

Decision Maker: **AUDIT SUB-COMMITTEE**

Date: **Wednesday 14 November 2012**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **INTERNAL AUDIT PROGRESS REPORT**

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Chief Officer: Chief Executive

Ward: (All Wards);

1. Reason for report

This report informs Members of recent audit activity across the Council and provides updates on matters arising from the last Audit Sub Committee. It covers:-

- 3.1 Priority One Recommendations
- 3.30 Audit Activity
- 3.35 Audit Staffing
- 3.38 North Block Renovation
- 3.49 Waivers
- 3.52 Housing Benefit Update
- 3.58 Future of Public Audit
- 3.64 Audit committee
- 3.67 Value for Money (VfM)
- 3.76 Cumulative Spend
- 3.82 Other Matters
- 3.85 Risk Management

2. **RECOMMENDATION(S)**

- a. **Note the report and comment upon matters arising from the Internal Audit progress report.**
- b. **Note the priority one recommendations.**

- c. Consider the issues surrounding the North Block overspend.**
- d. Note the waivers issued over the period February 2012 to September 2012.**
- e. Note the continuing achievements of the counter fraud benefit partnership with Royal Borough of Greenwich.**
- f. Note the outcome of the cumulative spend exercise.**

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Excellent Council
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Financial

1. Cost of proposal Not Applicable:
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: Internal Audit
 4. Total current budget for this head: £533K including fraud partnership costs
 5. Source of funding: General Fund plus £19k from sold services; administrative subsidy; administrative penalties; prosecution costs.
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Staff

1. Number of staff (current and additional): Currently 5.3FTEs
 2. If from existing staff resources, number of staff hours: 190 days per quarter
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Legal

1. Legal Requirement: Statutory Requirement Account and Audit Regulations 2011
 2. Call-in: Applicable Not Applicable: Further Details
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Unable to quantify
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Ward Councillor Views

- 3.1 Have Ward Councillors been asked for comments? Not Applicable
- 3.1 Summary of Ward Councillors comments: None

3. COMMENTARY

3.1 Priority One Recommendations

3.2 The latest list of outstanding priority one recommendations is shown in Appendix A. Since our last report to Audit Sub Committee there has been some ongoing activity by management to implement these.

3.3 Two have been removed from the listing – ‘Out of Hours Security’ and ‘Car Parking Penalty Charge Notices’. The reasons for removal are given on the appendix.

3.4 The brought forward Rent Accounts has been followed up and is superceded by a new recommendation.

3.5 The priority one recommendation on the Pupil Referral Unit although still showing on the list will be included as part of the findings on Behaviour Services.

3.6 There have been six additions to the listing. Behaviour Services -7 priority ones expanded in part 2; Print and Design -2 priority ones expanded in Part2; Social Care Payments - 1 priority one expanded below; Direct Payments -1 priority one expanded below; Emergency Accommodation and Rent Accounts-1 priority one expanded below; and a Primary School with two priority ones expanded below.

3.7 Social Care Payments

3.8 This audit was carried out as a result of concerns raised by a former finance officer in the then CYP. A whistle blowing allegation was also made to the Leader in respect of similar issues concerning overpayments made to various carers and clients. In total, audit have been made aware of at least £69,707 overpayments that have arisen in the then CYP for a number of reasons and there is no guarantee that this list is exhaustive. The period covered by these overpayments was from about August 2010 to April 2012.

3.9 Of the £69,707, £11,920 had been recovered with a further £22,021 where recovery was in progress, £7,530 was written off and the rest totalling £28,236 remained outstanding at the time of the audit.

3.10 Of the payments sampled , four instances of overpayment resulted due to poor communication between social workers, the commissioning team and the payments team. Social workers are the main point of contact with carers and the first people to become aware of changes to the clients situation. This is most common where clients are being cared for by family members who receive a kinship allowance and then return to the parental home. There were four instances where payments continued to be made to the kinship carers after the child had returned to their parental home. The process for communicating the information quickly and efficiently should be reviewed. There is a facility on Care First for messaging that does not appear to be used.

