that defends six individual websites and 8 sub-websites of the Council's main websites from high volume attacks where hackers are trying to flood the Council's websites with requests for service. This service regularly defends the Councils web sites from attackers and the contract is currently being renewed. Have implemented the PSN walled garden which has enhanced the security of all users accessing web based government systems. PSN services have been remodelled and are currently being monitored to ensure secure transmission. Run the majority of external facing applications behind Apache reverse proxy servers which have been hardened in line with best practice and recommendations from penetration test partners. <p>The management of cyber risks within BCC will form part of the security strategy and responsibilities clearly defined. IT&D (bep Security programme) will ensure that the cyber risk investment strategy is aligned to, and supports strategic priorities.</p> <p>There is improved reporting of cyber risks and security incidents which will be presented to the Corporate Information Security Group bi-monthly. This will ensure BCC are fully</p>		<p>This risk can only ever be mitigated, and never fully closed due to the nature of hacking etc.</p> <ul style="list-style-type: none"> IT&D are constantly monitoring the information security landscape with solution providers to detect upcoming and new vulnerabilities which could be exploited by potential hackers. Given the nature of this risk these activities are now being kept under constant review. New Corporate Firewalls have been implemented to further improve/enhance our network security.

Technology					
Risk No: 16		Risk Title: Technology – Cyber Attacks			
<p>aware of potential regulatory & legal exposures and can assess the implications for future investment decisions.</p> <p>This is an acknowledged ongoing risk that should remain on the CRR. For reference a PSN Compliance Certificate was issued to Birmingham City Council on 27/03/18.</p>					
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	BCC have undertaken a Cyber Security Stocktake and are in the process of developing a combined Cyber Security and Resilience strategy to mitigate risks identified in the stocktake.	AD & CIO	21/12/19	The approach to cyber security has been informed by 2 security reviews, from Socitm and RAND who were commissioned by the LGA. The outputs of these reviews have informed the approach to the cyber security strategy which has now been approved and an additional Security SME joins is in place to drive forward the agreed plan. The plan covers delivery of enhanced, coherent security management and is estimated to complete in early December 2019. The cyber security strategy will be closely aligned to the Information Management strategy and the overall IT&D Strategy, both of which require increased organisation-wide awareness of the need for vigilance in both physical and technological environments.	Amber
Updated BY:		Business Excellence Manager	Date:	25/10/19	

Transformation	
Risk No: 7	Risk Title: Failure to Deliver Culture Change and Transformation
Risk Description: In delivering significant change; industrial action; increased sickness absence levels and poor performance – any single or combination of these has the potential to divert managerial capacity from delivering outcomes, organisational effectiveness and savings.	

Transformation								
Risk No: 7		Risk Title: Failure to Deliver Culture Change and Transformation						
Risk Owner: Director of Human Resources			Risk Lead: Director of Human Resources		Risk Type / Category: Financial			
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Medium	Medium	Material	Medium	Medium	Material	Medium	Medium	Material
Current Controls Mitigating Inherent Risk: <p>There are a number of low level localised disputes that could result in further escalation of service specific industrial action. There have been localised disputes resulting in a series of action short of strike / strike actions. The Council has utilised non-binding mediation as a means of seeking to resolve these matters. There are business continuity plans in place in readiness for industrial action.</p> <p>Bespoke HR support is being provided to identify any high risk areas. Management to ensure contingency plans periodically reviewed in proportion to the risk to ensure 'fit for purpose' and known milestones surrounding savings and organisational change. The establishment of an Industrial Relations Specialist Unit comprising HR and Legal services to be developed and implemented ensuring that :</p> <ul style="list-style-type: none"> • we have Council wide oversight of key events timetable with the aim of managing any high risk activity and a consistency of approach. • a review of the trade union engagement arrangements with a view to empowering managers to deliver change at the lowest level of the organisation (Kerslake Report) • areas where there is a high risk of industrial action are to have increased employee engagement arrangements such as the Joint Service Improvement Board – Waste 					Sources of Assurance on Effectiveness of Identified Controls: <p>Will be on-going. Despite this, overall there continues to be regular and positive engagement and dialogue with the trade unions at a corporate, regional and local level as appropriate (excluding where in dispute).</p> <p>Expert HR support is being provided to areas experiencing any significant employee relations challenges relating to service redesign and headcount reductions.</p> <p>All budget proposals are subject to validation via full council, before consultation with trade unions will commence. There may be some delays in delivery timescales where any applicable disputes are considered.</p> <p>Focus on attendance and wellbeing occurs to provide support to employees who are experiencing change. The sickness management policy is being reviewed with a focus on support and enablement of staff attendance. A major focus will be around the application and implementation of any changed policies.</p> <p>Health & Wellbeing support is offered to employees via Occupational Health; the Employee Assistance Programme and other initiatives, including seminars and lunch time learning bites at different locations throughout the city.</p>			

Transformation					
Risk No: 7		Risk Title: Failure to Deliver Culture Change and Transformation			
Management. <ul style="list-style-type: none"> HR/managers monitoring and taking action to minimise sickness absence as a result of organisational changes. 					
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	Set up Industrial Relations Unit	Director HR	04/04/19	The scope of the unit has been completed, the job descriptions have been drafted and evaluated. A decision is still awaited from the statutory leads to release the necessary funding.	Red
2	Managers to monitor employee well-being	All Managers	04/04/19	In progress and on-going, localised HR support for managers in place. ER training programme for managers being scoped.	Amber
3	Additional HR Support provided as needed	Director HR	04/04/19	On-going as required to specific disputes/programmes/service redesigns and restructures. Additional posts being proactively recruited to provide additional support in advance of upcoming major restructures	Green
4	Council wide and Directorate dashboards provided monthly to monitor organisational health	Director HR	04/04/19	Delivered monthly and on-going development to ensure the proactive action is taken using leading indicators rather than reacting to lagging indicators	Green
Updated By:		Director HR /AD HR	Date:	11/10/19	

Transformation		
Risk No: 10		Risk Title: Transformation – failing to make sufficient progress in key areas of improvement activity
Risk Description: Failing to make sufficient progress in key areas of improvement activity identified as; waste management and industrial relations, outcomes for vulnerable adults and children, financial resilience, risk management, good governance, cultural change and organisational development.		
Risk Owner: Assistant Chief Executive		Risk Lead: Assistant Chief Executive
Risk Type / Category: Financial		

Transformation								
Risk No: 10		Risk Title: Transformation – failing to make sufficient progress in key areas of improvement activity						
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	High	Severe	Significant	Medium	Material	Low	Low	Tolerable
Current Controls Mitigating Inherent Risk: Birmingham Independent Improvement Panel (BIIP) stepped down in March 2019 alongside the publication of a 2019 stock take report. There has been ongoing work with MHCLG regarding the Council's own improvement governance arrangements and proposals were agreed by Cabinet in July to activate an improvement framework for 2019-20 alongside an innovative model of 'progressive assurance' through a Strategic Programme Board (SPB). This Cabinet decision was accompanied by a letter of support from the Secretary of State endorsing this model. Key areas of future improvement activity have been identified as stated in the risk description above.					Sources of Assurance on Effectiveness of Identified Controls: Proposals will be included in the July Cabinet report.			
No.	Actions to Reduce Risk to Target		Owner	Date	Progress			RAG
1	The risk to be formally reviewed/amended to focus on strong assurance of financial, governance and specific service risks as highlighted by the external auditor in 2019.		Asst Chief Exec		New draft prepared for discussion and approval at Directorate Risk Workshop 26 June 2019. Action complete			Green
2	Non-Executive Advisors will be supporting the Council will advice in relation to specific risks to provide additional reassurance.		Asst Chief Exec		In place.			Green
3	Three reports to Cabinet (and subsequently the Secretary of State) will be forthcoming in autumn 2019, spring and summer 2020		Assistant Chief Executive (in concert with		To follow			Amber

Transformation					
Risk No: 10		Risk Title: Transformation – failing to make sufficient progress in key areas of improvement activity			
	to provide updates on the Council's improvement framework.	CMT leads)			
Updated BY:	Kwabena Osayande (Risk Rep)	Date:	25/10/2019		

Transformation								
Risk No: 18		Risk Title: Evaluation of Alternative Delivery Models						
a) Risk Description: Failure to adequately identify and agree the costs and benefits of alternative delivery models arising from Service Reviews before the decision to proceed is made. Failure to fully implement the decisions taken to change the service model to enable delivery of expected benefits / efficiency gains.								
Risk Owner: Director of Finance			Risk Lead: Director of Finance			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	Significant	Severe	Medium	Medium	Material	Low	Medium	Tolerable
Current Controls Mitigating Inherent Risk: Any alternative delivery model must demonstrate some benefit and better value for the Council. There needs to be the early identification of all costs, benefits, losses/impacts as part of the formulation and evaluation of options in the development of the business case. The financial implications of any change against the existing model need to be evaluated on a case by case basis, seeking specialist advice where necessary to inform recommendations. The evaluation should be proportionate to the value and complexity of the service and the assumptions and level of confidence will need to be					Sources of Assurance on Effectiveness of identified Controls: The Finance Business Partners will provide the necessary skills for the project requirements, as follows: <ul style="list-style-type: none">• All costs and income of the proposed model as compared with existing, together with some sensitivity and risk analysis.• remaining costs to BCC (e.g. fixed overheads, income targets, resource requirements etc.)			

Transformation						
Risk No: 18		Risk Title: Evaluation of Alternative Delivery Models				
made clear in order to avoid over-engineering financial modelling.				<ul style="list-style-type: none"> any costs/benefits to customers/residents who are the recipients of the service <p>These risks/costs need to be presented to and managed by the Commissioning and Contract Management Board (CCMB)/CMT and included in any cabinet reports.</p>		
No.	Actions to Reduce Risk to Target	Owner	Date	Progress		RAG
1	Commissioning expertise	Director of Adult Social Care		Team established in CPS and expertise in some parts of the Council. Council-wide move to Strategic Commissioning will ensure roll-out of knowledge		Amber
2	Risk to be managed on a case by case basis through proper use of the Commissioning Toolkit	Relevant SRO	Ongoing	Through reviews supported by the Finance Business Partners.		Amber
3	Toolkit Working with Finance Business partners on forthcoming commissioning projects CPS will establish templates and guidance for the level of financial detail required to inform decisions. Projects identified are Birmingham City Laboratories, Civic Catering and Cleaning.	Relevant SRO	On going	These services are now within the commercial business hub and will be completing reviews towards the end of 2019 with Business Partner input		Amber
Updated By:		Ayra Sohal, Risk Rep - No further update	Date:	21/8 2019		

Transformation								
Risk No: 44		Risk Title: Allowance Payments						
Risk Description: Unpaid allowance payments								
Risk Owner: Director Human Resources			Risk Lead: Director Human Resources			Risk Type / Category: Financial		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Medium	Medium	Material	Medium	Medium	Material	Low	Low	Tolerable
Current Controls Mitigating Inherent Risk: There is a Governance Board monitoring any potential high risk claims					Sources of Assurance on Effectiveness of Identified Control: All new claims for allowances are being assessed on their merits and defended wherever practical. Use of overtime is being monitored on a monthly basis with strategic Directors taking responsibility for addressing any areas of concern			
No.	Actions to Reduce Risk to Target		Owner	Date	Progress			RAG
1.	As new case law is decided challenges to payments have arisen: Holiday pay sleeping in allowance where case law remains ambiguous so claims on hold Travel time – currently a subject of internal challenge, but may become a matter for Employment Tribunal. Monitored by Governance Group		Director HR	On going				Amber
Updated by:	Director HR		Date:					

Service Delivery								
Risk No: 6	Risk Title: Failure to achieve all of the services required including delivery of significant investment into the Highway network within the first five years of the contract.							
Risk Description: Failure to meet the council’s objectives going forward with the Highway Maintenance and Management PFI contract, these are to: i. Obtain the investment for which we are paying; ii. Retain the capacity and financial support from government; iii. Ensure we manage the contract and only pay for what we receive; and iv. Develop a way forward that will enable us to have confidence in future delivery.								
Risk Owner: Director Inclusive Growth			Risk Lead: PFI Contract Manager			Risk Type / Category: Partnership / Contractual		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
High	Significant	Severe	High	Significant	Severe	Low	Significant	Material
Current Controls Mitigating Inherent Risk: A settlement agreement was signed with Amey, the SPV and project lenders on 29 June 2019 in accordance with Cabinet’s approval of 25 June 2019. Amey LG will be replaced on 1 April 2020 Delivery risks remain but a settlement is the first step in moving forward. We are engaging with potential suppliers to understand market issues for providing services in the short and longer term. A way forward will be presented to Cabinet in autumn 2019					Sources of Assurance on Effectiveness of Identified Controls: The terms of the settlement agreement provide assurance as detailed in the Cabinet decision of 25 June 2019. Advice taken from Legal Services, together with external advice (including counsel where appropriate). External financial advice has also been secured.			
No.	Actions to Reduce Risk to Target		Owner		Progress			RAG
1	Develop and commence delivery of a programme of investment to work towards		Highways Asset	Sept 2019	The settlement provides a minimum of £50m of investment subject to funding being available. This commitment now needs to be turned into an acceptable programme to be			Green

Service Delivery						
Risk No: 6		Risk Title: Failure to achieve all of the services required including delivery of significant investment into the Highway network within the first five years of the contract.				
	completion of the Core Investment Period in an acceptable timescale.	Manager		delivered by the SPV. A small number of Priority Schemes have now been agreed and are being progressed. Further work will be determined by a revised payment model		
2	Continue to progress a delivery solution that ensures the PFI grant is retained.	AD/ PFI Contract Manager	Sept 2019	We are working with Government and the SPV to ensure a delivery solution that enables the PFI grant to continue in the long term, subject to a way forward being agreed.		Green
3	Continue to manage performance under the contract until a way forward is agreed with Amey.	PFI Contract Manager	Sept 2019	Performance continues to be managed in line with the proposed settlement terms. A Cabinet report is being prepared for a meeting on 12 November with a full RR. The risk owner is unable to provide an update at this time but once the cabinet report is completed then he will be in a position to update		Green
Updated By:		PFI Contract Manager, IG Risk Rep	Date:	24/10/19		

