

Public Document Pack

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17 September 2020

Regulation, Audit and Accounts Committee

A virtual meeting of the Committee will be held at **10.30 am** on **Friday, 25 September 2020**.

Note: In accordance with regulations in response to the current public health emergency, this meeting will be held virtually with members in remote attendance. Public access is via webcasting.

The meeting will be available to watch live via the Internet at this address:

<http://www.westsussex.public-i.tv/core/portal/home>

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Agenda

1. Declarations of Interest

Members and officers must declare any pecuniary or personal interest in any business on the agenda. They should also make declarations at any stage such an interest becomes apparent during the meeting. Consideration should be given to leaving the meeting if the nature of the interest warrants it. If in doubt please contact Democratic Services before the meeting.

2. Minutes of the last meeting of the Committee (Pages 3 - 10)

The Committee is asked to agree the minutes of the meeting held on 23 July 2020 (cream paper).

3. Urgent Matters

Items not on the agenda which the Chairman of the meeting is of the opinion should be considered as a matter of urgency by reason of special circumstances.

4. External Audit

The Committee to receive a verbal update on progress from the External Auditor EY.

5. **Quarterly Review of the Corporate Risk Register** (Pages 11 - 22)

Report by the Director of Finance and Support Services.

The Committee is asked to review the information detailed in the report and the current Corporate Risk Register, and provide comment as necessary.

6. **Internal Audit Progress Report (August 2020)** (Pages 23 - 48)

Report by the Director of Finance and Support Services, and the Head of Southern Internal Audit Partnership.

The Committee is asked to note the Internal Audit Progress report.

7. **Date of Next Meeting**

The next meeting of the Committee will be held at 10.30 am on 20 November 2020.

To all members of the Regulation, Audit and Accounts Committee

Regulation, Audit and Accounts Committee

23 July 2020 – At a virtual meeting of the Regulation, Audit and Accounts Committee held at 10.30 am.

Present: Cllr N Dennis (Chairman)

Cllr Waight, Cllr Baldwin, Cllr J Dennis, Cllr Goldsmith (left at 11.30am.) and Cllr M Jones

Apologies were received from Cllr Bradford

Also in attendance: Cllr Hunt

Part I

1. Declarations of Interest

1.1 None declared.

2. Minutes

2.1 Resolved – That the minutes of the meeting of the Committee held on 20 January 2020 be approved as a correct record and that they be signed by the Chairman; and that the notes from the informal, virtual meeting with Members of the Regulation, Audit and Accounts Committee held on 3 April 2020 be noted.

2.2 The Chairman confirmed that he had raised the Committees' concerns on Corporate Risk CR66 with Cllr Turner, Chairman of the Health and Adult Social Care Scrutiny Committee. This had been raised at a Performance and Finance Scrutiny Committee meeting and would be monitored by Cllr Joy Dennis.

3. External Audit

3.1 The Committee considered the 2019/20 Audit Planning Updates for the West Sussex County Council and the West Sussex Pension Fund from the External Auditor EY (copies appended to the signed minutes).

3.2 Mr Mathers (EY) introduced the West Sussex County Council Audit Planning Report Update which outlined how risk assessments had been updated to reflect Covid-19 and the associated market volatility. The County Council was required to disclose how assurances had been gained, and demonstrate the areas of uncertainty. An audit was required on the cashflow forecast that had been produced by the Council to support its going concern assessment, which would need to demonstrate all scenarios and liquidity.

3.3 The Committee made comments including those that follow.

- Queried coverage of the going concern assessment of the report and how this would be evaluated up to November 2021 and if different budgetary scenarios be considered. – *Mr Mathers confirmed that the County Council had been asked to prepare a cashflow forecast*

considering all scenarios. EY would consider if the assumptions made were reasonable and whether they were consistent with the assumptions made in the Medium Term Financial Plan.

- *Asked if performance materiality remained unchanged as a percentage or an absolute figure. – Mr Mathers explained that performance materiality was calculated as a percentage. EY had checked if the figure for County Council, 75%, was still valid due to Covid-19. EY felt the figure was valid and should be maintained.*
- *Queried when the audit report would be signed. – Mr Mathers confirmed that the current plan was for the audit to be reported to the November committee meeting.*
- *Sought clarity over the timescales for the creation of the cashflow forecast. – Mr Mathers confirmed that the cashflow was planned for consideration at the end of the week. The cash flow forecast would need to extend forward for a period of at least 12 months from the planned audit report date.*
- *Queried the scope of the stress tests. – Mr Mathers confirmed that this was new working due to Covid-19 and that the checks would see if the included elements were reasonable. The approach being followed was similar across all authorities.*
- *Queried if the audit work on Property, Plant and Equipment has started. – Mr Mathers confirmed that the work had started and explained that the County Council held values for existing use and fair value. Depreciation had been considered and was not impacted by Covid-19. The real estate team at EY were looking into the risks for the selected asset sample. The level of work was significantly higher than normal.*
- *Sought clarity on the government support transaction stream. – Mr Mathers explained that the County Council had received initial support which was being held in reserve. The support would continue into the new financial year. Detailed audit of the support would not be included specifically in the current year's audit, but could form part of income and expenditure testing if selected.*
- *Queried the testing for unpredictable circumstances. – Mr Mathers acknowledged that there would always be a degree of uncertainty and that EY were looking to see if the assumptions made were reasonable. The statement disclosures needed to include the assumptions and the evidence to support them.*
- *Congratulated EY and the County Council's finance team on their hard work.*

3.4 Mr Mathers (EY) introduced the West Sussex Pension Fund Audit Planning Report Update which took a similar approach to assets as for the County Council's accounts. Materiality uncertainty caveats had been included in respect of directly owned property and certain other investments. Accurate valuations were difficult to provide given the impact of Covid-19, which had been outlined the report. The fund was in a good position with positive cashflow, with assets in a position to be easily liquified if necessary. Volatility had been impacted and so materiality would be considered at the year end. Going concern risks were lower on the pension fund than main council audit.

3.1 Mrs Thompson spoke on fees and explained that this would be quantified when additional work had been requested, such as the extra

valuation work. A consultation process was taking place within EY which would ensure a consistent approach. Once the fee had been quantified it would be discussed with Ms Eberhart, Director of Finance and Support Services, and then a report would be brought to the committee.

3.6 Mr Mathers explained the impact that Covid-19 had had on EY's work, such as practical difficulties in looking at the financial statements with County Council officers; and the impact of risk within the statements. Whilst it had not been a normal year, Mr Mathers confirmed that EY had been able to work well with County Council officers. The account work was hoped to be completed in August apart from work on property, plant and equipment valuation.

3.7 The Committee noted that the funding level had been at 112% at the beginning of the year and queried the approach for risk profiling and de-risking. – *Mr Mathers explained that this was a judgement for the fund and not for EY. EY were only able to comment on the accuracy of the fund position. Mrs Thompson, EY, explained EY's independence and that decisions would be made by those charged with governance. Mr Hunt, Cabinet Member for Finance and Chairman of the Pensions Committee, gave reassurance that the strategy was being considered by the committee along with the approach for risk. The fund was still over 100% funded.*

3.8 Resolved – That the Committee notes the update reports for the West Sussex County Council and the West Sussex Pension Fund.

4. Internal Audit - Annual Audit Report 2019 / 20

4.1 The Committee considered a report by the Head of Southern Internal Audit Partnership (copy appended to the signed minutes).

4.2 Neil Pitman, Head of Southern Internal Audit Partnership, introduced the report and reported that despite the impact of Covid-19, the majority of the plans had been delivered to a draft state which allowed Mr Pitman to give a 'limited' audit opinion. The report outlined where resources had been applied and the status of reviews to be finalised. Two reviews could not be completed due to Covid-19. The graph on page 48 omitted a substantial opinion review of bank reconciliations, this would be amended for the final version.

4.3 The Committee made comments including those that follow.

- Asked how the overall 'limited' opinion compared to other Councils and if strategic action was required. – *Mr Pitman commented that the opinion showed that audit was looking in the right areas and that officers were utilising Internal Audit to best effect. The County Council had taken positive steps towards addressing governance framework. Internal Audit were working with directors and expected the work to be finalised and reported at the next committee meeting.*
- Queried if the six limited opinions would be reassessed before the final report. – *Mr Pitman explained that the management would be*

working through the actions and Internal Audit would then follow up to see if things had been appropriately implemented.

- Asked if there were particular concerns for Special Educational Needs. – *Mr Pitman explained that the report was still in draft and so it was not appropriate to discuss in open session. Internal Audit would report on this to the committee at an appropriate time. The limited opinion showed that there were areas to be addressed which would be reviewed for 2021.*
- Queried the position last year. – *Mr Pitman confirmed that the opinion last year was 'adequate'.*
- Sought clarity on the status of the governance review. – *Mr Pitman explained it would be later in the year when a rounded conclusion could be given.*
- Asked if disaster recovery planning would be reconsidered following Covid-19. – *Mr Pitman explained that the following agenda item covered the plan for 2020/21 which would include IT. Risk linked to Covid-19 would be highlighted, with a focus on home working aspects.*
- Sought clarity on the section relating to allowances and enhancements data not being fully optimised. – *Mr Pitman explained that the data could be more analytical. Mr Harvey, Deputy Head of Southern Internal Audit Partnership, added that some elements of the systems were not being fully utilised.*
- Queried the other entries in the position statement and if they were given formal opinions. – *Mr Pitman explained that these were not given formal opinions, but were looking at areas where things could be implemented. Issues in these areas would be reported on via normal routes, such as coming to the committee.*
- Asked why risk management had received a limited opinion. – *Mr Pitman explained that the opinion did not specifically relate to risk management, but was a rounded opinion on all areas.*
- Queried what recommendations had been made to management regarding corporate governance. – *Mr Pitman explained that no recommendations had been made and that the position statement for Whole Council Design would cover this.*

4.4 Resolved – That the Committee approves the annual audit report for the year ending 31 March 2020.

5. Internal Audit Plan 2020/21

5.1 The Committee considered a report by the Head of Southern Internal Audit Partnership (copy appended to the signed minutes).

