

Audit and Risk Assurance Committee

**Thursday 18 January, 2018 at 5.00 pm
in Council Chamber
at Sandwell Council House, Oldbury**

Agenda

(Open to Public and Press)

1. Apologies for absence.
2. Members to declare any interest in matters to be discussed at the meeting.
3. To confirm as a correct record the minutes of the meeting held on 19 October, 2017.
4. Certification of Grants & Returns 2016/17.
5. External Audit Plan 2017/18.
6. The Local Government Ombudsman's Annual Review.
7. Strategic Risk Register and Assurance Map Update.
8. Directorate risk register update- Adult Social Care, Health and Wellbeing.
9. Annual Governance Statement Action Plan Update.
10. Internal Audit Progress Report Q2
11. Council update on allegations of fraud, misconduct and related issues.
12. Work Programme 2017/18.

J Britton
Chief Executive

Sandwell Council House
Freeth Street
Oldbury
West Midlands

Distribution:

Councillor Preece (Chair);
Mr M Ager (Vice-Chair and Independent Member);
Councillors Allcock, Gavan, Dr Jaron, Jarvis, Piper and Sandars.

Agenda prepared by Rebecca Hill
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Minutes of the Audit and Risk Assurance Committee

**19th October, 2017 at 5.00pm
at the Sandwell Council House, Oldbury**

Present: Councillor Preece (Chair);
Mr Ager (Vice - Chair and Independent
Member);
Councillors Allcock, Gavan and Dr Jaron.

Apologies: Councillors Jarvis, Piper and Sandars.

13/17 Minutes

Resolved that the minutes of the meeting held on 17th August, 2017, be confirmed as a correct record.

14/17 Code of Corporate Governance

The Committee gave consideration to the Code of Corporate Governance which had been recently updated following guidance from CIPFA. This guidance had been used to refresh the existing Code and to ensure it considered Sandwell's 2030 Vision.

The Code of Corporate Governance had been reviewed by the Corporate Governance Board and each Service Director.

The Committee agreed that the Code was fit for purpose and should be submitted to Cabinet.

Resolved that the updated Code of Corporate Governance be presented to Cabinet.

15/17 Strategic Risk Register Update

The Committee gave consideration to the Council's Strategic Risk Register in order to gain assurance that risks to the delivery of the Council's key priorities were being managed.

Audit Committee – 19th October, 2017

Members were updated as to new risks, which included the challenge to maximise opportunities from the West Midlands Combined Authority and the Council's Vision 2030. Further information relating to these two areas would be provided to the Committee at the next meeting.

The Committee was also updated on three matters that had been raised at the previous meeting in respect of Cyber Security Strategy, Emergency Planning, and the implementation of GDPR. Ongoing work was taking place in order assess and mitigate these risks. Further information would be presented to the Committee as these areas progressed.

16/17 Internal Audit Charter

It was reported that there was a statutory requirement for the provision of internal audit work in accordance with the proper audit practices. Those practices were effectively the public sector internal audit standards, which were reflected in the Council's Internal Audit Charter.

The charter was reviewed every twelve months. There had been no changes made since the last review.

Resolved that the Internal Audit Charter be approved.

17/17 Internal Audit Progress Report

The Committee considered the Internal Audit Progress Report which summarised areas of work covered by Audit Services for the period ending **31st October, 2017**.

The report updated the Committee on progress made against the delivery of the 2018/19 Internal Audit Plan and gave details of the performance of the internal audit service.

The Audit Service Manager informed the Committee that relevant staff training had taken place to address fraud as a specific area of risk, and results had so far been positive.

Audit Committee – 19th October, 2017

The Audit Service Manager advised that relevant staff training had taken place to address fraud as a specific area of risk, and results had so far been positive.

18/17 Counter Fraud Update

The Committee received the Interim Counter Fraud Report which provided an update on counter fraud activities and undertaken by the Counter Fraud Unit with Audit Services.

The Committee congratulated the Counter Fraud Unit on their work to deliver an effective counter prevention and detection of fraud service.

19/17 Recruitment of Independent Member to the Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee considered the process to appoint an independent member.

It was proposed to advertise the vacancy during November 2017 and an appointment be made to seek approval from Council in January 2018.

20/17 Work Programme 2017/18


The Committee noted the work programme for 2017/18.

(Meeting ended at 5.55pm)

Contact Officer: Rebecca Hill Democratic Services Unit 0121 569 3834
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REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

18 January 2018

Subject:	Certification of Claims and Returns 2016-17.
Director:	Executive Director – Resources
Contribution towards Vision 2030:	
Contact Officer(s):	<p>Peter Farrow Audit Services and Risk Management Manager peter_farrow@sandwell.gov.uk</p> <p>Andrew Cardoza KPMG LLP Director andrew.cardoza@kpmg.co.uk</p>

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. That the Committee considers and comments upon the attached report.

1 PURPOSE OF THE REPORT

- 1.1 The attached letter is KPMG's annual report for the certification work they have undertaken for the Council in 2016/17.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.2 The Certification of Grants and Returns 2016-17 is a routine part of the Audit and Risk Assurance Committee's processes. The delivery of a robust audit and risk management function supports the Council in delivering its vision for Sandwell.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 Please see attached letter.

4 THE CURRENT POSITION

- 4.1 Please see attached letter

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Please see attached letter.

6 ALTERNATIVE OPTIONS

- 6.1 This report does not require a decision and therefore, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Please see attached letter

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 As a decision is not being sought in this report, it is not necessary to undertake a Data Protection Impact Assessment.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no crime and disorder risks arising from this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The report is presented to the Committee for consideration and comment only.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

See attached letter.

Darren Carter
Executive Director – Resources and s151 Officer



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Mr J Britton
Chief Executive
Sandwell Metropolitan Borough Council
Sandwell Council House
Oldbury, West Midlands
B69 3DE

Our ref mb/ac/smbc

05 January 2018

Dear Jan,

Certification of claims and returns - annual report 2016/17

Public Sector Audit Appointments Limited (PSAA) requires its external auditors to prepare an annual report on the claims and returns it certifies for each client. This letter is our annual report for the certification work we have undertaken for 2016/17.

In 2016/17 we carried out certification work on only one claim under the Public Sector Audit Appointment arrangements, the Housing Benefit Subsidy claim. The certified value of the claim was £130.9 million, and we completed our work and certified the claim on 22 November 2017.

Matters arising

Our certification work on Housing Subsidy Benefit claim did not identify any issues or errors and we certified the claim unqualified without amendment.

Consequently we have made no recommendations to the Council to improve its claims completion process. There were no recommendations made last year and there are no further matters to report to you regarding our certification work.

Certification work fees

Public Sector Audit Appointments Limited set an indicative fee for our certification work in 2016/17 of £14,340. Our actual fee was the same as the indicative fee, and this compares to the 2015/16 fee set for this claim of £16,129.

Quality of service

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact me and I will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments

Limited, Andrew Sayers, by email to andrew.sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to:

Public Sector Audit Appointments Limited
3rd Floor
Local Government House
Smith Square
London
SW1P 3HZ

Yours sincerely,



Andrew Cardoza
Director, KPMG LLP

REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

18 January 2018

Subject:	External Audit Plan 2017-18
Director:	Executive Director – Resources
Contribution towards Vision 2030:	
Contact Officer(s):	<p>Peter Farrow Audit Services and Risk Management Manager peter_farrow@sandwell.gov.uk</p> <p>Mark Breese KPMG LLP Manager mark.breese@kpmg.co.uk</p>

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. To consider and comment upon the External Audit Plan 2017/2018 .

1 PURPOSE OF THE REPORT

- 1.1 The attached report sets out the work of the Council's external auditors, KPMG in terms of auditing the authority's financial statements for the period 2017/18.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 An External Audit Plan is a key element of good corporate governance and is essential to the overall performance of the council in meeting its vision 2030.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 This document supplements KPMG's Audit Fee Letter 2017/18 presented in April 2017, which also set out details of KPMG's appointment by Public Sector Audit Appointments Ltd (PSAA).

4 THE CURRENT POSITION

- 4.1 The attached report sets out the current position.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The review and update of the External Audit Report, has been discussed with the risk owners.

6 ALTERNATIVE OPTIONS

- 6.1 This report does not require a decision and therefore, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 Strategic resource implications are set out in the attached report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Local Audit and Accountability Act 2014 sets out the framework for audit of local authorities.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

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11.1 There are no crime and disorder risks arising from this report.

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12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The plan is presented to the Committee for consideration and comment.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

External Audit Plan 2017/2018.

Darren Carter
Executive Director – Resources and s151 Officer



External Audit Plan 2017/2018

Sandwell Metropolitan
Borough Council

January 2018



Summary for Audit and Risk Assurance Committee

Financial Statements

There are no significant changes to the Code of Practice on Local Authority Accounting ("the Code") in 2017/18, which provides stability in terms of the accounting standards the Council need to comply with.

The deadline for the production and signing of the financial statements has been significantly advanced in comparison to year ended 31 March 2017. We recognise that the Council has successfully advanced its own accounts production timetable in prior years, further advances will be required in order to ensure that deadlines are met. It is still important that the Council manages its closedown process to meet the earlier deadline.

Significant risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- **Valuation of PPE** – Whilst the Council operates a cyclical revaluation approach, the Code requires that all land and buildings be held at fair value. We will consider the way in which the Council ensures that assets not subject to in-year revaluation are not materially misstated;
- **Pension Liabilities** – The valuation of the Council's pension liability, as calculated by the Actuary, is dependent upon both the accuracy and completeness of the data provided and the assumptions adopted. We will review the processes in place to ensure accuracy of data provided to the Actuary and consider the assumptions used in determining the valuation.
- **Faster Close** – As set out above, the timetable for the production of the financial statements has been significantly advanced with draft accounts having to be prepared by 31 May 2018 (2017: 30 June) and the final accounts signed by 31 July 2018 (2017: 30 September). We will continue to work with the Council in advance of our audit to understand the steps being taken to meet these deadlines and the impact on our work.

Other areas of audit focus

Those areas with less likelihood of giving rise to a material error but which are nevertheless worthy of additional audit focus have been identified as:

- Formation of a separate entity in response to the Statutory Direction to form a Children's Services Trust.

See pages 3 to 8 for more details

Summary for Audit and Risk Assurance Committee (cont.)

Materiality

Materiality for planning purposes has been set at **£10 million**.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at **£0.5 million**.

See pages 9 to 10 for more details

Value for Money Arrangements work

Our risk assessment regarding your arrangements to secure value for money has identified the following VFM significant risks to date:

- **Delivery of Budgets** – As a result of reductions in central government funding, and other pressures, the Council is having to make additional savings beyond those from prior years. We will consider the way in which the Council identifies, approves, and monitors both savings plans and how budgets are monitored throughout the year; and
- **Children's Services** – The Council was notified of a Statutory Direction in October 2016 to set up a Children's Trust to deliver children's social care services. In the Commissioner of Children's Services final quarterly report to Department for Education in 2016/17, he reported that he was not satisfied with the pace of progress, over the preceding six months, in delivering the required improvements in children's services. As a consequence we reported that we had reached an 'except for' Value for Money conclusion for 2016/17. We will review the Commissioner and Ofsted's findings along with those of other regulatory bodies. We will also consider action taken by the Council in response to these findings, and Statutory Direction.

See pages 11 to 16 for more details

Logistics

Our team is:

- Andrew Cardoza – Director
- Robert Chidlow – Senior Manager
- Mark Breese – Manager
- Elsa Conaty – Assistant Manager

More details are on **page 20**.

Our work will be completed in four phases from January to July and our key deliverables are this Audit Plan and subsequent reporting to Those Charged With Governance as outlined on **page 19**.

Our fee for the 2017/18 audit is £198,878 (£198,878 2016/2017) see **page 18**, however this does not include additional work required in relation to additional risks or other matters brought to our attention. All changes in fees are subject to approval by PSAA.

Introduction

Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2017/18 presented to you in April 2017, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities.

Our audit has two key objectives, requiring us to audit/review and report on your:

01 | Financial statements:
Providing an opinion on your accounts. We also review the Annual Governance Statement and Narrative Report and report by exception on these; and

02 | Use of resources:
Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary. Any change to our identified risks will be reported to the Audit and Risk Assurance Committee.

Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. Page 11 provides more detail on the activities that this includes. This report concentrates on explaining the VFM approach for 2017/18 and the findings of our VFM risk assessment.



Financial statements audit planning

Financial Statements Audit Planning

Our planning work takes place during October 2017 to January 2018. This involves the following key aspects:

- Determining our materiality level;
- Risk assessment;
- Identification of significant risks;
- Consideration of potential fraud risks;
- Identification of key account balances in the financial statements and related assertions, estimates and disclosures;
- Consideration of management's use of experts; and
- Issuing this audit plan to communicate our audit strategy.

Risk assessment

Auditing standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

01

Management override of controls

Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.

02

Fraudulent revenue recognition

We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

Financial statements audit planning (cont.)

Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error in relation to the Council.

Risk:	Valuation of PPE <p>The Code requires that where assets are subject to revaluation, their year end carrying value should reflect the appropriate fair value at that date. The Council has adopted a rolling revaluation model which sees all land and buildings revalued over a five year cycle. As a result of this, however, individual assets may not be revalued for four years.</p> <p>This creates a risk that the carrying value of those assets not revalued in year differs materially from the year end fair value. In addition, as the valuation is undertaken as at 1 April, there is a risk that the fair value is different at the year end.</p>
Approach:	<p>We will review the approach that the Council has adopted to assess the risk that assets not subject to valuation are materially misstated and consider the robustness of that approach. We will also assess the risk of the valuation changing materially during the year.</p> <p>In addition, we will consider movement in market indices between revaluation dates and the year end in order to determine whether these indicate that fair values have moved materially over that time.</p> <p>In relation to those assets which have been revalued during the year we will assess the valuer's qualifications, objectivity and independence to carry out such valuations and review the methodology used (including testing the underlying data and assumptions).</p>

Financial statements audit planning (cont.)

Significant Audit Risks (cont.)

Risk:	<p>Pension Liabilities</p> <p>The net pension liability represents a material element of the Council's balance sheet. The Council is an admitted body of West Midlands Pension Fund, which had its last triennial valuation completed as at 31 March 2016. This forms an integral basis of the valuation as at 31 March 2018.</p> <p>The valuation of the Local Government Pension Scheme relies on a number of assumptions, most notably around the actuarial assumptions, and actuarial methodology which results in the Council's overall valuation.</p> <p>There are financial assumptions and demographic assumptions used in the calculation of the Council's valuation, such as the discount rate, inflation rates, mortality rates etc. The assumptions should also reflect the profile of the Council's employees, and should be based on appropriate data. The basis of the assumptions is derived on a consistent basis year to year, or updated to reflect any changes.</p> <p>There is a risk that the assumptions and methodology used in the valuation of the Council's pension obligation are not reasonable. This could have a material impact to net pension liability accounted for in the financial statements.</p>
Approach:	<p>As part of our work we will review the controls that the Council has in place over the information sent directly to Barnett Waddingham, the scheme actuary. We will also liaise with the auditors of the Pension Fund in order to gain an understanding of the effectiveness of those controls operated by the Pension Fund. This will include consideration of the process and controls with respect to the assumptions used in the valuation. We will also evaluate the competency, objectivity and independence of the scheme actuary.</p> <p>We will review the appropriateness of the key assumptions included within the valuation, compare them to expected ranges, and consider the need to make use of a KPMG Actuary. We will review the methodology applied in the valuation by the scheme actuary.</p> <p>In addition, we will review the overall Actuarial valuation and consider the disclosure implications in the financial statements.</p>

Financial statements audit planning (cont.)

Significant Audit Risks (cont.)

Risk:	Faster Close <p>In prior years, the Council has been required to prepare draft financial statements by 30 June and then final signed accounts by 30 September. For years ending on and after 31 March 2018 however, revised deadlines apply which require draft accounts by 31 May and final signed accounts by 31 July.</p> <p>We have reported previously that the Council has recognised the additional pressures which the earlier closedown in 2017/18 will bring. Over the last two years we have proactively engaged with the Council in order to continue to address issues as they emerge and bring forward the reporting timetable.</p> <p>The Council has looked to strengthen its financial reporting by finalising the accounts in a shorter timescale. During 2016/17, the Council continued to prepare for these revised deadlines and advanced its own accounts production timetable so that draft accounts were ready by 5 June 2017. This puts the Council in a good position to meet the new 2017/18 deadline. Nonetheless, there is scope to improve the process further to ensure that the statutory deadlines for 2017/18 are met.</p> <p>In order to meet the revised deadlines, the Council may need to make greater use of accounting estimates. In doing so, consideration will need to be given to ensuring that these estimates remain valid at the point of finalising the financial statements. In addition, there are a number of logistical challenges that will need to be managed. These include:</p> <ul style="list-style-type: none">— Ensuring that any third parties involved in the production of the accounts (e.g. valuers, actuaries) are aware of the revised deadlines and have made arrangements to provide the output of their work in accordance with this;— Revising the closedown and accounts production timetable in order to ensure that all working papers and other supporting documentation are available at the start of the audit process;— Ensuring that the Audit and Risk Assurance Committee meeting schedules have been updated to permit signing in July; and— Applying a shorter paper deadline to the July meeting of the Audit and Risk Assurance Committee meeting in order to accommodate the production of the final version of the accounts and our ISA 260 report. <p>In the event that the above areas are not effectively managed there is a significant risk that the audit will not be completed by the 31 July deadline.</p> <p>There is also an increased likelihood that the Audit Certificate (which confirms that all audit work for the year has been completed) may be issued separately at a later date if work is still ongoing in relation to the Council's Whole of Government Accounts return. This is not a matter of concern and is not seen as a breach of deadlines.</p>
Approach:	<p>We will continue to liaise with officers in preparation for our audit in order to understand the steps that the Council is taking in order to ensure it meets the revised deadlines. We will also look to advance audit work into the interim visit in order to streamline the year end audit work.</p> <p>Where there is greater reliance upon accounting estimates we will consider the assumptions used and challenge the robustness of those estimates.</p>

Financial statements audit planning (cont.)

Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

Issue:

Formation of a separate entity in response to the Statutory Direction to form a Children's Services Trust

On 19 October 2016 Cabinet was advised of the Government's Statutory Direction to set up a Children's Trust to deliver children's social care services for a period of time. A Memorandum of Understanding was agreed by the Cabinet in December 2016. The Sandwell Children's Social Care Trust was incorporated on 15 February 2017, with activity expected to transfer from the Council effective from 1 April 2018.

The formation of a new legal entity will have implications for both accounting and tax treatment.

Approach:

We will continue to work with the Council to understand their plans and agree the associated audit requirements. We will engage relevant technical expertise to ensure that the treatment of the new legal entity is appropriate.

Financial statements audit planning (cont.)

Materiality

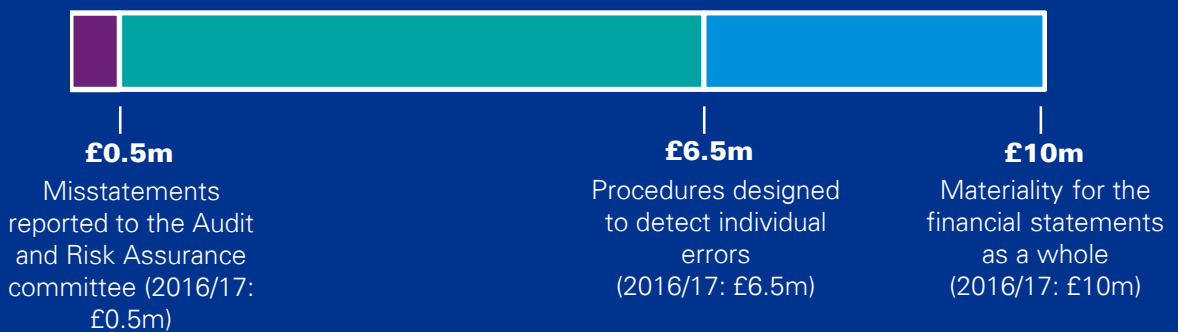
We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent 'misstatements' unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

For the Council, materiality for planning purposes has been set at £10 million, which equates to 1.2% percent of gross expenditure.

We design our procedures to detect errors in specific accounts at a lower level of precision.

Prior Year Gross Expenditure: £811.7m (2016/17: £900.2m)



Financial statements audit planning (cont.)

Reporting to the Audit and Risk Assurance Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Risk Assurance Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.5 million.

If management has corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Risk Assurance Committee to assist it in fulfilling its governance responsibilities.

We will report:



Non-Trivial corrected audit misstatements



Non-trivial uncorrected audit misstatements



Errors and omissions in disclosure
(Corrected and uncorrected)

Group audit

Management have considered the requirement to prepare Group accounts. On the basis of the current Group structure, and size of the entities that would potentially form the Group, management have determined that Group accounts are not required.

We note that next year, following the transfer of delivery of Children's Services to the Trust, Group accounts will be required.

Value for money arrangements work

VFM audit approach

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the Council 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

Overall criterion

In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

The VFM approach is fundamentally unchanged from that adopted in 2016/17 and the process is shown in the diagram below. The diagram overleaf shows the details of the sub-criteria for our VFM work.



Value for money arrangements work (cont.)

Value for Money sub-criterion

Informed decision making

Proper arrangements:

- Acting in the public interest, through demonstrating and applying the principles and values of sound governance.
- Understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management.
- Reliable and timely financial reporting that supports the delivery of strategic priorities.
- Managing risks effectively and maintaining a sound system of internal control.