Service Delivery								
Risk No: 39		Risk Title: HS2						
Risk Description: Delivery of HS2 following Royal Assent of HS2 Act. BCC role to help facilitate delivery of new railway (including Curzon Station and depot). Maximise benefits for City and minimise / mitigate impact during construction.								
Risk Owner: Director Inclusive Growth			Risk Lead: Development Planning Manager			Risk Type / Category: Reputational		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Significant	Significant	Severe	Medium	Medium	Material	Medium	Medium	Material
Current Controls Mitigating Inherent Risk:				Sources of Assurance on Effectiveness of Identified Controls:				

Service Delivery					
Risk No: 39		Risk Title: HS2			
Risk Description: Delivery of HS2 following Royal Assent of HS2 Act. BCC role to help facilitate delivery of new railway (including Curzon Station and depot). Maximise benefits for City and minimise / mitigate impact during construction.					
Still to be obtained				Still to be obtained	
No.	Actions to Reduce Risk to Target	Owner	Target Date	Progress	RAG
1	<p>HS2 governance established including regular meetings on individual projects (station, depot etc.)</p> <p>Regular meetings with HS2 Ltd including HS2’s planning team regarding programme for Schedule 17 applications and other consents.</p> <p>New burdens on local authority recognised by HS2. Service Level Agreement (SLA) has been completed and signed.</p> <p>Internal meeting established at Directorate level to co-ordinate and support work and address any issues.</p> <p>Joint working with HS2 is ongoing to develop the design of the station,</p>	Development Planning Manager	Curzon Station S17 Autumn 2019 (further applications to follow)	<p>The Council is supporting the response to the Oakervee Review which is being led by the WMCA. A taskforce has been pulled together with representation from all stakeholders, including the Council, to provide a robust evidence base for the benefits of delivering the HS2 scheme in full. The outcome of the review could include different options such as cancelling the scheme, de-scoping and changes to the delivery timetable for each phase. It will conclude in the Autumn at which point the full impact of any changes can be identified.</p> <p>On-going meetings and joint working between BCC and HS2 officers take place on a regular basis to ensure progress on all workstreams within HS2, including highways, development, planning and employment.</p> <p>An internal Board has been established at Directorate level to co-ordinate and support work and address any issues for each workstream.</p> <p>The Schedule 17 planning application for the HS2 Curzon Station is programmed for submission in Autumn this year, subject to the outcome of the Oakervee review (the independent review into the HS2 project which will look into whether and how the HS2 will proceed).</p> <p>An outline business case for the enhancement of the public realm surrounding the Curzon</p>	Amber

Service Delivery					
Risk No: 39		Risk Title: HS2			
Risk Description: Delivery of HS2 following Royal Assent of HS2 Act. BCC role to help facilitate delivery of new railway (including Curzon Station and depot). Maximise benefits for City and minimise / mitigate impact during construction.					
	<p>including the public realm, which will create a world class arrival to the city, whilst also improving connectivity to the wider area that will maximise the economic impact of HS2.</p> <p>Early engagement has taken place with Planning Committee and senior BCC officers regarding the design of the Curzon Station.</p> <p>Funding has been secured through the Enterprise zone to improve the design over and above the base scheme developed through the HS2 Act.</p> <p>Curzon Station design has now been launched publicly and HS2 have held a series of consultation events on the design.</p>			<p>station has been approved by the GBSLEP and is due for consideration by Cabinet in October 2019. The invitation to tender for the station design and build contract will commence in March 2020.</p> <p>A key interface for the project is with the Eastside Metro Extension project that is due to receive its Transport and Works Order Act imminently. A key risk for both projects is the timing and delivery of both schemes and may be affected by the outcome of the Oakervee review. A joint WMCA, HS2 and BCC Board, comprising directors of all organisations, meet on a monthly basis to review progress and risks.</p>	
2	The SLA is now signed to provide the appropriate resources needed to meet the requirements for Schedule 17, Schedule 4 applications etc.	Development Planning Manager	On going submission of timesheets		Amber

Service Delivery						
Risk No: 39		Risk Title: HS2				
Risk Description: Delivery of HS2 following Royal Assent of HS2 Act. BCC role to help facilitate delivery of new railway (including Curzon Station and depot). Maximise benefits for City and minimise / mitigate impact during construction.						
	Pre applications on-going regarding the number of schedule 17 planning applications.					
Updated by:	Development Planning Manager IG Risk Rep.	Date:	24/10/2019			

Service Delivery								
Risk No: 40		Risk Title: Commonwealth Games – Athletes’ Village						
Risk Description: Delivery of the Athletes’ Village dependant on funding & acquisition of land in addition to potential changes to sporting schedules affecting villages capacity to accommodate athletes								
Risk Owner: Director, Inclusive Growth			Risk Lead Change Specialist			Risk Type / Category: Reputational		
Inherent / Gross Risk			Residual / Current Risk			Target Risk		
Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation	Likelihood	Impact	Prioritisation
Medium	Medium	Material	Medium	Medium	Material	Medium	Medium	Material
Current Controls Mitigating Inherent Risk:				Sources of Assurance on Effectiveness of Identified Controls:				
No.	Actions to Reduce Risk to Target		Owner	Target	Progress			RAG

Service Delivery					
			Date		
1	Funding	Change Specialist	November 2019	<p>Tier 1 returns exceeded the target cost due to market conditions, tight timescales, and the level of challenge with building a scheme of this size and complexity. A significant amount of work has been undertaken in terms of introducing competitive tension, value engineering, scheme redesign and commercial review. Wider scheme reconfiguration is also being considered. PSC arrangements are in place with the preferred Tier 1 contractors for plots 6, 7, 8, 9 and 1. This will enable the costs and programme to be fully worked up for each plot.</p> <p>The project continues to work with the Tier 1's to reduce the cost plans received.</p> <p>Risk classified as High/High</p>	Red
2	Land Acquisition -	Change Specialist	March 2020	<p>The CPO Inquiry confirmed in favour of BCC on 11th September 2019. Significant land area was acquired, or under offer or secured through another route before the Order was confirmed.</p> <p>Work is ongoing with land owners and vesting expected to take place during the first quarter of 2020. Residual status of this element of the risk is changed to green and downsized to medium/medium</p>	Green
3	Changes to sporting schedules resulting in increased accommodation requirements -	Change Specialist	June 2020	<p>An announcement on the outcome of the sports review was made in August, this has confirmed the addition of three further sports. There has been no request for additional bed spaces to be made available within the village and so it is understood that there is no impact on the bed space requirements to be delivered by Birmingham to facilitate these additional sports. The provision remains at the previously agreed level of 6500 bed spaces and currently there is no reason to suggest that BCC will not meet its obligation to provide 6500 bed spaces.</p>	Green

Service Delivery

				This element of the risk can be closed.	
Updated BY:	Change Specialist	Date:	22/10/2019		

Removed Risks (previous 5 years):

Ref No.	Risk description	Reason for removal	Date removed
2015/16.08	Insufficient resources (finance & people) to agree / deliver the change programme.	Cabinet approved a report on 20 th April 2015 that set out the Children's Social Care and Early Help Improvement Plan for 2016-2018, including the appropriate financial envelope for the plan.	July 2015
2015/16.25	Supply chain failure by reason of supplier withdrawal, liquidation or contract non-compliance.	Following identification of this risk, processes and procedures were developed and rolled out to key contract managers across the organisation with supply chain risk assessments being completed by suppliers. The supply chain risk assessment process is now captured as an annual activity within the supplier annual reviews and the Council's contract management toolkit.	July 2015
2015/16.26	PSN resubmission.	The Council has successfully retained PSN submission till April 2016.	July 2015
2015/16.27	Financial implications of failing to meet obligations regarding climate change and sustainability - carbon tax cost.	We have made four submissions out of four without issue (and passed an Environment Agency Audit in 2011), giving a 100% success record. The 2014/15 return is progressing normally.	July 2015
2015/16.28	Potential for disruption to council services due to the need to transition to a new Banking Services provider with effect from 1/4/2015.	The banking transfer has been successfully concluded.	July 2015
2015/16.10 a	Resolution of contractual issues in the Highway Maintenance & Management PFI contract.	A commercial settlement signed on 18th December 2015, resolved a number of contractual issues.	March 2016
2015/16.29	Risk of Court deciding against the Council regarding the Homeless Service.	The High Court dismissed the four applications for Judicial Review.	March 2016
21 (old 35)	IT refresh / update.	The desktop refresh is progressing as business as usual, and PSN compliance means that we cannot have unsupported applications running on our network.	July 2016

Ref No.	Risk description	Reason for removal	Date removed
23 (old 59)	Risk of enforcement action and fines of up to £500,000 by the Information Commissioners Office (ICO) for failure to comply with the 40 day timescale for responding to Subject Access Requests (SARs).	There has been considerable improvement in responding to Subject Access Requests. The Information Commissioner's Office is happy with the progress being made and are no longer monitoring the Council.	November 2016
8 (old N/A)	Risk of challenge regarding implementation of the Younger Peoples Re-Provision Programme.	The work stream is now closed, and efficiency and savings targets have been transferred to the Maximising Independence of Adults (MIA) Board.	March 2017
9 (old 57)	Failure to respond fully and effectively to the issues from recent reviews concerning school governance and related matters.	A much improved performance culture and set of arrangements are now in place for the Council's education services.	March 2017
13 (old 28)	Not planning appropriately for the on-going reduction in government grants.	This is an annual risk, but there are processes in place to manage it.	March 2017
24 (old N/A)	That the need to address the updated Pensions Deficit will result in an increase in employer contributions.	This risk crystallised in the setting of the 2017/18+ budget. The information received has been fully taken into account in the update of the Council's medium term financial plan, and in the development of savings proposals.	March 2017
28	Risk that in its early stages of delivery the Sustainability Transformation Plan (STP) will not alleviate the financial position of social care.	The Council budget from April 2017 does not make assumptions regarding this proposal contained in the previous year's budget; and is no longer a major financial risk to the organisation.	July 2017
22	Risk of fines from HMRC for Directorates employing long term consultants.	There are now processes in place for the engagement of off payroll individuals.	November 2017
27	Risk of claims for payback of search fees charged by the Council.	The potential liability is less than £160k, and this risk will be monitored via the directorate risk register.	November 2017
4	Defend and or settle pre 2008 equal pay claims	Equal pay risks have been reworded and updated and included on one risk No1.	March 2018
5	Further equal pay claims	Equal pay risks have been reworded and updated and included on one risk No1.	March 2018

Ref No.	Risk description	Reason for removal	Date removed
14	Insufficient in-house IT expertise within Directorates	Transition of Service Birmingham	March 2018
19	Delivery of Localisation Agenda	Majority of work has now progressed	March 2018
20	Allowance Payments	The bulk of unpaid allowance claims have been successfully managed by Legal Services. All other new claims are being assessed on their merits and defended wherever practical.	March 2018
3	Failure to identify alternative funding stream for school PFI contracts revenue pressures.	Immediate concern over PFI gap has been met. Longer term concerns are being evaluated.	July 2018
11	GDPR	Incorporated into one single risk on information assurance – Risk No.11	November 2018

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to: AUDIT COMMITTEE

Report of: Assistant Director, Audit & Risk Management

Date of Meeting: 16th December 2019

Subject: Birmingham Audit - Half Year Update Report 2019/20

Wards Affected: All

1. PURPOSE OF REPORT

- 1.1 The attached report provides Members with information on outputs and performance measures in relation to the provision of the internal audit service during the first half of 2019/20.

2. RECOMMENDATIONS

- 2.1 Members are asked to note the level of audit work and assurances provided.

3. BACKGROUND

- 3.1 The annual audit plan was approved by the Audit Committee in March. The Audit Committee's role includes reviewing the ongoing effectiveness of internal audit and monitoring delivery of the agreed plan.
- 3.2 The key messages contained within the report are:
- the Internal Audit service has sought to add value to the organisation;
 - 36% of planned jobs have been delivered. We aim to complete 95% by 31st March 2020;
 - 104 final reports have been issued to date. 2 reports were given a high risk rating;
 - 24 social housing properties have been recovered to date; and
 - 5 grant audit certificates issued and expenditure monitored on 3 European Grants.

4. LEGAL AND RESOURCE IMPLICATIONS

- 4.1 The Internal Audit service is undertaken in accordance with the requirements of section 151 of the Local Government Act and the requirements of the Accounts and Audit Regulations 2015. The work is carried out within the approved budget.

5. RISK MANAGEMENT & EQUALITY ANALYSIS ISSUES

- 5.1 Risk Management is an important part of the internal control framework and an assessment of risk is a key factor in the determination of the internal audit plan.
- 5.2 Equality Analysis has been undertaken on all strategies, policies, functions and services used within Birmingham Audit.

6. COMPLIANCE ISSUES

- 6.1 City Council policies, plans and strategies have been complied with.

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Sarah Dunlavey
Assistant Director, Audit & Risk Management

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Birmingham Audit Half Year Report 2019/20

16th December 2019

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1. Background / Annual Opinion
2. Added Value
3. Performance
4. Resources
5. Completion of Internal Audit Plan 2019/20
6. Grant Certification

Appendix A: Reports Issued During the First Half of 2019/20

Appendix B: Summary of Significant Findings

1. Background / Annual Opinion

- 1.1 The 2019/20 audit plan was prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS) and the Accounts and Audit Regulations 2015. It also had due regard for the protocol with the External Auditors and took account of responsibilities under section 151 of the Local Government Act 1972.
- 1.2 The Council continues to go through significant change. The drivers for change being both organisational and financial. During a period of change it is important that any increased business risks are identified and managed in an effective manner. The audit plan is prepared using a risk based methodology and is continually updated throughout the year, this helps to ensure that we concentrate on the most significant areas. The plan is prepared and delivered to provide an independent opinion on the adequacy and effectiveness of the systems of internal control in place (comprising risk management, corporate governance and financial control). In addition to audit reviews, the model used to formulate the end of year opinion, places reliance on assurance provided from other parties and processes. The opinion for 2019/20 will be based on the following sources of assurance:



- 1.3 The 2019/20 audit plan was approved by the Audit Committee at its March 2019 meeting. This report provides a summary of the progress made in delivering the agreed plan.