5.2 Mr Harvey introduced the report and explained that a paper had been considered by the Executive Leadership team in March. The paper proposed workshops to identify assurance issues; however due to Covid-19 the workshops had not been able to take place. As an alternative, the risk register and strategic documents had been considered to identify areas that informed the plan for the year. Meetings with directorates followed to look at the areas to ensure that the work of Internal Audit aligned with identified risks. The plan would be fluid as necessary.

5.3 Mr Pitman added that reviews for public health and fire were progressing but had been delayed due to Covid-19. An update on these would be provided at the next committee meeting.

5.4 The Committee made comments including those that follow.

- Queried if the changes to the presentation in the risk register were recommended by Internal Audit. – *Mr Harvey confirmed this was not an Internal Audit recommendation.*
- Sought confirmation that the controls in place for duplicate payments were robust. – *Mr Harvey confirmed that the controls had been looked at and that this area had been previously discussed at committee meetings. Mrs Chuter, Financial Reporting Manager, confirmed that there were controls within the system to look for duplicate payments and that monthly meetings also occurred for this area. A review was currently taking place and the results would come to the committee when the work was concluded.*
- Queried if Internal Audit work would all be remote. – *Mr Harvey confirmed that the technology enabled remote working. Some areas that required physical visits had been impacted by Covid-19. Outstanding site visits would be picked up when restrictions were lifted.*
- Asked if the Oracle transfer from SAP was included in the Internal Audit review. – *Mr Harvey confirmed that provision for this was included in the Corporate Project Support section.*
- Queried when results on Smart Core would be reported. – *Mr Harvey confirmed that any identified concerns would be reported to the committee.*
- Sought clarity on the liaison with EY as the external auditors. – *Mr Harvey explained that liaison happened to ensure there was no duplication of work and that assumptions could be considered.*
- Asked if Internal Audit were appropriately staffed to complete all reviews. – *Mr Harvey confirmed that there was appropriate staff, and that if the reviews started promptly they would hit the targets.*

5.5 Resolved – That the Committee approves the contents of the Internal Audit Plan and Fraud Plan for 2020/21.

6. Quarterly Review of the Corporate Risk Register

6.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

6.2 Ms Eberhart, Director of Finance and Support Services, introduced the report and highlighted a new entry concerning Covid-19. Risks on this were being monitored twice a week. Lunch and learn sessions had been restored and were happening virtually.

6.3 The Committee made comments including those that follow.

- Queried the lack of risk targets in the risk register and noted that it made risks difficult to monitor and challenge actions. – *Ms Eberhart apologised for the missing information, which had been hidden in*

error. A corrected version would be sent to the committee after the meeting.

- Noted the risk concerning the Fire and Rescue Service Improvement Plan and queried if it would be appropriate to invite the Chief Fire Officer to attend a committee meeting to discuss, following the previous invitation to the cancelled March meeting. The committee also queried if the January request for a written response to the Fire and Rescue Service Improvement Plan in the minutes had been received. – *Ms Eberhart confirmed that it was for the Committee to decide if the Chief Fire Officer was required. The funding plan work was ongoing. Ms Eberhart resolved to put a summary in writing to the committee. Mr Waight, Vice Chairman of the Committee and Chairman of the Fire & Rescue Service Scrutiny Committee, noted that the risk had reduced and that attendance from the Chief Fire Officer was no longer necessary. The Chairman agreed with this approach, but would extend an invite to the Chief Fire Officer in the future if required.*
- Queried if the recent fires at two household waste recycling sites should be reflected in the risk register. – *Ms Eberhart resolved to raise this with the Chief Fire Officer.*
- Questioned the postponing of risk management practices. – *Ms Eberhart explained that there was a queue of getting necessary resources online and that this element would be a webinar soon. An update would be provided within the next report.*
- Sought clarity on risks concerning staff welfare. – *Ms Eberhart confirmed that this was discussed regularly and the risk was being actively managed. The risk was not significant to include in the risk register.*
- Noted for risk CR67 concerning the Children's Trust that there was no update to explain reduction in risk value.
- Questioned the progress for risk CR69 for the Children First Improvement Plan's three key pillars and asked if a relevant officer could attend a future meeting to comment. – *The Chairman agreed to request attendance.*

6.4 Resolved – That the Committee notes the report.

7. Draft Annual Governance Statement 2019/20

7.1 The Committee considered a report by the Director of Law and Assurance (copy appended to the signed minutes).

7.2 Mr Gauntlett, Senior Advisor – Democratic Services, introduced the report and explained that Covid-19 had impacted the completion of the draft statement. The statement would be completed for the next committee meeting.

7.3 Ms Eberhart confirmed that the Annual Governance Statement would be approved with the accounts when they were completed.

7.4 The Committee queried if the Chief Financial Officer directly reported to the Chief Executive. – *Mr Gauntlett confirmed that this was*

the case.

7.5 Resolved – That the Committee notes the draft Annual Governance Statement for 2019-20.

8. Regulation of Investigatory Powers

8.1 The Committee considered a report by the Director of Law and Assurance (copy appended to the signed minutes).

8.2 Mrs Henshaw, Principal Solicitor, introduced the report and explained that the powers were not used often, but required updating to align with new guidance.

8.3 The Committee made comments including those that follow.

- Queried the changes from the previous version. – *Mrs Henshaw explained that the changes concerned social media. A tracked changes version could be provided if required.*
- Asked if there had been any issues with the policy being out of date. – *Mrs Henshaw was not aware of any issues with the original policy. Whilst the policy was not used often, it was important to take the opportunity to ensure it was up to date.*
- Sought clarity on the usage of the policy. – *Mrs Henshaw confirmed that the main use was trading standards.*
- Queried what the sign off would be for uses other than trading standards. – *Mrs Henshaw confirmed this would be through the Chief Executive and the Director of Law and Assurance.*

8.4 Resolved – That the Committee endorses the revised policy for the governance and control of the Council's exercise of the powers available to it under the Regulation of Investigatory Powers Act 2000 and that the Director of Law and Assurance be authorised to maintain and update the policy in line with changes to law or Codes of Practice or future inspectorate recommendations.

9. Treasury Management Compliance Report - First Quarter 2020/21

9.1 The Committee considered a report by the Director of Finance and Support Services (copy appended to the signed minutes).

9.2 Mrs Chuter, Financial Reporting Manager, introduced the report and informed the Committee that all requirements for the quarter had been met and there had been no breaches. There had been no changes to approved lending. Consideration had been given the cashflow in light of Covid-19, with liquid funds being held in preparation. Cashflow needs would be monitored as required.

9.3 The Committee queried why Aberdeen City Council was the only local authority with a credit rating. – *Mrs Chuter explained that it was not a requirement for a local authority to have a credit rating; Aberdeen City Council had chosen to have a credit assessment. The County Council did*

not have a credit rating.

9.4 Resolved – That the report be noted.

10. Work Programme 2020/21

10.1 The Committee considered the work programme by the Director of Law and Assurance (copy appended to the signed minutes).

10.2 Mr Chisnall, Democratic Services Officer, introduced the programme which included the new September date to potentially be used for the financial accounts.

10.3 The Chairman highlighted that the anti-fraud and corruption strategy had not been reviewed by the committee since 2014 and asked if this should be included on the work programme, including any other strategies that required consideration. – *Mrs Chuter confirmed that the anti-fraud and corruption strategy had been reviewed as part of a constitution review, just not by the committee. Mr Chisnall resolved to discuss strategies with colleagues that needed to be reviewed by the committee and consider appropriate scheduling.*

10.4 The Committee queried the new September date and what items could be scheduled. – *Mr Chisnall confirmed that this was a new date that had been scheduled to potentially consider the financial accounts, and resolved to work with officers and the Chairman to see what items could be brought to the meeting to potentially reduce the large agenda for the November meeting.*

10.5 Resolved – That the Committee agrees the outline work programme for 2020/21.

11. Date of Next Meeting

11.1 The Committee noted that its next scheduled meeting would be held at 10.30 am on 25 September 2020.

The meeting ended at 1.10 pm

Chairman

**Key decision: Not applicable
Unrestricted**

Regulation, Audit and Accounts Committee

25 September 2020

Quarterly Review of the Corporate Risk Register

Report by Director of Finance and Support Services

Summary

This Committee has responsibility for oversight of the Council's risk management arrangements.

Risk relating to the increasing demand placed on senior officers and the mental and physical wellbeing of WSCC staff due to working from home have been added to the corporate risk register. Risks surrounding a lack of suitably qualified and experienced Approved Mental Health Professionals (AMHP) and further waves of COVID-19 have reduced in significance due to the completion of mitigating actions.

Corporate COVID-19 risks are being captured and monitored/managed by ELT with operational COVID-19 concerns managed within services/workstreams.

Risk Management Lunch 'n' Learn sessions are now being delivered as a webinar and has now been made available for staff in Districts and Boroughs. The follow-on course (Risk Management in Practice) has been designed for face-to-face delivery using a combination of instruction via PowerPoint and syndicate/group work and will involve staff working through the WSCC risk management process using a generic scenario. A one-page process summary/guide has been produced to assist staff as an interim measure.

Recommendations

- (1) The Committee is asked to review the information detailed in the report, the current Corporate Risk Register and provide comment as necessary.
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Quarterly update

1 Introduction

- 1.1 The Committee has responsibility 'to monitor the effective development and operation of risk management in the County Council'. That role, together with a description of the Council's approach to risk management, is set out in the Constitution at Part 4 Section 4. It covers the allocation of responsibilities, including the quarterly review of risk management activity.