Sustainable resource deployment

Proper arrangements:

- Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions.
- Managing and utilising assets to support the delivery of strategic priorities.
- Planning, organising and developing the workforce effectively to deliver strategic priorities.

Working with partners and third parties

Proper arrangements:

- Working with third parties effectively to deliver strategic priorities.
- Commissioning services effectively to support the delivery of strategic priorities.
- Procuring supplies and services effectively to support the delivery of strategic priorities.

Value for money arrangements work (cont.)

VFM audit stage



VFM audit risk assessment

Audit approach

We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Council. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the *Code of Audit Practice*.

In doing so we consider:

- The Council's own assessment of the risks it faces, and its arrangements to manage and address its risks;
- Information from the Public Sector Auditor Appointments Limited VFM profile tool;
- Evidence gained from previous audit work, including the response to that work; and
- The work of other inspectorates and review agencies.



Linkages with financial statements and other audit work

Audit approach

There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Council's organisational control environment, including the Council's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.

We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.



Identification of significant risks

Audit approach

The Code identifies a matter as significant '*if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.*'

If we identify significant VFM risks, then we will highlight the risk to the Council and consider the most appropriate audit response in each case, including:

- Considering the results of work by the Council, inspectorates and other review agencies; and
- Carrying out local risk-based work to form a view on the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

Value for money arrangements work (cont.)

VFM audit stage



Assessment of work by other review agencies, and Delivery of local risk based work

Audit approach

Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.

We will also consider the evidence obtained by way of our financial statements audit work and other work already undertaken.

If evidence from other inspectorates, agencies and bodies is not available and our other audit work is not sufficient, we will need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:

- Additional meetings with senior managers across the Council;
- Review of specific related minutes and internal reports;
- Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.



Concluding on VFM arrangements

Audit approach

At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources.

If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.



Reporting

Audit approach

On the following page, we report the results of our initial risk assessment. We will update our assessment throughout the year should any issues present themselves and report against these in our ISA260.

We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.

The key output from the work will be the VFM conclusion (i.e. our opinion on the Council's arrangements for securing VFM), which forms part of our audit report.

Value for money arrangements work (cont.)

Significant VFM Risks

Those risks requiring specific audit attention and procedures to address the likelihood that proper arrangements are not in place to deliver value for money.

Risk:	Delivery of budgets <p>The Council operates a multi-year rolling budget planning process. Services delivered reported savings of £20.8m in 2016/17 and are expected to deliver a further £16.7m of savings in 2017/18. It is expected that a further £16.6m of savings will be required by 2019/20. A balanced budget for this period will be delivered through the Council's Facing the Future programme. The Facing the Future programme is collectively managed and consists of cross cutting savings and change management projects. The savings targets are held as a central item and then allocated to relevant directorates once projects are sufficiently developed.</p> <p>The need for savings will continue to have a significant impact on the Council's financial resilience.</p>
Approach:	As part of our additional risk based work, we will review the controls the Council has in place to ensure financial resilience, specifically that the Medium Term Financial Plan has duly taken into consideration factors such as funding reductions, salary and general inflation, demand pressures, restructuring costs and sensitivity analysis given the degree of variability in the above factors.
VFM Sub-criterion:	This risk is related to the following Value For Money sub-criterion <ul style="list-style-type: none">— Informed decision making;— Sustainable resource deployment; and— Working with partners and third parties.

Value for money arrangements work (cont.)

Significant VFM Risks (cont.)

Risk:	<p>Children’s Services</p> <p>On 6 October 2016 the Council was formally notified of the Government’s Statutory Direction to set up a Children’s Trust to deliver children’s social care services. The Statutory Direction on 6 October 2016 coincided with the appointment of a new Commissioner for Children’s Services reporting to the Department for Education (DfE), the arrangement in place to support the improvement in children’s social care.</p> <p>On 14 March 2017 as part of his quarterly reporting to DfE, the Commissioner for Children’s Services reported that whilst the Council had made excellent progress with setting up the Trust itself, he was not satisfied with the pace of progress, over the preceding six months, in delivering the required improvements in children’s services.</p> <p>Children’s services are a strategic priority but in the 2016/17 period, despite the considerable mobilisation of resources, the Council had yet to demonstrate the delivery of required service improvements. Having considered the findings and conclusions of the above inspections, together with the results of our audit work, we concluded that the Council did not have proper arrangements in place to meet the requirements of the sub-criteria relating to ‘informed decision making’ and ‘sustainable resource deployment’. As a consequence we reported that we had reached an ‘except for’ Value for Money conclusion.</p>
Approach:	<p>We will review the Commissioner and Ofsted’s findings along with those of other regulatory bodies. We will also consider action taken by the Council in response to these findings, and Statutory Direction.</p>
VFM Sub-criterion:	<p>This risk is related to the following Value For Money sub-criterion</p> <ul style="list-style-type: none">— Informed decision making;— Sustainable resource deployment.

Other matters

Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified approach for 2017/18 have not yet been confirmed.

Elector challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.

We have received an objection from an elector in July 2017 on the 2016/17 Statement of Accounts primarily in relation to the Council's PFI Schemes. We are continuing to liaise with management to enable us to conclude and respond to the matters raised, and to enable us to issue our opinion on the 2016/17 Statement of Accounts.



Other matters

Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the finance team and the Audit and Risk Assurance Committee. Our communication outputs are included in Appendix 1.

Independence and Objectivity

Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

Audit fee

Our Audit Fee Letter 2017/2018 presented to you in April 2017 first set out our fees for the 2017/2018 audit. This letter also set out our assumptions. We have not considered it necessary to seek approval for any changes to the 2017/18 agreed fees at this stage.

Should there be a need to charge additional audit fees then this will be agreed with the s.151 Officer and PSAA. If such a variation is agreed, we will report that to you in due course.

The planned audit fee for 2017/18 is £198,878, compared to 2016/2017 of £198,878.

Appendix 1:

Key elements of our financial statements audit approach

Audit workflow

Planning

- Determining our materiality level;
- Risk assessment;
- Identification of significant risks;
- Consideration of potential fraud risks;
- Identification of key account balances in the financial statements and related assertions, estimates and disclosures;
- Consideration of managements use of experts; and
- Issuing this audit plan to communicate our audit strategy.

Control evaluation

- Understand accounting and reporting activities;
- Evaluate design and implementation of selected controls;
- Test operating effectiveness of selected controls; and
- Assess control risk and risk of the accounts being misstated.

Substantive testing

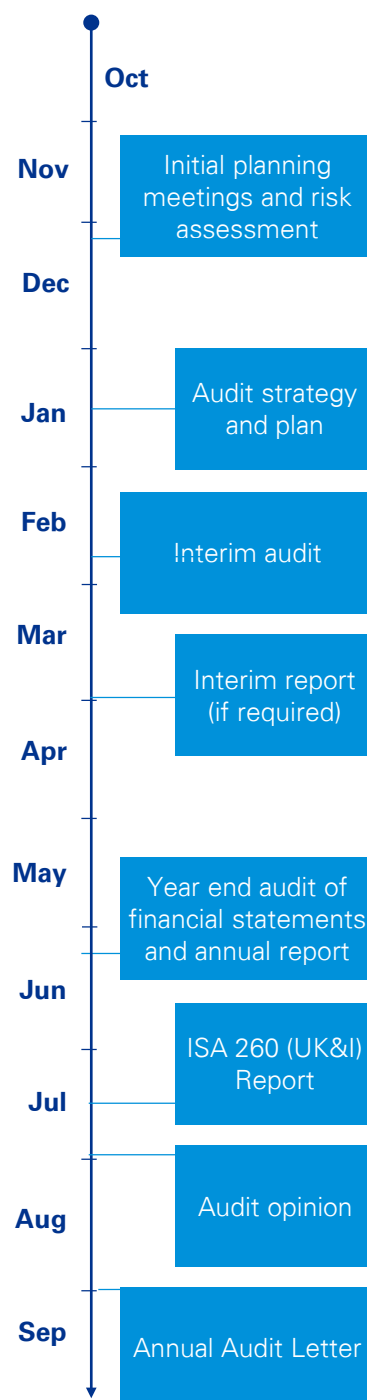
- Plan substantive procedures;
- Perform substantive procedures; and
- Consider if audit evidence is sufficient and appropriate.

Completion

- Perform completion procedures;
- Perform overall evaluation;
- Form an audit opinion; and
- Audit and Risk Assurance Committee reporting.

Communication

Continuous communication involving regular meetings between Audit and Risk Assurance Committee, Senior Management and audit team.



Appendix 2:

Audit team

Your audit team has been drawn from our specialist public sector assurance department. Our audit team were all part of the Sandwell Metropolitan Borough Council audit last year.

Andrew Cardoza

Director

T: +44 (0) 121 232 3869

E: andrew.cardoza@kpmg.co.uk

'My role is to lead our team and ensure the delivery of a high quality, value added external audit opinion. I will be the main point of contact for the Audit and Risk Assurance Committee and Chief Executive.'

Robert Chidlow

Senior Manager

T: +44 (0) 121 232 3074

E: robert.chidlow@kpmg.co.uk

'I provide quality assurance for the audit work. I will liaise with the Section 151 officer, the Audit Services & Risk Management manager, and other Executive Directors.'

Mark Breese

Manager

T: +44 (0) 121 232 3250

E: mark.breese@kpmg.co.uk

'I provide quality assurance for the audit work and lead the delivery of our work on any technical accounting and risk areas. I will work closely with Andrew and Rob to ensure we add value.'

Elsa Conaty

Assistant Manager

T: +44 (0) 121 609 6095

E: elsa.conaty@kpmg.co.uk

'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants. I will liaise with the Principal Accountants and Internal Audit.'

Appendix 3:

Independence and objectivity requirements

ASSESSMENT OF OUR OBJECTIVITY AND INDEPENDENCE AS AUDITOR OF SANDWELL METROPOLITAN BOROUGH COUNCIL

Professional ethical standards require us to provide to you at the planning stage of the audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed.

In considering issues of independence and objectivity we consider relevant professional, regulatory and legal requirements and guidance, including the provisions of the Code of Audit Practice, the provisions of Public Sector Audit Appointments Ltd's ('PSAA's') Terms of Appointment relating to independence and the requirements of the FRC Ethical Standard and General Guidance Supporting Local Audit (Auditor General Guidance 1 – AGN01) issued by the National Audit Office ('NAO').

This Appendix is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence and addresses:

- General procedures to safeguard independence and objectivity;
- Independence and objectivity considerations relating to the provision of non-audit services; and
- Independence and objectivity considerations relating to other matters.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP partners, Audit Directors and staff annually confirm their compliance with our ethics and independence policies and procedures. Our ethics and independence policies and procedures are fully consistent with the requirements of the FRC Ethical Standard. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Communications
- Internal accountability
- Risk management
- Independent reviews.

The conclusion of the audit engagement leader as to our compliance with the FRC Ethical Standard in relation to this audit engagement and that the safeguards we have applied are appropriate and adequate is subject to review by an engagement quality control reviewer, who is an Audit Partner not otherwise involved in your affairs.

We are satisfied that our general procedures support our independence and objectivity except for those detailed below where additional safeguards are in place.

Appendix 3:

Independence and objectivity requirements (cont.)

Independence and objectivity considerations relating to the provision of non-audit services

Summary of fees

We have considered the fees charged by us to the Council and its affiliates for professional services provided by us during the reporting period. We confirm that all non-audit services were approved by the audit committee or equivalent.

Facts and matters related to the provision of non-audit services and the safeguards put in place that bear upon our independence and objectivity, are set out in the following table

Analysis of Non-audit services for the year ended 31 March 2018

Description of scope of services	Principal threats to independence, and safeguards applied	Services Delivered in the year ended 31 March 2018 £000
Grant Certification - Teachers Pension, and Pooling of Housing Capital Receipts returns	<p>Self-interest: This engagement is performed under a separate engagement letter and following an externally specified work program. The proposed engagement will have no perceived or actual impact on the audit team and the audit team resources that will be deployed to perform a robust and thorough audit.</p> <p>Self-review: The financial information included in the grant claim submissions is not extracted from the financial statements, but is compiled separately. The work is undertaken at various points throughout the year and is not linked to the financial statements reporting process. Therefore, it does not impact on our opinion and we do not consider that the outcome of this work will be a threat to our role as external auditors.</p> <p>Management threat: This work will be advice and support only. All decisions will be made Council.</p> <p>Familiarity: This threat is limited given the scale, nature and timing of the work.</p> <p>Advocacy: We will not act as advocates for the Council in any aspect of this work.</p> <p>Intimidation: Not applicable</p>	<p>9,000</p> <p>(fixed cost basis, all delivered)</p>

Appropriate approvals have been obtained from PSAA for all non-audit services above the relevant thresholds provided by us during the reporting period. In addition, we monitor our fees to ensure that we comply with the 70% non-audit fee cap set by the NAO.

Independence and objectivity considerations relating to other matters

There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the Audit Committee.

Confirmation of audit independence

We confirm that as of the date of this report, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This report is intended solely for the information of the Audit and Risk Assurance Committee of the Council and should not be used for any other purposes.

We would be very happy to discuss the matters identified above (or any other matters relating to our objectivity and independence) should you wish to do so.



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This report is addressed to the Council and has been prepared for the sole use of the Council. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psaa.co.uk).


External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Andrew Cardoza, the engagement lead to the Council, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

January 2018

Subject:	The Local Government and Social Care Ombudsman's and Housing Ombudsman's Services - Annual Review for the Year Ending 31 March 2017
Director:	Director - Monitoring Officer - Surjit Tour
Contribution towards Vision 2030:	
Contact Officer(s):	<p>Maria Price – Service Manager Legal Services (maria_price@sandwell.gov.uk)</p> <p>Mandeep Bajway – Principal Solicitor (Mandeep_bajway@sandwell.gov.uk)</p>

DECISION RECOMMENDATIONS

That the Audit & Risk Assurance Committee considers and notes:

1. the Local Government and Social Care Ombudsman's (LGO) Annual Review appended to this report for the year ending 31 March 2017; and
2. the Housing Ombudsman Service (HOS) statistical information for the year ending 31 March 2017.

1 PURPOSE OF THE REPORT

- 1.1 This report is to present the LGO's Annual Review for the year ending 31 March 2017 which is appended to this report (Appendix 1) and to note the nature of the enquires, complaints and outcomes received by the HOS.
- 1.2 The Annual Review provides a summary of the complaints that the LGO has dealt with in relation to the Council.

- 1.3 It is noted from the Annual Review that the LGO received 103 complaints and enquiries about the Council in 2016/17. It is also noted from the Annual Review that the LGO carried out eighteen detailed investigations of which eleven cases were upheld. Comparisons to previous years' complaints and enquiries are stated in Table 1 below.
- 1.4 The HOS does not publish an annual review report but we have been able to obtain their annual statistics. See table 1 below.

Table 1

Year	Number of Complaints		
	LGO	HOS	TOTAL
2016/17	103	50	153
2015/16	104	38	142
2014/15	117	59	176

- 1.5 From the statistical information provided by the HOS, a total of fifty enquiries and complaints were received concerning the Council in 2016/17. There were seven detailed investigations undertaken of which two were upheld in favour of the Complainant.
- 1.6 All Chief Officers have been advised of the Annual Review and reminded of the importance of dealing with and responding to the Ombudsman's complaints promptly as well as ensuring all appropriate and necessary lessons are learned to ensure continuous service improvement.

2 **IMPLICATIONS FOR SANDWELL'S VISION**

- 2.1 There are no direct implications for Sandwell's Vision arising from this report. Recommendations from the Ombudsman assist with service improvement and good administrative practice.

3 **BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The LGO's Annual Review for the year ending 31 March 2017 (Appendix 1) provides a brief summary of the complaint outcomes that the Ombudsman has dealt with in relation to the Council.
- 3.2 This report provides summary information in relation to the following:

- Re-directed matters

- LGO Complaints and outcomes
- HOS Complaints

3.3 The LGO received 103 complaints and enquiries about the Council during the year 2016/17. According to council records 61 of these matters were preliminary matters raised with the council that were not taken any further, whereas the remainder were accepted and dealt with by the LGO itself. A breakdown of the service areas of these complaints and enquiries is provided in table 2 below.

Table 2

Service Area	Complaints received by LGO	Preliminary matters (referred to the Council)
Housing	19	16
Planning and Development	5	3
Benefits and Tax	17	7
Education and Children's Services	21	11
Adult Care Services	19	17
Environmental Services	21	11
Highways and Transport	2	0
Corporate & Other Services	7	5
Other	1	0
TOTAL	103	61

3.4 The preliminary complaints and enquiries were either of a general nature or matters that involve initial enquiries being raised with and addressed by the council, which do not then progress to an investigation.

HOS

3.5 The HOS received fifty complaints and enquiries about the Council during the year 2016/17. According to our records eleven of these matters initial enquiries being raised with and addressed by the council; whereas the remainder was dealt with by the HOS itself.

3.6 **Complaint Outcomes**

LGO Matters

- 3.7 The LGO has reported that 104 decisions were made for matters that they considered. This included eighteen detailed investigations which resulted in eleven being upheld and seven not being upheld. A breakdown of the LGO decisions is provided in Table 3 below.

Table 3

Decision Type	Narrative	Number
Detailed Investigations: Cases Upheld	Cases upheld in favour of the Complainant result in findings of maladministration, and or injustice and the Council has to carry out remedial or follow up action and in some cases payment as a resolution. Some cases can result in no further action required	<u>11 upheld:</u> Maladministration and Injustice- 8 Maladministration – 1 Fault found – 1 No further action – 1
Detailed Investigations Cases Not Upheld	Cases not upheld have not been found in favour of the Complainant and result in findings of maladministration and or no further action being required by the Council.	<u>7 not upheld:</u> No Maladministration – 4 No fault found – 3
Advice Given	Advice is provided to the complainant by the LGO and no formal letter is issued to the Council.	5 Advice is provided by the LGO and does not require any investigation by the Council.
Closed after Initial Enquiries	The Council receives a letter informing us that they received a complaint and that no further action is required or the matter is out of LGO jurisdiction.	21 These cases do not require any investigation by the Council it has been closed by the LGO.
Referred Back for Local Resolution	No formal letter is issued to the Council.	53

		These cases do not require any investigation by the Council as the complainant has been advised to revert back to the Council.
Incomplete/Invalid	No formal letter is issued to the Council.	7 These cases do not require any investigation by the Council as the nature of the complaint is incomplete / invalid.

HOS Matters

- 3.8 With regards to HOS matters, there were seven detailed investigations and two were determined in favour of the Complainant. A breakdown of the HOS decisions is provided in table 4 below.

Table 4

Decision Type	Narrative	Number
Detailed Investigations: Cases Upheld	Cases upheld in favour of the Complainant	<u>2 upheld:</u> Maladministration – 1 Partial Maladministration – 1
Detailed Investigations Cases Not Upheld	Cases not upheld have not been found in favour of the Complainant	<u>2 not upheld:</u> No Maladministration – 2
Cases determined as Outside HOS Jurisdiction	These are cases that the HOS cannot investigate as the matter is outside their jurisdiction.	2 Outside jurisdiction
Redress	HOS found there had been sufficient redress made by SMBC	1 Redress

4. CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

There are no consultation implications arising.

5. ALTERNATIVE OPTIONS

There are no alternative options arising. The Council is obliged to formally receive and consider the LGO Report

6. STRATEGIC RESOURCE IMPLICATIONS

6.1 There are no resource implications arising directly as a result of this report save for compensatory payments that have been made in relation to local settlements which amount to £2,131.00 for the LGO's matters. A detailed breakdown of this sum is set out at Appendix 2.

6.2 In relation to the HOS there was one payment of £500.00 made. No payments were made last year. Please see Appendix 3.

6.3 There has seen a significant reduction in the level of compensatory payments made by the Council this year in relation to LGO complaints when compared to last year's sum of £8,750.00. Please see Appendix 4 for a further breakdown.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

7.1 The Local Government Act 1974 defines two main statutory functions for the Ombudsman:

- To investigate complaints against Councils and other authorities; and
- To provide advice and guidance on good administrative practice.

7.2 Since 2010, the LGO have already operated with jurisdiction over all registered adult social care providers to investigate complaints about care funded and arranged privately. In July 2017, the LGO changed its name to include the 'Social Care Ombudsman' to recognise the social care sector.

7.3 From April 2016, the LGO established a new mechanism for ensuring the agreed recommendations of the LGO are implemented. This has meant the recommendations made by the LGO are more specific and will often include a time-frame for completion. The LGO will now also follow up on the recommendations and seek evidence of implementation. As part of this improvement drive, the LGO plans to provide a more detailed report that includes a sophisticated suite of performance information in respect of compliance and service improvement. The LGO is of the view that by

Councils having more meaningful data, they will be better able to scrutinise and benchmark their performance with other Councils.

8 EQUALITY IMPACT ASSESSMENT

8.1 There are no equality issues arising from this report.

9 DATA PROTECTION IMPACT ASSESSMENT

9.1 There are no data protection issues arising from this report.

10 CRIME AND DISORDER AND RISK ASSESSMENT

10.1 There are no direct crime and disorder issues arising from this report. Relevant risk management issues have been detailed within the main body of the report.

11 SUSTAINABILITY OF PROPOSALS

11.1 This report does not set out any proposals.

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

12.1 There are no direct health and wellbeing implications arising from this report. However, recommendations from the LGO assist with service improvement and good administrative practice.