2. Added Value Services

- 2.1 Although my primary responsibility is to give an annual assurance opinion, I am also aware that for the Internal Audit service to be valued by the organisation it needs to do much more than that. There needs to be a firm focus on assisting the organisation to meet its aims and objectives and on working in an innovative and collaborative way with managers; to help identify new ways of working that will bring about service improvements and deliver efficiencies. Examples of how we have done this during the first half of 2019/20 include:

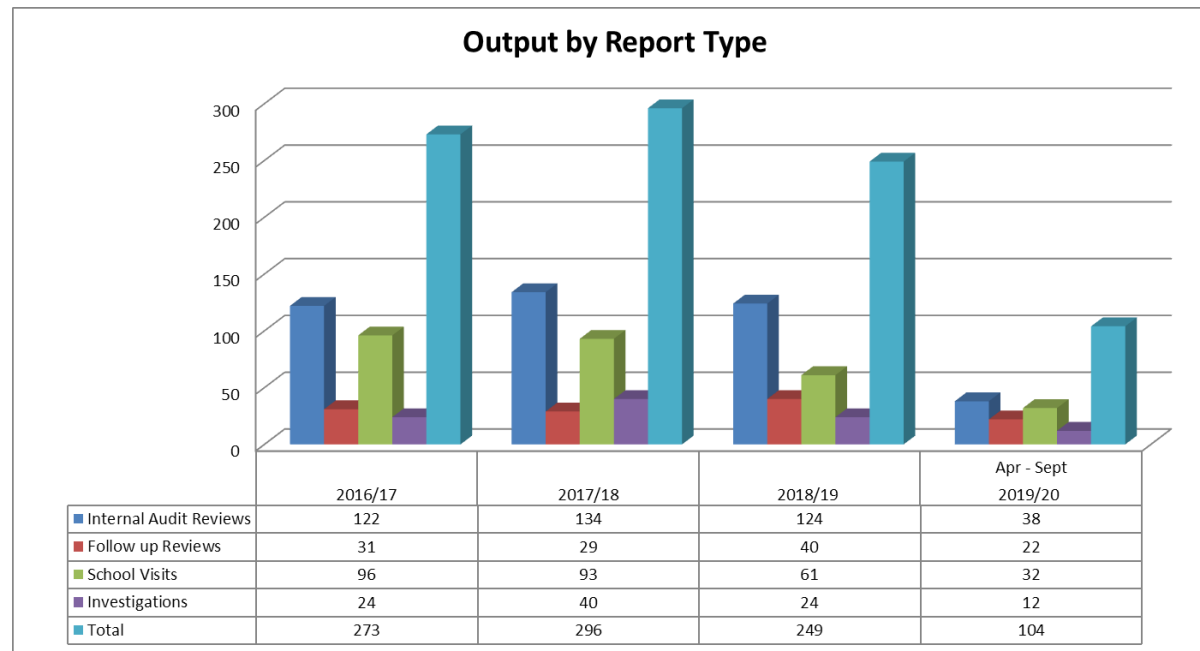
- Ongoing work with the Children's Directorate Finance and Governance Group to develop a more focussed approach to support the challenge of dealing with financial management in schools.
- Continued collaboration with the Quality, Impact & Outcomes Sub Group (of the Birmingham Safeguarding Children Board).
- Partnership working with the Education and Skills Directorate to undertaking a Directorate wide review of safeguarding to establish whether safeguarding is embedded.
- Contributing to the Directorate working party for managing the issues relating to Travel Assist, in particular the improvement of controls and the management of risk.
- Ongoing support and guidance to the Appointee and Court Deputy Service, including assistance in developing a suite of new management information reports to assist managers in the delivery of key functions.
- Providing advice on the transition of the IT services back to the Council, including charging mechanisms, procurement, and the processing of BACS files.
- Inputting into the development of the Cyber Security Strategy to ensure the required improvements highlighted by the Local Government Association assessment of cyber security at the council are implemented, by using the National Cyber Security Centre guidance.
- Development of proactive antifraud tests that run on a daily basis, these tests compare:
 - new housing applications against Revenue records;
 - new revenue records (SPD) against the housing register;
 - new Council employees to outstanding Council Tax debts; and
 - new Council Tax debts against payroll.

- Provision of fraud awareness training and promotion of the Council's Anti-Fraud and Corruption Policy and Response Plan. We have also worked closely with the Council's Press Office and local news reporters to run a publicity campaign to heighten fraud awareness amongst the public and reinforcing the message of 'zero tolerance' through prevention, detection and deterrence.

3. Performance

3.1 Outputs

3.1.1 During the first half of 2019/20 we issued 104 final reports. A comparison to 2017/18 and 2018/19 (full years) is given in the chart below:

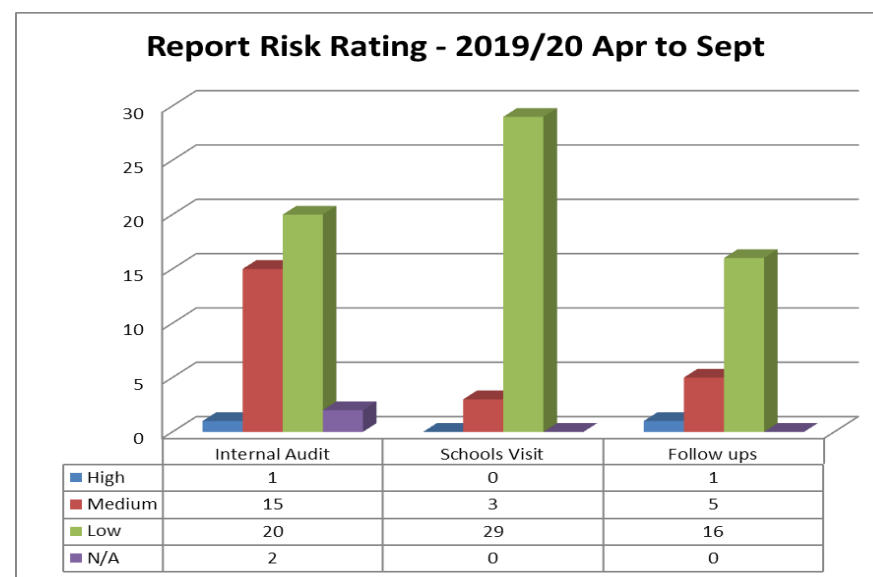
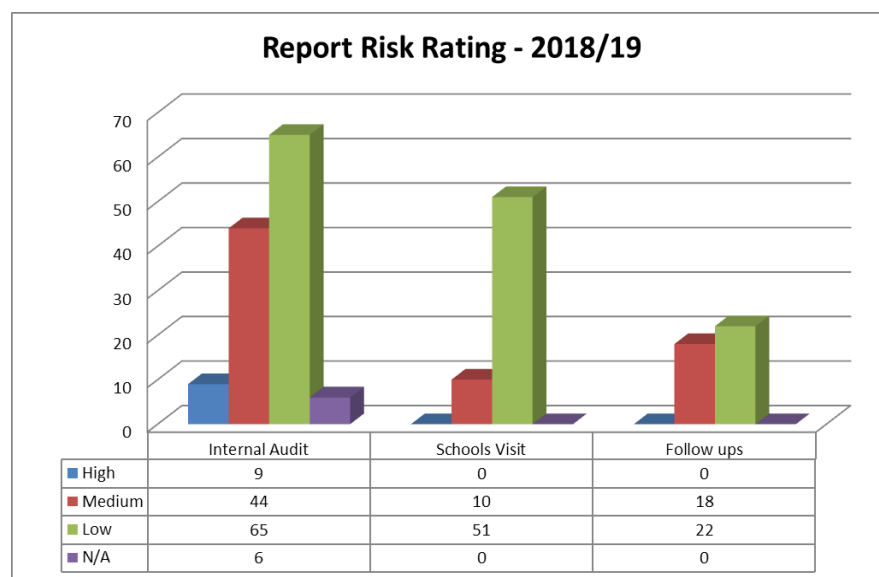


3.1.2 In accordance with the procedure for sharing Internal Audit reports, all Audit Committee Members are provided with a list of final audit reports issued each month, together with details of risk and assurance ratings. Members are able to request copies of reports and receive further information. A full list of the reports issued during the first half year, including details of how the reviews link to the Council's priority outcomes, core objective of good governance, the Corporate Risk Register, financial and business controls assurances is detailed in Appendix A.

3.1.3 Audit, school visit and follow up reports are generally given a risk rating to assist in the identification of the level of corporate significance. The key to the ratings given is:

1. Low - Non material issues.
2. Medium - High importance to the business area the report relates to, requiring prompt management attention. Not of corporate significance.
3. High - Matters which in our view are of high corporate importance, high financial materiality, significant reputational risk, likelihood of generating adverse media attention or of potential of interest to Members etc.

3.1.4 From the 92 reports (38 Internal Audit, 32 School Visits and 22 Follow up reviews) issued, 2 were given a high risk rating, 23 had a medium rating, 54 had a low rating, and 2 (relating to advice and guidance) were not assigned a rating. An analysis of the report risk ratings, together with a comparison to 2018/19 is given in the charts below. A summary of the significant findings from our work is detailed in Appendix B.



- 7 -

3.1.5 In addition to a risk rating, audit and school reports are given an opinion rating on the effectiveness of the control environment. The audit opinion ratings are:

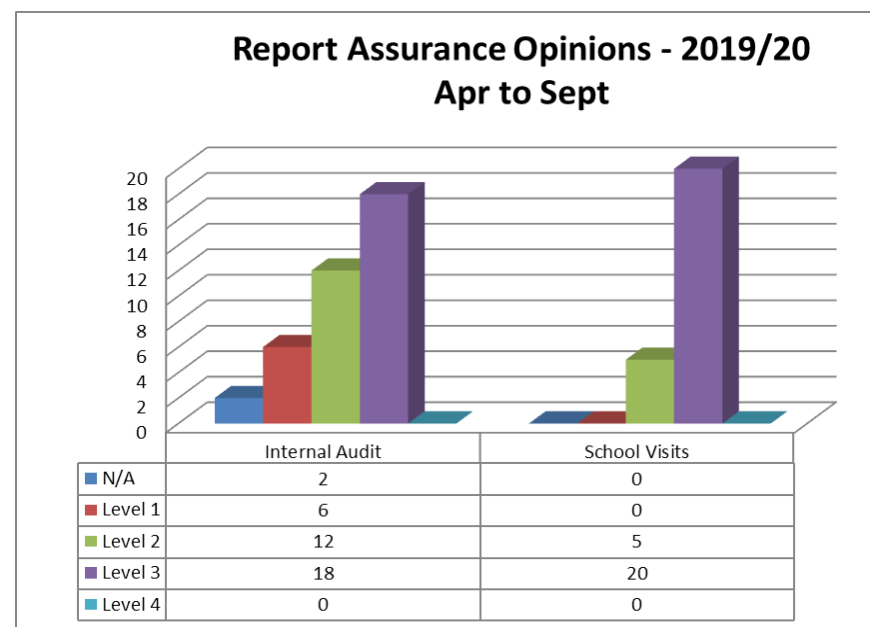
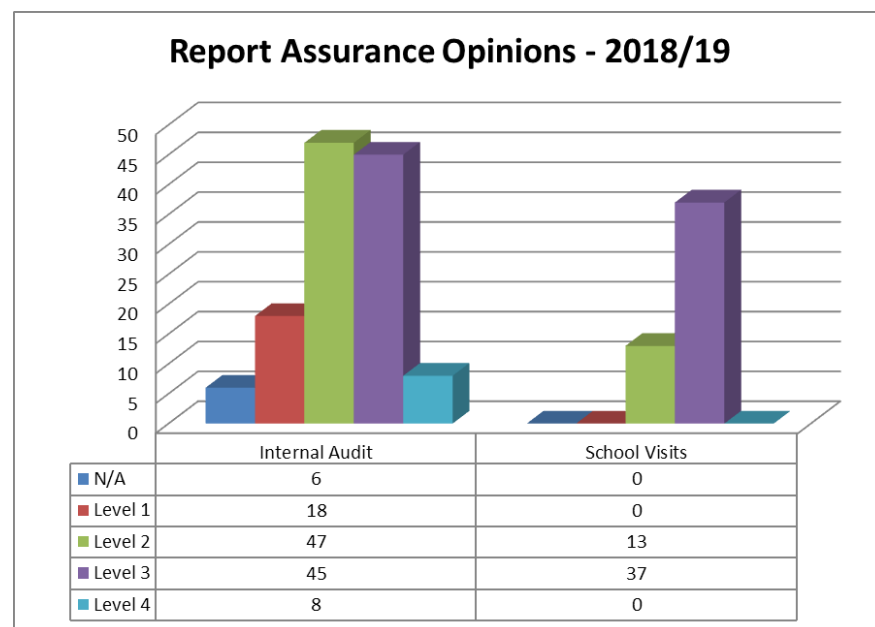
Level 1 - Controls evaluated are adequate, appropriate and are operating effectively to ensure that risks are being managed and objectives achieved.

Level 2 - Specific control weaknesses were noted. However, generally the controls evaluated are adequate, appropriate and effective to ensure that risks are being managed and objectives achieved.

Level 3 - Specific control weaknesses of a significant nature were noted, or the number of minor weaknesses noted was considerable. The ability to manage the relevant risks and achieve objectives is compromised.

Level 4 - Controls evaluated are not adequate, appropriate or effective. Risks are not being managed and it is unlikely that objectives will be met.

3.1.6 An analysis of the opinion ratings (excluding follow ups), together with a comparison with 2018/19 is given in the charts below. To date 60% of reports issued (including schools) this year have contained a negative assurance (Level 3 or 4) this compares to 52% for the whole of last year.



3.2 Plan Completion

3.2.1 As at 30th September 2019 we had completed 36% of planned jobs which is slightly below the target of 40%. We are aiming to complete 95% of the plan by 31st March 2020.