2 Background and context

2.1 During the preceding quarter there have been the following changes to the corporate risk register.

- Corporate risk #70 - Increasing demand placed on the senior officers
 - New Risk
- Corporate risk #71 - Mental and physical wellbeing of WSCC staff due to working from home
 - New risk
- Corporate risk #66 - Lack of suitably qualified and experienced Approved Mental Health Professionals (AMHP)
 - Severity decreased from 25 to 20
 - To reflect completed mitigating actions
- Corporate risk #68 - Further waves of the COVID-19
 - Severity decreased from 25 to 20
 - To reflect completed mitigating actions

2.2 The following table summarises risks on the corporate risk register with the current severity graded above the tolerance threshold:

Risk No	Risk	Score - Prev Qtr	Score
CR61	Death/serious injury of a child (Council failing in their duty)	25	25
CR66	Lack of suitably qualified and experienced Approved Mental Health Professionals (AMHP)	25	20
CR68	COVID19 and risk to the delivery of WSCC's services	25	20
CR69	Children's services will fail to deliver an acceptable provision to the community	25	25
CR39a	Cyber-security	25	25
CR58	Failure of social care provisions	25	25
CR22	Financial sustainability	25	25
CR59	Benefits from transformation are not realised	20	20
CR1	No deal Brexit	16	16
CR11	Recruit and retain staff	16	16
CR50	Insufficient health & safety governance	16	16
CR71	Mental and physical wellbeing of WSCC staff due to working from home	New	16

2.3 The corporate risk register continues to be reviewed at least monthly by ELT, with any actions promptly addressed.

2.4 The directorate risk registers have been reviewed at least quarterly by each Director and their management team, with support from the Corporate Risk Manager where required. The Corporate Risk Manager has continued to engage monthly with Executive Directorate teams to discuss corporate and other directorate/service risks, and risk governance.

2.5 Operational COVID-19 risks are considered and managed within the services, either through the production of new risks or applying the ramifications to an existing risk and its assessment. In addition, corporate COVID-19 risks are captured and controlled by the councils COVID-19 response team. The

Corporate Risk Manager presents a summary of risks by themes and workstreams to ELT monthly for consideration.

The table below summarises the key corporate COVID-19 risks.

Risk
Staff Shortage in Adults Services for older people's visits
Community Hubs may not have enough staff capacity to manage an increase in demand, resulting in a failure to deliver essential food and medicine to vulnerable people
Once restrictions are relaxed/lifted and we move into the recovery phase the Council may be able to work through the backlog of BAU events in a timely manner due to volume of activity and social distancing restrictions. This will result in a significant reduction in revenue and reputational damage to the Council
Providers are increasingly unwilling to accept new placements which may cause a reduction in external placements and in-house foster care arrangements. This will lead to children not being looked after, becoming more vulnerable and at risk of harm
Care homes are struggling to maintain an economically sustainable number of residents when experiencing deaths due to COVID-19 (>50% occupancy required). This lack of revenue creates a risk of care home closures which would then require financial intervention by WSCC to prevent this from occurring
Government have issued instructions to highlight the local authority's role within the national Test and Trace Programme (particularly regarding Local Outbreak Plans). Should the government also issue direction to apply restrictions at a local level it will have further significant resource implications for PH and their ability to manage the current requirement and ongoing threat
Advice and guidance on suspected COVID-19 cases has been devolved down to LA's with immediate effect. There's a significant concern that there may be a surge in demand for support, which will lead to a strain on the council's ability to respond/support in a timely manner in order to reduce the impact on our residents.

- 2.6 Capital Programme risks are reported through their respective programme board. There is ELT representation on this boards ensuring that significant concerns to the successful delivery of the programmes and/or associated projects are discussed, communicated to ELT and reflected in the corporate risk register if required. The Corporate Risk Manager has continued to carry out frequent reviews of the project and programme level risk registers.
- 2.7 The Risk Management Lunch 'n' Learn sessions are now being delivered as a webinar and the course content has been amended to facilitate this delivery method. This course has now been made available for staff in Districts and Boroughs. The follow-on course (Risk Management in Practice) has been designed for face-to-face delivery using a combination of instruction via PowerPoint and syndicate/group work and will involve staff working through the WSCC risk management process using a generic scenario. Due to current restrictions impacting the delivery of this method of training, the Corporate Risk Manager has produced a one-page process summary/guide to assist staff as an interim measure.

- 2.8 The quality and currency of information contained in the corporate and directorate risk registers will continue to be reviewed and updated. The Corporate Risk Manager is continuing to challenge whether identified actions will sufficiently address the concerns, and within a suitable timeframe.
- 2.9 Enduring activities the Corporate Risk Manager is undertaking to ensure continuous improvement and alignment with best practice include:
- Attendance at TMG (chairing when requested) and New Ways of Working group
 - Attend the South East Risk Managers Group to share best practice of risk management in the public sector across various local authorities
 - Attend appropriate seminars held by professional bodies e.g. Alarm, CMI
 - Support projects and programmes to provide assurance and support on robust governance
 - Engage and support Executive Directors, Directors, service managers and their teams on capturing and communicating risk
 - Attendance at/facilitating various internal boards/meetings and working groups
- 2.10 At this stage, there will be no additional resources required to facilitate the embedding/management of risk and future actions as current support within the organisation is sufficient. The Corporate Risk Manager is conducting risk workshops and risk training sessions in existing management meetings or during lunchtimes where possible to mitigate resource and scheduling conflicts. However, the 'Risk Management in Practice' course will take place during working hours, and participants will be responsible for ensuring their attendance doesn't significantly impact their role requirement.
- 2.11 The committee is asked to consider the Corporate Risk Register and provide comment as necessary.

3 Risk implications and mitigations

- 3.1 The subject of the report is the corporate risk register. It would be contrary to the interests of the Council not to ensure that its risk management processes and registers were not aligned to Risk Management Strategy.

4 Policy alignment and compliance

- 4.1 Equality duty and human rights assessment. An Equality Impact Report is not required for this decision as it is a report dealing with internal and procedural matters only, although the Council's responsibilities in relation to the public sector equality duty will be one element of the approach to risk management.

Katharine Eberhart
Director of Finance and Support Services

Appendices

Appendix A - Corporate Risk Register

Background papers

None

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score	
CR68	The government have eased COVID-19 lockdown restrictions and are allowing all businesses to open, resulting in increased footfall in the county. If there were to be further waves of the COVID-19 pandemic there is a risk that services will be insufficiently agile/flexible to respond to government and PHE guidelines/directives.	Chief Executive	1. Failing to deliver statutory duties.	Mar-20	5	5	25	Treat	5	3	15	Review and update business continuity and degradation plans.	CLT	ongoing	Business continuity plans to be reviewed. conducted once recovery plan/framework produced.	5	4	20	Nov-20
			2. Negative reputational impact.									Regular engagement with MHCLG and ensure information and direction is discussed and implemented through the Strategic Coordinating Group (SCG-Gold) and Tactical Coordination Group (TCG-Silver).	Chief Executive	ongoing	Outcomes to inform Tactical Management Group (TMG), Strategic Management Group (SMG), and Local Health Resilience Partnership (LARP) for action/info.				
			3. Residents don't receive support required.									Develop communications when required to manage expectations of staff and residents on WSCC response position.	Head of Communications	ongoing	Collaboration and agreement on services provision messages with directorates and ELT through current COVID-19 mechanisms (TMG and SMG).				
			4. Insufficient budget/budget exceeded.									To continue to lobby government groups to influence funding decisions.	Chief Executive	Ongoing					
			5. Increase risk to life.									IA to conduct review of lessons learned from 1st wave and communicate.	Director of Finance & Support Services	Sep-20	Internal Audit have commenced the review.				
			6. Information not shared appropriately.																
CR70	There is an increasing demand placed on the senior officers due to the ongoing threat of COVID19 and additional burdens due to devolved responsibilities. This may lead to a continued lack of capacity to deal with directorate and organisational issues, leading to poor decision making.	Chief Executive	1. Outcomes for residents not delivered	Aug-20	4	3	12	Tolerate	4	3	12	Continue to monitor service resource impact.	ELT	ongoing	Concerns raised through ELT	4	3	12	Nov-20
			2. Residents don't receive support needed.									Provision of support to services when required.	SMG	ongoing	Support requests raised through TMG and escalated to SMG if required.				
			3. Failing to deliver statutory duties																
CR71	As part of the 'new normal' WSCC staff will be expected to continue to work from home (current exceptions being areas of critical business that cannot function in this way and staff unable to work in a safe environment at home). This may adversely effect the mental and physical wellbeing (and emotional resilience) of staff which will lead to an increase in absences and poor service delivery to residents.	Director of Human Resources & Org Change	1. Increase in poor physical health of staff.	Aug-20	4	4	16	Treat	4	2	8	Mental health training and support (particularly for managers).	Health and Safety Manager	ongoing	Stress Management Corporate Guidance and Employee Assistance Program.	4	4	16	Nov-20
			2. Increase in poor mental health of staff.									DSE assessments carried out and regularly reviewed.	Health and Safety Manager	ongoing	Directorates responsible for completion of staff assessments.				
			3. Increase in staff absence.									Appropriate comms to ensure officers are equipped to support staff.	Health and Safety Manager	ongoing	HSW messages being published regularly via One Voice.				
			4. Poor service delivery to residents.									Inclusion of staff wellbeing guidance in Performance Management framework.	Health and Safety Manager	Oct-20					
			5. Increase in number of claims and premiums.																
CR1	The impact of a no deal Brexit may result in service delivery issues in Council services.	Chief Executive	1. Uncertainty on staff available to deliver council services i.e. care workers.	Nov-17	4	4	16	Tolerate	4	4	16	Regular meetings to review current national and organisational status.	ELT	ongoing	Health Protection Team and Education Team to liaise weekly. Information communicated to SMG.	4	4	16	Nov-20
			2. Uncertainty on local businesses.									Brexit implications across all current corporate risks is being carried out. The Resilience and Emergency Team is engaged in planning across the South east.	Chief Executive	ongoing	Gather data to inform impact of negotiations; liaise with network to share information; work with businesses to show ongoing commitment. Directorates to collate data to be used for analysis once Brexit is fully understood. Risk re-assessed 6 monthly or in event of significant Brexit statements.				
			3. Impact of growth projections.																
			4. Supply chain uncertainty in contracts.																
			5. Potential demand on resilience teams.																