13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

13.1 There is no direct impact on the Council's asset management plan or register arising from this report.

14 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

14.1 The council is obliged to consider the Annual Report of the LGO.

14.2 Outcomes from complaints represent an opportunity for the Council to learn and improve its services.

15 BACKGROUND PAPERS

None

16 APPENDICES:

Appendix 1 LGO Annual Review Letter

Appendix 2 Table of Financial Payments April 2016- March 2017 - LGO

Appendix 3 Table of Financial Payments April 2016- March 2017 HOS

Appendix 4 Table of Financial payments for April 2015 – March 2016 LGO



Surjit Tour

Solicitor

Director – Monitoring Officer

APPENDIX 1

LGO ANNUAL REVIEW LETTER

APPENDIX 2 – LGO

Payment for LGO	Summary:	Lessons learnt:	Service Area
<p>1.</p> <p>£600.00</p>	<p>Outcome: Maladministration and Injustice</p> <p>The Complainant was refused entry on to the Councils' Housing register due to the fact that she owed in excess of £900 rent arrears from a former tenancy.</p> <p>She asked for a review of this decision and the circumstances of the case were considered by a Review Panel and the decision was upheld. Following the Ombudsman enquiry the situation was reviewed again by the original Review Panel and after receiving additional information they overturned the original decision and allowed the complainant to join the Housing Register. The process took about 15 weeks as during this time there were difficulties in making contact</p>	<p>All requests to join the Housing Register are dealt with by the Housing Choice Team and individual circumstances regarding how arrears accrued are considered and referred to a Senior Member of the team if required.</p> <p>Any negative decision that is challenged is also informally reviewed by a senior member of the Housing Choice Team to ensure that all information available is taken into account prior to it being referred to a Review Panel.</p> <p>The requirement to consider each case individually taking specific circumstances into</p>	<p>Sandwell Homes</p>

	<p>with the complainant to discuss her case.</p> <p>The Ombudsman decided that SMBC did not consider all relevant information when making its original decision and in view of the fact that the complainant could have expressed interest in available homes during this time she may have been successful in obtaining accommodation earlier than she eventually did. SMBC supplied information to the Ombudsman which suggested that she had missed out on 4 potential offers of accommodation and an award of £600 was made.</p>	<p>account was reinforced with relevant team members as this measure was already in place prior to this case.</p>	
<p>2.</p> <p>£150.00</p>	<p>Outcome: Maladministration and Injustice.</p> <p>The Council has accepted that it misled the Complainant about culling geese at a local park. It was recommended to apologise to him and pay £150 in recognition of the extra trouble he was put to trying to find out the truth.</p>	<p>The Ombudsman would expect the Council to record the reasons for a decision and it should note this in future, even if it is only to verify the reasons set out by the officer's report.</p> <p>The Council has reminded officers about the code of</p>	<p>Parks and Countryside</p>

	<p>The Council was not at fault in how it decided to go ahead with the cull or how it carried it out. It should however record the reasons for its decisions.</p> <p>The Council could have asked the Cabinet Member to review the situation and confirm the decision to cull in 2014, but it was not wrong for the Council to act in accordance with the approval given in 2013. The Council's contractor misled the complainant when it told him it was not going to cull the geese.</p>	<p>conduct to which they must work.</p> <p>The Council has since consulted the public about the geese and whether these cause problems for park users.</p> <p>The Council has agreed to pay £150 in recognition of the additional time and trouble the Council put him to as he tried to find out the truth.</p> <p>The Council will review how it records its decisions so its reasons are clear.</p>	
<p>3.</p> <p>£300.00</p>	<p>Outcome: Maladministration and Injustice</p> <p>The complainant complained the Council failed to put in place the recommendations from its Stage Two investigation report around contact and other matters concerning her relationship with her brother. She says it has also failed to amend inaccurate documentation on her brother's file.</p> <p>Furthermore, she says the Council has failed to provide support for her</p>	<p>The Council has updated its procedures for complaints handling.</p> <p>The Council now asks for legal guidance if it believes withholding correspondence is appropriate and considers this on a case-by-case basis.</p> <p>The Council has explained that procedures have been</p>	<p>Children's Services</p>

	and her brother's relationship. The Council has been asked to pay the complainant £300 and apologise.	amended to emphasise the importance of monitoring.	
4. £81.00	<p>Outcome: Maladministration and Injustice</p> <p>During a visit to the Complainant the carer unintentionally damaged her main door lock meaning it could only be locked from inside. The council refused to cover the cost of replacing the lock which Mrs G found unhelpful and upsetting.</p>	Both the complainant and the Council had some responsibility for the damage to her lock. As a goodwill gesture the council agreed to refund half the cost of the new lock and apologise for its handling of this matter.	Adult Social Care
5. £400.00	<p>Outcome: Maladministration and Injustice</p> <p>The Council had no care home vacancies at the standard rate when the Complainant went into a care home. So there should not have been a third-party top up. Charging a top-up was fault as it was not in line with statutory guidance.</p> <p>The Council has apologised, waived the top-up and</p>	<p>Charging a top-up without offering a suitable placement at a standard rate was not in line with statutory guidance.</p> <p>Delay issuing contract detailing third part top-up arrangements.</p> <p>The council to apologise, waive the top-up and refund top-up fees already paid.</p>	Adult Social Care

	refunded the complainant the top-up she has already paid of £400.		
6. £600.00	<p>Outcome: Maladministration and Injustice</p> <p>The complainant was unhappy with the way the Council investigated how her son's arm broke on 18 October 2013, whilst in the care of a day care centre. The complainant says there were several delays and the Council's safeguarding investigations have failed to find out what happened.</p> <p>The Council had to apologise for the shortcomings identified above and for the time, trouble and distress this has caused to the complainant and pay the Complainant £600 for the distress.</p>	Ensure that all social workers who have responsibility for investigating safeguarding incidents, and the managers who have to supervise these investigations, are informed of the findings of this case.	Adult Social Care
Total: £2,131.00			

APPENDIX 3 - HOS

Payment	Summary:	Lessons learnt:	Service Area
1.£500.00	<p><u>Outcome: Reasonable Redress Compensation paid.</u></p> <p>The Complainant suffered with leaks from the main roof to her home. Orders were raised and work carried out to the main roof on two occasions during this period. There were several instances where over a period that the work was successful and the Complainant made no contact with SMBC to state otherwise. This culminated in Sept 2016 via a Councillor enquiry that the roof was still leaking. Following a visit by SMBC officers of SMBC extensive work was carried out to the main roof of the maisonette.</p> <p>The Complainants main complaint was the lack of communication and the roof had leaked for two years. The Council had to pay £500.00 to the Complainant.</p>	<p>During the process following the Cllr enquiry an employee was assigned to the complaint and visited and updated the Complainant daily on the progress.</p> <p>This was contested by the Complainant at the appeal.</p> <p>All employees who carry out complaints and enquiries are reminded of the importance of following up on their work to ensure customer satisfaction.</p>	Sandwell Homes

APPENDIX 4 – LGO APRIL 2015- MARCH 2016

Payment	Decision	Outcome	Follow Up Action	Category / Directorate
1. 400.00	Upheld: Maladministration and Injustice	Council was found at fault causing injustice. Council agreed to pay £400.00 for the anxiety caused and also to backdate payment. The responsible Manager to also send a letter of apology.	Letter of apology and cheque issued on 10.9.15.	Adult Social Care
2. £5,000.00	Upheld: Maladministration and Injustice	Council was found at fault causing injustice. The Council caused delays in assessing Complainants needs. Council agreed to pay £5,000.00 and to also arrange for the budget to be paid as soon as possible.	Client confirmed the Personal Budget is in place and cheque was sent recorded delivery 3/9/15	Adult Social Care
3. £100.00	Upheld: Maladministration and Injustice	The Council was found at fault for failing to reply to correspondence, it was not at fault in seeking to recover overpayment. The Council already took action to reduce deductions and agreed to write a letter of	Service area sent Letter on 29.9.15. Yet to obtain confirmation if service area has reviewed how it deals with correspondence.	Benefits- Strategic Resources

		apology and pay £100.00. Council also agreed to review how it deals with correspondence from taxpayers.		
4. £1,250.00	Upheld: Injustice	For the injustice caused fault was found. Council required to: Pay £750 to Complainant Pay £500 for the two children To reviews its policies Arrange staff training Place a copy of this report on the files of both children Issue a new handbook for foster carers	Compensation paid. We have received confirmation of new handbook and that actions have been met by LGO on 3.2.16.	Children's Services
5. £250.00	Upheld: Maladministration and Injustice	For the injustice caused fault was found. Council required to: Pay £250.00 and to acknowledge the distress caused to her.	Client confirmed letter and cheque issued on 15/11/15.	Adults Social Care
6. £500.00	Upheld: Maladministration and Injustice	Found at fault in part; for allowing matters to drift, failing to contact Mrs C for six months, failing to invite her to meetings and failing to provide information in writing.	Service area confirmed cheque request has been raised and that The social worker is keeping the family updated as to when	ASC and Children's

		Council to send a letter of Apology on few failings and also to pay £500.00 for distress.	he will hand deliver the cheque.	
7. £1,250.00	Upheld: Maladministration and Injustice	Injustice found due to fault for the defects in the new roof and drainage system. Council to pay £250 for distress and £1000.00 for remedial works.	Service area confirmed cheque was sent on 17/12/15 but had an error. Apology has been made and a new cheque is being sent on 6.1.15.	Sandwell Homes
Total: £8,750.00				

20 July 2017

By email

Jan Britton
Chief Executive
Sandwell Metropolitan Borough Council

Dear Jan Britton,

Annual Review letter 2017

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGO) about your authority for the year ended 31 March 2017. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

The reporting year saw the retirement of Dr Jane Martin after completing her seven year tenure as Local Government Ombudsman. I was delighted to be appointed to the role of Ombudsman in January and look forward to working with you and colleagues across the local government sector in my new role.

You may notice the inclusion of the '*Social Care Ombudsman*' in our name and logo. You will be aware that since 2010 we have operated with jurisdiction over all registered adult social care providers, able to investigate complaints about care funded and arranged privately. The change is in response to frequent feedback from care providers who tell us that our current name is a real barrier to recognition within the social care sector. We hope this change will help to give this part of our jurisdiction the profile it deserves.

Complaint statistics

Last year, we provided for the first time statistics on how the complaints we upheld against your authority were remedied. This year's letter, again, includes a breakdown of upheld complaints to show how they were remedied. This includes the number of cases where our recommendations remedied the fault and the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. In these latter cases we provide reassurance that your authority had satisfactorily attempted to resolve the complaint before the person came to us.

We have chosen not to include a 'compliance rate' this year; this indicated a council's compliance with our recommendations to remedy a fault. From April 2016, we established a new mechanism for ensuring the recommendations we make to councils are implemented, where they are agreed to. This has meant the recommendations we make are more specific, and will often include a time-frame for completion. We will then follow up with a council and seek evidence that recommendations have been implemented. As a result of this new process, we plan to report a more sophisticated suite of information about compliance and service improvement in the future.

This is likely to be just one of several changes we will make to our annual letters and the way we present our data to you in the future. We surveyed councils earlier in the year to find out, amongst other things, how they use the data in annual letters and what data is the most useful; thank you to those officers who responded. The feedback will inform new work to

provide you, your officers and elected members, and members of the public, with more meaningful data that allows for more effective scrutiny and easier comparison with other councils. We will keep in touch with you as this work progresses.

I want to emphasise that the statistics in this letter comprise the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, but who may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

The statutory duty to report Ombudsman findings and recommendations

As you will no doubt be aware, there is duty under section 5(2) of the Local Government and Housing Act 1989 for your Monitoring Officer to prepare a formal report to the council where it appears that the authority, or any part of it, has acted or is likely to act in such a manner as to constitute maladministration or service failure, and where the LGO has conducted an investigation in relation to the matter.

This requirement applies to all Ombudsman complaint decisions, not just those that result in a public report. It is therefore a significant statutory duty that is triggered in most authorities every year following findings of fault by my office. I have received several enquiries from authorities to ask how I expect this duty to be discharged. I thought it would therefore be useful for me to take this opportunity to comment on this responsibility.

I am conscious that authorities have adopted different approaches to respond proportionately to the issues raised in different Ombudsman investigations in a way that best reflects their own local circumstances. I am comfortable with, and supportive of, a flexible approach to how this duty is discharged. I do not seek to impose a proscriptive approach, as long as the Parliamentary intent is fulfilled in some meaningful way and the authority's performance in relation to Ombudsman investigations is properly communicated to elected members.

As a general guide I would suggest:

- Where my office has made findings of maladministration/fault in regard to routine mistakes and service failures, and the authority has agreed to remedy the complaint by implementing the recommendations made following an investigation, I feel that the duty is satisfactorily discharged if the Monitoring Officer makes a periodic report to the council summarising the findings on all upheld complaints over a specific period. In a small authority this may be adequately addressed through an annual report on complaints to members, for example.
- Where an investigation has wider implications for council policy or exposes a more significant finding of maladministration, perhaps because of the scale of the fault or injustice, or the number of people affected, I would expect the Monitoring Officer to consider whether the implications of that investigation should be individually reported to members.
- In the unlikely event that an authority is minded not to comply with my recommendations following a finding of maladministration, I would always expect the Monitoring Officer to report this to members under section five of the Act. This is an exceptional and unusual course of action for any authority to take and should be considered at the highest tier of the authority.

The duties set out above in relation to the Local Government and Housing Act 1989 are in addition to, not instead of, the pre-existing duties placed on all authorities in relation to Ombudsman reports under The Local Government Act 1974. Under those provisions, whenever my office issues a formal, public report to your authority you are obliged to lay that report before the council for consideration and respond within three months setting out the action that you have taken, or propose to take, in response to the report.

I know that most local authorities are familiar with these arrangements, but I am happy to discuss this further with you or your Monitoring Officer if there is any doubt about how to discharge these duties in future.

Manual for Councils

We greatly value our relationships with council Complaints Officers, our single contact points at each authority. To support them in their roles, we have published a Manual for Councils, setting out in detail what we do and how we investigate the complaints we receive. When we surveyed Complaints Officers, we were pleased to hear that 73% reported they have found the manual useful.

The manual is a practical resource and reference point for all council staff, not just those working directly with us, and I encourage you to share it widely within your organisation. The manual can be found on our website www.lgo.org.uk/link-officers

Complaint handling training

Our training programme is one of the ways we use the outcomes of complaints to promote wider service improvements and learning. We delivered an ambitious programme of 75 courses during the year, training over 800 council staff and more 400 care provider staff. Post-course surveys showed a 92% increase in delegates' confidence in dealing with complaints. To find out more visit www.lgo.org.uk/training

Yours sincerely



Michael King
Local Government and Social Care Ombudsman for England
Chair, Commission for Local Administration in England

Local Authority Report: Sandwell Metropolitan Borough Council
For the Period Ending: 31/03/2017

For further information on how to interpret our statistics, please visit our website:
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
19	17	7	21	12	2	19	5	1	103

Decisions made

		Detailed Investigations			Complaints Remedied	
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate
7	5	53	21	7	11	61%
				by LGO		9
				Satisfactorily by Authority before LGO Involvement		0
<p>Notes Our uphold rate is calculated in relation to the total number of detailed investigations. The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.</p>						
				Total		104

Reference	Authority	Category	Received
1	14014549 Sandwell Metropolitan Borough Council	Housing	08-Apr-16
2	15008544 Sandwell Metropolitan Borough Council	Planning & Development	21-Jun-16
3	15009786 Sandwell Metropolitan Borough Council	Adult Care Services	28-Nov-16
4	15015219 Sandwell Metropolitan Borough Council	Education & Childrens Services	19-Aug-16
5	15015260 Sandwell Metropolitan Borough Council	Education & Childrens Services	10-Jan-17
6	15017610 Sandwell Metropolitan Borough Council	Adult Care Services	07-Jun-16
7	15018458 Sandwell Metropolitan Borough Council	Housing	05-Jul-16
8	15020817 Sandwell Metropolitan Borough Council	Adult Care Services	01-Apr-16
9	16000159 Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	07-Apr-16
10	16000413 Sandwell Metropolitan Borough Council	Education & Childrens Services	16-Dec-16
11	16000770 Sandwell Metropolitan Borough Council	Housing	19-Apr-16
12	16000910 Sandwell Metropolitan Borough Council	Benefits & Tax	20-Apr-16
13	16001167 Sandwell Metropolitan Borough Council	Benefits & Tax	26-Apr-16
14	16001172 Sandwell Metropolitan Borough Council	Housing	26-Apr-16
15	16001260 Sandwell Metropolitan Borough Council	Adult Care Services	27-Apr-16
16	16001403 Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	03-May-16
17	16001850 Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	10-May-16
18	16001983 Sandwell Metropolitan Borough Council	Planning & Development	16-May-16
19	16002152 Sandwell Metropolitan Borough Council	Housing	17-May-16
20	16002212 Sandwell Metropolitan Borough Council	Housing	18-May-16
21	16002224 Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	18-May-16
22	16002230 Sandwell Metropolitan Borough Council	Benefits & Tax	18-May-16
23	16002444 Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	18-May-16
24	16003016 Sandwell Metropolitan Borough Council	Adult Care Services	23-May-16
25	16003032 Sandwell Metropolitan Borough Council	Education & Childrens Services	02-Jun-16
26	16003145 Sandwell Metropolitan Borough Council	Benefits & Tax	02-Jun-16
27	16003162 Sandwell Metropolitan Borough Council	Housing	06-Jun-16
28	16003356 Sandwell Metropolitan Borough Council	Housing	16-Aug-16
29	16003387 Sandwell Metropolitan Borough Council	Education & Childrens Services	08-Jun-16
30	16004078 Sandwell Metropolitan Borough Council	Corporate & Other Services	17-Jun-16
31	16004756 Sandwell Metropolitan Borough Council	Planning & Development	21-Jun-16
32	16004783 Sandwell Metropolitan Borough Council	Benefits & Tax	20-Sep-16
33	16004826 Sandwell Metropolitan Borough Council	Adult Care Services	05-Jul-16
34	16004929 Sandwell Metropolitan Borough Council	Education & Childrens Services	05-Jul-16
			06-Jul-16

35	16005051	Sandwell Metropolitan Borough Council	Benefits & Tax	08-Jul-16
36	16005295	Sandwell Metropolitan Borough Council	Housing	13-Jul-16
37	16005316	Sandwell Metropolitan Borough Council	Benefits & Tax	13-Jul-16
38	16005533	Sandwell Metropolitan Borough Council	Adult Care Services	18-Jul-16
39	16005810	Sandwell Metropolitan Borough Council	Adult Care Services	22-Jul-16
40	16006080	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	27-Jul-16
41	16006607	Sandwell Metropolitan Borough Council	Education & Childrens Services	08-Aug-16
42	16006631	Sandwell Metropolitan Borough Council	Education & Childrens Services	26-Aug-16
43	16006728	Sandwell Metropolitan Borough Council	Highways & Transport	09-Aug-16
44	16006959	Sandwell Metropolitan Borough Council	Benefits & Tax	15-Aug-16
45	16008008	Sandwell Metropolitan Borough Council	Education & Childrens Services	05-Sep-16
46	16008218	Sandwell Metropolitan Borough Council	Education & Childrens Services	07-Sep-16
47	16008829	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	19-Sep-16
48	16008953	Sandwell Metropolitan Borough Council	Benefits & Tax	21-Sep-16
49	16009023	Sandwell Metropolitan Borough Council	Adult Care Services	02-Mar-17
50	16009175	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	23-Sep-16
51	16009207	Sandwell Metropolitan Borough Council	Null	26-Sep-16
52	16009521	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	30-Sep-16
53	16009542	Sandwell Metropolitan Borough Council	Education & Childrens Services	30-Sep-16
54	16009587	Sandwell Metropolitan Borough Council	Planning & Development	03-Oct-16
55	16009747	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	05-Oct-16
56	16009807	Sandwell Metropolitan Borough Council	Housing	05-Oct-16
57	16009897	Sandwell Metropolitan Borough Council	Education & Childrens Services	07-Oct-16
58	16010018	Sandwell Metropolitan Borough Council	Housing	10-Oct-16
59	16010704	Sandwell Metropolitan Borough Council	Education & Childrens Services	24-Oct-16
60	16011110	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	31-Oct-16
61	16011116	Sandwell Metropolitan Borough Council	Adult Care Services	31-Oct-16
62	16011185	Sandwell Metropolitan Borough Council	Adult Care Services	02-Nov-16
63	16011201	Sandwell Metropolitan Borough Council	Benefits & Tax	02-Nov-16
64	16011208	Sandwell Metropolitan Borough Council	Housing	02-Nov-16
65	16011213	Sandwell Metropolitan Borough Council	Adult Care Services	02-Nov-16
66	16011252	Sandwell Metropolitan Borough Council	Housing	02-Nov-16
67	16011288	Sandwell Metropolitan Borough Council	Adult Care Services	03-Nov-16
68	16011859	Sandwell Metropolitan Borough Council	Housing	03-Nov-16
69	16011909	Sandwell Metropolitan Borough Council	Housing	14-Nov-16
			Housing	15-Nov-16