3.3 Corporate Fraud Team

3.3.1 The Corporate Fraud Team (CFT) is responsible for the investigation of financial irregularities perpetrated against the Council, whether this is by employees, contractors or other third parties. The Team identify how fraud, or other irregularity, has been committed and make recommendations to management to address any issues of misconduct, as well as reporting on any weaknesses in controls to reduce the chance of recurrence in the future.

3.3.2 The table below summarises the reactive investigations activity of the Team (excluding Application Fraud) for the year to date:

	2017/18	2018/19	2019/20 (Apr – Sept)
Number of outstanding investigations at the beginning of the year	10	28	14
Number of fraud referrals received during the year	115	109	55
Number of cases concluded during the year	97	123	42
Number of investigations outstanding	28	14	27

3.3.3 All referrals are risk assessed to ensure that our limited resource is focused on the areas of greatest risk. We work in conjunction with managers to ensure that any referrals that are not formally investigated by us are appropriately actioned.

- 3.3.4 Within the CFT there is a sub-team specifically established to tackle ‘application based’ fraud, primarily related to Social Housing and Council Tax. Their results are summarised in the table below:

	2017/18	2018/19	2019/20 (Apr – Sept 18)
Properties Recovered	87	64	24
Applications Cancelled	152	212	501
Housing Benefit Overpayment	£826,748	£858,202	£229,072
Council Tax Change	£1,077,096	£559,534	£242,943

(Note: 2017/18 increase in Council Tax due to a proactive exercise on exemptions)

4. Resources

- 4.1 Resources have remained unchanged, however 112 days has been lost from the schools audit plan due to an ongoing vacancy. A business case to appoint to this vacancy has been submitted.
- 4.3 We are continually reviewing our working practices, methodologies and structure to ensure they remain appropriate and support the organisation. We are committed to supporting the improvement of the Council and Finance Function. We have invested 85 days in the Council’s culture change Programme – ‘Owning and Driving Performance’ to help in driving the audit service forward.

5. Completion of the Internal Audit Plan 2019/20

- 5.1 The approved 2019/20 plan contains 4,691 productive days. The table below details completion as at 30th September 2019 and provides a comparison to 2018/19.

	2018/19				2019/20			
	Planned Days	%	Actuals	%	Planned Days	%	Half Year Actuals (Apr – Sept 19)	% (Apr – Sept 19)
Number of audit days in approved plan @ 1st April.	4681	100%	4527	100%	4691	100%	1996	100%
Main financial systems	730	16%	663	15%	725	15%	313	16%
Business controls assurance	1830	39%	1724	38%	1770	38%	711	36%
Investigations	830	18%	904	20%	830	18%	420	21%
Schools (Non Visits)	105	2%	110	2%	60	1%	55	3%
Schools (Visits)	720	15%	639	14%	720	15%	243	12%
Follow up work	150	3%	141	3%	175	4%	29	1%
Ad-hoc work	186	4%	203	5%	286	6%	142	7%
Planning & reporting	120	3%	143	3%	120	3%	83	4%
City initiatives	10	0%	0	0%	5	0%	0	0%

6. Grant Certification

- 6.1 In addition to controls assurance reviews I am required to provide audit certificates, verifying the expenditure incurred, for a number of grant that have been awarded to the Council.

Grant Certificates Issued
Troubled Families
Growth Hub
NTS Regional Investigations Team
Local Transport Capital Grant
Collaborative Fund Grant: Teaching School Core Grant Funding

- 6.2 I have also been formally appointed as the First Level Controller for a number of European Grants. The First Level Controller is a formally appointed independent role that is required to provide a guarantee that the expenditure incurred under the programme is eligible and correctly accounted for.

European Grants – First Level Controller
Pure COSMOS – Public Authorities enhancing competitiveness of SMEs
Urban M – Stimulating Innovation through Collaborative Maker Spaces
TRIS – Transition Regions towards Industrial Symbiosis

Reports Issued During the First Half of 2019/20

Audit Reviews (38 Reports):

Key to linkages to the Council's priority outcomes, core objective of good governance, Corporate Risk Register, Financial Assurance and Business Control Assurance:

Outcomes

1. Birmingham is an entrepreneurial city to learn, work and invest in.
2. Birmingham is an aspirational city to grow up in.
3. Birmingham is a fulfilling city to age well in.
4. Birmingham is a great city to live in.
5. Birmingham residents gain the maximum benefit from hosting the Commonwealth Games.
6. Birmingham is a city that takes a leading role in tackling climate change.

Assurance Type

7. Good Governance.
8. Corporate Risk Register.
9. Financial Assurance.
10. Business Control Assurance.

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10
Placement, Supported Living	High	Level 3				✓	✓					✓	✓
Carers Strategy	Medium	Level 3				✓	✓					✓	✓
Ladywood Regeneration - Competitive Dialogue - Post Advert	Medium	Level 3		✓	✓					✓			✓
Information Governance - Use of live data	Medium	Level 3		✓						✓			✓
The Birmingham and Solihull Youth Promise Plus Funding Programme Management Arrangements	Medium	Level 3				✓				✓		✓	
InReach	Medium	Level 3					✓						✓
Equalities and Cohesion	Medium	Level 3			✓	✓	✓						✓

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10
Joint Strategic Needs Assessment	Medium	Level 3			✓	✓	✓						✓
Prevention Agenda	Medium	Level 3			✓	✓	✓						✓
Direct Payments Annual reviews	Medium	Level 3			✓	✓						✓	✓
IT Project Governance	Medium	Level 3		✓						✓			✓
Adult Social Care Joint NHS Funding	Medium	Level 3				✓						✓	
Impulse and CACI Hub	Medium	Level 3			✓								✓
Review of Civic Catering	Medium	Level 3		✓								✓	✓
Housing Repairs Contract Management	Medium	Level 2					✓			✓			✓
IT Governance	Medium	Level 2		✓						✓			
Risk Management Arrangements	Low	Level 3		✓							✓		
Control Accounts	Low	Level 3		✓								✓	
WMS - Fleet Services Vehicle Maintenance Recharges	Low	Level 3		✓			✓					✓	✓
Agency - Contract Management and Compliance	Low	Level 3		✓						✓			✓
Integrated 3rd Sector Funding	Low	Level 2		✓								✓	

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10
SAP Review	Low	Level 2		✓	✓	✓	✓					✓	
Payroll - Wage Types Use of Delimited	Low	Level 2		✓								✓	
West Midlands Job Portal	Low	Level 2					✓						✓
Accounts Receivable - Invoice and Receipt of monies	Low	Level 2		✓								✓	
Commissioning, Supported Living	Low	Level 2				✓	✓					✓	✓
ICTD Strategy	Low	Level 2		✓						✓			
Schools - Surplus Balances	Low	Level 2			✓							✓	✓
Northgate Housing	Low	Level 2				✓	✓						✓
Car Parking - Civil Enforcement	Low	Level 2		✓									✓
Accounts Receivable - Creation of Business Partners	Low	Level 1		✓								✓	
NNDR - Retail Reliefs	Low	Level 1		✓								✓	
Accounts Payable - Payments Above £75k	Low	Level 1		✓								✓	
Verify Earnings & Pensions (VEP) Service	Low	Level 1				✓	✓					✓	
Payroll Monthly Reconciliation Report	Low	Level 1		✓								✓	

Title	Council Risk Rating	Assurance	RAG	1	2	3	4	5	6	7	8	9	10
Council Tax - Citizen Access Exception Reports	Low	Level 1				✓	✓					✓	
Multi Agency Engagement with the ICPC	N/A	N/A		✓									✓
Improving Financial Management in Schools - First Progress Review	N/A	N/A			✓							✓	

Follow up Reviews (22 Reports):

Title	Risk Rating Council	RAG
Neighbourhoods Directorate Budget Management & Monitoring - Follow Up	High	
Non-HRA Property Transactions Follow Up	Medium	
Safeguarding - Adults	Medium	
Housing Allocations Follow-up	Medium	
Information Governance - Data Quality Follow-up	Medium	
IT Emerging Issues IT Governance Housing Repairs Follow-up	Medium	
Third Party Governance - Information Security Follow-up	Low	
IT Infrastructure Mobile Phones Follow-up	Low	
Egress - Secure Email Follow-up	Low	
Web Services Follow-up	Low	

Title	Risk Rating Council	RAG
Corporate Payroll - Allowances Follow-up	Low	
Information Governance - Tenant Management Organisations Follow-up	Low	
Council Tax Student Discounts	Low	
Wireless Network	Low	
IT Emerging Issues Fake E Mail Invoice Scam	Low	
Information Governance - Environmental Health	Low	
IT Emerging Issues Neighbourhoods Birmingham Wellbeing	Low	
IT Asset and Configuration Management Follow Up	Low	
IT Infrastructure DMZ Follow Up	Low	
Information Governance - Local Government Transparency Code Follow Up	Low	
Rent Collection & Charges - Arrears Recovery	Low	
Housing Rents - Former Tenancy Arrears	Low	

Investigations (12 Reports)

School Visits (32 Reports including 7 school follow ups reports)

Summary of Significant Findings

Red High Risk Reports

During the first half of 2019/20 we issued 2 red reports, where we identified a 'high' risk rating for the Council. Brief details of the issues highlighted in these reports are detailed below:

Placement, Supported Living

Council Risk Rating: High Assurance: Level 3

RAG:



Supported Living is provided to help service users to live independently and safely as an alternative to living in residential accommodation. At the request of the Adults Social Care Directorate a review of the supported living pathway for Birmingham residents was completed.

At the time of our work we raised concerns that impact on the directorate's ability to deliver the required outcomes, including maximising independence, providing a value for money service and the achievement of financial savings. These include:

- many of the supported living packages not being reviewed for a number of years. Although our testing did show that reviews are now being completed we were concerned that, from the evidence available, not all key areas were being reviewed i.e. confirming the provider had signed the new contract, reviewing the cost of the care package, and the circumstances of other residents.
- Although the new contract framework and Care Match system (introduced in September 2018) are intended to improve the quality of service delivery and provide improved value for money, there is a risk that these outcomes may not be delivered due to the consequences of direct allocation/commissioning, reviews not being completed effectively, and funding/budget arrangements.
- Strategic and operational management information is not available to monitor supported living cases.

Our recommendations were accepted and a project group established to ensure good practise is shared and enforced where appropriate between teams

Neighbourhoods Directorate Budget Management & Monitoring - Follow up

Council Risk Rating: High Follow up

RAG:



Our follow up review of budget management and monitoring processes identified that the Neighbourhoods Directorate were still encountering significant financial pressures. Both Neighbourhoods and Finance Officers have sought to increase the focus on meeting budgetary targets, to ensure predictive year to date forecasts are as accurate as possible and reflect all known pressures.

School Visits

We have continued to work with directorate and school colleagues to ensure we deliver robust and added value audits that respond to the financial challenges faced by schools and support the measures implemented by the Council to monitor the position. Our visits show that school Governors and senior management are generally striving to lead schools effectively in very challenging circumstances. However, the need to respond to financial pressures and ensure effective financial planning remains. There are a high proportion of schools that are relying on carry forward surpluses to balance their budgets or are predicting deficits in future years. This poses a significant threat for both the individual schools and the Council. Governors and senior school leadership need to be proactive in establishing and agreeing plans to address predicted shortfalls.

Our visits have identified areas of governance and financial management that require development. This includes:

- financial reporting to governors;
- management of pecuniary interest declarations and associated information on the schools website;
- recording and reporting of gifts and hospitality;
- compliance with ordering and receipting of goods procedures; and
- the Statement of Internal Control.

Schools have continued to demonstrate that they are well aware of their responsibilities in relation to safeguarding children and take that responsibility seriously. However, there remains the need for improvement in respect of monitoring IT and internet use, and undertaking due diligence prior to lettings; to ensure users meet both safeguarding and the 'No Platform for Extremism Policy' requirements. In addition, we identified a need for the timely referral and evidencing of pupils who leave the school in-year and their destination is unknown or when parents have chosen to home educate.

Our follow up process has recently been revised. From September 2019, any schools provided with a Level 3 assurance / high risk rating will be visited at three monthly intervals to assess progress in implementing the agreed actions. If sufficient progress has not been made after nine months the School Finance Governance Board will be notified and a financial warning notice considered.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	AUDIT COMMITTEE
Report of:	Interim Chief Finance Officer
Date of Decision:	16 December 2019
Subject:	ANNUAL AUDIT LETTER
Wards affected: All	
1	Purpose
1.1	Each year, the Council's external auditor, Grant Thornton UK LLP (Grant Thornton), is required to produce an Annual Audit Letter. This letter will be circulated to all members of the Council following this meeting.
1.2	Members are asked to consider the Annual Audit Letter and note the conclusions of the external auditor
2	Decisions recommended:
2.1	To receive and consider the Annual Audit Letter, attached as appendix 1 to this report.

Contact Officer: Rebecca Hellard
Telephone No: 0121 303 2950
E-mail address: rebecca.hellard@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The coverage of the Annual Audit Letter and actions highlighted in this report are consistent with the policy framework and budget. The preparation and approval of the Annual Audit Letter are statutory requirements.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
The work of the external auditors is governed by the Code of Practice issued by the National Audit Office in accordance with the Local Audit and Accountability Act 2014. The Code identifies the Annual Audit Letter as one of the means by which the auditor will discharge its responsibilities. The Annual Audit Letter is concerned with the Council's management of all of its resources.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
These are set out in the Annual Audit Letter, which emphasises areas where the external auditor feels significant risks to the Council exist.