3.11 In one instance payments had been made to a Bromley foster carer by Croydon Council as she had a Croydon child in place when she moved to Bromley. Bromley was not informed that the child had left the carer; this resulted in an overpayment of £10,511.92. Bromley reimbursed the overpayment from Croydon and invoiced the carer for the same. Action is being taken to recover this amount from the carer.

3.12 In one case the panel agreed to fund 50% of nursery charges. The full amount was paid by the Borough and 50% (£3,510.25) is being recovered from the carer by reducing foster care payments. £354.14 was also over paid as special guardianship and this is also being recovered.

- 3.13 An overpayment to providers of accommodation to looked after children occurred due to payments being made by BACS and on submission of an invoice. The overpayment amounted to £7,245, most of this has now been recovered with £945 is due to be collected.
- 3.14 One carer was paid a Christmas grant of £349.37 (sample 8) for which they were not eligible. Care First requires that this grant is 'unchecked' where carers are not eligible, i.e. in kinship cases.
- 3.15 Further sample checks concluded that communication of changes in situations between social workers and the commissioning and accounts payable teams was the cause of 2 other overpayments. One service was incorrectly set up on Care First. One service was cancelled on Care First but still paid as it was detailed on the 'weekly database', this is no longer in use. One notification to cancel was received too late to prevent a BACS payment being made 2 days later. In one case a client was paid beyond the age of 18. The system has now been changed so that a final service date is on the system.
- 3.16 A recommendation that management should monitor overpayments regularly, identify and agree on actions to prevent further occurrences with the aid of the findings and recommendations made in this report. A comprehensive list of all invoices raised relating to overpayments in Children's Social Care should be maintained to monitor the process of recovery and also to establish if overpayments are become less frequent.
- 3.17 There were also a few low priority recommendations. A limited assurance opinion was given for this audit.
- 3.18 **Direct Payments**
- 3.19 This recommendation was primarily in respect of monitoring information that has not been received from clients in receipt of direct payments. The monitoring spreadsheet used to monitor clients receiving direct payments was examined. Of the 506 clients receiving payments in the first quarter 2011, it was identified that at 15/6/12 monitoring had not been received for 53 clients. By the end of the audit, twenty four had been chased up and sixteen direct payments had ended. Thirteen cases remain outstanding with no information received, twelve of these are for children receiving direct payments where the service continues to paying direct payments despite a lack of monitoring information.
- 3.20 Total payments to the 53 clients from April 2011 to June 2012 was £245,880.96, payments to the 12 clients where information is outstanding is £90,593.77).
- 3.21 There were also a few low priority recommendations. A limited assurance opinion was given for this audit.
- 3.22 **Emergency Accommodation & Rent Accounts**
- 3.23 We had previously reported to this committee that there was a long standing priority one on rent account arrears. A follow up audit for 2011/2 identified that though rent arrears had slightly decreased from £1,268,466 in January 2012 to £1,266,528 currently, Audit had identified that Service Teams, including LATCH, Leaving Care, Core and Cluster [now Supported Living], Traveller and Orchard and Shipman were not recovering rent arrears or monitoring the debts of their current clients which on 10/2/12 gave an accumulative total of £533,753.50 in these groups. In addition, these teams do not hold detailed procedures to outline the process for the recovery of debts.
- 3.24 There were also a few low priority recommendations. A limited assurance opinion was given for this audit.

3.25 **Primary School**

3.26 Two priority ones were made in respect of expenditure and petty cash.

3.27 Expenditure- audit testing identified that payments had been made where orders had not been raised at the time of a commitment to spend. Payments had also been made against invoices which did not detail complete supplier and VAT information and in some cases there was no invoice to evidence. Not all invoices had been authorised or paid promptly. While Authorising Officers are responsible for ensuring that adequate checks are performed and evidenced prior to the payment of an invoice to satisfy that the payment is accurate and due to be paid and this was not the case in 9 out of 20 cases sampled.