70	16012254	Sandwell Metropolitan Borough Council	Adult Care Services	21-Nov-16
71	16012474	Sandwell Metropolitan Borough Council	Education & Childrens Services	23-Nov-16
72	16012739	Sandwell Metropolitan Borough Council	Adult Care Services	24-Feb-17
73	16012931	Sandwell Metropolitan Borough Council	Education & Childrens Services	01-Dec-16
74	16013085	Sandwell Metropolitan Borough Council	Corporate & Other Services	03-Jan-17
75	16013244	Sandwell Metropolitan Borough Council	Benefits & Tax	08-Dec-16
76	16013432	Sandwell Metropolitan Borough Council	Planning & Development	12-Dec-16
77	16013708	Sandwell Metropolitan Borough Council	Education & Childrens Services	16-Dec-16
78	16013761	Sandwell Metropolitan Borough Council	Housing	19-Dec-16
79	16014024	Sandwell Metropolitan Borough Council	Benefits & Tax	23-Dec-16
80	16014439	Sandwell Metropolitan Borough Council	Corporate & Other Services	06-Jan-17
81	16014560	Sandwell Metropolitan Borough Council	Corporate & Other Services	09-Jan-17
82	16014765	Sandwell Metropolitan Borough Council	Benefits & Tax	12-Jan-17
83	16014809	Sandwell Metropolitan Borough Council	Education & Childrens Services	13-Jan-17
84	16015082	Sandwell Metropolitan Borough Council	Corporate & Other Services	18-Jan-17
85	16015097	Sandwell Metropolitan Borough Council	Adult Care Services	19-Jan-17
86	16015361	Sandwell Metropolitan Borough Council	Housing	24-Jan-17
87	16015411	Sandwell Metropolitan Borough Council	Benefits & Tax	24-Jan-17
88	16015554	Sandwell Metropolitan Borough Council	Highways & Transport	26-Jan-17
89	16015573	Sandwell Metropolitan Borough Council	Adult Care Services	26-Jan-17
90	16015849	Sandwell Metropolitan Borough Council	Adult Care Services	31-Jan-17
91	16015927	Sandwell Metropolitan Borough Council	Corporate & Other Services	03-Feb-17
92	16016414	Sandwell Metropolitan Borough Council	Housing	09-Feb-17
93	16016592	Sandwell Metropolitan Borough Council	Housing	13-Feb-17
94	16016725	Sandwell Metropolitan Borough Council	Education & Childrens Services	15-Feb-17
95	16017592	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	28-Feb-17
96	16017714	Sandwell Metropolitan Borough Council	Corporate & Other Services	02-Mar-17
97	16017740	Sandwell Metropolitan Borough Council	Education & Childrens Services	06-Mar-17
98	16017810	Sandwell Metropolitan Borough Council	Benefits & Tax	03-Mar-17
99	16017871	Sandwell Metropolitan Borough Council	Benefits & Tax	06-Mar-17
100	16018172	Sandwell Metropolitan Borough Council	Education & Childrens Services	09-Mar-17
101	16018269	Sandwell Metropolitan Borough Council	Benefits & Tax	13-Mar-17
102	16018442	Sandwell Metropolitan Borough Council	Education & Childrens Services	14-Mar-17
103	16018546	Sandwell Metropolitan Borough Council	Adult Care Services	16-Mar-17

Reference	Authority	Category	Decision Date	Decision	Remedy
1	14004844	Sandwell Metropolitan Borough Council	01-Apr-16	Upheld	Apology, Financial Redress, Training
2	14006675	Sandwell Metropolitan Borough Council	15-Apr-16	Not Upheld	Null
3	14014549	Sandwell Metropolitan Borough Council	13-May-16	Closed after initial enquiries	Null
4	15008544	Sandwell Metropolitan Borough Council	23-Dec-16	Not Upheld	Null
5	15008848	Sandwell Metropolitan Borough Council	19-Oct-16	Upheld	Procedure Change, Financial Redress
6	15009786	Sandwell Metropolitan Borough Council	15-Mar-17	Upheld	Apology, Financial Redress
7	15011812	Sandwell Metropolitan Borough Council	26-May-16	Not Upheld	Null
8	15015219	Sandwell Metropolitan Borough Council	14-Oct-16	Closed after initial enquiries	Null
9	15017610	Sandwell Metropolitan Borough Council	04-Jul-16	Closed after initial enquiries	Null
10	15018458	Sandwell Metropolitan Borough Council	04-Oct-16	Not Upheld	Null
11	15018640	Sandwell Metropolitan Borough Council	25-May-16	Closed after initial enquiries	Null
12	15018931	Sandwell Metropolitan Borough Council	08-Jul-16	Not Upheld	Null
13	15019927	Sandwell Metropolitan Borough Council	25-Aug-16	Upheld	Apology, Financial Redress
14	15020069	Sandwell Metropolitan Borough Council	24-Aug-16	Upheld	Financial Redress, Apology, Additional services
15	15020178	Sandwell Metropolitan Borough Council	13-Apr-16	Referred back for local resolution	Null
16	15020817	Sandwell Metropolitan Borough Council	18-Apr-16	Referred back for local resolution	Null
17	16000159	Sandwell Metropolitan Borough Council	07-Apr-16	Referred back for local resolution	Null
18	16000413	Sandwell Metropolitan Borough Council	16-Dec-16	Referred back for local resolution	Null
19	16000770	Sandwell Metropolitan Borough Council	19-Apr-16	Advice given	Null
20	16000910	Sandwell Metropolitan Borough Council	20-Apr-16	Referred back for local resolution	Null
21	16001167	Sandwell Metropolitan Borough Council	26-Apr-16	Referred back for local resolution	Null
22	16001172	Sandwell Metropolitan Borough Council	31-May-16	Closed after initial enquiries	Null
23	16001260	Sandwell Metropolitan Borough Council	27-Apr-16	Incomplete/Invalid	Null
24	16001403	Sandwell Metropolitan Borough Council	03-May-16	Referred back for local resolution	Null
25	16001850	Sandwell Metropolitan Borough Council	10-May-16	Referred back for local resolution	Null
26	16001983	Sandwell Metropolitan Borough Council	14-Jun-16	Closed after initial enquiries	Null
27	16002152	Sandwell Metropolitan Borough Council	17-May-16	Referred back for local resolution	Null
28	16002212	Sandwell Metropolitan Borough Council	06-Jun-16	Referred back for local resolution	Null
29	16002224	Sandwell Metropolitan Borough Council	18-May-16	Referred back for local resolution	Null
30	16002230	Sandwell Metropolitan Borough Council	18-May-16	Referred back for local resolution	Null
31	16002444	Sandwell Metropolitan Borough Council	23-May-16	Referred back for local resolution	Null
32	16003016	Sandwell Metropolitan Borough Council	23-Jan-17	Upheld	Apology, Procedure Change
33	16003032	Sandwell Metropolitan Borough Council	02-Jun-16	Referred back for local resolution	Null
34	16003145	Sandwell Metropolitan Borough Council	18-Jul-16	Closed after initial enquiries	Null
35	16003162	Sandwell Metropolitan Borough Council	27-Sep-16	Closed after initial enquiries	Null
36	16003356	Sandwell Metropolitan Borough Council	17-Jun-16	Referred back for local resolution	Null
37	16003387	Sandwell Metropolitan Borough Council	08-Jun-16	Referred back for local resolution	Null
38	16004078	Sandwell Metropolitan Borough Council	17-Jun-16	Referred back for local resolution	Null
39	16004756	Sandwell Metropolitan Borough Council	08-Aug-16	Closed after initial enquiries	Null
40	16004783	Sandwell Metropolitan Borough Council	17-Oct-16	Closed after initial enquiries	Null
41	16004826	Sandwell Metropolitan Borough Council	05-Jul-16	Referred back for local resolution	Null
42	16004829	Sandwell Metropolitan Borough Council	05-Jul-16	Referred back for local resolution	Null
43	16005051	Sandwell Metropolitan Borough Council	06-Jul-16	Referred back for local resolution	Null
44	16005295	Sandwell Metropolitan Borough Council	19-Aug-16	Upheld	Null
45	16005316	Sandwell Metropolitan Borough Council	13-Jul-16	Referred back for local resolution	Null
46	16005533	Sandwell Metropolitan Borough Council	13-Jul-16	Referred back for local resolution	Null
47	16005810	Sandwell Metropolitan Borough Council	09-Jan-17	Not Upheld	Null
48	16006080	Sandwell Metropolitan Borough Council	22-Jul-16	Incomplete/Invalid	Null
49	16006607	Sandwell Metropolitan Borough Council	27-Jul-16	Referred back for local resolution	Null
50	16006631	Sandwell Metropolitan Borough Council	20-Sep-16	Referred back for local resolution	Null
51	16006728	Sandwell Metropolitan Borough Council	16-Feb-17	Upheld	Apology
52	16006959	Sandwell Metropolitan Borough Council	05-Sep-16	Closed after initial enquiries	Null
53	16008008	Sandwell Metropolitan Borough Council	15-Aug-16	Referred back for local resolution	Null
54	16008218	Sandwell Metropolitan Borough Council	04-Oct-16	Referred back for local resolution	Null
55	16008829	Sandwell Metropolitan Borough Council	24-Oct-16	Closed after initial enquiries	Null
			19-Sep-16	Referred back for local resolution	Null

56	16009953	Sandwell Metropolitan Borough Council	Benefits & Tax	18-Oct-16	Closed after initial enquiries	Null
57	16009175	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	08-Nov-16	Closed after initial enquiries	Null
58	16009207	Sandwell Metropolitan Borough Council	Null	28-Sep-16	Incomplete/invalid	Null
59	16009521	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	30-Sep-16	Referred back for local resolution	Null
60	16009542	Sandwell Metropolitan Borough Council	Education & Childrens Services	30-Sep-16	Referred back for local resolution	Null
61	16009587	Sandwell Metropolitan Borough Council	Planning & Development	03-Oct-16	Incomplete/invalid	Null
62	16009747	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	09-Oct-16	Referred back for local resolution	Null
63	16009807	Sandwell Metropolitan Borough Council	Housing	05-Oct-16	Advice given	Null
64	16009897	Sandwell Metropolitan Borough Council	Education & Childrens Services	07-Oct-16	Referred back for local resolution	Null
65	16010018	Sandwell Metropolitan Borough Council	Housing	10-Oct-16	Advice given	Null
66	16010704	Sandwell Metropolitan Borough Council	Education & Childrens Services	24-Oct-16	Incomplete/invalid	Null
67	16011110	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	31-Oct-16	Referred back for local resolution	Null
68	16011118	Sandwell Metropolitan Borough Council	Adult Care Services	31-Oct-16	Referred back for local resolution	Null
69	16011185	Sandwell Metropolitan Borough Council	Adult Care Services	22-Mar-17	Upheld	Financial Redress
70	16011201	Sandwell Metropolitan Borough Council	Benefits & Tax	24-Nov-16	Closed after initial enquiries	Null
71	16011208	Sandwell Metropolitan Borough Council	Housing	17-Nov-16	Referred back for local resolution	Null
72	16011213	Sandwell Metropolitan Borough Council	Adult Care Services	20-Mar-17	Upheld	Null
73	16011252	Sandwell Metropolitan Borough Council	Housing	24-Nov-16	Referred back for local resolution	Null
74	16011859	Sandwell Metropolitan Borough Council	Housing	14-Nov-16	Referred back for local resolution	Null
75	16011908	Sandwell Metropolitan Borough Council	Housing	05-Dec-16	Referred back for local resolution	Null
76	16012254	Sandwell Metropolitan Borough Council	Housing	15-Feb-17	Referred back for local resolution	Null
77	16012474	Sandwell Metropolitan Borough Council	Adult Care Services	07-Dec-16	Incomplete/invalid	Null
78	16012931	Sandwell Metropolitan Borough Council	Education & Childrens Services	21-Feb-17	Incomplete/invalid	Null
79	16013085	Sandwell Metropolitan Borough Council	Education & Childrens Services	23-Jan-17	Closed after initial enquiries	Null
80	16013244	Sandwell Metropolitan Borough Council	Corporate & Other Services	08-Dec-16	Referred back for local resolution	Null
81	16013432	Sandwell Metropolitan Borough Council	Benefits & Tax	13-Jan-17	Closed after initial enquiries	Null
82	16013708	Sandwell Metropolitan Borough Council	Planning & Development	21-Mar-17	Upheld	New appeal/review
83	16013761	Sandwell Metropolitan Borough Council	Education & Childrens Services	13-Mar-17	Not Upheld	Null
84	16014024	Sandwell Metropolitan Borough Council	Housing	23-Dec-16	Referred back for local resolution	Null
85	16014439	Sandwell Metropolitan Borough Council	Benefits & Tax	06-Jan-17	Referred back for local resolution	Null
86	16014560	Sandwell Metropolitan Borough Council	Corporate & Other Services	23-Feb-17	Closed after initial enquiries	Null
87	16014765	Sandwell Metropolitan Borough Council	Corporate & Other Services	12-Jan-17	Referred back for local resolution	Null
88	16014809	Sandwell Metropolitan Borough Council	Education & Childrens Services	02-Feb-17	Referred back for local resolution	Null
89	16015082	Sandwell Metropolitan Borough Council	Corporate & Other Services	13-Feb-17	Closed after initial enquiries	Null
90	16015381	Sandwell Metropolitan Borough Council	Corporate & Other Services	24-Jan-17	Referred back for local resolution	Null
91	16015411	Sandwell Metropolitan Borough Council	Benefits & Tax	24-Jan-17	Referred back for local resolution	Null
92	16015554	Sandwell Metropolitan Borough Council	Highways & Transport	28-Jan-17	Referred back for local resolution	Null
93	16015573	Sandwell Metropolitan Borough Council	Adult Care Services	08-Feb-17	Closed after initial enquiries	Null
94	16015848	Sandwell Metropolitan Borough Council	Adult Care Services	31-Jan-17	Referred back for local resolution	Null
95	16015927	Sandwell Metropolitan Borough Council	Corporate & Other Services	03-Feb-17	Referred back for local resolution	Null
96	16016414	Sandwell Metropolitan Borough Council	Housing	09-Feb-17	Advice given	Null
97	16016592	Sandwell Metropolitan Borough Council	Housing	13-Feb-17	Advice given	Null
98	16017592	Sandwell Metropolitan Borough Council	Environmental Services & Public Protection & Regulation	28-Feb-17	Referred back for local resolution	Null
99	16017714	Sandwell Metropolitan Borough Council	Corporate & Other Services	24-Mar-17	Closed after initial enquiries	Null
100	16017810	Sandwell Metropolitan Borough Council	Benefits & Tax	03-Mar-17	Referred back for local resolution	Null
101	16017871	Sandwell Metropolitan Borough Council	Benefits & Tax	08-Mar-17	Referred back for local resolution	Null
102	16018172	Sandwell Metropolitan Borough Council	Education & Childrens Services	09-Mar-17	Referred back for local resolution	Null
103	16018269	Sandwell Metropolitan Borough Council	Benefits & Tax	30-Mar-17	Referred back for local resolution	Null
104	16018442	Sandwell Metropolitan Borough Council	Education & Childrens Services	14-Mar-17	Referred back for local resolution	Null

REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

18 January 2018

Subject:	Strategic Risk Register Update
Director:	Executive Director – Resources
Contribution towards Vision 2030:	
Contact Officer(s):	Narinder Phagura Business Partner - Audit, Fraud, Risk and Insurance narinder_phagura@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Review and comment upon the accompanying report.

1 **PURPOSE OF THE REPORT**

- 1.1 To update members of the Committee on the council's strategic risks and the progress made on the implementation of the actions to mitigate these risks.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Effective risk management is a key element of good corporate governance and is essential to the overall performance of the council in meeting its vision 2030. Good risk management will ensure that resources are used efficiently and effectively in the delivery of the Sandwell vision and that assets and resources are protected against risk in the most efficient way.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council is no different to any organisation, and will always face risks in achieving its vision and objectives. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 3.2 The strategic risk register does not include all of the risks that the council faces. It represents the most significant risks (as set out in the council's corporate risk management strategy) that could potentially impact on the achievement of the council's corporate priorities and vision. Other risks are captured within directorate, operational, programme, project or partnership risk registers in line with the council's corporate risk management framework and strategy.
- 3.3 A summary of the strategic risks is included at Appendix A of this report.
- 3.4 Appendix B provides a summary of the council's strategic assurance map which follows the three lines of defence model (shown below). The assurance map details where the Committee can gain assurance against the strategic risks. This is updated alongside the monitoring and reviewing of the strategic risk register.

The three lines of defence model:

First line	Second line	Third line
The first level of the control environment is the business operations which perform day to day risk management activity	Oversight functions such as Finance, HR and Risk Management set directions, define policy and provide assurance	Internal and external audit are the third line of defence, offering independent challenge to the levels of assurance provided by business operations and oversight functions

4 THE CURRENT POSITION

- 4.1 The risk register currently includes 13 strategic risks- three red risks, eight risks assessed as amber and two risks assessed as green. Since last reported, there has been an increase in the assessment of risk 21a – Compliance with the General Data Protection Regulations (GDPR). Appendix A sets out the measures in place and the actions being taken to manage the GDPR requirements.
- 4.2 Ownership of the individual strategic risks is assigned to directors, who have responsibility to:
- Consider and agree the risk description
 - Assess the current risk score based upon the controls in place and the assurances they have received on the adequacy and effectiveness of these controls
 - Implement mitigating actions to reduce the risk scores where necessary, in order to deliver the required risk score by the target date
 - Keep Cabinet Members informed of the risk and the implementation of mitigating actions.
- 4.3 Further ongoing reviews are then undertaken by the Management Board.
- 4.4 The Committee has requested further information in respect of the council's management of FOI requests, which is set out at Appendix C.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The review and update of each strategic risk, has been discussed with the risk owners (as noted at Appendix A) and reported to the Management team.

6 ALTERNATIVE OPTIONS

- 6.1 Whilst this report does not require a decision and therefore, alternative options do not need to be considered, when measures are being considered for the mitigation of each of the strategic risks, this does take into account any alternative options available.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The authority's Corporate Risk Management Strategy (CRMS) requires close identification and alignment of risks to budget planning processes. In this way, the identification and management of its key risks informs the authority's allocation of resources.
- 7.2 The authority's budget planning process incorporates financial and other resources required to manage the authority's risks.

LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The purpose of risk management is to assist in the achievement of the Sandwell vision and the authority's statutory responsibilities.
- 8.2 There are numerous standards applicable to the management of risk within the local authority sector. Included amongst these is guidance from CIPFA/Solace, the British Standards Institute (BSI) and a set of joint standards published by the Institute of Risk Management (IRM), Alarm (The public sector risk management association) and AIRMIC (Association of Risk Managers in Industry and Commerce). Evidence that robust management of the authority's strategic risks is being undertaken demonstrates compliance with these standards.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 As a decision is not being sought in this report, it is not necessary to undertake a Data Protection Impact Assessment.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no crime and disorder risks arising from this report.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The purpose of the report is to update the Audit and Risk Assurance Committee with the council's key strategic risks as summarised in Appendix A.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