4 Relevant background/chronology of key events:

- 4.1 The Annual Audit Letter is the statutory report by the Council's external auditor, Grant Thornton, of its activities for the year. The Annual Audit Letter covers the external audit of the Council's financial affairs, the Council's financial standing, value for money and overall performance. A copy of the Annual Audit Letter to Members is attached as appendix 1 to this report.
- 4.2 In previous years, the external auditor has concluded in their value for money assessments, that the Council has weaknesses in a number of areas. The external auditor has recognised the significant improvements made by the Council over the last year and has concluded that value for money risks have been generally mitigated. The risks that the external auditor identified in their Annual Audit Letter for 2018 that were considered as being sufficiently mitigated up to 31 March 2019 relate to:
- Budget Delivery and Reserves management
 - Commonwealth Games
 - Services for Vulnerable children
 - Management of Schools

- 4.3 It was concluded that the risk identified for 2018/19 regarding the Highways Maintenance and Management PFI contract has been mitigated for the year ending 31 March 2019. This is on the basis of the Council's management of the contract and through securing the settlement between Amey LG Ltd and Amey Birmingham Highways Limited.
- 4.4 The external auditor identified one area, which related to Governance and the Waste Service, where it was concluded that the value for money risk had not been sufficiently mitigated. An independent review was originally due to report in September 2019 but the Council intends to wait for the final publication of this report before making decisions on the future operation model for waste. The external auditor determined that they did not yet have sufficient information to conclude that the risk had been sufficiently mitigated.

Signature:

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Rebecca Hellard – Interim Chief Finance Officer

Appendix 1, The Annual Audit Letter for Birmingham City Council – Year ended 31 March 2019

The Annual Audit Letter for Birmingham City Council

Year ended 31 March 2019

October 2019



Contents



**Your key Grant Thornton
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Appendices

- A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Birmingham City Council (the Council) and the group for the year ended 31 March 2019.

This Letter is intended to provide a commentary on the results of our work to the Council and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 24 September 2019.

Our work

Materiality	We determined materiality for the audit of the group's financial statements to be £44,460,000 (£44,360,000 for the Council), which is 1.5% of the group's (and Council's) gross revenue expenditure.
Financial Statements opinion	<p>We gave an unqualified opinion on the group's financial statements on 26 September 2019.</p> <p>We included an emphasis of matter paragraph in our report on the Council's completeness of equal pay contingent liability which explains that whilst the provision reflects the forecast impact of claims made to date, there remain a number of uncertainties regarding any additional liabilities that the Council may face. There are uncertainties surrounding the volume and timing of any future claims and the determination of any settlements. Our opinion is not modified in respect of this matter.</p>
Whole of Government Accounts (WGA)	We completed work on the Council's consolidation return following guidance issued by the NAO.
Use of statutory powers	We issued our Statutory Recommendations under section 24 of the Local Audit and Accountability Act 2014 in July 2018 and March 2019.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council and group's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council and group's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Executive Summary

Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources except for Governance and the Waste Service. We therefore qualified our value for money conclusion in our audit report to the Council on 26 September 2019.
Certification of Grants	We also carry out work to certify the Council's Housing Benefit subsidy claim on behalf of the Department for Work and Pensions. Our work on this claim is not yet complete and will be finalised by 30 November 2019. We will report the results of this work to the Audit Committee in our Annual Certification Letter.
Certificate	We certified that we have completed the audit of the financial statements of Birmingham City Council in accordance with the requirements of the Code of Audit Practice on 8 October 2019.

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the Council's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the group financial statements to be £44,460,000, which is 1.5% of the group's gross revenue expenditure. We determined materiality for the audit of the Council's financial statements to be £44,360,000, which is 1.5% of the Council's gross revenue expenditure. We used this benchmark as, in our view, users of the group and Council's financial statements are most interested in where the group and Council has spent its revenue in the year.

We also identified senior officers remuneration as a sensitive item and set a lower materiality of £100,000 for testing these items based on the fact that we consider the disclosures to be sensitive and of specific interest to the reader of the financial statements.

We set a lower threshold of £2,200,000, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the financial statements and the narrative report and annual governance statement published alongside the financial statements to check it is consistent with our understanding of the Council and with the financial statements included in the Annual Report on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. The Council faces external scrutiny of its spending, and it could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit procedures we have:</p> <ul style="list-style-type: none"> evaluated the design effectiveness of management controls over journals; analysed the journals listing and determined the criteria for selecting high risk unusual journals; tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; gained an understanding of the accounting estimates and critical judgements applied made by management and consider their reasonableness with regard to corroborative evidence; evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions; and reviewed and tested consolidation adjustments and intra-group elimination entries. 	<p>Our audit work to date has not identified any issues in respect of management override of controls.</p>
<p>Valuation of equal pay liability</p> <p>Under ISA540 (Auditing Accounting Estimates, including Fair Value Accounting Estimates and Related Disclosures), the auditor is required to make a judgement as to whether any accounting estimate with a high degree of estimation uncertainty gives rise to a significant risk.</p> <p>We identified the valuation of the equal pay provision as a risk requiring special audit consideration.</p>	<p>As part of our audit procedures we have:</p> <ul style="list-style-type: none"> updated our understanding of the process and controls put in place by management and evaluated the design of the associated controls in place to estimate the equal pay provision; evaluated the assumptions on which the equal pay provision estimate was based; assessed the events or conditions that could have changed the basis of estimation; reperformed the calculation of the estimate on a sampling basis; undertaken procedures to assess whether the estimate has been determined and recognised in accordance with accounting standards; determined how management assessed the estimation uncertainty; and evaluated the impact of any subsequent transactions or events. 	<p>We are satisfied that the financial statements are not materially misstated in respect of the valuation of the equal pay liability.</p>

Audit of the Financial Statements

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of property, plant and equipment (specifically council dwellings, other land and buildings, and surplus assets)</p> <p>The Council revalues its land and buildings on a rolling five-yearly basis as well as undertaking a review of assets not valued in year and any movement until the year end. This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£4.8 billion in 17/18) and the sensitivity of this estimate to changes in key assumptions. Additionally, management will need to ensure the carrying value in the Council and group financial statements is not materially different from the current value or the fair value (for surplus assets) at the financial statements date, where a rolling programme is used</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p> <p>It should be noted that enhanced auditor scrutiny over the valuations of property, plant and equipment has been undertaken nationally based on recommendations from the Financial Reporting Council and all Local Government Authorities have been subject to these enhanced audit procedures.</p>	<p>Auditor commentary</p> <p>Upon receipt of the draft accounts we identified this risk relates to the council only.</p> <p>As part of our audit procedures we have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation expert and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuation was carried out; challenged the information and assumptions used by the valuer and assessed completeness and consistency with our understanding; tested revaluations made during the year to see if they had been input correctly into the Council's asset register; evaluated the assumptions made by management for those assets not revalued during the year and those valued at 1 April 2018, and how management satisfied themselves that these were not materially different to current value at year end; evaluated the beacons used for the HRA valuation in order to ensure that the classes used are still appropriate and reflected the Council's housing stock as well as challenging the basis of valuation of such beacons; used Gerald Eve as our auditor's expert to determine our valuation expectations and also engaged Wilkes Head and Eve LLP to complete an independent commentary on the valuations of both HRA and non HRA assets. 	<p>From our initial audit procedures on the valuation of PPE we had some concerns over the valuation process as a whole, including the robustness and consistency of valuation movements. We therefore engaged an auditor's expert to provide us with additional assurance over the valuation.</p> <p>The outcome of this external expert review is that the overall methods and assumptions used in the valuation of PPE (specifically council dwellings, other land and buildings, and surplus assets) are appropriate and reasonable, and that the valuation movements are in line with market trends in Birmingham over the 2018/19 financial year.</p> <p>In addition, we have identified a number of issues as part of our work on the valuation of property, plant and equipment which are set out below and on the following page.</p> <p>Council Dwellings</p> <p>We identified a £51.0m credit to the CIES relating to depreciation incorrectly reversed through the CIES on revaluation. We identified a similar error in 2017/18. This had no impact on net book value and has been amended for within the financial statements.</p>

Audit of the Financial Statements

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of property, plant and equipment (specifically council dwellings, other land and buildings, and surplus assets)</p>		<p>Other Land and Buildings</p> <p>We identified two errors from our testing:</p> <ul style="list-style-type: none"> • An understatement of £27.3m in the revaluation of secondary schools due to the incorrect primary school Modern Equivalent Asset (MEA) basis being applied. • An understatement of £26.7m in building assets valued on a Depreciated Replacement Cost (DRC) basis. This is due to the historic process of capitalising expenditure which did not impact upon the current value of the asset, and including depreciation within the assets revaluation when uplifted by Building Cost Information Service (BCIS) indices. <p>Both of these have been amended for within the financial statements.</p> <p>Surplus assets</p> <p>We identified an overstatement of £93.5m in the revaluation of surplus assets due to a valuation processing error where the valuation was applied to an incorrect asset. Whilst significant, this error makes up 1.6% of the total properly, plant and equipment asset base for the Council.</p> <p>This has been amended for within the financial statements.</p> <p>Conclusion</p> <p>Apart from the points noted above, our audit work has not identified any further issues in respect of valuation of property, plant and equipment (specifically council dwellings, other land and buildings and surplus assets). None of the adjustments above impact on the Council's General Fund Balances,</p>

Audit of the Financial Statements

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of pension fund net liability The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimate in the financial statements and group accounts.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved (£2.6 billion in the Council's balance sheet in 2017/18) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuation of the Council's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement, and a key audit matter.</p> <p>It should be noted that enhanced auditor scrutiny over the valuations of pension fund net liabilities has been undertaken nationally on recommendations from the Financial Reporting Council and all Local Government Authorities have been subject to these enhanced audit procedures.</p>	<p>As part of our audit procedures we have:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work, and assessed the competence, capabilities and objectivity of this management actuary; • assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability; • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; • undertaken procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; • requested assurances from the auditor of the West Midlands Local Government Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data, benefits data and fund assets data sent to the actuary by the pension fund; and the assets held by the pension fund at 31 March 2019; • performed analytical procedures on movements in pension assets and liabilities during the year. 	<p>We identified a number of risks as part of our work on the valuation of pension fund net liability:</p> <ul style="list-style-type: none"> • McCloud judgement – the Council has proactively responded to this emerging national issue by obtaining a revised IAS 19 valuation from its actuary. The accounts have been amended to reflect an increase of £48.6m in the net pension liability with a related impact on the CIES. • Guaranteed Minimum Pension (GMP) – we have considered the actuary's approach to inclusion of GMP liabilities in the Council's net pension liability and have identified that the Council's pension liability may be overstated by approximately 0.15%, or £10m. . We are satisfied that this does not indicate a risk of material misstatement within the estimate. • Use of estimated data – we identified a difference of £9.1m between the actuary's estimate of annual pensionable pay used to calculate the service cost for the year, and the actual pensionable pay for the Council for 2018/19. We are satisfied that given the nature of the estimate, this is reasonable and the discrepancy does not indicate a risk of material misstatement. • Birmingham Children's Trust settlement – we identified a discrepancy of £6.1m between the value of liabilities transferred out of the Council's pension liability and that transferred into the Children's Trust pension liability. We are satisfied that these issues do not indicate a risk of material misstatement within the estimate. <p>Conclusion</p> <p>We are satisfied that the amended accounts reflect a reasonable estimate of the Council's pension liability including the impact of the McCloud judgement, and that the remaining issues identified do not indicate a risk of material misstatement of the estimate. We have set out further details of our review of the actuary's estimation process on pages 20 to 21. Amendments have not been made to the group accounts for the impact of McCloud on the pension liabilities of subsidiaries, as the changes are not considered to be material.</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the Council's financial statements on 26 September 2019.

Preparation of the financial statements

The Council presented us with draft financial statements in accordance with the national deadline, and provided a good set of working papers to support them.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the Council's Audit Committee on 24 September 2019.

In addition to the key audit risks reported above, we identified a number of recommendations throughout our audit that we have asked the Council's management to address for the next financial year.

Annual Governance Statement and Narrative Report

We are required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website within the Statement of Accounts in line with the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work on the Council's Data Collection Tool in line with instructions provided by the NAO. We issued an assurance statement which did not identify any issues for the group auditor to consider on 8 October 2019.

Other statutory powers

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

We issued our Statutory Recommendations under section 24 of the Local Audit and Accountability Act 2014 in July 2018 and March 2019.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Birmingham City Council in accordance with the requirements of the Code of Audit Practice on 8 October 2019.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in November 2017 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