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score	
CR7	There are governance systems which inhibit effective performance and a culture of non-compliance and also a lack of standardisation in some systems and processes . Skills and knowledge of systems inadequate and excessive effort required for sound decisions and outcomes.	Director of Law & Assurance	1. Delayed decisions impede service delivery.	Dec-19	4	4	16	Treat	2	2	4	Module on political management and systems for CLT and CMT to be developed and provided.	Director of Law & Assurance	Sep-20	In train	4	3	12	Sep-20
			2. Service improvement effort impeded.									Data on areas of non-compliance used to inform Directors to enforce compliance with standards.	Director of Law & Assurance	Ongoing	Further draft AGS to July RAAC (endorsed in Mar)				
			3. Resources misapplied - poor VFM.									Systems and processes to be simplified and guidance for specific procedures to be refreshed with output from Governance review (CR65).	Head of Democratic Services	Jul-20	Report to Governance Committee 6 July.				
			4. Complaints and claims.									Regular compliance monitoring and active corporate support when non-compliance happens to establish better practice.	Director of Law & Assurance	Ongoing	Discussed as part of Audit planning. Review of information generated. TK to engage audit to determine output.				
			5. Censure by external inspection.									Audit plan focussing reviews on key corporate support systems to identify key areas in need of improvement.	Director of Law & Assurance	Ongoing	Discussed as part of Audit planning. Review of information generated. TK to engage audit to determine output.				
CR11	Due to recent reports into service operations and senior leadership instability, there is a risk that the Council will not be seen as an attractive place to work by current and potential employees. This will result in problems recruiting and retaining staff in key skills areas.	Director of Human Resources & Org Change	1. Over-reliance on interim and agency staff.	Mar-17	4	5	20	Treat	4	3	12	Simplifying processes for recruiting and engaging with potential applicants for hard to fill posts.	Head of Res Org Dev & Talent	Sep-20	Partially completed. Recruiter licences for Linked-in and Reed purchased and being used to source candidates/reach out to candidates directly. "Engage" module to go live by Sept 20. Recruitment campaign pages launched for Children's Social Care, Adults Social Care, Occupational Therapy, Educational Psychologists.	4	4	16	Dec-20
			2. Lack of corporate memory.									Provision of clear financial support for recruitment and retention policy and provisions procedures.	Head of Specialist HR Services	Oct-20	Partially Completed. Social workers recruitment and retention package in place for 2019. 2020 offer currently under review. Corporate relocation package drafted and being prepared for ELT sign off. Sustainable Social Worker Pay Model signed off by ELT Aug 2020.				
			3. Inadequate pace/speed of delivery.									Application of policy and provisions for various hard to fill posts.	Head of HR Bus Ptr & Org Change	Ongoing	Use of R&R package to recruit children's social workers. Relocation support for hard to fill roles awaiting sign off by ELT. Use of apprenticeships to build talent pipelines e.g. social worker, occupational therapist, management programmes.				
			4. Low staff morale and performance.									Produce Directorate Workforce Strategies to identify skills, capacity and capability requirements.	Head of HR Bus Ptr & Org Change	Jan-21	Reward & Retention package for Childrens Social Workers currently being re-written. Development of Workforce Plan being carried out as part of Children First Improvement Plan.				
												Development of comprehensive employee value proposition.	Head of Res Org Dev & Talent	Jan-21	Part of People Framework Action Plan				
												Longer term strategies for addressing recruitment issues e.g. apprenticeships, growing our own.	Head of Res Org Dev & Talent	Ongoing	3 year plans in place for apprenticeships (currently being refreshed). LGA consultancy engaged with; recommendations received. Continuing programme of marketing and awareness raising.				

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CR22	The financial sustainability of council services is at risk due to uncertain funding from central government and/or failure to make the required decisions to ensure the budget is balanced. This has been compounded further with the COVID-19 crisis, and the recent Ofsted and HMIC FRS reports.	Director of Finance & Support Services	1. Insufficient government funding to deliver services.	Mar-17	4	4	16	Treat	4	3	12	Pursue additional savings options to help close the budget gap.	Director of Finance & Support Services	Ongoing	Savings are being delveoped as part of the budget process for 2021/22	5	5	25	Nov-20
			2. Adverse effect on reserves/balanced budget.									Request additional funding from the relevant government departments to help deal with service improvement in Children’s and Fire and Rescue.			No further funding is forthcoming				
			3. Reputational impact through reduction of service quality									Monitor the use of additional funds made available to improve service delivery.			The utilisation of grant received from government in response to Covid-19 is reported through the Total Performance Monitor.				
			4. Increased liability of service delivery, transferred by external partners due to funding restrictions i.e. supporting homelessness.									To continue to lobby government groups to influence funding decisions.			The Chief Executive actively participates in calls to government emphasising the need for appropriate funding for local authorities.				
			5. Additional unexpected service and cost pressures from savings decisions.									Financial impacts arising from the Covid-19 national emergency need to be reflected and addressed within the TMP and MTFS as appropriate.			The impact of Covid-19 is reported in the TPM and reflected in the MTFS				
			6. Financial implications for both 2020/21 and the medium term arising from the national emergency circumstances associated with Covid-19.																
CR39a	As a result of staff accessing unsafe links from external sources and unauthorised/insecure website browsing, the Council's systems will be subjected to a Cyber-Security attack leading to a loss of data or system failure.	Director of Finance & Support Services	1. The Council suffers significant financial loss or cost.	Mar-17	4	5	20	Treat	4	4	16	Improve staff awareness of personal & business information security practices & identification of cyber-security issues. Continued actions due to evolving threats.	Head of IT	Ongoing	Role specific training delivered to children's services due to analysis of breach data received. Regular comms distributed to all staff. Included as annual refresher. Interim course to communicate essential/key information as soon as possible. Password review completed. Phishing emails sent out and responses evaluated. New awareness campaign being developed. Vendor identified and commissioned to provide services to counter cyber threat.	5	5	25	Dec-20
			2. The Council's reputation is damaged.									Maintain IG Toolkit (NHS) & Public Service Network security accreditations.			Joint submission to NHS Digital in the 2019 assessment by the Data Protection Team; to cover ensure IGTK incorporates Information Security, along with Info Governance. PSN accreditation submitted. PSN connection to be reprocured.				
			3. Resident's trust in the Council is undermined.									Conduct tests including penetration, DR and social engineering. (conducted 6 monthly)			2020 health check to be commissioned.				
			4. Partners will not share data or information with the Council.									Ensure that cyber-attack is identified early, that reporting & monitoring is effective, and recovery can be prompt.			Full audit not carried out by IA 2019. Instead a full review took place in May 2019 of progress against actions from the 2018 audit. Ethical Hacker training being carried out. Review of advanced threat management solution.				
			5. Punitive penalties are made on the Council.									Provide capacity & capability to align with National Cyber-Security centre recommendations.			Maintain watching brief for updated guidance notes. WSCC has formally joined SE Warning Advice and Reporting Point (WARP).				
												Transition to a controlled framework for process and practice.			Review of ISO27001 and ISO9001 to determine appropriateness.				

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CR39b	Data protection responsibilities. The Council is a Data Controller and has obligations and responsibilities arising from that role. Council needs resources, skills, knowledge, systems and procedures to ensure obligations are met.	Director of Law & Assurance	1. Individuals or groups come to harm.	Mar-17	4	5	20	Tolerate	3	3	9	Test the effectiveness of DPIA	Head of IT	Ongoing	To be conducted annually	3	3	9	Sep-20
			2. The Council's reputation is damaged.									Maintain IG Toolkit (NHS) & Public Service Network security accreditations.	Head of IT	Ongoing	Joint submission to NHS Digital in 2019 assessment by the Data Protection Team; to ensure IGTK incorporates Information Security, with Information Governance. PSN accreditation submitted.				
			3. Resident's trust in the Council is undermined.									Undertake Data Privacy Impact Assessments (DPIA) when systems or processes change and carry out resulting actions.	Director of Law & Assurance	Ongoing	Processes settled. Most impact assessments completed. DPIA to be conducted annually.				
			4. Partners will not share data or information with the Council.									Enable safe data sharing, including using appropriate data standards & appropriate anonymization techniques.	Head of IT	Ongoing	As part of GDPR reviews of existing arrangements.				
			5. Punitive penalties are made on the Council.									Ensure the skills and knowledge is available to support Caldicott Guardian in ASC.	Head of Data Protection	Ongoing					
												Adopt ISO27001 (Information Security Management) aligned process & practices.	Head of IT	Ongoing					
												Review IT systems implemented prior to 25 May 2018 to confirm compliance with updated regulations.	Director of Law & Assurance	Ongoing	IT to identify applicable systems and provide support in resolving any risks of non-compliance.				
CR50	WSCC are responsible for ensuring the HS&W of its staff and residents. There is a risk that if there is a lack of H&S awareness and accountability by directorates to capture and communicate in accordance with Council governance arrangements, it will lead to a serious health & safety incident occurring.	Director of Human Resources & Org Change	1. Increase risk of harm to employees, public and contractors.	Mar-17	4	5	20	Treat	4	2	8	Purchase, develop and introduce an interactive online H&S service led audit tool.	Health and Safety Manager	ongoing	Current inspection template to be created in Firmstep.	4	4	16	Dec-20
			2. Increase number of claims and premiums.									Conduct a training needs analysis, produce gap analysis to understand requirements and produce suitable courses as a consequence.	Health and Safety Manager	ongoing	Partially completed. Fire Warden training and H&S eLearning included in annual refresher training from 1 Feb 19. TNA produced with suite of courses required identified. Modules for induction & asbestos awareness now live.				
			3. Adverse reputational impact to Council.									Incorporate HS&W information into current performance dashboard.	Health and Safety Manager	ongoing	Dashboard to capture details on sickness, absence and H&S. H&S data currently collated relates to RIDDOR and NON-RIDDOR incidents.				
			4. Increase in staff absence.									Regular engagement with other LA's on best practice and lessons learned.	Health and Safety Manager	Ongoing					
												Develop and introduce a more comprehensive risk profile approach and front-line service based audits	Health and Safety Manager	Ongoing					