Appendix A - Strategic risk register summary as at December 2017

Appendix B – Strategic risk assurance map

Appendix C – Management of Freedom of Information requests

Darren Carter

Executive Director – Resources and s151 Officer

07a Appendix A

Profile of Current Strategic Risk Scores


RED	4, 21a, 42a
AMBER	4b, 22a, 27, 38, 40, 45, 47, 48
GREEN	6a, 44


Summary Strategic Risk Register @ December 2017








Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																
4 07/2012	<p>Children's Social Care</p> <p>If the council does not continue to build on the progress it has made in the delivery of children's social care and to address the areas of poor or inconsistent performance, as outlined by Ofsted and the children's services commissioner, with rigour and pace, then the council will fail in its responsibilities to:</p> <ul style="list-style-type: none"> Safeguard vulnerable children Promote and improve the outcomes of children in its care Manage any adverse financial consequences arising from the failure to create favourable outcomes for children within the resources available to it Improve the continued adverse affect on the council's reputation. <p>Risk owner – Jim Leivers Cabinet Member – Councillor Hackett</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td>12</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	4					3				12	2					1						1	2	3	4	Impact						12 (red)		12 (red)	8 (amber) June 2018	<p>Since last reported, further assurances are available on the management of this risk. The Children's Services Commissioner has submitted his fourth quarterly report to the Department for Education (DfE) and an Ofsted monitoring visit has also taken place in September. These reviews noted positive progress in a number of areas, including:</p> <ul style="list-style-type: none"> Front door arrangements and improved capacity resulting in timely assessments being made Changes to the senior leadership reported previously, and excellent corporate communications which have assisted in building a more inclusive culture and morale Infrastructure including improved IT facilities and planned accommodation for the Trust Improved resources (both financial and social care workforce capacity) to address caseload, recruitment, retention and placement cost issues. <p>Despite the above, further improvement and work is still required in a number of key areas including:</p> <ul style="list-style-type: none"> The quality of assessments and quality assurance Governance of the improvement programme The progress on establishing a regional adoption agency Looked after children and permanence planning.
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Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																	
4b 10/16	<p>Children's Trust</p> <p>If the council does not put appropriate and effective arrangements in place to set up the Children's Trust (to include agreement of the budget, staff and services to be transferred, accommodation, etc.) then it will delay the establishment and operations of the Trust in line with the Statutory Direction and impede the improvements required in the delivery of children's social care in Sandwell.</p> <p>Risk owner – Jan Britton/ Tara Malik Cabinet Member – Councillor Eling and Councillor Hackett</p> <table border="1" data-bbox="250 791 660 986"> <tr> <td rowspan="4" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">8</td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1							1	2	3	4		Impact					<p style="text-align: center;">8 (amber)</p>	<p style="text-align: center;"></p>	<p style="text-align: center;">8 (amber)</p>	<p style="text-align: center;">4 (green)</p> <p style="text-align: center;">by April 2018</p>	<p>The Statutory Direction served on the council in October 2016 directed the council to work with the Children's Services Commissioner, to transfer the council's children's social care services to a newly created children's trust. As part of the quarterly update to the DfE noted above, the Commissioner has reported on the continued good progress and excellent council support on this project.</p> <p>Since the previous risk review, further actions have taken place in the mitigation of the key project risk areas as follows:</p> <ul style="list-style-type: none"> • The Trust name has been considered and agreed as Sandwell Children's Trust. The critical steps relating to this dependency have now been initiated to progress the project further • Further appointments to the Trust Board have been made which now include the Chief Executive and two additional non executive directors. The remaining vacant non executive director position is being re advertised • Work on the Wellman and Metsec buildings that will be used for the Trust's operations has commenced with a view to complete in March 2018 • Arrangements to develop the vision and the strategic direction have been put in place and involve engagement of staff and stakeholders • Good progress on constructing the budget and the scoping of the services to transfer to the Trust has been made • Progress continues to be made on drafting the Articles of Association and the Service Delivery Contract • Further work has commenced to identify the strategic functions that will carried out by the council via service level agreements.
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Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																
6a 10/2007	<p>Emergency Preparedness</p> <p>If the council does not put in place effective arrangements to plan and mitigate against national, regional or local emergencies as defined by Part 1 of the Civil Contingencies Act 2004 (CCA) then this will result in:</p> <ul style="list-style-type: none"> Actual or anticipated failure to adequately protect the vulnerable Failure to support the emergency services Failure to continue to perform critical business activities Loss of credibility and reputational damage to the council Failure to fulfil Civil Contingencies Act responsibilities Major financial loss to the council. <p>Risk owner – Alison Knight/ Alan Caddick Cabinet Member – Councillor Khatun</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90; text-align: center;">6</td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2			6		1						1	2	3	4	Impact						6 (green)		6 (green)	4 (green) June 2018	<p>This risk continues to be overseen by the council's resilience team which for a number of years has been managed via by a shared service arrangement with Walsall Council for the Resilience Manager. In order to strengthen arrangements, the council is in the process of appointing its own Resilience Manager in early 2018, who will be also be tasked with considering how the council deals with other unplanned incidences such as traveller encampments.</p> <p>Since last reported on this risk, the preparation of business continuity plans continues through engagement by directorates. At present, most priority 1 and 2 services have completed plans or draft versions in place, with a view to having a full suite of priority 1 and 2 plans in place by April 2018. The Neighbourhoods' plans have been tested and a plan will be developed to regularly test other plans in due course.</p> <p>Following national guidance, the Government and the Police encouraged all public bodies to review and consider their security arrangements. As a result, a team from emergency planning, HR and facilities management completed a review of security at the Council House and has carried out some measures to improve security.</p> <p>The Local Resilience Forum held a cyber security workshop and seminar where the council's ICT department attended and will take part in a multi-agency test exercise in December 2017.</p> <p>Following the power outage on 4 December, senior management and members have been briefed by service managers on the incident and a lessons learned report is being prepared from which an agreed action plan will be developed and implemented.</p>
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21a 06/2015	<p>Compliance with General Data Protection Regulations (GDPR)</p> <p>If the council does not ensure it has a robust framework in place to comply with the GDPR then it faces significant external action from the Information Commissioner's Office for failing to undertake its statutory duty. Further, failing to comply will result in negative public reaction and reputational damage, significant monetary penalties, loss of confidential data and potentially legislative action against the Chief Executive.</p> <p>Risk owner – Surjit Tour Cabinet Member – Councillor Trow</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000; text-align: center;">12</td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td></td> </tr> <tr> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3				12	2					1											1	2	3	4			Impact					8 (amber)		12 (red)	8 (amber) May 2018	<p>This risk is overseen by the council's Corporate Governance Board (CGB) which is chaired by the Monitoring Officer (also Senior Risk Information Officer and risk owner). The risk is primarily concerned with GDPR and</p> <p>The measures to manage the risk include:</p> <ul style="list-style-type: none"> • The establishment of a GDPR project team and Information Governance Board (IGB which reports to the CGB), which meets monthly • The development of a detailed project plan, and risk register to focus the delivery of work and allocation of resources • The identification of information risk champions across all directorates and the provision of specialist GDPR training for these officers • Mapping of data flows to ensure appropriate information sharing agreements are in place and that fair processing notices accurately reflect the purpose for which data is being used • Engagement and training for elected members • E-learning training on information management which is being reviewed to ensure it remains appropriate to achieving the necessary outcomes and evidence of compliance • Information incidence logs of breaches and the resulting audits and agreed actions. • Obtaining assurances that the council's IT systems are GDPR compliant <p>The increase in the assessment of this risk is as a result of the closer proximity of the implementation date. This will be reassessed once the detailed project plan is completed.</p>
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The 22a 01/2016	<p>CONTEST</p> <p>If the council does not work with partners to put in place suitable arrangements with the aim of preventing terrorism and radicalisation in Sandwell then it will be unable to effectively discharge its statutory duties.</p> <p>Risk owner – Jan Britton Cabinet Member – Councillor Carmichael</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">8</td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> <td></td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> <td></td> </tr> </table>	Likelihood	4					3					2				8	1											Impact						1	2	3	4		8 (amber)		8 (amber)	4 (green) September 2018	<p>This risk continues to be managed by the CONTEST Board. In terms of the actions that have/are being taken to manage this risk, this includes:</p> <ul style="list-style-type: none"> • Quarterly CONTEST meetings continue and includes external partners (Police; Health; Probation; etc.) • A revised Counter Terrorism Local Profile (CTLP) process is being implemented in January 2018 to produce the annual CTLP • Quarterly summaries are provided to the council which take account of any changes in risk and new intelligence. Over the last 6 months there has been no significant change in the threat or risk level to Sandwell • Delivery of advanced level training to support front line workers across the partnership to identify signs, vulnerabilities, support and referring concerns • Engagement with schools. Section 175 audits have identified that 114 of the 119 schools have updated their safeguarding policies to incorporate 'Prevent' and over 95% of Designated Safeguarding Leads have completed Prevent awareness training • The Home Office is providing funding for a Prevent Education Officer who starts in early 2018 and provide greater capacity to support schools, colleges and other education providers • A network of Police Sergeants and council Neighbourhood Managers across the six towns has been formed to support building community resilience, identification and support of communities/ individuals at risk • Strengthening of links and relationships with tension monitoring and hate crime groups • Promotion of national campaigns is shared locally e.g. 'Action Counters Terrorism' to increase awareness and resilience amongst communities and young people.
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27 06/2009	<p>Funding and Resource Allocation</p> <p>Failure to put in place appropriate processes and actions necessary to accommodate the significant reductions in public expenditure (both specific and general funding) over the medium term may result in potential budgetary shortfalls, inappropriate or ineffective efficiencies, deterioration in priority services and incorrect alignment of scarce resources and the council's key priorities.</p> <p>Risk owner – Darren Carter Cabinet Member – Councillor Eling</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">9</td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3			9		2					1						1	2	3	4	Impact						9 (amber)		9 (amber)	9* (amber)	<p>This risk continues to be managed through the council's Medium Term Financial Strategy (MTFS). Since last reported, the following has taken place:</p> <ul style="list-style-type: none"> The provisional Local Government Finance Settlement was announced on 19 December 2017. Whilst some details are still awaited, the figures based on the provisional settlement have been incorporated into the council's budget report 2018/19 to 2020/21. This will be presented to Council on 16 January 2018. One of the key headlines of the settlement was an increase in the council tax referendum limit from 2% to 3% meaning that local authorities can now increase council tax by 2.99% without requiring a referendum The council's projected financial position can be summarised as follows: <table border="1"> <thead> <tr> <th></th> <th>18/19 £M</th> <th>19/20 £M</th> <th>20/21 £M</th> </tr> </thead> <tbody> <tr> <td>Forecast expenditure</td> <td>243.9</td> <td>245.7</td> <td>249.6</td> </tr> <tr> <td>Forecast funding</td> <td>243.9</td> <td>240.5</td> <td>237.7</td> </tr> <tr> <td>Cumulative shortfall</td> <td>-</td> <td>5.2</td> <td>11.9</td> </tr> </tbody> </table> <p>There continue to be uncertainties and pressures arising from several areas including:</p> <ul style="list-style-type: none"> The increase in the projected overspend in children's services for the current year and ensuring therefore that the budget transferred to the Sandwell Children's Trust is based on robust estimates. The continued uncertainty around Brexit and the impact on government spending and local government settlements, interest rates, inflation and growth. 		18/19 £M	19/20 £M	20/21 £M	Forecast expenditure	243.9	245.7	249.6	Forecast funding	243.9	240.5	237.7	Cumulative shortfall	-	5.2	11.9
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						Detailed plans will be developed to plan for the delivery of the savings of £5.2 million required for 2019/20. The MTFS will be presented to Cabinet in February 2018 and will include details of the council's key financial objectives as well as a number of strategic and operational principles which align to the 2030 Vision ambitions.																																	
38 03/2014	<p>Health and Social Care Reforms and Transforming Adult Social Care</p> <p>If appropriate arrangements are not made to effectively manage the impact of the health and social care reforms including the Care and Support Act and the change in delivery from acute / primary care to social care led intervention, then the outcomes for adult social care users will be adversely affected.</p> <p>Risk owner – David Stevens Cabinet Member – Councillor Shackleton</p> <table border="1" data-bbox="248 874 660 1070"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td>8</td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1							1	2	3	4	Impact						8 (amber)		8 (amber)	8* (amber)	<p>This risk concerns the impact on services from the national challenges of significant budget cuts and an ageing population as well as dealing with the implementation of the Care Act and the Better Care Fund. Actions continue to take place to manage this risk and since last reported include the following:</p> <ul style="list-style-type: none"> • A 3% adult social care precept was approved by Full Council for the 2017/18 budget to deal with the national pressure on adult services • The adult social care led partnership strategy for the long term transformation of accommodation and support for vulnerable and older people was approved by Cabinet in 2016. Construction of new build accommodation is underway. The development is for 93 additional homes and will be completed by April 18 • Opportunities to support eligible social care services through Better Care Fund have been, and continue to be, progressed.
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40	School Place Planning	8		8	4	This risk is concerned with ensuring that there are																																	


Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																
01/2015	<p>If the council is unable to identify deliverable solutions to schools place planning then it will fail to discharge its statutory duties to provide sufficient school places.</p> <p>Risk owner – Chris Ward Cabinet Member – Councillor Hackett</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td>8</td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1						1	2	3	4	Impact						(amber)		(amber)	(green) End of 2018	<p>sufficient school places available (primary and secondary) in future years, with a specific focus on secondary school places at present.</p> <p>Since last reported, 450 secondary places have been delivered across two schools, with a further 2,400 planned for September 2019, including a new school on Kelvin Way in West Bromwich.</p> <p>In addition, a number of secondary schools have agreed to take extra pupils in 2019 to assist the council in managing the delay encountered with a second new school being delivered by the Education and Skills Funding Agency (ESFA), which is scheduled to open in September 2020.</p> <p>A further 420 primary places will be delivered for September 2019 in Smethwick when Shireland Technology Primary opens.</p> <p>Inward migration has continued to increase across all areas of the borough placing additional pressure on the supply of mid-year school places.</p> <p>Measures in place to manage the risk include:</p> <ul style="list-style-type: none"> Officers continue to monitor borough wide demographics, using birth rate data, migration trends, etc. Forecasts were last produced with a 99.86% accuracy The council continues to engage with all providers (free schools and academies) to actively secure new provision Regular meetings are held with The Cabinet Member for Children’s Services and senior management to identify potential site solutions <p>Achievement of the target score is dependent on a number of factors outside the council’s control including, future years’ basic need allocations, the ESFA delivering the new free school for September 2020 and the impact of increases in population.</p>
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42a	Cyber Security	12		12	8	This risk is linked with risk 6a and risk 21a and is																																

Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																
02/2017	<p>If the council does not have a co-ordinated approach and understanding of its existing cyber security controls or those available to it, together with an analysis of identifiable gaps, then this could expose the council to cyber-attack resulting in:</p> <ul style="list-style-type: none"> The inability of the council to deliver services and in particular critical services for a significant period of time The loss of personal and other corporate data Enforcement action Significant financial loss and Reputational loss <p>Risk owner – Darren Carter Cabinet Member – Councillor Trow</p> <table border="1" data-bbox="250 874 660 1070"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000; text-align: center;">12</td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> <td></td> </tr> </table>	Likelihood	4					3				12	2					1						1	2	3	4		Impact					(red)		(red)	(amber) June 2018	<p>being managed by ICT working alongside the Information Management team. Cyber security continues to attract increased media coverage as a result of cyber attacks taking place nationally and given the significant impact that this risk has on service delivery, reputation and potentially finance.</p> <p>In terms of managing this risk, the council has various measures in place including:</p> <ul style="list-style-type: none"> The redesign of ICT services includes a cyber security lead officer who will be tasked with looking at cyber security, risk and compliance The annual Public Services Network (PSN) certification requires an independent health check to be undertaken before granting certification. The health check has been undertaken and the results of this are due by December 2017 The monitoring of threats which are logged by existing technical controls such as firewalls and scanning of incoming emails The ICT infrastructure contains servers and software that are designed to protect the council from external threats The move to the Citrix environment as it is a centrally managed and secure platform Encryption of removable media devices, which are only accessible on a service needs basis As noted above, a multi agency regional test exercise around cyber security is being carried out in December and the lessons learned will be incorporated into an action plan <p>Despite this, there are a number of areas where further work is required. This is being incorporated into the ICT strategy and business plan and includes:</p> <ul style="list-style-type: none"> Conducting an assessment of the controls the council already has in place and where gaps exist
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Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																
						<p>so that further actions can be identified</p> <ul style="list-style-type: none"> • Consideration of Cyber Essentials as part of the council's supply chain requirements and Procurement and Contract Procedure Rules • User mitigation via training and communications • Agreeing regular system downtime to carry out software patching. 																																
44 05/16	<p>Land Sales and Other Matters</p> <p>If the council does not put in place a plan and implement timely actions to address the findings of the independent investigation into Land Sales and other matters, then this may result in reputational damage to the council.</p> <p>Risk owner – Jan Britton Cabinet Member – Councillor Eling</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> <td>6</td> <td></td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	4					3					2			6		1						1	2	3	4	Impact						6 (green)		6 (green)	4 (green) September 2018	<p>This risk was identified for inclusion in the strategic risk register as a result of the findings and publication of the Gowling WLG report into land sales and other matters, and the independent Queen's Counsel advice sought by the council.</p> <p>The reports identified a number of issues relating to the council's risk, governance, internal control environment and member and officer conduct. The risk, governance and internal control matters are being dealt with and are being considered by the Audit and Risk Assurance Committee, in order for the Committee to seek to gain assurance that the issues identified are being comprehensively and promptly addressed. The Committee considered these issues at its August, September and December 2016 meetings and at the 26 January, 23 March and 17 August 2017 meetings.</p> <p>The council introduced a new Land Sales and Building Protocol in 2016 to strengthen the steps that are to be carried out in all land and building sales undertaken by the council. The target score reflects the period by when assurances will be obtained on whether the new protocol is firmly embedded into the council's processes.</p> <p>The member conduct matters are being dealt with separately, by the Standards Committee.</p>
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45	Apprenticeship levy	9		9	6	The Apprenticeship Levy which was introduced on																																

Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																	
07/16	<p>If the council (including schools) does not put in place effective arrangements to use the resources it will have available from the introduction of the apprenticeship levy, then it will be unable to maximise benefits and its use of resources and will miss out on the opportunities available through the fund.</p> <p>Risk owner – Chris Ward Cabinet member – Councillor Hackett and Councillor Moore</p> <table border="1" data-bbox="248 651 660 845"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFA500; text-align: center;">9</td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3			9		2					1							1	2	3	4	Impact						(amber)		(amber)	(green) September 2018	<p>1 April 2017 involves an annual council contribution (including local authority schools) of approximately £1,047,600, as well as a target to provide 203 apprentice opportunities (2.3% of the workforce (including local authority maintained schools) in 2017/18.</p> <p>In order to progress and manage this risk the following has taken place:</p> <ul style="list-style-type: none"> • A report was presented to Cabinet in February 2017 to raise awareness of the need to engage with directorates and schools to consider options for the allocation and use of the levy funds • The Apprenticeship project board also carried out consultation and communications with Joint Union Panel, Directorates, school's forum and primary and secondary schools • The digital apprenticeship service portal has been set up for Sandwell Council and local authority maintained schools • A dynamic purchasing system for the procurement of the training provision was approved at Cabinet on 30 August and work will begin in the New Year to register new apprentices with training providers • The project team meets regularly to assess progress and prioritise target areas and also report apprenticeship data to the Apprenticeship Board which meets quarterly and is chaired by the risk owner and also has Cabinet Member representation • At present, there are approximately 70 vacancies being recruited to with 40 being advertised for schools through engagement with the Think Sandwell Team.
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Risk Ref	Risk Title and Description	Previous score (September 2017)	Direction of travel	Current score (December 2017)	Target score and date	Comment																																	
47 07/17	<p>Maximising opportunities from the West Midlands Combined Authority</p> <p>If the Council does not put in place effective arrangements to utilise the opportunities available from being part of West Midlands Combined Authority (WMCA) then it will be unable to maximise the benefits and opportunities available to it.</p> <p>Risk owner – Alison Knight</p> <p>Cabinet Member – Councillor Eling and Councillor Khatun</p> <table border="1" data-bbox="248 651 660 842"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">9</td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3			9		2					1							1	2	3	4		Impact					9 (amber)		9 (amber)	9* (amber)	<p>The work of the WMCA is based around various key areas including, productivity and skills, mental health, housing and land regeneration and transport. Measures to manage this risk include:</p> <ul style="list-style-type: none"> • Member representation on the main Boards and Committees of the WMCA e.g. the WMCA Housing and Land Delivery Board; the Transport Delivery Committee and the WMCA Wellbeing Board • Regular attendance of senior officer/ management meetings to discuss specific matters e.g. WMCA Chief executive meetings; WMCA s151 meetings; WMCA regeneration directors, WMCA Heads of ICT meetings, etc. where information is shared, best practice, tools and collaborative ways of working are discussed • Submission of bids to the WMCA and Black Country LEP (who also receive funds from the WMCA) for new projects and pipeline of schemes, via the preparation of business cases. This has shown recent successes with the council being awarded grant monies via Local Growth Funding and council applications being made to the Land and Property Investment Fund. <p>Areas of where further work is required is in respect of the capacity and resources available to maximise the funding received and to develop new projects for submission to the WMCA. This is in part due to the vacant Director of Regeneration and Growth post. Issues around capacity and information sharing are being considered by the Executive Director – Neighbourhoods.</p>
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48 07/17	<p>Vision 2030</p> <p>If the council does not put in place arrangements to monitor and assure itself of the delivery against its 2030 vision then this will result in reputational damage.</p> <p>Risk owner – Darren Carter Cabinet Member – Councillor Eling and Councillor Trow</p> <table border="1" data-bbox="250 560 663 751"> <tr> <td rowspan="5" style="writing-mode: vertical-rl; transform: rotate(180deg);">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">8</td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1						1	2	3	4	Impact						8 (amber)		8 (amber)	8* (amber)	<p>The following actions have/ are taking place in respect of this risk:</p> <ul style="list-style-type: none"> • Vision 2030 was approved by full council on 18 July 2017 • Following this approval, Vision 2030 was launched with staff engagement events taking place in September whereby staff had the opportunity to discuss the Vision face to face with directors and members and provided feedback, comments and ideas about how services could contribute to the delivery of the Vision. The feedback and ideas collated have been fed into business planning workshops that took place in October, and a corporate (and directorate) business plan(s) is now being developed to align the business and financial planning framework to Vision 2030. Following this, Cabinet will agree the new plans in February 2018 • Work has commenced on developing an outcome based performance framework which will look at key borough wide performance measures • An ongoing review of council policies is also being undertaken and as part of this will consider whether these policies lend themselves to contributing to the partner Vision 2030, and to ensure that they do not conflict with the aims of Vision 2030 • The recommendations from the corporate peer review that is scheduled to take place in January 2018, will also contribute to informing the development of the performance management framework • Governance arrangements for reporting delivery and performance against Vision 2030 will need to be considered and be in place by June 2018.
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* These are risks which are likely to remain amber over the medium term due to the longer term nature of these risks and the continued uncertainties. As such these risks do not have target dates.