Overall Value for Money conclusion

We are satisfied that, in all significant respects, except for the matter we identified overleaf, the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2019.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Finance</p> <p>The Council's Business Plan 2018+ identified continuing savings pressures, with a requirement of £117.0 million of savings to be delivered by the end of 2021/22.</p> <p>The key risk is that the proposed 2018/19 savings schemes have not delivered the required recurrent savings, or are taking longer to implement than planned. In addition, the Council's financial plan for 2019/20 to 2022/23 needs to incorporate realistic and detailed savings plans. This needs to take account of key budget and service risks, whilst maintaining an adequate level of reserves to mitigate the impact of budget risks including the HMMPFI contract (see risk 3), Commonwealth Games (see risk 4), Equal Pay, Paradise Circus and Acivico Limited.</p> <p>We considered the Council's latest financial reports, including savings plans trackers, to establish how the Council is identifying, managing and monitoring these risks. This will involve considering the adequacy of reserves and their prudent use as well as the transparency of financial reporting.</p>	<p>BCC set its net revenue budget of £855.2m on 27 February 2018. Included within this budget was an assumed use of £30.5m of reserves to support budgetary pressures and a savings programme totalling £52.9m in 2018/19. Savings not fully achieved from previous years amounted to £15.7m totalling a planned savings target of £68.6m to be met in 2018/19.</p> <p>The GF revenue outturn position for 2018/19 showed an underspend of £5.9m comprising of a £14.6m underspend on base budget, £10.1m of savings not delivered in 18/19 and an accelerated achievement of part of the efficiency target of £5.7m.</p> <p>In 2018/19, £28.6m net use of total reserves was planned. However, at year end, there was an overall net contribution of £48.7m to reserves, resulting in an overall net increase to planned reserves of £77.3m. This increase related mainly to contract payments withheld in respect of a contract dispute which will be released in future years to undertake the work which has not yet been carried out.</p> <p>The month 3 Corporate Revenue Budget Monitoring report position up to the end of June 2019 identified the forecast outturn position to be an overspend of £17.440m. This indicates a slight improvement from the month 2 position and the Council is actively pursuing mitigations to resolve this overspend position. The 2019/20 approved savings target of £58.276m has 5.55% which is considered undeliverable and 11.58% which is at risk of non-delivery. Directorates have been requested to identify recovery plans to address these shortfalls and these proposals will be brought to Cabinet where necessary.</p> <p>The Council has also implemented a new reserves policy in the 'Financial Plan 2019-2023' for 2019/20 onwards which explicitly states that reserves can only be used on a one-off basis and that reserves are not to be used to avoid the necessity to achieve or the failure to deliver ongoing savings. All anticipated use of reserves should be understood and recognised as part of the budget setting process and agreed when Council approve the budget. In addition, any use of, or contribution to, reserves after the budget has been set should be approved by Cabinet or the section 151 officer.</p>	<p>Whilst we would emphasise that the Council did not achieve £10.1m of planned savings in 2018/19, we do recognise an achievement of £14.6m underspend on the 2018/19 base budget and a marked improvement in the budget management over the last year, coupled with enhanced transparency and control over the use of reserve balances.</p> <p>Of the 2019/20 savings target, 5.55% is undeliverable and 11.58% is at risk of non-delivery, which amounts to £9.983m. The Council is actively taking mitigating actions to identify recovery plans and we are satisfied the Council's remaining useable reserves (assuming 'worse case' scenario) could substantially cover the non-delivery of this savings total and budget pressures during 2019/20 and 2020/21. Savings proposals over the next four years are sufficiently detailed within the financial plan with the financial impact being split out between years. In 2019/20 £16.946m out of the £46.191m of savings are 'new' initiatives.</p> <p>On that basis, we concluded that the risk was sufficiently mitigated and that the Council had planned its finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions as part of sustainable resource deployment.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Governance and the Waste Service The key risk is that the Council fails to implement adequate governance arrangements. In particular, in relation to the waste dispute in order to minimise potential industrial action. We evaluated the governance arrangements in place for the Waste Service as well as considering the progress made by the Council in considering options for the delivery of the refuse collection service.	<p>In July 2018 and March 2019 we issued statutory recommendations to the Council, including recommendations relating to Governance and Waste Service following successive waste strikes and concerns over governance arrangements.</p> <p>We noted in our March 2019 recommendations that 'whilst good progress has been made in a number of areas in delivering against the recommendations, progress in relation to the refuse collection service, in particular, has been hampered by a new wave of industrial action'.</p> <p>There has not been any further industrial action to date since the statutory recommendations were issued in March 2019. The current Memorandum of Understanding ends in November 2019 so there will be a need to make a decision on the future direction of the service by this point.</p> <p>In March 2019, Cabinet approved a proposal to commission a review of the Waste Service and the specification for the review.</p> <p>The review will consist of two phases; Phase 1 will consist of the service review and options appraisal with Phase 2 being implementation. The Council has appointed Woods to carry out this review, with the Phase 1 report originally expected in September 2019. The Council intend to wait for this report before making decisions about future options for the service.</p>	<p>We identified in our initial risk assessment that the key risk is that the Council fails to implement adequate governance arrangements. In particular, in relation to the waste dispute in order to minimise potential industrial action.</p> <p>The independent review was originally due to report in September 2019 and the Council intend to wait for this report before making decisions about the future operating model for the Waste service. We therefore did not yet have sufficient information to conclude that this risk had been sufficiently mitigated and concerns still existed over the effectiveness of industrial relations.</p> <p>We concluded that these matters are evidence of weakness in informed decision making: acting in the public interest through demonstrating and applying principles and values of sound governance.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>HMMPFI (Highways Maintenance and Management PFI) Contract</p> <p>The Council entered into the HMMPFI contract to improve the city's highway infrastructure and provide operational services on the highway network over the full 25-year contract term. The Council's contract is with Amey Birmingham Highways Ltd (ABHL), a 'special purpose vehicle' company that employs Amey LG (a subsidiary of Amey plc, providing highway maintenance and management services) as its main subcontractor to provide the services.</p> <p>After various contract disputes and litigation cases the Court of Appeal judgement awarded in the Councils favour and the Supreme Court refused to grant leave to appeal which effectively ended the legal process. There was then an acceptance that the only way forward is for Amey LG to exit the contract.</p> <p>The key risk is the ongoing contractual disputes with Amey Birmingham Highways Limited as the Special Purpose Vehicle who sub-contract to Amey LG Limited (and other involved parties) in respect of the HMMPFI contract, which could have a significant impact on the Council's financial sustainability.</p> <p>We assessed the latest information relating to this contract, to establish how the Council is identifying, managing and monitoring this risk.</p>	<p>Whilst the HMMPFI contract settlement between Amey LG and ABHL, which took place on 29 June 2019, carries significant financial risks for the Council, the Council has been proactive in achieving a settlement which represents the best possible outcome it could expect to receive and has mitigated its risks where possible.</p> <p>The settlement agreed by ABHL for £215m comprised:</p> <ul style="list-style-type: none"> - £100m on settlement (paid on 1 July 2019) - £30m by September 2019 - £30m by December 2019 - £55m deferred (payable on sale of Amey or otherwise five annual instalments between 2020 and 2025). <p>Both Amey UK plc and Amey plc filed their accounts later than the Companies House deadline of 30 June 2019 and both audit reports contains a material uncertainty in relation to going concern (albeit with unqualified audit opinions). The auditors have drawn attention to the proposed plans of Ferrovial to sell the Group and the impact this will have on the ability to continue as a going concern.</p> <p>We are satisfied that any potential sale of the Group will require significant due diligence and the completion of the payments detailed within the settlement agreement is unlikely to be impacted.</p> <p>Whilst the risk remains that the lenders could withdraw their investment upon default, the Council has mitigated this risk as far as possible and has worked with the lenders to reduce covenant levels as well as reducing the likelihood of default scenarios.</p>	<p>Overall, we were satisfied that the Council's arrangement for managing the PFI contract dispute and for securing the settlement between Amey LG and ABHL were adequate. Whilst with any complex PFI contract settlement there will inevitably be financial and non financial risks, the Council has appropriately mitigated these risks where possible and has managed the process effectively and with transparency between Officers and Members. From a financial perspective the Council has built up healthy reserve balances of £180m as a contingency plan and is prepared to step in as the interim PFI contractor if necessary under 'step in' rights.</p> <p>As a result, we concluded that the HMMPFI significant VfM risk was mitigated for 2018/19.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Commonwealth Games</p> <p>The key risk is that the cost of hosting the Commonwealth Games will impact on the Council's future financial sustainability.</p> <p>We assessed the Council's latest governance arrangements for the delivery of the XXII Commonwealth Games in 2022 and the associated funding arrangements, to establish how the Council is identifying, managing and monitoring this risk.</p>	<p>The Council has strengthened its governance arrangements for the delivery of the Commonwealth Games in the last 12 months and issued the 2022 Commonwealth Games Cross Partner Governance Framework in February 2019.</p> <p>The framework sets out the reporting lines for the various Boards, Groups and indicative cross partner working groups. These include the Commonwealth Games Strategic Board (CGSB) and the Commonwealth Games Chief Executives Group (CGCEG) which reports to the CGSB. The Security Board which reports to the CGSB and the Finance Group, the Budget Oversight Group and the Cross Partner Programme Group (CPPG) all report to the CGCEG. The 10 indicative cross partner working groups report to the CPPG or the CGCEG in the case of escalated issue resolution and setting of operational/tactical direction.</p> <p>Central Government announced that the cost of the Commonwealth Games would be £778m in June 2019. Central Government will fund around 75 per cent (£593.6m) and the Council is responsible for about 25 per cent (£184.4m).</p> <p>The Council is looking to secure about £75m in funding from various games partners including West Midlands Combined Authority, Local Enterprise Partnerships (LEPs), Midlands Engine and some local universities. At this point in time, whilst a number of these options are at a fairly advanced stage, none of the planned partner funding has been formally agreed.</p> <p>The Council's remaining share of £109.4m is split between £39m revenue funding, the majority of this (£37.8m) is due in 2022/23 and £70.4m capital funding of which only £14.7m is due in 2019/20.</p>	<p>We identified in our initial risk assessment that the key risk is that the cost of hosting the Commonwealth Games will impact on the Council's future financial sustainability. We are satisfied that the Council has put in place appropriate governance arrangements to oversee the delivery of the Commonwealth Games.</p> <p>In addition, following Central Government's confirmation that the total cost of the Commonwealth Games will be £778m with the Council's local commitment totalling £184.4m which includes as yet unconfirmed local partner funding of c.£75m, we were satisfied that the Council is working closely with partners to secure the partner funding.</p> <p>As a result, we concluded that the Commonwealth Games significant VfM risk was mitigated for 2018/19.</p> <p>We will continue to monitor the Council's progress with securing planned partner funding for the Commonwealth Games as part of our 2019/20 VfM review.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Services for Vulnerable Children</p> <p>The Council's services for vulnerable children have been rated as 'inadequate' by Ofsted for over 10 years. An Ofsted monitoring visit in March 2018 highlighted that the Council had made some further improvements to the quality of social work practice since the last inspection, but that further work remained to be done to ensure that practice was consistently good and that the best outcomes for children are achieved on a timely and consistent basis.</p> <p>The key risk is that the service does not show demonstrable improvement during 2018/19 and continues to be subject to external intervention. Until such time as Ofsted has confirmed that adequate arrangements are in place this remains a significant risk to the Council. Ofsted have undertaken a further inspection of services for vulnerable children during 2018/19.</p> <p>We assessed the findings from Ofsted's most recent inspection, which were reported in January 2019, to establish how the Council is identifying, managing and monitoring this risk.</p>	<p>The Office for Standards in Education (Ofsted) completed an inspection of children's social care services at the Council between 3 December and 14 December 2018 and published its findings in a report on 17 January 2019.</p> <p>The Council's services for vulnerable children have been rated as 'inadequate' by Ofsted for over 10 years, but the report published in January 2019 concluded that the Council's children's social care services were 'requires improvement to be good'.</p> <p>The report stated that "The local authority, the shadow board, and since its inception in April 2018, Birmingham Children's Trust (BCT), have made good progress from a low base in improving the quality of services to children and families. They have made good use of monitoring visits since the 2016 inspection and many of the recommendations for improvement from that inspection have been acted on effectively. The delegation of statutory functions to BCT has enabled the re-vitalisation of both practice and working culture, and, as a result, progress has been made in improving the experiences and progress of children."</p> <p>Ofsted's report also highlighted the following areas which need to improve:</p> <ul style="list-style-type: none"> • the quality, effectiveness and pace of partnership working with external agencies, including partner-led early help services; • trust and confidence between the courts and BCT; • effectiveness of the fostering service; • robust and timely focus on all permanence options for children; • alignment of the approach to contextual safeguarding; and • the impact of the virtual school in improving provision for children in care. <p>In response to Ofsted's report, the Council has developed an action plan to address the areas in need of improvement which has been discussed and agreed with Ofsted.</p>	<p>We identified in our initial risk assessment that the key risk is that the service does not show demonstrable improvement and continues to be subject to external intervention. The findings of the Ofsted inspection undertaken in December 2018 and report in January 2019 meant that, as a result of the overall rating of 'requires improvement to be good', we are satisfied that the Council's arrangements for services for vulnerable children are appropriate.</p> <p>On that basis, we concluded that the risk had been sufficiently mitigated and that the Council had appropriate arrangements in place relating to managing risks effectively and maintaining a sound system of internal control, demonstrating and applying the principles and values of good governance, as part of informed decision making and planning, organising and developing the workforce effectively to deliver strategic priorities as part of strategic resource deployment.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management of Schools</p> <p>Significant failings in the Council's management of schools were identified in a review by Peter Clarke in July 2014. Since this review the Council has taken and continues to take action to improve its management of schools through the implementation of an improvement plan.</p> <p>The key risk is that the governance issues identified at schools will not be effectively addressed during 2018/19.</p> <p>As part of the assessment of schools' governance improvement the Council commissioned Birmingham Audit (internal audit) to carry out a programme of audits over a two-year period to 31 March 2019. The 2017/18 findings showed that there are a range of governance issues still to be addressed.</p> <p>We assessed the progress made by Internal Audit within their coverage of schools governance, to establish how the Council is identifying, managing and monitoring this risk.</p>	<p>Significant failings in the Council's management of schools were identified in a review by Peter Clarke in July 2014. Since this review the Council has taken and continues to take action to improve its management of schools through the implementation of its improvement plan.</p> <p>Birmingham Education Partnership (BEP) is responsible for driving improvement in schools performance and does so using the following structure:</p> <ul style="list-style-type: none"> • leadership and governance; • continuous improvement; • wellbeing and enrichment; • partnership and communication; and • compliance & OFSTED. <p>Continuous improvement focuses on initiatives which are helping to improve performance in schools. These include the following:</p> <ul style="list-style-type: none"> • families of schools; • strategic school improvement fund (SSIF); • BEP peer review programme; and • raising attainment of disadvantaged youngsters (RADY). <p>As part of the assessment of schools governance improvement Birmingham Audit (internal audit) has been commissioned to carry out a programme of audits over a two year period. Their findings have continued to show that there are still a range of governance issues to address across the schools visited, 37 of the 50 schools audits (74%) undertaken by internal audit in 2017/18 were assessed as 'level 3' assurance (specific control weaknesses of a significant nature noted, and/or the number of minor weaknesses noted was considerable) but none of the schools were assessed as 'level 4' assurance (controls evaluated are not adequate, appropriate or effective. Risks are not being managed and it is unlikely that objectives will be met). However, 42 of the 50 schools reviewed this year were given an overall risk rating of low (84%).</p>	<p>We identified in our initial risk assessment that the key risk was that plan implementation will be slower than envisaged and underlying issues will not be effectively addressed. Continuous improvement initiatives implemented by the BEP are driving performance improvement in schools. 84% of the schools reviewed by Birmingham Audit this year were given an overall risk rating of low.</p> <p>We recognise Birmingham schools continue to be in the national spotlight for a number of reasons and there are an increasing number of schools experiencing a deficit position for the first time. However, we do not consider these matters to be material to the Council's overall management of those schools.</p> <p>On that basis, we concluded that the risk had been sufficiently mitigated and that the Council had appropriate arrangements in place to manage risks effectively and maintaining a sound system of internal control, demonstrating and applying the principles and values of good governance, as part of informed decision making and planning, organising and developing the workforce effectively to deliver strategic priorities as part of strategic resource deployment.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
Improvement Panel <p>The Birmingham Independent Improvement Panel published its final report on 2 April 2019 subsequent to the Panel standing down from the end of March 2019.</p>	<p>Our review of the Panel's final report dated 2 April 2019 has confirmed that all the key risks that the Council is facing are covered by the other six significant VfM risks that we identified during this year's risk assessment process.</p> <p>The Panel's report reflects on the progress made by the Council since June 2018 and acknowledges that "The Council has worked hard over the last year and made considerable progress on many fronts."</p> <p>However, the report also highlights the scale of the challenges that the Council is facing. In particular, the report stated that: "The biggest risk is if a number of these key risks coincide. The Council's Financial Plan 19+ outlines both the extent of the financial risks facing the Council and its level of reserves. The financial risks include demographic pressures, capital project overruns, major contract disputes, potential changes to the business rates regime, the Commonwealth Games and Equal Pay. It is clear that if all the Council's risks that have detrimental financial implications were to come together the Council's financial resilience would be sorely tested."</p> <p>In its report the Panel acknowledges that "the Council is intending to maintain constructive and critical challenge through internal scrutiny and sector-led arrangements." However, in its recommendation to the Secretary of State the Panel said ".....in the light of the exceptional risks that the Council is facing and particularly its industrial relations context, we consider that type of challenge will be insufficient. We therefore recommend that the Secretary of State should put in place external independent challenge and support, additional to that proposed by the Council, to replace the Panel."</p>	<p>We considered the findings of the Panel's final report and concluded that all the weaknesses in the Council's arrangements highlighted in it are covered by the other six significant VfM risks identified by our initial risk assessment for 2018/19. As a result, we no longer considered the Improvement Panel to be a significant risk.</p> <p>We will continue to monitor the Secretary of State's response to the Panel's final report and consider any actions arising as part of our 2019/20 VfM review.</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	18 June 2019
Audit Findings Report	24 September 2019
Annual Audit Letter	8 October 2019