3.28 Petty Cash-the last petty cash Reconciliation was carried out 25/9/12 which included entries since 5/7/11 however there were no vouchers or receipts to substantiate payments totalling £678.47. Therefore there was no confirmation that payments had not been sub-divided or that no member of staff had authorised their own claim

3.29 There were also a few low priority recommendations. A limited assurance opinion was given for this audit.

3.30 **Audit Activity**

3.31 Members of this committee were updated on the 4th October 2012 on audit activity covering both planned work and investigations. In terms of days we have since April 2012 to the 30th September 2012, 213 days on audit plan work; 165 on fraud and investigations; 34 days on carrying out 16 visits on our responsible officer roles at the Academies; and 69 days completing the last few audits commissioned by RB Greenwich.

3.32 The average score on audit satisfaction questionnaires returned is 3.8 in a scale 1 to 5. The performance indicator is 3.

3.33 Academies- since the last cycle of this committee, two more Bromley Academies have requested our services as responsible officers.

3.34 Greenwich- with the appointment of two of our principal auditors to auditor posts in RB Greenwich, we have by mutual agreement terminated audit sold services. The loss of income will be offset by the two vacancies created.

3.35 **Audit Resources**

3.36 At the last update to this committee we had indicated that there were 7FTEs in post including 1Head of Audit; 4 FTEs for the Bromley internal audit planned work and 2 FTE's for sold services. With the loss of two auditors to RB Greenwich as mentioned in paragraph 3.33 above, the need to provide responsible officer services to the academies that will take up some 70 days of audit time and time spent i.e. 165 days on fraud and investigations there is likely to be some slippage in the audit plan. We will therefore buy in some services to offset this slippage.

3.37 A 0.5 FTE has been transferred to the audit budget to cover our responsibility for risk management and assist with producing a risk assessed audit plan.

3.38 **North Block**

3.39 This issue has been reported (Office Accommodation Strategy) by Renewal and Recreation to the Executive on the 12th September 2012 and referred back to the Audit Sub Committee

for consideration. A copy of this report is included in this agenda and should be read in conjunction with the internal audit report.

3.40 On the 26 June 2012, the Head of Audit received a written request from the Director of Renewal and Recreation for a high-level post-project review to be undertaken on the North Block Capital Project following a number of concerns being raised surrounding the increasing costs being faced by the Authority.

3.41 Internal Audit was specifically asked to review the following areas:

(1) Key project expenditure since its commencement in January 2011 to-date;

(2) The approach adopted in managing the project;

(3) To identify and report any key 'lessons to learn'.

3.42 The review was undertaken at a time when some aspects of the project remained incomplete, and certain financial data was still to be finalised, which included the management decision on re-allocating funds from other budgets to meet the cost of previously spent and committed expenditure.

3.43 In order to achieve the above, the Auditor was required to obtain and interrogate a plethora of documentation and financial data, as well as undertake a number of staff interviews, including the remaining key personnel involved in the award and management of the key contractors appointed to the project, together with those taking the project through to completion.

3.44 As a result of this investigation, the following information was reported initially to the Director of Renewal and Recreation and the Chief Executive on 16 August 2012, and a further report, initiated by the Head of Asset Management and Strategic Projects, was presented to The Executive on 12 September 2012 requesting members approval for a supplementary capital allocation of £400,000 above the previously approved £2m, to ensure the successful completion of the programme of works and reoccupation of North Block. This request was duly approved.

Review Findings included:

- Failure to appoint a formal Project Board;
- Failure to document project meetings and key decisions;
- Failure to issue a comprehensive project brief;
- Inadequate project management

Note: it should be noted that there was no evidence of fraud e.g. charging for services not delivered.

3.45 It was clear that the project was always seen as a challenging proposition, but the Auditor considered that the level of expediency in initiating the project had greatly impacted on the final outcome of this initiative. The failure to provide a comprehensive project brief to the individuals seeking tenders for the key constituents of the works involved had ultimately led to a failure in fully comprehending the requirements of the project, and therefore severely impacted on estimations reported for the work required. This was also reflected early into the commencement of the project when additional works were identified by the contractors resulting in the raising of variation orders – immediately increasing project costs.