Strategic Assurance Map – December 2017

Risk Ref	Risk Title & Description	Current Score	Types of Assurance			Gaps in Assurance / Risk Exposure
			External/ Independent (Third Line of Defence)	Risk and Compliance (Second Line of Defence)	Operational and Management (First Line of Defence)	
4	<p>Children's Social Care</p> <p>If the council does not continue to build on the progress it has made in the delivery of children's social care and to address the areas of poor or inconsistent performance, as outlined by Ofsted and the children's services commissioner, with rigour and pace, then the council will fail in its responsibilities to:</p> <ul style="list-style-type: none"> Safeguard vulnerable children Promote and improve the outcomes of children in its care Manage any adverse financial consequences arising from the failure to create favourable outcomes for children within the resources available to it Improve the continued adverse affect on the council's reputation. 	12 red	<p>Statutory Direction- 6 October 2016</p> <p>Ofsted monitoring visits and letters (July 2016, September 2016, April 2017, September 2017)</p> <p>Quarterly update reports from the Children's Commissioner to the Secretary of State</p> <p>LGA Peer Review Sandwell Children's Local Safeguarding Board June 2016</p> <p>Review of front door thresholds by INGSON 2016/17</p>	<p>Improvement reports to the Commissioner's Monitoring Board</p> <p>Independent Reviewing Officer function</p> <p>Rolling programme of audits of case files as part of the quality assurance framework</p> <p>National and Sandwell performance indicators and local measures in relation to social care</p> <p>Sandwell Local Safeguarding Children's Board Annual Report</p> <p>Recruitment and Retention of Social Workers report to Children's services and Education Scrutiny Board September 2017</p> <p>Fostering services in Sandwell report to Children's services and Education Scrutiny Board April 2017</p> <p>Children's Services directorate risk register</p>	<p>Director's Assurance Statement</p> <p>Demand and resource analysis</p>	<p>The main source of assurance for this risk continues to be the Children's Commissioner and Ofsted.</p> <p>Continual assurances from these sources will be required to ensure improvement measures are effective and sustained.</p>
4b	<p>Children's Trust</p> <p>If the council does not put appropriate and effective arrangements in place to set up the Children's Trust (to include agreement of the budget, staff and services to be transferred, accommodation, etc.) then it will delay the establishment of the Trust in line with the Statutory Direction and impede the improvements required in the delivery of children's social care in Sandwell.</p>	8 amber	<p>Memorandum of Understanding agreed between council and the Secretary of State</p> <p>Quarterly update reports from the Children's Commissioner to Secretary of State</p> <p>Due diligence work undertaken by Mutual Ventures and Burges Salmon</p>	<p>Reports to the shadow Trust Board, Trust Project Board and Trust Implementation Board</p> <p>Project risk register</p> <p>Project Plan</p> <p>Update reports to Children's Services and Education Scrutiny Board 2017</p>	<p>Highlight reports from work stream leads to Project Team</p> <p>Director's Assurance Statement</p>	<p>The main source of assurance for this risk is the ongoing communication with the Children's Commissioner.</p> <p>The project plan sets out the key milestones that need to be achieved in order to comply with the Statutory Direction and this is monitored by the project team and project director.</p>
6a	<p>National, Regional and Local Emergency Preparedness</p> <p>If the council does not put in place effective arrangements to plan and mitigate against national, regional or local emergencies as defined by Part 1 of the Civil Contingencies Act 2004 (CCA) then this will result in:</p> <ul style="list-style-type: none"> Actual or anticipated failure to adequately protect the vulnerable Failure to support the emergency services Failure to continue to perform critical business activities Loss of credibility and reputational damage to the council 	6 green	<p>Internal audit review - Business Continuity 2015/16 (limited assurance)</p> <p>Local Resilience Forum</p> <p>School audits (confirming schools' emergency plans in place).</p> <p>Cabinet Office National Capability Survey</p> <p>Counter Terrorism Training event</p>	<p>Community risk register</p>	<p>Post incident reports (including: Power Outage report January 2015, flooding incidences 2016, alcohols limited fire 2013, Tipton bomb, school bomb threats, suspicious package 2014)</p> <p>Local incidences and emergencies such as flooding, highways, school closures, illegal encampments, etc. provide assurances over the effectiveness of resilience arrangements</p> <p>Directors' Assurance Statements</p> <p>Emergency plans including rest</p>	<p>Assurance on the adequacy of the business continuity arrangements in place is at present only obtained via local incidences such as power outage and the Directors Assurance Statements. Detailed business continuity plans for critical services continue to be refined and ongoing testing will provide the key assurances in this respect.</p>

Risk Ref	Risk Title & Description	Current Score	Types of Assurance			Gaps in Assurance / Risk Exposure
			External/ Independent (Third Line of Defence)	Risk and Compliance (Second Line of Defence)	Operational and Management (First Line of Defence)	
	<ul style="list-style-type: none"> Failure to fulfil Civil Contingencies Act responsibilities Major financial loss to the council. 				centre, town centre evacuation, flood, media crisis, school emergency, temporary mortuary) Exercises and post exercise reports Training events (including: duty director briefings, multi agency response)	
21a	Compliance with General Data Protection Regulations (GDPR) If the council does not ensure it has a robust framework in place to comply with GDPR then it faces significant external action from the Information Commissioner's Office for failing to undertake its statutory duty. Further, failing to comply will result in negative public reaction and reputational damage, monetary penalties, loss of confidential data and potentially legislative action against the Chief Executive.	12 red	Audit Committee risk review October 2017 Internal audit review – Corporate Information governance 2015/16 (limited assurance) Ongoing communications with the ICO re data breaches Internal audit review 2017/18 - Information Governance – Assurance over key controls, including those over Data Protection, Freedom of Information and compliance with security legislation	Information Governance Board updates to the Corporate Governance Board Senior Information Risk Officer Annual Report Performance reports on training completed by officers	Directors' Assurance Statements Information incident log	Ongoing updates to the Corporate Governance Board in respect of GDPR and progress against the project plan provides the main source of assurance for this risk.
22a	CONTEST If the council does not work with partners to put in place suitable arrangements with the aim of preventing terrorism and radicalisation in Sandwell then it will be unable to effectively discharge its statutory duties.	8 amber	Feedback from West Midlands Counter Terrorism Unit Counter Terrorism Local Profile	Reports to the Contest Board Reports to Channel Panel	Directors' Assurance Statements	The current sources of assurance should continue to provide the necessary assurances on the management of this risk
27	Funding and Resource Allocation Failure to put in place appropriate processes and actions necessary to accommodate the significant reductions in public expenditure (both specific and general funding) over the medium term may result in potential budgetary shortfalls, inappropriate or ineffective efficiencies, deterioration in priority services and incorrect alignment of scarce resources and the priorities set within the Sandwell scorecard.	9 amber	KPMG report: Interim report to those charged with governance (ISA 260) August 2017 Internal audit review - Budgetary Control 2016/17 (substantial assurance) West Midlands Pension Fund 2017 actuarial valuation	Report to Council- Budget 2017/18 – 2019/20 March 2017 Reports to Budget and Corporate Scrutiny Board 2017 Budget and business plans 2018/19 – 2020/21 Annual Statement of Accounts 2016/17 Joint Cabinet Summits	Monthly management accounts Directors' Assurance Statements	The current sources of assurance should continue to provide the necessary assurances on the management of this risk.
38	Health and Social Care Reforms and the Transforming Adult Social Care (TASC) Programme If appropriate arrangements are not made to effectively manage the impact of the health and social care reforms including the Care and Support Act and the change in delivery from acute / primary care to social care led intervention, then the outcomes for adult social care users will be adversely affected.	8 amber	Internal audit review- Sandwell Safeguarding Adult's Board (Substantial assurance) Internal audit review- Health and social care reforms 2017/18	Better Care Plan risk register Reports to Health and Social Care Programme Board Reports to Health and Well Being Board Reports to the TASC Board Sustainability and Transformation Plan Reports to Cabinet 2017	Director's Assurance Statement	The current sources of assurance should continue to provide the necessary assurances on the management of this risk.

Risk Ref	Risk Title & Description	Current Score	Types of Assurance			Gaps in Assurance / Risk Exposure
			External/ Independent (Third Line of Defence)	Risk and Compliance (Second Line of Defence)	Operational and Management (First Line of Defence)	
40	School Place Planning If the council is unable to identify deliverable solutions to schools place planning then it will fail to discharge its statutory duties to provide sufficient school places.	8 amber	Complaints and appeals data Local Government Ombudsman Annual Report	Place planning data Reports to the Schools Organisation Programme Board Reports to Children's Services and Education Scrutiny Board December 2016	Directors' Assurance Statements	The current sources of assurance should provide the necessary assurances on the management of this risk.
42	Cyber Security If the council does not have a co-ordinated approach and understanding of its existing cyber security controls or those available to it, together with an analysis of identifiable gaps, then this could expose the council to cyber-attack resulting in: <ul style="list-style-type: none"> The inability of the council to deliver services and in particular critical services for a significant period of time The loss of personal and other corporate data Enforcement action Significant financial loss and Reputational loss 	12 red	2016/17 Certifications of PSN, PCI, etc. Annual independent ICT health check Internal Audit review 2017/18 - ICT - Assurance over the risk management process within ICT including the management of 'Cyber Security' risk.	Regular updates to the Senior Information Risk Officer Monitoring of threats logged by existing technical controls Self- assessment against cyber principles	Directors' Assurance Statements	The self- assessment once completed will identify any gaps in the sources of assurance.
44	Land Sales and Other Matters If the council does not put in place a plan and implement timely actions to address the findings of the independent investigation into Land Sales and other matters, then this may result in reputational damage to the council.	6 green	Gowling WLG report Approved Judgement 29 June 2017 Reports to the Audit Committee June, August, September and December 2016, January 2017, March 2017 and August 2017. Internal audit and counter fraud investigation work. Internal audit review 2017/18 - Compliance with Land and Building Sales Protocol	Regular updates to the Leader Standards Committee consideration of reports Reports to Land and Asset Management Committee	Directors' Assurance Statements	Ongoing work by Internal audit, HR and the Standards Committee and updates to the Audit Committee continue to provide the necessary assurances in this respect.
45	Apprenticeship Levy If the council (including schools) does not put in place effective arrangements to use the resources it will have available from the introduction of the apprenticeship levy, then it will be unable to maximise benefits and its use of resources and will miss out on the opportunities available through the fund	9 amber	Registration on digital apprenticeship portal	Reports to the Apprenticeship Board Apprenticeship Levy project plan Report to Cabinet August 2017- Dynamic Purchasing System Performance data on apprenticeships	Directors' Assurance Statements	The performance against the target number of apprenticeships that need to be in place each year will provide the necessary assurances on the management of this risk.
47	Maximising opportunities from the West Midlands Combined Authority If the Council does not put in place effective arrangements to utilise the opportunities available from being part of West Midlands Combined Authority (WMCA) then it will be unable to maximise the benefits and opportunities available to it.	9 amber	Corporate Peer Review- January 2018	Various reports to Cabinet for approval of projects	Directors' Assurance Statements	Once established, the internal WMCA working group will provide the key source of assurance for the management of this risk.
48	Vision 2030 If the council does not put in place arrangements to	8 amber	Corporate Peer Review- January 2018	Budget and business plans 2018/19 – 2020/21	Directors' Assurance Statements	Once established, the performance management framework and governance arrangements to

Risk Ref	Risk Title & Description	Current Score	Types of Assurance			Gaps in Assurance / Risk Exposure
			External/ Independent (Third Line of Defence)	Risk and Compliance (Second Line of Defence)	Operational and Management (First Line of Defence)	
	monitor and assure itself of the delivery against its 2030 vision then this will result in reputational damage.			Joint Cabinet Summits Performance management framework		monitor and review performance will provide the key source of assurance for this risk.

Management of Freedom of Information (FOI) Requests


- 1.1 The risks in respect of the management of FOI requests is included in the Resources directorate risk register and is currently assessed as green.
- 1.2 The council monitors compliance with the FOIA through its Customer Relationship Management system – Firmstep, that was introduced in April 2016. All FOI requests received by the council are logged onto Firmstep to ensure they are appropriately recorded, allocated and approved prior to the response being released. The council has 20 working days to complete and respond to an FOI and since April 2017, the Information Commissioners Office (ICO - the regulatory body for FOI) has set a requirement that 90% (previously 85%) of all FOIs should be completed and responded to within this timescale. For the year to date, data received from the system shows that the council's performance has been slightly below the ICO requirement and has fluctuated between 80%-85%. However, officers within the council's Information Management Unit are aware of a small number of issues that result in some discrepancies with this data, that would increase the response rate to approximately the required rate. For example:
- a response to a FOI is sometimes issued outside of the Firmstep system within the deadlines but may not be logged onto the system until after the deadline has passed. In such instances, the date of response recorded and calculated by the system is the date the system is updated and not the actual date responded, and as such this will mean that the system response date is calculated as late,
 - analysis of the data has shown that there are a number of FOI requests that are completed on day 21, where sufficient time was not taken into consideration to obtain the necessary approvals from a Director, as required by the internal protocol the council has in place.
- 1.3 The process outlined above is currently being revised to improve the council's performance. This includes, updating the Firmstep

system to provide increased functionality, reporting and monitoring of requests. Principally, specific deadlines will be allocated to each step of the FOI process (allocation, collation of information, response and approval) as opposed to one deadline of 20 days for the entire FOI. This will ensure that sufficient time is provided to meet the requirements of each step of the FOI. Enhanced management reporting and work flow will enable these incremental deadlines to be monitored and identify any delays so that where necessary corrective action can be taken earlier in the process.

- 1.4 In addition, a formal reporting mechanism will be established whereby regular reports are presented to the council's Corporate Governance Board on the council's FOI performance.
- 1.5 The ICO can monitor public authorities' performance where it is felt that those authorities are significantly below the monitoring threshold. However, these are generally for low level performing authorities over a period of time. The council does not fall into this category and is not subject to any enhanced monitoring from the ICO.
- 1.6 The above information informs the current risk assessment of green in the directorate register.

REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

18 January 2018

Subject:	Adult Social Care, Health and Wellbeing Directorate Risk Register
Director:	Executive Director – Adult Social Care, Health and Wellbeing
Contribution towards Vision 2030:	
Contact Officer(s):	Narinder Phagura Business Partner - Audit, Fraud, Risk and Insurance narinder_phagura@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Review and comment upon the accompanying report.

1 **PURPOSE OF THE REPORT**

- 1.1 To update the Committee with details of risks for the Adult Social Care, Health and Wellbeing directorate. A summary of these risks is attached as an appendix to this report.
- 1.2 Further details are attached for information.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Effective risk management is a key element of good corporate governance and is essential to the overall performance of the council in meeting its vision 2030. Good risk management will ensure that resources are used efficiently and effectively in the delivery of the Sandwell vision and that assets and resources are protected against risk in the most efficient way.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 One of the roles of the Audit and Risk Assurance Committee is to assure itself that risks to the delivery of the council's key priorities are being managed. The Committee will be aware that these risks are managed through the council's risk management process which is set out in its Corporate Risk Management Strategy, and involves the development of risk registers at strategic, directorate, operational and project levels.

Risk hierarchy



- 3.2 Ownership of the individual directorate risks is assigned to service managers, who have responsibility to:

- Consider and agree the risk description
- Assess the current risk score based upon the controls in place and the assurances they have received on the adequacy and effectiveness of these controls
- Implement mitigating actions to reduce the risk scores where necessary, in order to deliver the target risk score by the target date

- 3.3 The director is responsible for keeping the Cabinet Members informed of the relevant risks that fall within their portfolio and the implementation of mitigating actions.
- 3.5 Further ongoing reviews of the directorate register are then undertaken by the Directorate Management Team on a regular basis.
- 3.4 A summary of the directorate risks is included at Appendix A of this report.

4 THE CURRENT POSITION

- 4.1 The Adult Social Care, Health and Wellbeing Directorate has recently undergone a restructuring exercise to better align its services to future business plans and transformational changes that are required as a result of budget reductions, central government policy changes and an ageing population.
- 4.2 The directorate incorporates the following service areas:
- Adult Social Care
 - Public Health
 - Prevention and Protection
 - Environmental and Regulatory Services
- 4.3 The risk register at Appendix A includes the key risks for the directorate. The risks are reviewed by risk owners and the directorate management team on a regular basis, in line with the council's corporate risk management strategy.
- 4.4 The register will undergo a further review in early 2018 to consider whether there are any additional risks that require inclusion as a result of the new services that have recently been transferred into the directorate and following the completion of the redesign/ restructure currently taking place.
- 4.5 In addition to the directorate register, there are also risk registers in place for each service area that reflect the operational risks, and for each key project within the directorate, a project risk register is in place.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The review and update of each directorate risk, has been discussed with the risk owners (as noted at Appendix A) and reported to the Directorate

Management team. In addition, the relevant Cabinet Members are regularly updated with the progress made in the mitigation of key risks.

6 ALTERNATIVE OPTIONS

- 6.1 Whilst this report does not require a decision, when measures are being considered for the mitigation of each of the risks, this takes into account any alternative options available.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The authority's Corporate Risk Management Strategy (CRMS) requires close identification and alignment of risks to budget planning processes. In this way, the identification and management of its key risks informs the authority's allocation of resources.
- 7.2 The authority's budget planning process incorporates financial and other resources required to manage the authority's risks.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The purpose of risk management is to assist in the achievement of the Sandwell vision and the authority's statutory responsibilities.
- 8.2 There are numerous standards applicable to the management of risk within the local authority sector. Included amongst these is guidance from CIPFA/Solace, the British Standards Institute (BSI) and a set of joint standards published by the Institute of Risk Management (IRM), Alarm (The public sector risk management association) and AIRMIC (Association of Risk Managers in Industry and Commerce). Evidence that robust management of the authority's strategic risks is being undertaken demonstrates compliance with these standards.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 As a decision is not being sought in this report, it is not necessary to undertake a Data Protection Impact Assessment.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 There are no crime and disorder risks arising from this report.

12 SUSTAINABILITY OF PROPOSALS

12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The purpose of the report is to update the Audit and Risk Assurance Committee with the key risks that the Adult Social Care, Health and Wellbeing directorate is managing, as summarised in Appendix A.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

Adult Social Care, Health and Wellbeing directorate risk register summary.

David Stevens

Executive Director – Adult Social Care, Health and Wellbeing

08a Appendix A

Profile of Current Directorate Risk Scores

RED	25, 30, 32, 36, 37
AMBER	9, 26, 33, 34, 35
GREEN	4, 11, 23, 31

Draft Adult Social Care, Health and Wellbeing Directorate Summary Risk Register @ November 2017







Sandwell will be a place where our people are healthier for longer and the vulnerable are cared for


Our communities are built on mutual respect and taking care of each other, supported by all the agencies that ensure we feel safe and protected in our homes and local neighbourhoods


Sandwell now has a national reputation for getting things done where all local partners are focused on what really matters in people's lives and communities