Fees

	Planned £	Actual fees £
Statutory audit	241,909	288,609
Total fees	241,909	288,609

Audit fee variation

As outlined in our audit plan, the 2018-19 scale fee published by PSAA of £241,909 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Fee variations are subject to PSAA approval.

Area	Reason	Fee £
Statutory Recommendation	Issue of the March 2019 Statutory Recommendation and follow up	8,000
Enhanced audit report	In line with prior years we have charged an additional £4,000 for the Enhanced Audit Report	4,000
Increase in Value for Money (VfM) significant risks	Our initial VfM risk assessment identified seven significant risks for the Council in 2018-19. Based on our local government retender we expected to address up to three significant risks. Given the high level of significant risks for the Council we have undertaken 12 additional days work in order to give provide our VfM conclusion.	9,600
HMMPFI additions, impairment and assessment of the PFI model	The complexities within the HMMPFI scheme due to the settlement with Amey LG Ltd this year have led to us to undertake a more detailed assessment of the model and reserve balances held. We have also undertaken additional work in relation to the impairment of highways additions.	3,200
Assessing the impact of the McCloud ruling	The Government's transitional arrangements for pensions were ruled discriminatory by the Court of Appeal last December. As part of our audit we have reviewed the revised actuarial assessment of the impact on the financial statements along with any audit reporting requirements.	2,400
Pensions – IAS 19	The Financial Reporting Council has highlighted that the quality of work by audit firms in respect of IAS 19 needs to improve across local government audits. Accordingly, we have increased the level of scope and coverage in respect of IAS 19 this year to reflect this.	1,600
PPE Valuation – work of experts	As above, the Financial Reporting Council has highlighted that auditors need to improve the quality of work on PPE valuations across the sector. We have increased the volume and scope of our audit work to reflect this. We have also engaged an auditor's expert to ensure the significant valuation movements provided from the Council's internal valuer are appropriate.	8,300
Audit evidence receipt delays	In line with previous years we agreed a three-day turnaround to ensure audit testing is completed efficiently by 31 July. This deadline was not met for a substantial proportion of audit evidence requested by the audit team which has led to an additional 6 days of audit time.	4,800
Operating expenditure cut-off	We identified a weakness in controls in relation to the cut off of operating expenditure and required additional testing to gain sufficient audit assurance.	4,800

A. Reports issued and fees continued

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Fees for non-audit services

Service	Fees £
Audit related services:	
• Housing Benefits Grant Certification 17/18 (under PSAA contract)	21,594
• Housing Benefits agreed upon procedures 18/19	22,000
• Illegal Money Lending Team reasonable assurance engagement 17/18	3,500
• Education Skills Funding Agency agreed upon procedures 17/18 (undertaken September 2018)	4,650
• Education Skills Funding Agency agreed upon procedures 18/19 (undertaken July 2019)	5,000
• Homes England agreed upon procedures 17/18	2,600
• Teachers Pensions agreed upon procedures 17/18	7,100
• Teachers Pensions agreed upon procedures 18/19	7,250
• AMSCI reasonable assurance engagement (undertaken in November 2018)	12,000
• AMSCI reasonable assurance engagement (undertaken in August 2019)	15,000
• Polling of Capital Receipts (CFB06) agreed upon procedures 17/18	5,150
Non-Audit related services	
• CFOi insights 2018/19	10,000
• CASS reporting for Finance Birmingham 17/18 (undertaken June/July 2018)	7,000
• CASS reporting for Finance Birmingham 18/19 (undertaken April-July 2019)	7,000
Total	129,844

Non- audit services

For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The table above summarises all non-audit services which were identified. We have considered whether non-audit services might be perceived as a threat to our independence as the Council and group's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the Council's policy on Page 108 of 108

Our commitment to our local government clients

- Senior level investment
- Local presence enhancing our responsiveness, agility and flexibility.
- High quality audit delivery
- Collaborative working across the public sector
- Wider connections across the public sector economy, including with health and other local government bodies
- Investment in Health and Wellbeing, Social Value and the Vibrant Economy
- Sharing of best practice and our thought leadership.
- Invitations to training events locally and regionally – bespoke training for emerging issues
- Further investment in data analytics and informatics to keep our knowledge of the areas up to date and to assist in designing a fully tailored audit approach

Our relationship with our clients– why are we best placed?

- We work closely with our clients to ensure that we understand their financial challenges, performance and future strategy.
- We deliver robust, pragmatic and timely financial statements and Value for Money audits
- We have an open, two way dialogue with clients that support improvements in arrangements and the audit process
- Feedback meetings tell us that our clients are pleased with the service we deliver. We are not complacent and will continue to improve further
- Our locally based, experienced teams have a commitment to both our clients and the wider public sector
- We are a Firm that specialises in Local Government, Health and Social Care, and Cross Sector working, with over 25 Key Audit Partners, the most public sector specialist Engagement Leads of any firm
- We have strong relationships with CIPFA, SOLCAE, the Society of Treasurers, the Association of Directors of Adult Social Care and others.

New opportunities and challenges for your community

The Local Government economy

Local authorities face unprecedented challenges including:

- Financial Sustainability – addressing funding gaps and balancing needs against resources
- Service Sustainability – Adult Social Care funding gaps and pressure on Education, Housing, Transport
- Transformation – new models of delivery, greater emphasis on partnerships, more focus on economic development
- Technology – cyber security and risk management

At a wider level, the political environment remains complex:

- The government continues its negotiation with the EU over Brexit, and future arrangements remain uncertain.
- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will keep you informed of changes to the financial reporting requirements for 2018/19 through on-going discussions and invitations to our technical update workshops.

Delivering real value through:

- Early advice on technical accounting issues, providing certainty of accounting treatments, future financial planning implications and resulting in draft statements that are 'right first time'
- Knowledge and expertise in all matters local government, including local objections and challenge, where we have an unrivalled depth of expertise.
- Early engagement on issues, especially on ADMs, housing delivery changes, Children services and Adult Social Care restructuring, partnership working with the NHS, inter authority agreements, governance and financial reporting
- Implementation of our recommendations have resulted in demonstrable improvements in your underlying arrangements, for example accounting for unique assets, financial management, reporting and governance
- Robust but pragmatic challenge – seeking early liaison on issues, and having the difficult conversations early to ensure a 'no surprises' approach – always doing the right thing
- Providing regional training and networking opportunities for your teams on technical accounting issues and developments and changes to Annual Reporting requirements
- An efficient audit approach, providing tangible benefits, such as releasing finance staff earlier and prompt resolution of issues.

Grant Thornton in Local Government

Our client base and delivery



- We are the largest supplier of external audit services to local government
- We audit over 150 local government clients
- We signed 95% of our local government opinions in 2017/18 by 31 July
- In our latest independent client service review, we consistently score 9/10 or above. Clients value our strong interaction, our local knowledge and wealth of expertise.

Our connections



- We are well connected to MHCLG, the NAO and key local government networks
- We work with CIPFA, Think Tanks and legal firms to develop workshops and good practice
- We have a strong presence across all parts of local government including blue light services
- We provide thought leadership, seminars and training to support our clients and to provide solutions

Our people



- We have over 25 engagement leads accredited by ICAEW, and over 250 public sector specialists
- We provide technical and personal development training
- We employ over 80 Public Sector trainee accountants

Our quality



- Our audit approach complies with the NAO's Code of Audit Practice, and International Standards on Auditing
- We are fully compliant with ethical standards
- Your audit team has passed all quality inspections including QAD and AQRT

Our technical support



- We have specialist leads for Public Sector Audit quality and technical
- We provide national technical guidance on emerging auditing, financial reporting and ethical areas
- Specialist audit software is used to deliver maximum efficiencies

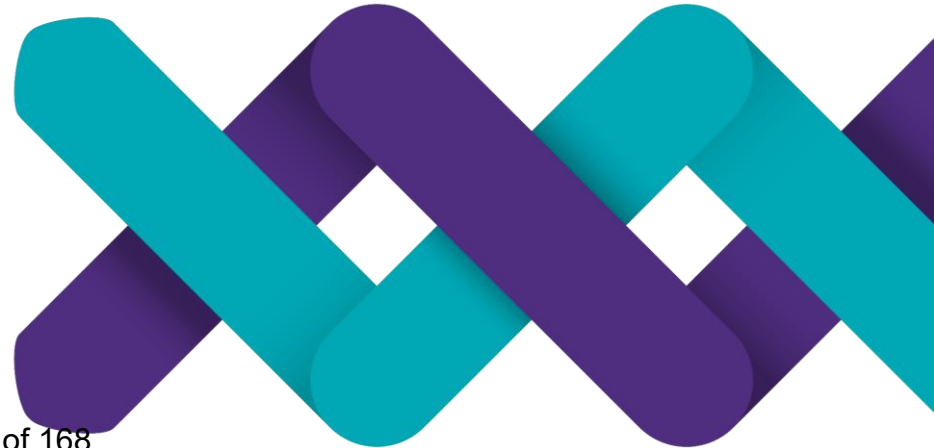


Grant Thornton

An instinct for growth™

Local Government audit and financial reporting – the Redmond Review

Grant Thornton
December 2019



The Redmond Review

Scope

- Launched on 17 September 2019
- Call for Views by 20 December (extended from 22 Nov)
- Led by Sir Tony Redmond, former President of CIPFA

Purpose – to assess

- Effectiveness of audit in local authorities
- Transparency of financial reporting



The Redmond Review

Call for Evidence

- The Expectations Gap
- Audit and Wider Assurance
- Audit Quality
- The Financial Reporting framework
- Auditor Reporting

Report to Secretary of State extended to Summer 2020



A call for Evidence

What will we be saying in our response?



Local government has changed

Longer more complex accounts, lower fees

The changing face of local government financial reporting – Birmingham City Council

	2008/09	2018/19
Auditor	Audit Commission	Grant Thornton
Length of financial statements (excluding opinion)	91 pages	219 pages
Length of audit opinion	3 pages	12 pages
Date opinion signed	Feb 2010 (11 months after year end)	September 2019 (6 months after year end)
Scale fee for audit opinion	£700,000	£241,000
Audit fee – grant claims	£300,000	£100,000



Peak work: Nearly half our work on local government accounts is in a two month window

Time of year	Work completed (nationally)
June – July	47%
Rest of the year	53%



Challenges of recruitment and retention

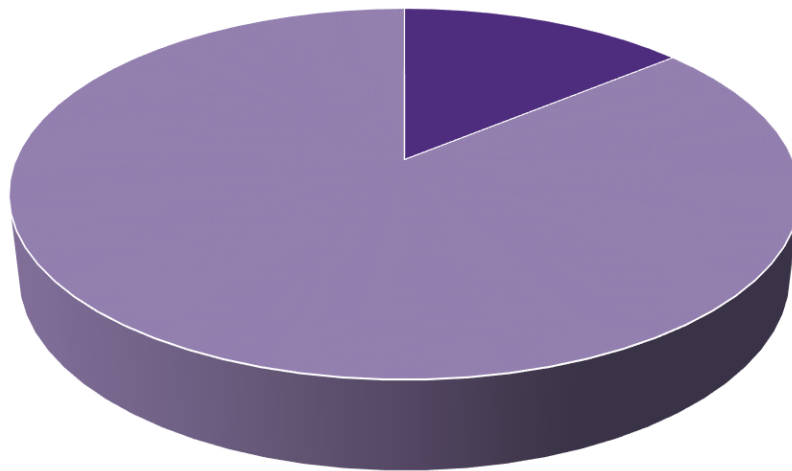
Of the 80 people who TUPE transferred to GT London in 2012 , the great majority have left the profession



- Still in GT local audit
- Local Government or NHS
- Local audit - working for another firm
- Retired
- Central government or Not for Profit
- Other employment

Challenges of recruitment and retention

Of 57 fee earners that joined the GT South West public sector team in 2012, only 8 remain



■ Still at GT ■ Left the firm



Who audits the auditor?