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CR58	If there were to be a failure of social care provisions there is a risk that both WSCC funded residents and self-funding residents are not being properly cared for; which may result in death or injury to individuals and significant reputational harm to the council.	Executive Director of Adults and Health	1. Potential that people will come to harm and Council will be unable to ensure statutory safeguarding duty.	Sep-18	5	5	25	Treat	3	3	9	Consideration of opportunities to provide services in house to enable contingency for provider failure.	Cx Lead	Sep-20	Cost identified for in house provision significant and not therefore progressed further at this stage. Exploring other options for emergency provision. Waiver completed to source emergency care through agency providers as part of COVID19 planning. Awaiting agreement of terms and conditions with providers prior to implementing.	5	5	25	Sep-20
			2. CQC action against service provider which could lead to establishment closure at short notice									Collection of market information on Firefly. Analysis of information and appropriate level of quality assurance response.	Head of Contracts & Performance	ongoing	Information used to support emergency planning and inform quality processes.				
			3. Financial implication of cost of reprovision following closure of services.									Scoping and implementation of a multi agency failure prevention team.	Joint Strategic Director of Cx	ongoing	Agreement was made in October 2019 with the CCG Chief Nurse to proceed with the joint programme. Workshop took place Dec 19 with agreement on the need for a joint residential/ nursing contract, exploration of income generation opportunities and potential of increased offer to providers who agree to managed rates.				
			4. Reduced capacity in the market as a result of failure of provision.									Financial analysis of high risk provision - due diligence checks.	Head of Contracts & Performance	ongoing	Working with strategic contracts to identify key providers for more regular financial checks.				
			5. Delayed Transfer of Care (DIOC)									Development and embedding of multi agency Quality, Safeguarding and Improvement Group, Strategic Provider Concerns meeting and mechanisms to focus on specific providers where concerns arise.	Head of Safeguarding and Quality	ongoing	QSIG established. Working towards embedding these mechanisms and confirming benefit in terms of preventative focus.				
			6. Non-compliance with Care Act.									In the event of an incident, ensure the consistent implementation of Emergency Response Plans, including a full de-brief and lessons learned.	Head of Adult Operations	ongoing	Emergency plans in place for residential services and Domiciliary Care provision. Continue to work with RET to ensure process is robust and reflects learning from incidences.				
			7. Reputational impact. Public perception of the council being willing to accept poor standards of care. Low public confidence in social care.									Capacity Action plans for residential and non residential services to focus on long and short term actions to improve capacity to support potential contingencies.	Cx Lead	ongoing	Number of people awaiting care is captured within daily performance management information which provides an indication on capacity, whilst wider updates on the action plan are paused during COVID19 in light of other priorities.				
CR59	Benefits from transformation are not realised within projected timescales because of a lack of robust and effective portfolio governance adversely impacting on in-year budget pressures.	Director of Finance & Support Services	1. Financial pressures through non-delivery of savings.	Nov-17	4	4	16	Treat	3	3	9	Review current programme to ensure robust project and programme plans are developed to implement changes and savings.	Director of Finance & Support Services	ongoing	Future benefits are being reviewed as part of the budget setting process.	4	5	20	Nov-20
			2. Failure to improve customer services.									Develop effective benefits tracking process.	Director of Finance & Support Services	ongoing	Process completed and approved in time for new financial year, however due to COVID-19 this process may need changing.				
			3. Inefficient and ineffective business processes.									Develop detailed programmes in collaboration with Directors to deliver required changes.	Director of Finance & Support Services	ongoing	Engagement conducted and programmes agreed in time for new financial year, however due to COVID-19 plans and governance arrangements may need changing.				
			4. Failure to deliver required cultural changes.																

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score	
CR60	There is a risk of failing to deliver the HMIC FRS improvement plan , leading to an adverse affect on service delivery; which may result in failing any subsequent inspection.	Chief Fire Officer	1. Reputational damage	Apr-19	5	4	20	Treat	5	2	10	Ensure robust project and programme governance in place and monitor delivery.	Chief Fire Officer	ongoing	During the revisit, the HMIC FRS Advisory Board praised the project and programme plans, and PMO governance. They also reported tangible improvements of preventative and protective measures. Further praise was received regarding the accelerated pace of mitigating the risk to public safety.	5	3	15	Nov-20
			2. Corporate Governance Inspection																
			3. Legal implications of not delivering statutory services																
			4. Increased risk harm																
CR61	A 'serious incident' occurs resulting in the death or serious injury of a child where the Council is found to have failed in their duty to safeguard, prevent or protect the child from harm.	Executive Director of Children, Young People and Learning	1. The Council would have let children down and as a result our reputation and credibility would be significantly damaged.	Jun-19	5	5	25	Treat	5	2	10	Implement Practice Improvement Plan (PIP).	Executive Director of Children, Young People and Learning	Ongoing	PIP currently being refreshed after 5 months progress of successful delivery.	5	5	25	Sep-20
			2. Subject to investigation and further legal action taken against the Council.									Provide proactive improvement support to services to assure effective safeguarding practices.	Executive Director of Children, Young People and Learning	ongoing	Specialist provider commissioned to support social workers in Children Looked After Service and Family, Support and Protection Service (in place by April 2020).				
			3. Immediate inspection and Government intervention.																
CR65	The review of corporate leadership, governance and culture recommended in the Children’s Commissioner’s report is not fully undertaken or effectively implemented leading to a lack of necessary improvement and further service failures or external intervention.	Chief Executive	1. Service failure	Dec-19	5	4	20	Treat	3	2	6	Completion of improvement plan scoping phase.	Chief Executive	Jul-20	(See CR7)	4	3	12	Sep-20
			2. External intervention									Develop plan to stabilise senior leadership team.	Chief Executive	Sep-20	Identifying actions to reduce risk of senior leadership churn.				
			3. Poor value for money									Engage with external partners (including LGA) to scope and deliver Leadership development for Cabinet and Senior Officers.	Director of Law & Assurance	Jan-21	Scoping underway with LGA and external partners. Member Development Plan approved by Governance Committee Jun 20.				
												Implementation of governance changes as approved by Council (17.12.19)	Director of Law & Assurance	Apr-21	Those for immediate implementation are complete. Others scheduled to meet Councils decision.				
CR66	Due to a lack of suitably qualified and experienced Approved Mental Health Professionals (AMHP) and the increase in demand due to COVID-19, there is a risk that the Council will not carry out their statutory role under the Mental Health Act 1983 (amended 2007) due to being unable to meet the demand for mental health assessments.	Executive Director of Adults and Health	1. Increased risk of death or serious injury.	Jan-20	5	5	25	Treat	5	2	10	Development and implementation of new AMHP model (in partnership with the CCG and Sussex Partnership Foundation Trust (SPFT)).	Head of Adult Operations	Jan-21	Mental Health specific Transformation Plan has been developed which incorporates Amed and HP service re-design. Dedicated Programme Manager in post. Progressing through governance process. New structure for AMHP service (Hub and Spoke model) developed and operational budget approved. Proposed to implement from 1st Jan 21.	5	4	20	Nov-20
			2. WSCC subjected to legal action on behalf of customer or through employment tribunal.									Recruitment of AMHP's to support with current demand.	Head of Adult Operations	ongoing	Funding agreed to enable interim recruitment of AMHP's until end-Dec 20.				
			3. Wider impact on health and social care system through delays in carrying out assessments.																
CR67	The project to set up a company (known as a Children's Trust) to provide children's services on behalf of WSCC significantly diverts council resources (capacity and capability) from core service delivery, to focussing on improving the quality of children's services.	Chief Executive	1. Progress of children's services improvement is slowed or limited by splitting of resources and energy.	Feb-20	5	5	25	Tolerate	5	2	10					5	2	10	Dec-20
			2. Delivery of Council services interrupted/impacted.																
			3. Impact on Corporate improvement.																

Risk No	Risk Description	Risk Owner	Risk Impact	Date Risk Raised	Initial Risk			Risk Strategy	Target Risk			Risk Control/Action	Action Owner	Action Target Date	Risk Update	Current Risk			Next Risk Review Date
					Impact	Likelihood	Score		Impact	Likelihood	Score					Impact	Likelihood	Score	
CR69	If the council fail to make the necessary improvements to progress from the previous 'inadequate' rating, there is a risk that children's services will fail to deliver an acceptable provision to the community.	Executive Director of Children, Young People and Learning	1. A child is exposed to dangers which could cause harm.	Mar-20	5	5	25	Treat	5	4	20	Deliver Children First Improvement Plan.	Senior Improvement Lead	ongoing	The Children First Improvement Plan has been developed to incorporate three key pillars to ensure an improved level of service: Pillar 1 - Everyone knows 'what good looks like'; Pillar 2: Creating the right environment for good social work to flourish; Pillar 3 : Deliver an Improved Service Model. Monthly reports to Improvement Board.	5	5	25	Dec-20
			2. Significant reputational damage.									Continue to work with Hants CC as a partner in practice to improve the breadth of children's service.			Joint work between WSCC and HCC has resulted in the development of a comprehensive phase 2 workstream improvement action plan. Regular steering group to track and monitor progress and report into the into Improvement Board.				
			3. Reduced confidence by residents in the Councils ability to run children's services.									Implement the Children First Service transformation model			Family Safeguarding model redesign being developed to ensure practice improvements are sustainable and embedded to provide a good level of service.				
			4. Legal implications through non-compliance or negligence.																

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**Key decision: Not applicable
Unrestricted**

Regulation Audit & Accounts Committee

25 September 2020

Internal Audit Progress Report (August 2020)

Director of Finance & Support Services, and the Head of Southern Internal Audit Partnership

Summary

The purpose of this paper is to provide the Regulation Audit and Accounts Committee with an overview of internal audit activity against assurance work completed in accordance with the approved audit plan and to provide an overview of the status of 'live' reports.

Recommendations

- (1) That the Committee note the Internal Audit Progress Report (August 2020) as attached

Proposal

1 Background and context

- 1.1 Under the Accounts and Audit (England) Regulations 2015, the Council is responsible for:
 - ensuring that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of functions and includes arrangements for the management of risk; and
 - undertaking an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards and guidance.
- 1.2 In accordance with proper internal audit practices (Public Sector Internal Audit Standards), the Chief Internal Auditor is required to provide a written status report to the Regulation, Audit & Accounts Committee, summarising:
 - The status of 'live' internal audit reports (outstanding management actions)
 - an update on progress against the annual audit plan:
 - a summary of internal audit performance, planning and resourcing issues; and

- a summary of significant issues that impact on the Chief Internal Auditor's annual opinion.