Risk Ref	Risk Title and Description	Previous score (July 2017)	Direction of travel	Current score (October 2017)	Target score	Comment																											
003	<p>Strategic workforce development</p> <p>A workforce strategy is in place and links directly with workforce planning and training. This offers existing staff training opportunities to ensure that they are qualified and competent to face service needs. If recruitment and retention are not prioritised within the service and amongst service providers, then there will not be the skilled staff necessary to deliver appropriate social care.</p> <p>Risk owner – N Plant</p> <table border="1" data-bbox="248 927 660 1121"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">9</td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td>Impact</td> </tr> </table>	Likelihood	4					3			9		2					1						1	2	3	4	Impact	6 (green)		9 (amber)	3 (green)	<p>Recruitment of Approved Mental Health Practitioners and Occupational Therapists remains a challenge which is a national issue and not unique to Sandwell alone. Nationally there is an 8% shortage of OT's and 16% shortage of senior OT's. The measures in place to manage this risk include:</p> <ul style="list-style-type: none"> • An OT student programme in place that works to secure university placements. • For social workers we have a student programme and the Assessed and Supported Year in Employment. • We are attending national and regional recruitment fairs e.g. London and Birmingham to promote Sandwell. • The establishment of a quality team to deliver bespoke training to providers of social care services • The availability of apprenticeships in this area • Use of the National Minimum Data Set for social care which is an online system used as a tool to collect intelligence on workforce data • A refresh of the Workforce Development Strategy to reflect the diverse workforce in the Directorate. <p>In addition to this, a restructuring is taking place across the directorate to align all of the services within the directorate to the business plan that is being developed to deliver Vision 2030.</p>
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Risk Ref	Risk Title and Description	Previous score (July 2017)	Direction of travel	Current score (October 2017)	Target score	Comment																															
011	<p>Employee relations</p> <p>There is a risk that there will be industrial relations and staff deployment issues associated with the changes that are being brought about as a consequence of budget reductions and service transformation.</p> <p>Risk owner – C Guest</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90; text-align: center;">6</td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2			6		1						1	2	3	4		Impact				9 (amber)	↓	6 (green)	6 (green)	<p>This risk was first identified in the directorate risk register a number of years ago when major transformation in the adult services sector was identified as necessary to deal with challenges such as national policy changes including the Care Act 2014 and the Better Care Fund, and significant austerity measures were being introduced.</p> <p>Since this time the assessment of this risk has been amber due to the significant impact these changes could have on the workforce and employee relations.</p> <p>The recent reduction in the risk is as a result of the completion of a number of the key actions that were required to manage these challenges. This includes, the conduct of service reviews and implementation of recommendations from these reviews (e.g. day care services, review of Fountain Court, Sandwell Visually Impaired and Sandwell Deaf Community Association, etc). The changes to date have all been effectively managed through the Jobs Promise and through regular meetings with members, unions and staff briefings.</p> <p>Despite the above, the service continues to face transformational change and financial pressures. As a result, the risk will be maintained on the risk register to ensure it continues to be effectively managed.</p>
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Risk Ref	Risk Title and Description	Previous score (July 2017)	Direction of travel	Current score (October 2017)	Target score	Comment																																
025	<p>Supply chain resilience</p> <p>If appropriate ongoing assurances regarding the financial and operational viability of companies commissioned by the Authority to provide services are not obtained, then there could be significant implications and unplanned financial consequences for the Authority if the operators of those services cease operations.</p> <p>Risk owner – C Marsh</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td>12</td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td colspan="4">Impact</td> <td></td> </tr> </table>	Likelihood	4					3				12	2					1						1	2	3	4		Impact					12 (red)		12 (red)	8 (amber)	<p>This risk is concerned with the financial viability of social care providers which has a potential for the provider to be unable to continue operating, thereby exiting the market and handing back contracts for the provision of care services to the council. In recent times the risk has become more significant due to increased cost pressures providers are facing which include, the introduction of the National Living Wage; apprenticeship levy; auto enrolment and increased pension costs and care worker travel and sleep in costs, and this is reflected in the assessment of this risk as red.</p> <p>To mitigate the risk, the service has the following measures in place:</p> <ul style="list-style-type: none"> • The levy of the adult social care precept on council tax • Financial and supply chain risk assessments are undertaken at tender and pre qualification stages of the procurement process • Robust performance and contract management arrangements are in place for individual contracts • Reports have been approved by Cabinet over recent months to increase rates of pay to certain types of providers • A care home closure policy is in place setting out the procedures to follow should a provider become operationally unviable <p>Actions to mitigate the risk further include:</p> <ul style="list-style-type: none"> • Further report to Cabinet to consider rates of pay to non residential care providers • Ongoing collation and review of 'soft information' on providers to identify any providers of concern prior to becoming operationally unviable.
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026	<p>Safeguarding</p> <p>If partners in the Sandwell Safeguarding Adults Board (SSAB) and other related Boards fail to engage in the Safeguarding agenda then they will fail to meet their obligations, and vulnerable adults will not be effectively safeguarded.</p> <p>Risk owner – N Plant</p> <table border="1" data-bbox="248 564 660 759"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">8</td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="4" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1						1	2	3	4		Impact				8 (amber)		8 (amber)	4 (green)	<p>This risk is assessed as amber and reflects national safeguarding issues such as Winterbourne View, domestic violence, Prevent, human trafficking and modern slavery, all of which the SSAB and other partners and Boards including, Health and Well Being Board, the Police and Health Service are jointly responsible for managing.</p> <p>In terms of the measures that are in place to ensure partners are engaged in the safeguarding agenda, the following is in place:</p> <ul style="list-style-type: none"> • A business plan is in place which sets out the key priorities for the Board and member organisations, and the actions that will be taken to deliver the plan. This is due to be updated in March 18. • Multi agency procedures are in place that align to West Midlands agreed procedures as well as national guidance and legislation, including the Care Act 2014. Compliance with these procedures is monitored by the SSAB • Commissioning and delivery of multi agency training to ensure that safeguarding officers have the necessary skills. • Learning and implementation of actions from serious case reviews to ensure that improvements are made in the way organisations work together and share information. An event is planned in January 2018 to disseminate SCR findings. • Attendance at meetings is recorded and monitored. • A working group will be created to review the learning and development offer across agencies and support multiagency training across public sector agencies.
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030	<p>Deprivation of Liberty Safeguards (DoLS) If we do not identify sufficient funding and engage independent assessors to complete the number of DOLs received, then the authority will not discharge its statutory responsibility, putting vulnerable individuals at risk and placing the authority open to a legal challenge.</p> <p>Risk owner – S Sandhu</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000; text-align: center;">12</td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> <td></td> </tr> <tr> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3				12	2					1											1	2	3	4			Impact					12 (red)		12 (red)	8 (amber)	<p>The Deprivation of Liberty Safeguards provides a legal framework to protect those who lack the capacity to consent to the arrangements for their treatment and care which can be so extensive as to deprive them of their liberty. These protections are provided by advocacy support / paid representatives to enable a decision on care to be made in the best interests of the vulnerable person.</p> <p>Due to a couple of key legal rulings in recent times, the number of DoLS referrals has significantly increased and thereby resulted in an increased demand for paid representatives and advocacy support. This increase has been experienced and reported as an issue nationally and is reflected in the current assessment of this risk.</p> <p>In terms of mitigation, there is a jointly commissioned contract in place with Walsall and Wolverhampton councils, to provide paid representative and advocacy services. However, as a result of the increased demand, a report was presented to Cabinet for further funding for SMBC for the period to March 2020. This was approved and should assist in the further mitigation of this risk. It should also reduce the advocacy waiting list.</p>
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032	<p>Accommodation and support strategy</p> <p>If the service does not deliver an effective accommodation and support strategy, then the people of Sandwell will not have the appropriate options to support their independence and wellbeing and there will be increased and unsustainable demand and financial pressure on health and social care provision.</p> <p>Risk owner – C Marsh</p> <table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td></td> <td></td> <td></td> <td>8</td> </tr> <tr> <td>1</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1							1	2	3	4	Impact						12 (red)		8 (amber)	8 (amber)	<p>The risk reflects the delivery of the Accommodation and Support Strategy that was approved by Cabinet on 18 May 2016 and was developed to address the challenging transformation agenda and austerity measures. The Strategy focuses on the development of new approaches in providing vulnerable people with a choice of accommodation options, alongside the right care and support that enables them to stay in their own communities. Since its approval, the following has been delivered:</p> <ul style="list-style-type: none"> • A number of consultations have taken place to seek stakeholder views on the options being considered • Needs analysis has been undertaken by cross departmental teams to inform decision making • Development of the Oxford Road supported housing scheme which is planned for completion and delivery by January 2018 • Land secured for extra care scheme
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033	<p>Impress</p> <p>If we fail to successfully implement Impress, the new ICT system, including the transfer of historical data and the training and provision of ongoing support to managers and staff, then this could have a significant impact on the quality of the council's social care data management systems and on the quality of care provided to those adults and families most at risk.</p> <p>Risk owner – K Emms</p> <table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">8</td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1							1	2	3	4	Impact						8 (amber)		8 (amber)	4 (green)	<p>This risk is assessed as amber as this recognises the Impress project includes the implementation of both the Liquid Logic (case management system) and ContrOCC (financial management system). Liquid Logic (case management) functionality and ContrOCC (financial assessment) functionality went live November 2017 with a number of additional functionalities for both Liquid Logic and ContrOCC going live over the next 12 months.</p> <p>In terms of the measures that are in place to ensure successful implementation, the following is in place:</p> <ul style="list-style-type: none"> • Adults and Children's Programme Board is in place • Adults Governance Board in place and meets on monthly basis • Adults Implementation Team in place to support implementation phases • Formal contractual support in place from Partners.
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035	<p>Brexit</p> <p>As the UK government implements Article 50 and negotiates to leave the European Community, there may be negative impacts upon the adult social care sector.</p> <p>Risk owner – C Marsh</p> <table border="1"> <tr> <td rowspan="4">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">8</td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td></td> <td style="text-align: center;">1</td> <td style="text-align: center;">2</td> <td style="text-align: center;">3</td> <td style="text-align: center;">4</td> </tr> <tr> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3					2				8	1							1	2	3	4		Impact					8 (amber)		8 (amber)	8* (amber)	<p>This risk links directly with risk 003 and 025 above and is concerned with the trend over the last 5 years where the proportion of overseas social care workers has steadily increased both nationally and locally. For example, the number of non british workers across the West Midlands is approximately 12% and over recent years there has been an increase in the number of EU nationals in the social care sector and decreases in non EU nationals. As such, the Brexit negotiations could have significant consequences for the social care sector and the government will need to ensure that the social care system is adequately staffed and sufficiently flexible to maintain safe, high quality health and social care services.</p> <p>In addition to this Brexit also has other impacts such as increased provider costs as a result of potential inflationary increases.</p> <p>In terms of mitigating the impact of this risk, the following actions have been undertaken:</p> <ul style="list-style-type: none"> • Regular meetings take place with service providers to understand and gauge any current impact/ signs • The dependency on EU workers has been mapped for domiciliary care, nursing care and residential care • The provision of the adult social care precept to assist with financial pressures and increasing costs of care <p>The risk will continue to be monitored and assessed alongside the development on negotiations.</p>
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036	<p>Integrated health and social care</p> <p>If there isn't a whole system approach to delivering health and social care services within Sandwell, then the required outcomes to meet government policy will not be achieved and the necessary financial efficiencies will not be delivered.</p> <p>Risk owner – C Guest</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000; color: white;">12</td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td></td> <td colspan="5" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3				12	2					1						1	2	3	4		Impact					12 (red)		12 (red)	8 (amber)	<p>This risk is concerned with the Better Care Fund (BCF) which is a government programme spanning local government and the NHS which seeks to join up health and social care services so that people can manage their own health and wellbeing and live independently in their communities for as long as possible.</p> <p>The measures in place to manage this risk include:</p> <ul style="list-style-type: none"> • The establishment of a joint BCF partnership programme board with membership from the CCG, public health and the council, which reports to the Health and well Being Board (HWBB) on a regular basis • Approval of the two year 2017/18 to 2018/19 Better Care Plan by the HWBB • Governance of the Better Care Plan by NHS England have provided a RAG rating on the deliverability of the Plan. The plan was agreed in November 2017 and the 2017/18 plan was agreed without conditions. • The joint appointment of a programme manager to support delivery of the programme • The provision of an agreed section 75 pooled budget. <p>Despite the above measures, the risk remains red due to the further actions required which include:</p> <ul style="list-style-type: none"> • The need to develop robust plans to deliver place based integrated health and care services • Investing in primary, community and mental health services to help manage and reduce demand on secondary/ hospital care • Progressing the programme workstreams which include information sharing, data and intelligence; aligning commissioning and implementing High Impact Changes (see risk 037).
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037	<p>Delayed Transfer of Care (DTOC)</p> <p>If we do not reduce DTOC to national level, then we risk government intervention leading to a reduction in grant and potential financial clawback.</p> <p>Risk owner – D Stevens</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000; text-align: center;">12</td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3				12	2					1						1	2	3	4	Impact						12 (red)		12 (red)	8 (amber)	<p>This risk is a key deliverable and workstream of the Better Care Plan Programme noted above at risk 036.</p> <p>Delayed Transfer of Care is a national issue and has been widely reported in the media over recent years (also referred to as 'bed blocking').</p> <p>For Sandwell, the key areas giving rise to the issue have centred around multiple and complex pathways; commissioners' management of residential and domiciliary care and information sharing.</p> <p>As a result, to mitigate the risk a project has been set up for the DTOC improvement plan which broadly involves the delivery of a single social care and health hub pathway. The Better Care Fund Programme is being maximised to protect a number of vital prevention-focused services and a range of integrated services that support appropriate, timely and effective hospital discharges. This is governed by the BCF partnership Board.</p>
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038	<p>Public Health Grant</p> <p>If arrangements are not in place to manage changes in budget for Public Health when the ringfence is removed in April 2019 there is a risk that we are unable to deliver against Public Health priorities and mandated functions.</p> <p>Risk Owner: David Stevens</p> <table border="1"> <tr> <td rowspan="5">Likelihood</td> <td>4</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> <td style="background-color: #FF0000;"></td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>3</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700; text-align: center;">9</td> <td style="background-color: #FF0000;"></td> </tr> <tr> <td>2</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #FFD700;"></td> </tr> <tr> <td>1</td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td></td> <td>1</td> <td>2</td> <td>3</td> <td>4</td> </tr> <tr> <td colspan="6" style="text-align: center;">Impact</td> </tr> </table>	Likelihood	4					3			9		2					1						1	2	3	4	Impact						9		9 (amber)	6 (green)	<p>Public Health services are being reviewed against priorities to enable decisions to be made around future investment.</p> <p>Areas of public health are being considered as part of the whole system approach to achieve better provision and efficiencies (see risk 036).</p>
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REPORT TO ■ **AUDIT AND RISK ASSURANCE COMMITTEE**

18 January 2018

Subject:	Annual Governance Statement 2016/17 - Action Plan Update
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Contact Officer(s):	Narinder Phagura Business Partner - Audit, Fraud, Risk and Insurance narinder_phagura@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Notes and comments on the updated governance statement action plan for 2016/17, which is attached as Appendix A.

1 PURPOSE OF THE REPORT

- 1.1 The 2016/17 Annual Governance Statement was presented to the Audit and Risk Assurance Committee on 17 August 2017. The statement highlighted a number of governance issues encountered during the year and an action plan to mitigate these was also presented to the committee. This report provides an update on the progress made in implementing the agreed actions.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 The Sandwell Vision is at the heart of everything the council does. The completion of the Annual Governance Statement and addressing issues

arising from it, will contribute to the ambitions that make up the vision, by ensuring that a strong governance framework is in place.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 3.2 In discharging this overall responsibility, the council is also responsible for putting in place proper arrangements for the governance of its affairs and which includes arrangements for the management of risk.
- 3.3 The council has adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and completes and publishes a governance statement with its statement of accounts.
- 3.4 The governance statement is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can only provide therefore, reasonable and not absolute assurance of effectiveness. The governance statement is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 3.5 The statement is signed by the Chief Executive and the Leader of the Council, who have a responsibility to ensure that the document is supported by reliable evidence and accurately reflects the council's internal control environment.

4 THE CURRENT POSITION

- 4.1 The council, in accordance with statutory requirements, completes a governance statement on an annual basis and it is published with the statement of accounts.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The updated governance statement has been reported to the respective Directors.

6 ALTERNATIVE OPTIONS

- 6.1 It is a statutory requirement for the council to produce a governance statement. As such, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no direct financial and resource implications arising from this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The council is required to prepare a governance statement to report publicly on the extent to which it complies with its code of governance, including how it has monitored the effectiveness of the governance arrangements in the year and on any planned changes in the coming period. The council's governance statement must accompany its statement of accounts.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no direct risk implications arising from this report.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The committee is requested to review the updated governance statement action plan and comment on the progress made in implementing the agreed actions.

16 BACKGROUND PAPERS

16.1 None.

17 APPENDICES:

Appendix A – updated governance statement action plan.

Appendix B - Governance Statement Action Plan Update – 2016/17

Darren Carter
Executive Director – Resources

Issue	Key improvement area	Actions to be taken (responsibility and date of implementation)	Update on implementation of actions as at 30 November 2017
1	<p>Children’s Trust</p> <p>The council received a Government Statutory Direction (under section 479A of the Education Act 1996) to set up a new arrangement in the form of a children’s trust to deliver children’s social care services for a period of time.</p>	<p>A project is in progress to establish the trust. The governance arrangements in place will provide assurance on the progress of the project.</p> <p>Chief Executive</p> <p>Date to be agreed with the Department for Education</p>	<p>In the most recent quarterly update to the Department for Education, the Children’s Services Commissioner has reported on the continued good progress and excellent council support on the Sandwell Children’s Trust project.</p> <p>Actions that have been taken include:</p> <ul style="list-style-type: none"> • Appointments of the Chair; Chief Executive; Council non-executives and two other non-executives, to the Trust Board have been completed. The remaining vacant non-executive director position is being re advertised. • Work on the Trust’s Head Office and office accommodation at the Metsec and Wellman buildings has commenced with a view to completion in March 2018. • Arrangements to develop the vision and the strategic direction of the Trust have been put in place and involve engagement of staff and stakeholders. • Good progress on constructing the budget and the scoping of the services to transfer to the Trust has been made. • Progress continues to be made on drafting the Articles of Association and the Service Delivery Contract with a view to these being presented to Cabinet by March 2018. • TUPE consultation commenced on 7 December 2017. • Further progress continues to be made on the service level agreements for the corporate services that will be provided to the Trust by the council for at least the first 12 months of operation.

Issue	Key improvement area	Actions to be taken (responsibility and date of implementation)	Update on implementation of actions as at 30 November 2017
2	<p>Children's Services</p> <p>The Secretary of State appointed a Children's Services Commissioner and the council has continued to work with them to improve children's social care services. The improvement agenda focused on seven key priorities set by the Commissioner that required addressing as a matter of urgency, before the wider improvement agenda could be progressed.</p>	<p>To continue to address the issues identified in the improvement agenda.</p> <p>Director of Children's Services</p> <p>March 2018</p>	<p>In the most recent quarterly update to the Department for Education, the Children's Services Commissioner has reported positive progress in a number of areas, including:</p> <ul style="list-style-type: none"> • Front door arrangements and improved capacity resulting in timely assessments being made • Changes to the senior leadership reported previously and excellent corporate communications building a more inclusive culture and morale • Infrastructure including IT facilities • Improved resources (both financial and social care workforce capacity) to address caseload, recruitment, retention and placement cost issues <p>Despite the above however, further improvement work is still required in some key areas including:</p> <ul style="list-style-type: none"> • The quality of assessments and quality assurance • Governance of the improvement programme, • The progress on establishing a regional adoption agency • Looked after children and permanence planning.
3	<p>Resilience of the Medium Term Financial Strategy (MTFS)</p> <p>The council approved a balanced budget for 2017/18, but savings of £10m for 2018/19 and £17m for 2019/20 are needed. A Cabinet Summit was held in June 2017, where ideas for savings to cover most this shortfall were identified and were to be broken down into</p>	<p>To continue the implementation of the vision for the council for 2030.</p> <p>To establish projects to deliver the savings required.</p> <p>To develop a new Performance Management Framework to replace the scorecard, that will measure progress against the</p>	<p>Following the decision to refresh the council's vision, the council consulted residents across the six towns, businesses, voluntary community sector and staff and key strategic partners across the borough to discuss Sandwell's long-term direction. Vision 2030 was approved by full council on 18 July 2017.</p> <p>Following this approval, Vision 2030 was launched with staff engagement events taking place in September whereby staff had the opportunity to discuss the Vision face to face with directors and members and provided feedback, comments and ideas about how services could contribute to the delivery of the</p>

Issue	Key improvement area	Actions to be taken (responsibility and date of implementation)	Update on implementation of actions as at 30 November 2017
	<p>projects with definite timelines for delivery. This would complement the work in progress as part of the Facing the Future programme.</p>	<p>vision and outcomes achieved.</p> <p>To utilise the revised format of the council business planning framework for the 2018/19 business plans.</p> <p>Executive Director - Resources</p> <p>March 2018</p>	<p>Vision.</p> <p>The feedback and ideas collated have been fed into business planning workshops that took place in October, and a corporate (and directorate) business plan(s) is now being developed to align the business and financial planning framework to Vision 2030. Following this, Cabinet will agree the new plans in February 2018.</p> <p>Alongside this, work has commenced on developing an outcome based performance framework which will look at key borough wide performance measures. An ongoing review of council policies is also being undertaken and as part of this will consider whether these policies lend themselves to contributing to the partner Vision 2030, and to ensure that they do not conflict with the aims of Vision 2030.</p> <p>The recommendations from the corporate peer review that is scheduled to take place in January 2018, will also contribute to informing the development of the performance management framework.</p>
4	<p>Land Sales and Other Matters</p> <p>The Gowling WLG's report and QC's advice identified a number of issues. These related to the council's risk, governance, internal control environment and member and officer conduct.</p>	<p>The risk, governance and internal control matters were to be considered by the Audit and Risk Assurance Committee, to enable the committee to seek and gain assurance that the issues identified were being comprehensively and promptly addressed.</p> <p>The member and officer conduct matters were to be dealt with separately by the</p>	<p>The issues raised around the Gowling WLG report continue to be reported, where appropriate, through the Audit and Risk Assurance Committee.</p> <p>The member conduct matters are being dealt with separately, by the Standards Committee.</p> <p>The council introduced a new Land Sales and Building Protocol in 2016 to strengthen the steps that are to be carried out in all land and building sales undertaken by the council. Audit Services is currently assessing how well this is being embedded into the council's processes.</p>

Issue	Key improvement area	Actions to be taken (responsibility and date of implementation)	Update on implementation of actions as at 30 November 2017
		<p>Standards Committee and the council's Human Resources department respectively.</p> <p>Chief Executive March 2018</p>	
5	<p>Compliance with Contract Procedure Rules and Allocation of Grants</p> <p>Three limited assurance internal audit reports were issued on Grants within Neighbourhood Services, Grot Spot Funding and Off Contract Spend within Grounds Maintenance and Parks and Green Spaces. A comprehensive review of Neighbourhood Services, taking into account the findings of the audit reports, was completed by the Interim Director of Neighbourhood Services and a report including a wide range of recommendations was presented to Cabinet on 22 February 2017.</p>	<p>The implementation of the recommendations will be followed up by Internal Audit and progress reported to the Audit and Risk Assurance Committee.</p> <p>Executive Director - Neighbourhoods March 2018</p>	<p>Audit Services will be undertaking a series of follow up reviews in 2018, and where appropriate, findings will be reported back to the Audit and Risk Assurance Committee.</p> <p>Off contract spend has been subject to monthly audit checks in the Housing and Communities Directorate with reports provided to the Director and Service Managers. This has also been a standard agenda item on management team meetings. This has delivered a significant reduction in off contract spend within all areas, but particularly Grounds Maintenance and Parks and Green Spaces. To provide the Director with continued assurance, audit checks will continue to be completed on a quarterly basis and discussed at management team meetings.</p> <p>A new grants process has been introduced and this is now a formal ISO procedure. The process will now be managed and resourced by the Business Excellence service area and will be subject to quality and performance rigour from 2018.</p>
6	<p>Business Continuity</p> <p>To ensure that the council has in place a framework for its business continuity planning arrangements, to</p>	<p>There are service areas throughout the council which need to establish action plans, with milestones developed to</p>	<p>The preparation of business continuity plans continues to be progressed through engagement by directorates. As at the end of November, most priority one and priority two services have completed plans or draft versions in place. Plans are refined</p>

Issue	Key improvement area	Actions to be taken (responsibility and date of implementation)	Update on implementation of actions as at 30 November 2017
	<p>ensure that it is able to maintain the delivery of critical services in the event of an emergency.</p>	<p>complete plans and to establish a strategy for testing, maintaining and reviewing them.</p> <p>Director of Housing and Communities</p> <p>March 2018</p>	<p>and updated to reflect any lessons learned whenever an unplanned incident occurs.</p> <p>The Neighbourhoods plans have been tested and a plan will be developed to test other plans in due course.</p>

REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

18 January 2018

Subject:	Internal Audit Progress Report as at 31 December 2017
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Contact Officer(s):	Peter Farrow Audit Services and Risk Management Manager peter_farrow@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Review and comment upon the accompanying report.