	2012	2020
Regulatory / supervisory body	Audit Commission	FRC/ ICAEW
Number of external inspections per annum	5	15
Public Reporting at audit level	No	Yes
Potential sanction	Recommendation to Head of Audit	Fine of individual and firm



Change in audits signed over past three years

Year	Target date	% opinions signed (all firms)
2016/17	30 Sep	95%
2017/18	31 July	80%
2018/19	31 July	58%



Contributory factors to delays in sign off (GT 2018/19)

Factor	%
Poor working papers	18
Authority resource constraints	12
Complex technical issues	46
Audit resource constraints	18
Other	6

Our response to Sir Tony Redmond

Key messages we will be highlighting in our response

- Local audit is facing an unprecedented set of challenges
 - Accounts have grown far more complex
 - Authorities are engaging in more innovative / unusual transactions
 - Austerity has reduced the ability of many authorities to prepare high quality accounts and working papers
 - Audit fees have fallen to an unsustainably low level
 - The sign off date of 31 July is too tight
 - Retention of key people is very difficult in this environment
 - Authorities are not getting the service they deserve
 - Radical and urgent reform is needed!



Our prescription

Actions

- A 'system wide' solution is needed. This should include:
 - The establishment of a separate regulator for local audit
 - Rebasing of audit fees to a level which reflects the additional work we are now undertaking
 - A simplified CIPFA Code/ tiered approach
 - A revised approach to Value for Money
 - Replacement of the conclusion with a narrative report, at a different time of year
 - A focus on governance, financial sustainability and the three 'E's
 - Move the target publication date for LG accounts back to 30 September

We believe the Redmond review provides a once in a generation chance to influence local audit and financial reporting for the better. If you agree, please join us in responding to Sir Tony Redmond by 20 December.

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	AUDIT COMMITTEE
Report of:	Interim Chief Finance Officer
Date of Decision:	16 December 2019
Subject:	AUDIT FINDINGS REPORT RECOMMENDATIONS – PROGRESS REPORT
Wards affected: All	
1	Purpose
1.1	At its meeting on 24 September 2019, Members considered the External Auditor's Audit Findings Report following the audit of the Council's financial statements for 2018/19 which included six recommendations for management to consider.
1.2	The management responses to the External Auditor's recommendations were considered by this committee at that meeting and this report provides details of the progress in implementing the management actions proposed.
2	Decisions recommended:
	Members are recommended to:
2.1	Note the progress in implementing management actions, attached as Appendix 1, to address the recommendations set out by the External Auditor in his Audit Findings Report issued in September 2019
2.2	Seek updated reports to future meetings of this committee on the continued progress in implementing the management actions proposed.

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E-mail address: rebecca.hellard@birmingham.gov.uk

Contact Officer: Martin Stevens
Telephone No: 0121 303 4667
E-mail address: martin.stevens@birmingham.gov.uk

3 Compliance Issues:

- 3.1 Are Decisions consistent with relevant Council Policies, Plans or Strategies?:
The coverage of the management actions in response to the Audit Findings Report recommendations are consistent with the policy framework and budget.
- 3.2 Relevant Ward and other Members/Officers etc. consulted on this matter:
The Chair of the Committee has been consulted.
- 3.3 Relevant legal powers, personnel, equalities and other relevant implications (if any):
The work of the external auditors is governed by the Code of Practice issued by the National Audit Office in accordance with the Local Audit and Accountability Act 2014.
- 3.4 Will decisions be carried out within existing finances and resources?
Yes
- 3.5 Main Risk Management and Equality Impact Assessment Issues (if any):
The Audit Findings Report includes details on activities where the External Auditor has identified that the Council can make improvements or reduce risks in its operations. This report provides a response on the progress in addressing the recommendations made.

4 Relevant background/chronology of key events:

- 4.1 The Audit Findings Report was considered by this committee at its meeting on 24 September 2019 as part of the process for approving the Council's financial statements for 2018/19. Management responses to the recommendations made by the external auditor were also considered at that meeting.
- 4.2 This report sets out the current progress in addressing the issues raised in the external auditor's recommendations identified in the Audit Findings Report.
- 4.3 Further reports will be provided to future meetings of this committee setting out the additional progress in implementing management actions.

Signature:

.....
Rebecca Hellard, Interim Chief Finance Officer

Appendices

Appendix 1 – Progress update on Response to Audit Findings Report Recommendations

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
	Accounts				
1	System Control – Feeder Files				
	<p>The Council identified that eight separate feeder files from two subsidiary systems relating to 2019/20 were posted in period 16 of the 2018/19 general ledger in error.</p> <p>These entries were not reflected in the accounts and have been appropriately reversed out of the ledger, so there is no impact on the 2018/19 accounts.</p> <p>Recommendation The Council should investigate this incident and implement appropriate controls to ensure a similar situation cannot occur again in the future</p>	<p>An investigation into why the role that prevents users posting into the year-end period does not cover feeders will be conducted and appropriate action taken. This will start immediately.</p> <p>Feedback will be provided to the team and relevant managers in the areas where the issues have occurred and reminders given on the requirement to enter data on a timely and accurate basis.</p> <p>Feeder owners will be reminded of their responsibility:</p> <ul style="list-style-type: none"> • to ensure that files are submitted in a timely manner and • that they reconcile their system to the ledger to ensure that all entries are recorded • that they notify Finance of any files that cannot be processed to ensure these are reflected in the accounts. <p>The chapter in the Financial Management Tool will be reviewed to include feeder owner</p>	Immediate	Finance Manager, Financial Accounts	<p><u>November 2019</u></p> <p>The chapter in the Financial Management Tool has been reviewed and will be published shortly.</p> <p>Information, Technology and Digital Services (IT&D) are currently looking at a solution to the matter. A progress update will be provided at the next meeting.</p>

Appendix 1

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
		responsibilities and guidance in their use. During the closure of accounts, regular Trial Balance reports by document type will be run to ensure that feeder files are not posted retrospectively in the old financial year.			
2	Control Weakness - Asset Disposals				
	<p>An asset with a net book value of £9.4m was disposed of in 2017/18 but this was not accounted for until 2018/19.</p> <p>We are satisfied this appears to be an isolated incident due to the unusual nature of the arrangement, so there is no material risk to the 2018/19 accounts.</p> <p>Recommendation The Council should ensure there are appropriate controls in place to ensure all disposals are accounted for in the correct year</p>	<p>Property Services will ensure that clear instructions are sent to Legal & Democratic Services, Property Records Team and relevant stake holders to facilitate the disposal of assets in an appropriate manner.</p> <p>Legal, Property and Finance staff will meet to share information on property transactions and ensure that processes are in place to capture relevant information and are being followed.</p> <p>Reconciliations will be undertaken during the year of disposals to identify any mismatches in information.</p>	March 2019	Assistant Director, Property Services	<p><u>November 2019</u></p> <p>The specific case identified related to a CPO undertaken at the behest of a third party. Usually there is a back to back agreement to then transfer the asset on to the third party once the purchase has completed. However, in this case the purchaser did not want the asset immediately which led to this position. Going forward, the legal agreements will ensure back to back agreements are entered into.</p> <p>The Legal, Finance and Property sections have met to look at procedures to share all relevant information and completion memo's recorded on IPMS and subsequently reconciled with cash receipts.</p> <p>Where external legal support is used the agreement will include the requirement to provide a completion</p>

Appendix 1

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
					memo for ensuring property records are maintained appropriately.
3	Control Weakness – Asset Valuations				
	<p>We identified errors in the work of the valuer relating to the valuation of secondary schools, and a valuation where expenditure was used instead of profit as the basis of the valuation.</p> <p>Recommendation Appropriate review should be included as part of the valuation process to ensure that any errors in valuation are identified and resolved</p>	Property services officer valuations will be independently checked by an appropriate qualified valuer with immediate effect.	Immediate	Assistant Director, Property Services	<p><u>November 2019</u></p> <p>A two tier checking system has been put in place with a peer review by an appropriately qualified surveyor followed by a management review by the Head of Service.</p>
4	Control Weakness – Completeness of Expenditure				
	Our testing of the completeness of expenditure identified several items which were paid after 31 March 2019 but should have been accrued into 2018/19. The Council has performed extended analysis covering payments made during the period to 22 August 2019 which has identified £9.8m of invoices which	The current audit and follow up investigation has identified a number of areas where the Council process for procurement and receipting of goods and services and payment of invoices are not being followed appropriately. An analysis of the data will be undertaken to identify those areas where there are	Immediate	Chief Finance Officer	<p><u>November 2019</u></p> <p>Directorates have been provided with monthly reports for a number of years detailing areas where:</p> <ul style="list-style-type: none"> • overdue invoices which have not been authorised within 3 working days

Appendix 1

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
	<p>relate to 2018/19 but were not accrued.</p> <p>Recommendation The Council should investigate why these invoices were not appropriately accrued and implement additional controls to reduce the risk of such omissions in the future.</p>	<p>significant numbers or value of invoices that have not been accounted for appropriately. Meetings will be held with those teams identified to set out the implications to the Council of not following relevant processes.</p> <p>Finance Business Partners will brief Directorate Management Teams on the issues identified and the action required and procedures to be followed to meet appropriate accounting requirements.</p> <p>The Council has organised a number of mandatory "Finance for Non-Financial Managers" training sessions which has covered the need for accounting for activities in the year that the goods/services are provided. This will be followed up with additional training for managers.</p> <p>The Voyager Newsletter sent out to staff will include articles on the issues identified and the actions that will be required to ensure future compliance.</p> <p>During the year, regular reports will be run to identify where invoices, purchase orders and goods receipts</p>			<ul style="list-style-type: none"> services have been supplied without a purchase order purchase orders have been raised retrospectively. <p>Whilst the reports have been provided issues have still occurred with the timeliness of invoice payments.</p> <p>Greater emphasis will be placed on this reporting and will be driven through the Corporate Leadership Team and followed up through Directorate Management Teams with Finance Business Partners.</p> <p>In addition, further reports will be run to identify specific hot spots for delays and individuals offered advice and support in clearing invoices on a timely basis.</p> <p>Guidance on the processes and procedures to be followed will be republished.</p> <p>Areas of continued non-compliance will be visited to determine the reasons for any issues.</p>

Appendix 1

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
		<p>are not being recorded on a timely basis which will be followed up with the appropriate team and Directorate management team.</p> <p>There will be a hard close at a month end prior to the end of the financial year so that a check can be run on ensuring that appropriate procedures are being followed.</p> <p>At year end reports will be run to check those invoices paid early in the new year have been accounted for correctly and goods receipting of purchase orders is appropriate.</p>			
5	Asset Valuation – Determination of appropriate rates				
	<p>As part of the valuation of Council Dwellings we identified that the valuer applied a £5k adjustment rate for bedrooms to the majority of archetypes</p> <p>On further review, the £5k was based on the approach taken in previous years and it was not clear that a review had been carried out to check if this value was still appropriate.</p> <p>Recommendation</p>	<p>Agreed. A review will be undertaken on the impact of the number of bedrooms on property prices for relevant archetypes to ensure the robustness of valuations.</p>	Immediate	Assistant Director, Property Services	<p><u>November 2019</u></p> <p>A full beacon review is being undertaken for 2019/20 which will include a review of the valuation methodology to be adopted with an option to move to a £ per m² basis rather than a room differential basis.</p> <p>Beacon properties will be identified to ensure a fair representation of the City area. There will be discussions with an external valuer to support the market intelligence gathering.</p>

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
	<p>The Council should ensure that assumptions used in the valuation of property, plant and equipment, including council dwellings, are reviewed for appropriateness each year and updated where appropriate.</p> <p>In particular a review of the actual impact of the number of bedrooms on the valuation of council dwellings should be carried out in order to support the value of the adjustment.</p>				
6	SAP – User Access				
	<p>As part of our review of IT controls, we identified an excessive number of users with access to critical T-codes within SAP. Our IT audit identified 109 users with potentially inappropriate access out of 668 users tested due their higher risk nature.</p> <p>The risk is that an excessive number of users have access to critical transactions at high level of authorisation, which we would normally expect to be restricted to system administrators.</p>	<p>Capita ICTDS have responded to the GT IT Audit on this point which is summarised below</p> <p>The majority of the transactions listed here will be assigned to BASIS only (the team who deal with the core of the system – these transactions are appropriate for this team to use) and most within their firefighter id. The rest have been reviewed after previous audits and deemed appropriate All users with access to any of these transactions will either be support personnel, or in the case of SM37, users within the business. (SM37 monitors jobs run in the background in SAP. Due to</p>	Commencing September 2019	Finance Manager SAP BSC	<p><u>November 2019</u></p> <p>The level of access identified in the recommendation is required to ensure that the system functionality can be maintained.</p> <p>Regular reviews of access are undertaken and the new Governance, Risk and Compliance tool is being used to support monitoring of access.</p>

Rec No	Recommendation	Proposed Actions	Due Date	Responsible Officer	Progress in implementation
	<p>We noted this is primarily due to the current Firefighter setup and the fact that 8 users have SAP ALL access.</p> <p>Recommendation</p> <p>Management should review all access and reassign the relevant transactions in accordance with business need and current job duties only.</p>	<p>the size and complexity of BCC's ledger, it's recommended that large reports are run in the background to reduce stresses on BAU processing).</p> <p><u>Response from BCC</u></p> <p>User access to critical transactions is reviewed regularly with access to areas such as SAP_ALL reviewed daily. Appropriate action is taken to remove or amend as required.</p> <p>In August an upgraded Governance, Risk and Compliance tool was implemented in SAP which will assist with user access administration and monitoring.</p>			

BIRMINGHAM CITY COUNCIL**AUDIT COMMITTEE****16 DECEMBER 2019****SCHEDULE OF OUTSTANDING MINUTES**

MINUTE NO./DATE	SUBJECT MATTER	COMMENTS
99 26/03/2019	<u>Early Years Health and Wellbeing Risk</u> The Director, Education and Skills requested to provide an update report.	Report due in November 2019
147 30/07/2019	<u>HRA – To Fund the Waste Service during Industrial Strike 2017</u> Report of the Strategic Director, Finance to be provided	Report expected – November 2019