1.3 Appendix A summarises the activities of internal audit for the period up to 31 August 2020

2 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Services not addressing key management actions arising from the audit findings	Follow up audit review will be undertaken to ensure that agreed actions have been implemented. A report detailing the status of high priority management actions will be presented to each meeting of this Committee for monitoring to ensure that key risks are addressed on a timely basis

Katharine Eberhart
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Appendices

Appendix A – Internal Audit Progress Report (August 2020)

Background papers

None

Internal Audit Progress Report (August 2020)

West Sussex County Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

Contents:

1.	Role of Internal Audit	3
2.	Purpose of report	4
3.	Performance dashboard	5
4.	Analysis of 'Live' audit reviews	6-7
5.	Executive summaries 'Limited' and 'No' assurance opinions	8
6.	Planning and resourcing	8
7.	Rolling work programme	8-13
Annex 1	Overdue 'High Priority' Management Actions	14-23
Annex 2	Overdue 'Low and Medium' Management Actions	24-25

1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The County Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the County Council that these arrangements are in place and operating effectively.

The County Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

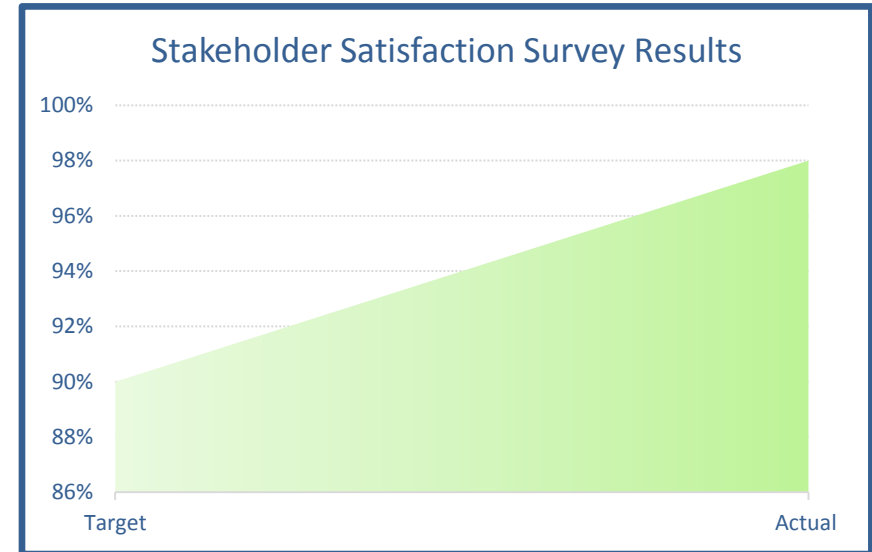
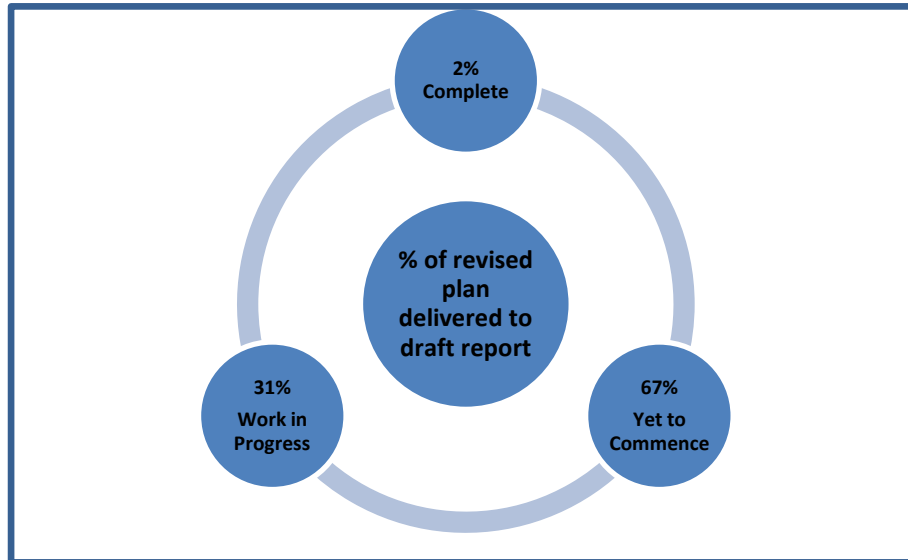
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable / Adequate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2015. The report concluded:

'It is our view that the Southern Internal Audit Partnership 'generally conforms' to all of the principles contained within the International Professional Practice Framework (IPPF); Public Sector Internal Audit Standards (PSIAS); and the Local Government Application Note (LAGN).

In accordance with PSIAS, a further self-assessment was completed in April 2019 concluding that the Southern Internal Audit Partnership continues to comply with all aspects of the IPPF, PSIAS and LGAN.

4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Governance Compliance	Feb 2019	Corp	Limited	3	0	0	2		1	
Home to School Transport	Mar 2019	DH&T	Limited	4	0	0	3	1		
Special Guardianship Orders	May 2019	DC&FS	Limited	24	0	0	22		2	
E-Income	Jun 2019	F&SS	Adequate	1	0	0	0			1
Payroll and Employment Administration	July 2019	HR&OC	Adequate	10	0	0	9	1		
MSS	July 2019	Corp	Adequate	1	0	0	0	1		
IR35	Aug 2019	HR&OC	Limited	9	0	1	8			
Software Licencing	Aug 2019	F&SS	Adequate	2	0	0	0	1	1	
Capacity Planning and Monitoring	Aug 2019	F&SS	Adequate	3	0	0	2		1	
Access Control	Aug 2019	F&SS	Adequate	5	0	1	1		3	
Retained Firefighters	Sept 2019	CFO	Adequate	12	0	0	11		1	
Cyber Security	Sept 2019	F&SS	Adequate	3	0	0	2		1	
Residential Care Payments	Sept 2019	EDAH	Limited	10	0	0	9			1
IT Asset Management	Oct 2019	F&SS	Limited	4	0	0	2			2
Intentionally Homeless – Financial Control	Dec 2019	DC&FS	Limited	11	0	0	6		1	4
Budgetary Control	Dec 2019	F&SS	Adequate	6	0	0	4		2	
Disaster Recovery Planning	Dec 2019	F&SS	Limited	6	0	1	1		3	1
Application Review - Mosaic	Dec 2019	F&SS	Adequate	2	0	0	1		1	
External Placements	Jan 2020	DASS DC&FS	Limited	5	0	0	3			2
Civil Parking Arrangements	Jan 2020	DH&T	Adequate	9	0	0	2		1	6
Allowances	May 2020	HR&OC	Limited	13	0	2	7			4
Document Management & Retention	May 2020	DC	Adequate	8	0	0	3		3	2
GDPR Compliance	May 2020	DE&S	Adequate	3	0	2	1			
Accounts Payable	May 2020	F&SS	Adequate	4	0	0	0		4	

Quality Assurance Framework	Jun 2020	DASS	Limited	10	0	1	3		3	3
Fraud Proactive – Purchasing Cards	Aug 2020	F&SS	Limited	7	0	0	6		1	
Travel Portal	Sept 2020	F&SS	Adequate	7	0	0	4	1	2	
Highways Asset Protection	Sept 2020	DH&T	Adequate	6	0	0	5		1	
Information Governance - FOI	Sept 2020	DC	Adequate	3	0	1	2			
Total								5	32	27

Audit Sponsor

Chief Executive

Chief Fire Officer (CFO)
Director of Human Resources and Organisational Change (HR&OC)

Executive Director Place Services

Director of Highways and Transport (DH&T)
Director of Environment and Public Protection (DE&PP)
Director of Communities (DC)

Executive Director, Adults & Health and Statutory DASS (DASS)

Executive Director of Children, Young People and Learning

Director of Children and Family Services (DC&FS)
Director of Education and Skills (DE&S)

Executive Director Resource Services

Director of Law and Assurance (DL&A)
Director of Finance and Support Services (DF&SS)
Director of Property and Assets (DP&A)

5. Executive Summaries of reports published concluding a 'Limited' or 'No' assurance opinion

There have been no 'Limited' or 'No' assurance opinions issued since previous committee meeting that have not been reported to committee.

6. Planning & Resourcing

The internal audit plan for 2020-21 was approved by the County Council's Executive Leadership Team and the Regulation, Audit & Accounts Committee in July 2020.

The audit plan remains fluid to provide a responsive service that reacts to the changing needs of the County Council. Progress against the plan is detailed within section 7.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2019/20								
Crawley Schools PFI	P&A	✓	✓	✓	Feb 20			
Data Storage and Backups	F&SS	✓	✓	✓	Mar 20			
Information Governance (FOI)	DC	✓	✓	✓	Jun 20	Sep 20	Adequate	
Travel Management Hub	F&SS	✓	✓	✓	Apr 20	Sep 20	Adequate	
NFI - Companies House	L&A	✓	✓	✓	May 20			
Capital Programme Governance	F&SS	✓	✓	✓	Jun 20	Aug 20	Adequate	
Problem & Incident Management	F&SS	✓	✓	✓	Apr 20	Jul 20	Adequate	
Special Educational Needs	DE&S	✓	✓	✓	Jul 20			
Investment Plan (CS)	DC&FS	✓	✓	✓				
Asset Protection (recoverable works)	DH&T	✓	✓	✓	Apr 20	Sep 20	Adequate	
Procurement	F&SS	✓	✓	✓	Jul 20			
Dual Use Agreements	P&A	✓	✓	✓	Apr 20			

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2020/21								
Governance - COVID	Corporate	✓						Q3
Health and Safety / Staff Welfare / Wellbeing / Performance Management	Corporate	✓	✓					Q2
Market Underwriting / Contract Management – Supply chain	Corporate	✓	✓					Q2
Emergency Planning / Business Continuity / Service resilience	Corporate	✓						Q2
Central Government Grants (allocation)	Corporate	✓	✓	✓				Q2
PPE Cell	Corporate	✓	✓	✓	Jul 20	Sep 20	Reasonable	
Recovery	Corporate							Q3-4
Health and Safety	DHR & OC							Q4
Corporate Governance	DL&A							Q3
Programme and Project Management	Corporate							Q3
Corporate Projects Support	Corporate	✓						Q1-4
Risk Management	DFSS	✓	✓	✓				Q2
Annual Governance Statement	DL&A	n/a	n/a	n/a	n/a	n/a	n/a	Q1-2
Procurement (sub £100k)	DFSS							Q3
Financial Resilience	DFSS							Q3
Debt Recovery / Write off	DFSS / DL&A							Q3
Grant Returns	DFSS	n/a	n/a	✓	n/a	n/a	n/a	3 completed to date
Contract Management	DFSS							Q4
Pensions (Employer Contributions & relationships)	DFSS	✓	✓	✓				Q2
Network Infrastructure Management	DFSS	✓	✓	✓				Q1
Follow up of Limited Opinion IT Audits	DFSS	✓	✓	✓	Sep 20			Q2
Cyber Security	DFSS							Q4
Cloud Service Provisioning	DFSS							Q3
Endpoint & Peripheral Provisioning	DFSS							Q4