1 PURPOSE OF THE REPORT

- 1.1 The report summarises the areas of work covered by Audit Services from 1 April to 31 December 2017.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Internal Audit operates across the council and helps it accomplish its vision by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Internal Audit Progress Report as at 31 December 2017 contains details of the matters arising from internal audit work undertaken between 1 April and 31 December 2017.
- 3.2 The purpose of the report is to bring the Audit and Risk Assurance Committee up to date with the progress made against the delivery of the 2017/18 Internal Audit Plan. The information included in the progress report will feed into, and inform the overall opinion in the Internal Audit Annual Report issued at the year end.
- 3.3 It details the performance of the internal audit service via a series of performance indicators previously approved by the committee.
- 3.4 It summarises the audit work undertaken between 1 April and 31 December 2017, this includes:
- the areas subject to review (auditable area)
 - the level of audit need assigned to each auditable area (high, medium or low)
 - the number and type of recommendations made as a result of each audit review.
 - the number of recommendations accepted by management.
 - the level of assurance given to each system under review.
 - details of any key issues arising from the above.

4 THE CURRENT POSITION

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The outcomes of the individual reports have been discussed with the relevant stakeholders and reported to the respective Director.

6 ALTERNATIVE OPTIONS

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no direct financial and resource implications arising from this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Internal Audit service follows the Public Sector Internal Audit Standards, and the Code of Ethics that form part of the standards, as laid out in the Internal Audit Charter approved by the Audit and Risk Assurance Committee.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. Data gathered during audit reviews is used and retained in accordance with current legislative requirements.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 There are no direct risk implications arising from this report.

12 SUSTAINABILITY OF PROPOSALS

- 12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

- 13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

- 14.1 There is no direct impact on any council managed property or land from this report.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The purpose of the report is to inform the Audit and Risk Assurance Committee on progress against the 2017/18 Internal Audit Plan. As such, no decision is required.

16 BACKGROUND PAPERS

16.1 The Internal Audit Progress Report as at 31 December 2017.

17 APPENDICES:

None.

Darren Carter
Executive Director – Resources

Internal Audit Progress Report @ 31 December 2017



1 Introduction

The purpose of this report is to bring the Audit and Risk Assurance Committee up to date with the progress made against the delivery of the 2017/18 Internal Audit Plan.

The information included in this progress report will feed into, and inform our overall opinion in our Internal Audit Annual Report issued at the year end. Where appropriate each report we issue during the year is given an overall opinion based on the following criteria:

Limited	<ul style="list-style-type: none">• A risk of objectives not being achieved due to the absence of key internal controls and a significant breakdown in the application of controls.
Satisfactory	<ul style="list-style-type: none">• A sufficient framework of key controls for objectives to be achieved but the control framework could be stronger and controls are applied but with some lapses.
Substantial	<ul style="list-style-type: none">• A robust framework of controls ensures objectives are likely to be achieved and controls are applied continuously or with only minor lapses.

This is based upon the number and type of recommendations we make in each report. Each recommendation is categorised in line with the following:

Fundamental	Action is imperative to ensure that the objectives for the area under review are met.
Significant	Requires action to avoid exposure to significant risks in achieving the objectives for the area under review.
Merits attention	Action advised to enhance control or improve operational efficiency.

For school reviews, the overall opinion is based on the following criteria to match the assurance categories awarded by Ofsted:

Inadequate	<ul style="list-style-type: none">• Risk of objectives not being achieved due to the absence of key internal controls, with significant breakdown in the application of controls.
Satisfactory	<ul style="list-style-type: none">• Reasonable framework of key controls exists, but could be stronger to support achievement of objectives, with occasional breakdown in the application of controls.
Good	<ul style="list-style-type: none">• Effective framework of key controls ensures objectives are likely to be achieved and controls are applied but with some minor lapses.
Outstanding	<ul style="list-style-type: none">• Robust framework of key controls ensures objectives should be achieved and controls are applied continuously.

The overall opinion for each of the school reviews is based upon the number and type of recommendations we make in each report, in line with the recommendation classifications for non-schools, i.e. fundamental, significant and merits attention.

2 Performance of the Audit Service

Staffing

Indicator	Actual
% of Audit Service staff, professionally qualified (target 34%)	40%

Relationships/Customer Satisfaction

Question	Average Score 2017/18 (to date*)	Average Score 2016/17
Usefulness of audit	5.0	4.4
Value of recommendations	5.0	4.4
Usefulness of initial discussions	5.0	4.6
Fulfilment of scope & objectives	5.0	4.5
Clarity of report	5.0	4.6
Accuracy of findings	5.0	4.8
Presentation of report	5.0	4.8
Time span of audit	5.0	4.4
Timeliness of audit report	5.0	4.4
Consultation on findings/recommendations	5.0	4.5
Helpfulness of auditors	5.0	4.5
Overall satisfaction with Audit Services	5.0	4.5

Scores range between 1 = Poor and 5 = very good. We have a target of achieving on average a score of 4 = good.

3 Summary of Work Completed between 1 April and 31 December 2017

AAN	Assessment of Assurance Need Rating
*	Awaiting Response (all longstanding responses will be brought to the attention of the committee throughout the year for monitoring purposes)
N/A	Not Applicable, review outside of normal risk based auditing approach/customer request/grant claim, etc.

Auditable Area	AAN rating	Recommendations			Total	Number accepted	Level of Assurance
		Fundamental	Significant	Merits attention			
Reported previously at 30 September 2017							
Meadows Sports College	Medium	-	1	10	11	11	Satisfactory
St Mary Magdalene Primary School	Medium	-	1	6	7	7	Good
Lodge Primary School	Medium	-	-	5	5	5	Good
Moat Farm Infant School	Medium	-	1	6	7	7	Good
Wednesbury Local Centre	High	-	-	1	1	1	Substantial
Boscobel Tenant Management Organisation	Medium	-	1	-	1	1	Substantial
Riverside	Medium	1	5	1	7	7	Limited
House Building Development Programme	Medium	-	-	-	-	-	Substantial
Carbon Reduction Commitment	High	-	-	-	-	-	Substantial
Pot Hole Action Fund Certification	High	-	-	-	-	-	N/A
Rood End Primary School	Medium	-	3	9	12	12	Satisfactory
Lyng Primary School	Medium	-	-	4	4	4	Good
Ocker Hill Infant School	Medium	-	-	6	6	6	Good
Rowley Hall Primary School	Medium	-	1	3	4	4	Good

Auditable Area	AAN rating	Recommendations			Total	Number accepted	Level of Assurance
		Fundamental	Significant	Merits attention			
Mayors Accounts	Medium	-	-	-	-	-	Substantial
Reported for the first time							
Hateley Heath Primary School Follow Up	N/A	-	-	-	-	-	N/A
Christchurch Primary School Follow Up	N/A	-	-	-	-	-	N/A
Newtown Primary School	Medium	-	13	15	28	*	Inadequate
Tameside Primary School	Medium	-	4	2	6	*	Satisfactory
Temple Meadow Primary School	Medium	-	2	2	4	*	Good
Further Education Funding Grant Certification	High	-	-	-	-	-	Substantial
Budgetary Control	High	-	2	-	2	2	Satisfactory
Main Accounting System	High	-	1	1	2	2	Substantial
Accounts Payable	High	-	1	1	2	*	Substantial

Audits underway as at 31 December 2017
Council Tax
Accounts Receivable
Security Controls, Financial Systems
Benefits
National Non-Domestic Rates
Capital Accounting
Treasury Management
Riverside – Energy Performance Certifications
Schools (1)
Personal Budgets

4 *Key issues arising for the period 1 October to 31 December 2017*

A general overview of other areas of planned audit work completed during the period is given below:

Further Education Funding Grant Certification

A review was undertaken of the local authorities' grant return and use of funds statement for 2016 to 2017. The purpose was to reconcile the payments made to the authority by the Educating Funding Agency (EFA). The review concluded that the grant claim could be signed off by the Chief Financial Officer in accordance with the guidance issued by the EFA.

School Audits

We continued our annual school audit programme, and three further reviews have been undertaken to assess whether the schools had adequate governance, risk management and control processes in place to ensure that financial management and governance arrangements were satisfactory. Of the three schools, one received good assurance, one received satisfactory assurance and one received inadequate assurance. The main recurring issue identified was regarding the School Improvement Plan which outlines the aspirations of the school and the associated resources/costs required to achieve them. While the schools had such a plan, it often only covered the current year and therefore, the mid to long term financial planning was not being effectively undertaken. Guidance from the Department for Education requires such a plan to cover a two or three-year period, to be updated on a rolling basis and to link into the budget. For the school rated as inadequate, the issues in the main, were due to the long term absence of the Business Manager and use of temporary staff, which resulted in lapses in the internal systems and monitoring arrangements, over a period of time.

Budgetary Control

A Budgetary Control process is in place as part of the financial planning and control system. Our annual audit of this process provided satisfactory assurance over the key controls in place. However, two control issues were noted. This included virement transfers did not always comply with the council Financial Regulations and the need for Managers responsible for significantly changed budgets to sign a new budget accountability letter.

Main Accounting System

The Main Accounting System (MAS) for the council resides on the General Ledger module (GL) of the Oracle Financial system. It records and consolidates all the financial transactions carried out.

Our audit involved a review of the key controls over MAS including reconciliations and suspense accounts. As the MAS is a key financial system, the work undertaken (nature and type of tests, sample sizes etc) used in our review are undertaken so that the External Auditors can use our reports to help inform the work that they undertake.

The audit provided substantial assurance over the area. However, we did recommend that controls should be strengthened over unpresented cheques and the need for them to be reviewed and the appropriate action taken.

Accounts Payable

An audit was carried out to examine the key financial processes of Accounts Payable. A recommendation was made regarding the production and examination of an exception report detailing all bank account changes i.e. to highlight where suppliers have requested changes to their bank account. The Financial Systems Team demonstrated that there are existing Discovery reports showing changes to supplier bank details by operator, but at present this is not used.

5 Other audit work carried out

CIPFA – Audit Committee Updates

We continue to present the regular CIPFA Audit Committee Updates to the committee.

Audit and Risk Assurance Committee – Terms of Reference

We submitted the Audit and Risk Assurance Committee Terms of Reference for annual review at the March 2017 meeting of the committee.

Internal Audit Plan 2017/18

We submitted the Internal Audit annual plan for 2017/18 to the committee for approval at the March 2017 meeting.

Internal Audit Annual Report 2016/17

We presented the Internal Audit annual report for 2016/17 to the committee for comment and approval at the August 2017 meeting.

Audit and Risk Assurance Committee Annual Report

Assistance was provided in the preparation of the Annual Report of the Chair, on the work of the Audit and Risk Assurance Committee.

Internal Audit's role in investigating allegations of Fraud and Misconduct

During the year, we have continued to invest a significant amount of internal audit time in working with the Counter Fraud Unit on investigating a number of allegations into potential fraud and misconduct, and where appropriate these will be reported back to the committee as and when they are concluded.

Annual Governance Statement

We assisted in the preparation of the Annual Governance Statement for 2016/17, which was presented to the committee at its meeting held in August 2017.

Code of Corporate Governance


We also helped in the preparation of the council's new Code of Corporate Governance.

Governance Board

We continue to play a role on the council's Governance Board.

REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

18 January 2018

Subject:	Council update on allegations of fraud, misconduct and related issues
Director:	Executive Director – Resources – Darren Carter
Contribution towards Vision 2030:	
Contact Officer(s):	Peter Farrow Audit Services and Risk Management Manager peter_farrow@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Audit and Risk Assurance Committee:

1. Note the update on allegations of fraud, misconduct and related issues.

1 PURPOSE OF THE REPORT

- 1.1 The report updates the Audit and Risk Assurance Committee on the ongoing investigations into allegations of fraud, misconduct and related issues.

2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Internal Audit operates across the council and helps it accomplish its vision by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 This report brings the Audit and Risk Assurance Committee up to date on a number of investigations and reviews relating to concerns that have been raised alongside the Wragge & Co (now Gowling WLG) report, some of which go back several years and only came to light following more recent investigations.
- 3.2 These investigations and this subsequent report to the Audit and Risk Assurance Committee underline the council's commitment to investigate any allegations in an open and transparent way. The council is determined to deal with any allegation properly, professionally and appropriately.
- 3.3 In order to address these issues, officers have conducted thorough internal reviews and investigations across the council.
- 3.4 Issues being raised as a result of the continuing investigations work that relate to the council's risk, governance and internal control environment, and therefore fall under the remit of the Audit and Risk Assurance Committee, will be reported back to the committee with any recommendations as appropriate. It is important to the council that the committee, council members, staff, taxpayers, the wider public and the media can see these matters are being dealt with comprehensively and promptly, even when they relate to issues some years in the past. The council continues to need to draw a line under these matters, taking action where necessary, so the whole organisation can look to the future.
- 3.5 At the January 2017 meeting of the Audit Committee, the following matters were considered:
- Land sales to Councillor Bawa and Councillor Hussain regarding Compulsory Purchase Orders on their homes
 - Housing allocations to members of Councillor Hussain's family
 - Councillor I Jones and Councillor Rouf's involvement in the disposal of a plot of land.
 - The allocation of a council property to Councillor Frear

- Former Councillor Rowley's involvement in the disposal of a number of council owned containers to a member of the public and his involvement in the hire of marquees

3.6 Following the Audit Committee meeting the following matters from the above were referred to the Monitoring Officer for consideration for dealing with Standards Allegations under the Localism Act 2011. Determinations from some of which were initially placed on hold until the judicial review application was dealt with. The Monitoring Officer has since consulted with the council's independent person who agreed with the Monitoring Officer that it was in the public interest for these matters to be formally investigated given the serious nature of the allegations.

- Land sales to Councillor Bawa and Councillor Hussain regarding Compulsory Purchase Orders on their homes
- Housing allocations to members of Councillor Hussain's family
- Councillor I Jones and Councillor Rouf's involvement in the disposal of a plot of land.

3.7 Also, following the Audit Committee the five items referred to in paragraph 3.5 above were referred to the Economic Crime Unit at the West Midlands Police for their consideration. At the same time an anonymous letter the council had received raising a number of similar concerns was also referred to the Police. Again, a number of issues were placed on hold awaiting the outcome of the police referral.

3.8 The Police considered it appropriate that when concerns arise around the behaviour of any persons, which may be considered to reach the thresholds of criminality, that they should be informed.

3.9 They then set out the differences in thresholds for criminal conduct and that, which falls within the scope of what may be described as misconduct or breaches of the Standards of Behaviour that are expected of councillors and officers of the council.

3.10 They explained that when a crime is alleged or reported to them that the expectation is that it will be recorded and investigated in accordance with Home Office Counting Rules and set against the relevant legislation. Allegations are taken at face value unless there is credible evidence to suggest what is being reported did not actually occur. The purpose of any investigation is an impartial search for the truth. When evidence is secured during an investigation that reaches a threshold where it is more likely than not that a prosecution would be successful, then further criminal justice action may be appropriate. If not, then no further action can be taken. Ultimately, the threshold to be reached in determining guilt

is that beyond all reasonable doubt. This is understandably a high threshold.

- 3.11 In disciplinary proceedings then the investigative process is the same, in that it is an impartial search for the truth. The burden of proof still lies with the investigating or prosecuting body, however, the threshold is the balance of probabilities. In this case, where evidence is secured that suggests that an act is more likely than not to have occurred then appropriate action can be taken in respect of these findings.
- 3.12 The Home Office also provides useful guidance to police forces when considering offences against the state. In these cases, for offences against the state (such as Misconduct in Public Office) the points to prove to evidence the offence must be clearly made out before a crime is recorded. In essence, this allows a police force to review any material which may support allegations before a crime recording decision is reached.
- 3.13 The Crown Prosecution Service provides further guidance when considering a misconduct in public office in that it should only be considered in the most serious of cases and where no statutory alternative offence exists. It must also be such a serious abuse of trust that a prosecution is necessary and that the misconduct impugned is calculated to injure public trust so as to call for condemnation and punishment (*R v Dytham* 1979 QB 722). Therefore breaches, which may in themselves lead to disciplinary process and even repeated breaches are not likely to meet the threshold.
- 3.14 In the allegations to be considered within the referrals there is an implied inference of dishonesty. Although, dishonesty is not an essential ingredient of the offence itself, where alleged then the dishonesty must be proven and where it is so proven, then the relevant statutory offence should be considered before any decision to proceed with misconduct in public office.
- 3.15 Following a detailed review of the material held by the council, they reached a determination that there was insufficient evidence to meet the threshold for recording a crime. However, they stated that this would not prevent the council pursuing any action that it deemed appropriate if it identifies any breaches of standards or misconduct.
- 3.16 Therefore, the standards investigations referred to in paragraph 3.6 above will continue.

- 3.17 There are also a number of other reviews and investigations under way. Once completed, the outcomes of these investigations will also be reported back to the committee where appropriate.

3 THE CURRENT POSITION

- 4.1 The report does not require a decision and therefore, no position analysis is necessary.

4 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 The outcomes of individual reports issued are, where appropriate, discussed with the relevant stakeholders and reported to the respective Director.

6 ALTERNATIVE OPTIONS

- 6.1 The report does not require a decision and therefore, alternative options do not need to be considered.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 There are no direct financial and resource implications arising from this report.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 Legal and Governance considerations have been taken into account in producing this report.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 It was not necessary to undertake an Equality Impact Assessment.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 It was not necessary to undertake a Data Protection Impact Assessment. Data gathered during audit reviews is used and retained in accordance with current legislative requirements.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 The report does make reference to a number of issues reported to the Economic Crime Unit of the West Midlands Police.

12 SUSTAINABILITY OF PROPOSALS

12.1 There are no direct sustainability issues arising from this report.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 There are no direct health and wellbeing implications from this report.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 A number of the issues raised in this report relate to concerns over the historic disposal of council owned land. These matters are currently under investigation.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The purpose of the report is to update the Audit and Risk Assurance Committee on the ongoing investigations into allegations of fraud, misconduct and related issues. As such, no decision is required.

16 BACKGROUND PAPERS

16.1 Council update on allegations of fraud and misconduct reports to what was previously known as the Audit Committee on 26 January and 23 March 2017.

17 APPENDICES:

None.

Darren Carter
Executive Director – Resources

Audit and Risk Assurance Committee Work Programme 2017/18

Date of Meeting	Item	Responsible Officer
17 August 2017	Annual Governance Statement	Narinder Phagura
	Annual Counter Fraud Report	Oliver Knight
	Annual Internal Audit Report 2016/17	Peter Farrow
	Audit and Risk Assurance Committee Annual Report	Peter Farrow
	Strategic Risk Register and Assurance Map Update	Narinder Phagura
	Outstanding Data Breaches	Stuart Taylor
	ISA 260 Report to those charged with Governance	KPMG
	Work Programme 2017/18	Democratic Services

Date of Meeting	Item	Responsible Officer
	Statement of Accounts 2016/17	Darren Carter

Date of Meeting	Item	Responsible Officer
19 October 2017	Work Programme 2017/18	Democratic Services
	Internal Audit Progress Report Q1	Peter Farrow
	Internal Audit Charter.	Peter Farrow
	Recruitment of an Audit Independent Member.	Peter Farrow
	Code of Corporate Governance	Narinder Phagura
	Risk Register	Narinder Phagura

Date of Meeting	Item	Responsible Officer
18 January 2018	Certification of Grants & Returns 2016/17	KPMG
	The Local Government Ombudsman's Annual Review	Mandeep Bajway
	Internal Audit Progress Report Q2	Peter Farrow
	Strategic Risk Register and Assurance Map Update	Narinder Phagura
	Directorate risk register update- Adult Social Care, Health and Wellbeing	Narinder Phagura
	Annual Governance Statement Action Plan Update	Narinder Phagura
	Work Programme 2017/18	Democratic Services

	External Audit Plan 2017/18	KPMG
	Council update on allegations of fraud, misconduct and related issues.	Peter Farrow

Date of Meeting	Item	Responsible Officer
22 February 2018	Procurement & Contract Procedure Rules	

Date of Meeting	Item	Responsible Officer
22 March 2018	Annual Audit Letter 2016/17	KPMG
	Strategic Risk Register and Assurance Map Update	Narinder Phagura

	Audit and Risk Assurance Committee Terms of Reference Review	Peter Farrow
	Internal Audit Progress Report	Peter Farrow
	Internal Audit Plan 2018/19	Peter Farrow
	Certification of Grants & Returns 2016/17	KPMG
	External Audit Plan 2017/18	KPMG
	Update on the Planned Leavers Scheme and Succession Planning of Service Management	

Date of Meeting	Item	Responsible Officer
26 July 2018	Annual Counter Fraud Report	Oliver Knight
	Annual Governance Statement	Narinder Phagura
	Annual Internal Audit Report 2017/18	Peter Farrow

	Audit Committee Annual Report	Peter Farrow
	CIPFA Audit Committee Update	Peter Farrow
	Strategic Risk Register and Assurance Map Update	Narinder Phagura
	ISA 260 Report to those charged with Governance	KPMG
	Statement of Accounts 2017/18	Darren Carter
	Work Programme 2018/19	Democratic Services
	Corporate Risk Management Strategy	Narinder Phagura

Outstanding Item:-

- A report on any relevant/control issues arising from the Standards Committee investigation into the Land Sales matter – Deferred pending Standards Committee;
- A report on the timeline of and any restrictions placed on the sale of the public toilets
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- Other items:
- CIPFA Audit Committee Technical Updates (as and when issued)
- Council Updates on allegations of fraud and misconduct (as and when required)