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Email & Document Management	DFSS							Q3
Highways Statutory Inspections	DHT&P							Q3
Ash Dieback	DHT&P							Q3
Home to School Transport	DHT&P							Q3
Carbon Strategy	DE&PP							Q3
Children, Young People and Learning Transformation Programme (Governance)	EDCYP&L	✓	✓					Q2
Children, Young People and Learning Transformation Programme (Workstreams)	EDCYP&L							Q3-4
Children Safeguarding (QAF)	EDCYP&L							Q3-4
Special Guardianship Allowances	EDCYP&L	✓	✓	✓				Q1
SEND (Special Educational Needs)	EDCYP&L							Q3
Data Quality (Children's)	EDCYP&L							Q4
Children's – P-Cards	EDCYP&L	✓						Q2
School Thematic Review(s)	EDCYP&L							Q3-4
SFVS	EDCYP&L	✓	✓	✓	n/a	n/a	n/a	Q1 & Q4
School Reviews	EDCYP&L							Q3-4
School Traded Services	EDCYP&L							Q3
Think Family	EDCYP&L	✓	✓	✓				Q1-4
Adults Development Plan / Social Care Provision	EDA&H							Q2-4
Approved Mental Health Professionals (AMHPs) / S75 Mental Health	EDA&H							Q3
Adult Commissioning	EDA&H							Q4
Establishment Thematic Review(s)	EDA&H							Q3-4
Data Quality (Adults)	EDA&H							Q3-4
Adults Safeguarding Quality Assurance	EDA&H							Q3-4
S75 Governance	JSDC							Q3
Self Help in Schools	DP&A							Q4

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Multi-Disciplinary Consultant (Contract)	DP&A							Q3
Management of restructures	DHR&OC	✓	✓					Q2
Compliance with HR requirements	DHR&OC							Q4
Recruitment of Interims	DHR&OC	✓	✓	✓	Sep 20			Q1
IR35	DHR&OC							Q3
Health and Safety - FRS	CFO							Q3
Safe and Well Visits	CFO							Q3
Retained Duty System	CFO							Q3
Programme Management Office	CFO							Q3
Premises Risk Management	CFO							Q4
Grey Book Contracts	CFO							Q4

Overdue 'High Priority' Management Actions

Quality Assurance Framework - Limited			
<p>Observation: There is a documented Quality Assurance Framework in place within Adults Services. This was created in 2013 and was last reviewed in October 2019.</p> <p>This review of the framework was completed in isolation to the review of the new Safeguarding Adults Board Quality Assurance Framework (published in November 2019), and therefore this missed the opportunity to bring the two assurance documents in line with each other. The Author of the QAF does not report into the Head of Safeguarding and Quality.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Align the QAF with the Safeguarding QAF and where possible children QAF: Including identifying learning and changes in practice to be tested / evidenced based (embedding best practice)	31.07.2020	31.12.2020	1 st Draft nearly completed progress delayed due to QA vacancy and Covid-19 impact.
<p>Observation: The Adults and Health Leadership Team has been in place since November 2019. The Quality Assurance Framework within Adults was last reviewed in November 2019; however this has not been discussed at the AHLT with a view to setting the strategic direction for the Quality Assurance priorities within Adults.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Submit QAF to AHLT to ensure QA priorities are agreed for 2020/21.	31.08.2020	30.09.2020	Draft QA plan in place. Needs to go to AHLT
<p>Observation: Whilst there is a mechanism for feeding back learning from the QAF, the Framework does not identify how the authority will verify that this learning has been embedded within Adult's services and therefore is not closing the loop in the assurance process, providing a continuous process</p> <p>In comparison the WSSAB QAF identifies that a learning and review framework will be in place to enable lessons to be learnt and where there have been poor outcomes to ensure that lessons learned are applied in practice.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Align the QAF with the Safeguarding QAF and where possible children QAF: Including identifying learning and changes in practice to be tested / evidenced based (embedding best practice)	30.07.2020	31.12.2020	<p>Safeguarding Audit process in draft and out for comments</p> <p>Audit process not yet completed but started. Delayed as a result of Covid and staff vacancy.</p>

IT Asset Management - Limited			
Observation: The Asset Management Data Base (AMDB) has not been effectively maintained and assurance cannot be provided that it accurately reflects the Council's estate of hardware and software. Testing of devices issued in 2018/19 found discrepancies between the AMDB records and Active Directory data highlighting weaknesses with the accuracy of recording, to whom devices have been issued, and reallocations between end users.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Update AMDB solution to address incorrect count of equipment.	31.12.19	30.09.20	WSCC have elected to utilise the vFire (Alemba) product to record IT asset inventory and data. Capita are in the process of migrating cleansed data and are retaining Excel spreadsheets during the migration period that captures new and refurbished Windows 10 devices issued to users and replacements to provide asset management assurance. Revised target date of 30 th September to complete with the Windows 10 deployment (impacted by COVID-19).
Observation: There is no centrally managed solution to manage mobile phones. Users are required to install an application on to their device which enables the Council to track it, however, there is a risk that users who leave the Council and do not hand back their device can uninstall the application preventing the Council from tracking the device. The leavers process does not consistently ensure that all devices are returned, and reallocations are recorded.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Capita will review existing solution and assess configuration settings for more locked down capability. Should this prove unacceptable a new solution is required that can provide the appropriate MDM controls including management to prevent user removal of the software.	31.12.19	30.09.20	Capita have undertaken a review of the remote device solution to allow settings to be configured to remove functionality and protect data. There has been a review of all mobile numbers identified on the O2 account and matched to corresponding numbers on the Intune to identify lines that are no longer required.

Disaster Recovery Planning - Limited			
Observation: Following the disaster recovery test in November 2018 a project closure report was published which documented the outcome of the conducted test and highlighted a series of lessons learnt. There is currently no formal action plan established to address the findings identified in the report to ensure effective future disaster recovery planning and testing.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
<p>A documented action plan to address the issue of outcomes and of the closure report.</p> <p>In addition, any new actions resulting from the test should be reflected in an updated disaster recovery plan.</p>	01.12.2019	31.10.2020	<p>The service is reviewing lessons learnt from previous recovery tests.</p> <p>Capita are progressing a high-level design and Statement of Works to implement the replacement of the ageing backup solution. WSCC have reviewed the costed proposals and consequently the replacement of the backup technology will have an impact on the approach to disaster recovery and the review of processes.</p>

Residential Care Payments - Limited			
Observation: Data was obtained from Shaw Homes and West Sussex County Council bed booking system and Mosaic to analyse utilisation of blocked beds at Burleys Wood Care Home for WSCC clients.			
<p>The number of blocked beds available at Burleys Wood for WSCC is 29 long stay and 3 respite care beds. Mosaic was used to confirm booking data. Actual dates for respite care were not always recorded on Mosaic due to inconsistent recording.</p> <p>Analysis highlighted that the number of voids for respite and block booked beds during the period of review (Aug 2018 – Oct 2018) was 439.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
<p>A Provider Portal for the Peoples Department has been soft market tested during May and a requirements specification has been signed off by the Head of Commissioning. An element of the portal will be 'bed booking' which will replace the current systems, allow WSCC to book and Shaw home managers to confirm the booking. This will support consistent data between Shaw and WSCC, also this will record whether a PO has been raised. This also provides greater visibility with the reporting function.</p>	01.01.20		

Intentionally Homeless - Limited			
Observation: Housing Plans, stating/agreeing the scope of West Sussex County Council's financial responsibility for an Intentionally Homeless Family are not routinely used by Social Workers when assessing families. This would give clear instruction to the Accommodation Team of what is required.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Clear offer for IH Families and development of Children's Social Care Practice Guidance on Financial Assistance under Section 1	31.01.2020	31.10.2020	Clear offer letter for parents and landlord completed and in place. S17 policy meeting held and the S17 policy has been reviewed and now needs to be agreed at SLT (date to be confirmed).
Joint Development & Implementation of a model of assessment, housing planning and financial decision making for all IH families where children are identified as a child in need requiring S17. Implement, Test, Review	28.02.2020	31.10.2020	Housing & Affordability Assessments in place since Dec 2019. This was in test phase however, due to Covid-19 and the eviction ban the model has changed and will need to be kept under review. Monthly joint meetings with social care are in place (North since Feb 2020 and South from July 2020). Update 18.08.2020 Deputy Head of CSC will arrange with the Service Leads to identify Group Manager's for Family Support and Protection Team (North & South) to attend future review meetings. Still in implementation stage final model and will be reviewed
Following development of a model create practice standards for Children's Social Care and Accommodation Team for IH families.	31.03.2020	31.12.2020	Requires S17 policy sign off to inform the practice standards and the processes. No Recourse to Public Funds guidance when signed off will be used as the template for the IH guidance due to the similarity of processes. The revised date allows the guidance to go through all the relevant sign off procedures.

Observation: There are no documented procedures reflecting the processes currently operating in relation to the financial aspects of Intentionally Homeless Families. Some guidance was produced in 2017. A decision made in February 2019 to update the pathway has been delayed due to the long term leave of the Homeless Prevention Lead.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Accommodation Team Guidance to be updated.	31.03.2020	31.10.2020	This is included in the S17 policy -awaiting SLT sign off.

External Placements - Limited			
Observation: There were no commissioning strategies in place for either Adults or Children's services. An effective commissioning strategy should help identify need, allocate resources and procure provider(s) to meet service need within available means.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Introduction of an Adults Residential Placement Pilot (6 month), to quality assure and manage placement costs.	31.03.20		
Provider Portal being commissioned to cover capacity tracker, contracts optimisation and commissioning individual packages of care.	31.01.20		

Allowances - Limited			
Observation: The Allowances and Enhancements Policy is dated January 2018. It refers to Hay and NJC spinal column point 30 and above not normally being entitled to claim overtime. Scale points changed from 01/04/2019. Scale point 30 which was the top of grade 8 is now equivalent to scale point 24; the new scale point 30 is the middle of Grade 10. There is also guidance on The Point on 'How to submit a claim for pay' dated August 2018; the guidance includes a table showing wage types and a description of what the wage type is used for; the information in the table does not reflect exactly the information in the Allowances and Enhancements Policy. Anomalies and inconsistencies within the policies meant that it was not always possible, when carrying out testing, to conclude whether claims were appropriate.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
The Allowances & Enhancements policy to be updated with relevant changes; to include review of wage types guide	30.11.2019		

Observation: Claims tested did not consistently meet the criteria for the wage type in the Allowances and Enhancements Policy; in some instances the claims appear to have been made inappropriately.

A number of claims tested were for wage types that are not included in the Allowances and Enhancements Policy.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Identify the issues that are as a result of updates needed to the Allowances and Enhancements Policy and make appropriate updates.	30.11.2019		
Carry out a piece of investigation work to look at: 1. Allowances causing us most pain; 2. Which allowances have the highest claim rate; 3. The highest risk allowances.	31.03.2020		

Observation: Testing of travel claims indicates that managers do not reject claims if insufficient detail is given.

Results of testing of allowance/enhancement claims indicated that managers do not always check that employees are using the correct wage type when making a claim.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Produce action plan to remind managers of their responsibilities in relation to checking mileage/allowance/enhancement claims	31.12.2019	31.12.2020	<p>Outstanding action to be completed end December 2020. Reason for delay completing other actions.</p> <p>The Business Travel Policy provides quite clear guidance to line managers about arrangements for authorising new users (insurance), discussing journey planning and authorising claims (receipts). However, some brief communication could be provided to ensure managers are clear about their responsibilities and sources of further help.</p>

Civil Parking Arrangements - Adequate

Observation: The signed agency agreements with the districts/boroughs require a monthly reconciliation of income and expenditure for the on-street parking account and the Joint Enforcement Account. The agreements state that the reconciliations should be forwarded to the County Council each month with supporting documentation so that the council can understand the figures in the reconciliation.

Discussions with four district and borough Parking Managers confirmed that although monthly statistical information for on and off-street parking and enforcement is sent, formal reconciliations of income and expenditure are not. One of the councils sends a quarterly reconciliation to the County Council, but the remaining councils only do this at year end.

Additionally, no supporting information other than the statistical reports has been sent to the County Council as required by the agency agreements.

The County Council has not enforced the requirement for monthly reconciliations, nor requested further supporting documentation.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
To raise the reconciliation issues with each DC/BC's, vary the Agency Agreements and get agreement to the variations from the DC/BC's	31.01.2020	31.10.2020	Draft quarterly reconciliation template raised with district and boroughs and legal services team instructed to vary agreements, as necessary. However, agreement of the template delayed due to a number DCs/BCs queries. Agreed template new target October 2020.
Supporting information (i.e. CPE Reports) will be confirmed with each DC/BC as well as the IT supplier with the first quarterly reports to follow by Spring 2020.	31.03.2020	31.10.2020	The reporting process went to DCs/BCs for comment; the implementation date has been slightly put back due to C19 as there has not been much to report. The intention was to start with revised reporting procedures from July 1 st . However, with C19 and the queries raised target to start October 2020
The Agency Agreements have been re-drafted to ensure consistency and understanding and updated policy	31.01.2020	31.10.2020	The instruction to our legal services team to vary the agreements as necessary has been given and any variations to the Agreements will be in place October 2020.

Observation: The agency agreements require the districts and boroughs to provide WSCC with monthly statistical reports providing a variety of detailed information which is used by the Parking Strategy Team Manager at WSCC for financial modelling purposes. Although we found there were detailed reports being sent from three of the districts/boroughs tested, we were informed by WSCC staff that one of the councils had not sent any reports to them since June 2018.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Supporting information (i.e. CPE Reports) will be confirmed with each DC/BC within this same period with the first quarterly reports to follow in Spring 2020. I am currently awaiting confirmation from the IT supplier that they can provide the necessary information.	31.03.2020	31.10.2020	Reports were expected to go live from July 1st, 2020 with the first report expected October. The go live for all reports should now be October.

Observation: West Sussex County Council require the districts and boroughs to carry out twice yearly compliance checks of the whole area to ensure that the parking regulations are being complied with and report the results back.

However, we found there were inconsistencies between the districts and boroughs, with one carrying out monthly compliance checks and another having done one in May 2017 and none since.

We also found that the results of the compliance checks were not always being fed back to the County Council

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Investigations have already begun, and DCs/BCs will be instructed to provide whatever information they have as well as carry out CCs in line with the agreement	31.12.2019	31.10.2020	The issue of compliance reporting will be confirmed from July 1st, as part of the quarterly reporting and reconciliation process. Update is that this will be in the October quarter

Observation: Each district/borough has a parking database in place through which the permits sold, and the income collected is recorded. Income is then paid over to WSCC on a regular basis by the districts/boroughs, usually monthly.

We selected a sample of income from four district/boroughs and checked the income recorded in the parking database to the WSCC income records to confirm that all income collected had been paid over.

Although we were able to reconcile the income collected for two of the districts/boroughs, we were unable to find the specific amounts paid over within the WSCC records for one of the districts/boroughs. This district was also not paying the income over monthly in line with their agency agreement.

We found significant differences between the amounts collected by one of the districts/boroughs and the amounts periodically paid over to WSCC. We were unable to get an explanation for the differences from the District's Parking Manager although it is noted that the overall risk of loss to the County Council should be mitigated by the annual reconciliation.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Income will now be paid over quarterly in tandem with performance reports. That said, some P & D income will continue to be paid as and when collected (e.g. G4S).	31.03.2020	31.10.2020	The issue of income reporting will be confirmed from July 1st, as part of the quarterly reporting and reconciliation process. Update is that this will be in the October quarter

E-Income - Adequate			
Observation: Capita Pay360 replaced the legacy 'Netbanx' system for receiving payments however the old system has not been decommissioned and any payments received via Netbanx requires re-allocation by finance staff.			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
Decommission Netbanx following implementation of a fix to Pay 360.	31.12.2019	31.12.2020	Zipporah are actively building a new integration to Pay360 but are unable to give a definitive timeline – revised to end of year.

Information Governance – Document & Management Retention - Adequate

Observation: County Hall North - one Children's Team did not have sufficient secure storage for the client files they had received from the Record Office and were consequently not locked away after normal office hours.

The County Council has published a Data Protection Policy, dated October 2018, and, Under Section 2, paragraph (f) it states: "Personal data must be.... (f) processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures."

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Data Protection have policy and process in place together with training and guidance. Comms will be run, with Caroline's input, specifically directed at hard copy document storage with contact details to raise concerns	30.06.2020	31.01.2021	This has been delayed as individuals need to be in offices and WSCC advice is still for people to work from home. Dependent on COVID-19 return to work.
Email to all team managers to check storage of hard copy files. The email should insist on a reply and follow ups sent if necessary	30.06.2020	31.01.2021	This has been delayed as managers need to be in offices to check file storage and WSCC advice is still for people to work from home. Dependent on COVID-19 return to work.

Overdue 'Low & Medium Priority' Management Actions

Audit Review	Report Date	Opinion	Priority	Due Date	Revise Due Date
Governance Compliance	Feb 2019	Limited	Medium	30.09.19	31.12.20
Home to School Transport	Mar 2019	Limited	Low	30.04.20	
Special Guardianship Orders	May 2019	Limited	Medium	31.07.19	30.09.20
			Medium	30.09.19	30.09.20
Payroll and Employment Administration	July 2019	Adequate	Low	31.07.19	31.03.20
MSS	July 2019	Adequate	Low	31.07.19	31.03.21
Software Licencing	Aug 2019	Adequate	Low	30.11.19	29.02.20
			Medium	30.11.19	29.02.20
Capacity Planning and Monitoring	Aug 2019	Adequate	Medium	31.12.19	31.03.20
Access Control	Aug 2019	Adequate	Medium	30.09.19	29.02.20
			Medium	30.09.19	30.06.20
			Medium	31.10.19	29.02.20
Retained Firefighters	Sept 2019	Adequate	Medium	31.10.19	30.09.20
Cyber Security	Sept 2019	Adequate	Medium	30.09.19	31.03.20
Budgetary Control	Dec 2019	Adequate	Medium	31.12.19	31.10.20
			Medium	31.12.19	31.10.20
Disaster Recovery Planning	Dec 2019	Limited	Medium	31.01.20	31.10.20
			Medium	31.01.20	31.10.20
			Medium	31.01.20	31.10.20
Application Review - Mosaic	Dec 2019	Adequate	Medium	31.01.20	28.02.20
Intentionally Homeless – Financial Control	Dec 2019	Limited	Medium	31.03.20	30.09.20
Civil Parking Arrangements	Jan 2020	Adequate	Medium	31.01.20	31.10.20
Accounts Payable	May 2020	Adequate	Medium	31.07.20	31.10.20
			Medium	31.07.20	31.10.20
			Medium	31.07.20	31.10.20
			Medium	31.07.20	31.10.20

Audit Review	Report Date	Opinion	Priority	Due Date	Revise Due Date
Information Governance – Document Management and Retention	May 2020	Adequate	Medium	31.07.20	31.01.21
			Medium	31.07.20	30.06.21
			Medium	30.09.20	31.01.21
Quality Assurance Framework (Safeguarding)	Jun 2020	Limited	Medium	31.05.20	30.09.20
			Medium	30.07.20	30.09.20
			Medium	31.08.20	31.05.21
Fraud Proactive – Purchasing Cards	Aug 2020	Limited	Medium	31.01.20	31.10.20
Travel Portal	Sep 2020	Adequate	Medium	31.05.20	
			Medium	31.05.20	
			Low	31.05.20	
Highways Assets (Recoverable)	Sep 2020	Adequate	Medium	01.07.20	01.11.20

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