3.46 One of the key decisions that impacted on this project was the decision by the then Chief Property Officer to separate the major building works into five discrete contracts, which were to be managed by LBB surveyors and engineers. This in itself produced associated difficulties in managing multiple contractors simultaneously, which had been clearly documented by the main contractor, Durkan Ltd.

3.47 With the departure of the Chief Property Officer in early 2012, it was decided to appoint the then Asset Management Officer to the role of Project Manager, but it became apparent that the individual was lacking in certain financial disciplines, and these accounted for the failure in reporting the true over-budget position of the project. This was not identified until after this officer left the Authority in May 2012.

3.48 **Lessons to be Learned:**

- *Project Initiation* – irrespective of the project, sufficient time must be given by the ‘project team’ to understand the underlying needs of the business and the impact on all business areas affected.
- *Project Brief/Estimation of costs* – a comprehensive project brief is fundamental to the success of any project. Wherever possible, every opportunity should be taken to identify the key requirements of the project in order to allow for the appropriate costs to be identified/tendered for. Failure to meet this key discipline often results in budget overspends or ultimate project failure.
- *Project Board/Recording of meeting minutes* – in all such cases, the appointment of a Project Board is considered a pre-requisite. The appropriate business representation should be formally appointed and all meetings and key decisions should be adequately documented and retained. Communication is key to the success of any project and the Project Board plays a fundamental role in this area.
- *Effective Project Management* – it is fundamental to the success of any project that the appointed Project Manager has the necessary skills to undertake this role. This position is required to maintain and provide key and up-to-date information to Senior Management in order for ongoing decisions to be made. There is a need to be fully aware of project commitments in order to maintain control of costs.
- *Reporting requirements* – the Project Team should always be aware of the requirements stated within previous Committee approvals and ensure that the full terms of approval are met. Where financial implications/concerns arise during the course of the project, any necessary reporting back to the appropriate Committee should be undertaken at the earliest opportunity.

3.49 **Waivers**

3.50 We are now submitting the list of waivers across the Authority since the last report in March 2012. See appendix E. The list is collated from the Heads of Finance for each of the Service areas and any information kept by the Chief Officers. Members are asked to review this list and comment as necessary. The contract procedures require that these are reported on a bi-annual basis to Audit Sub Committee. The main provision relating to this is as follows;

3.51 A decision to negotiate with one or more candidates on any arrangements required within the Procurement process shall not be made except in compliance with the following and any

Public Procurement Regulations (see also Rule 3). Note - For the purpose of this Rule the establishment of a Service Level Agreement is treated as being a negotiated arrangement;

Estimated Cost (or Value)	Authorisation Requirement
£5,000 - £50,000	Chief Officer Agreement
£50,000 - up to £100,000	Chief Officer in agreement with Director of Legal, Democratic and Customer Services and Director of Resources with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis.
£100,000 – up to £1,000,000	Chief Officer in agreement with Director of Legal, Democratic and Customer Services and Director of Resources and following Approval of the relevant Portfolio Holder, with a report of the use made of this exemption being made to Audit Sub committee on a bi-annual basis.
£1,000,000 and above	Chief Officer in agreement with Director of Legal, Democratic and Customer Services and Director of Resources and the approval of the Executive or the Council as appropriate.

3.52 Housing Benefit Update

3.53 Since the inception of the partnership in April 2002, through to September 2012, the Council has successfully prosecuted 305 claimants to date for benefit fraud; issued 285 court summonses; given 95 formal cautions; and administered 342 penalties. The full details and appendices on trends are shown in Appendices C, D and E.

3.54 We had previously reported a success in confiscating two properties in respect of a case where the benefit claimant was successful prosecuted – the properties have been sold and we are expecting an amount of about £37,000. There is another case pending.

3.55 At the last meeting of this committee we indicated that the Single Fraud Integrated Service (SFIS) is due to come into effect in April 2013. We have yet to get clear guidance from the DWP on how this integration be implemented. However, the DWP are running a pilot exercise with some volunteer councils and the results are not expected back until October 2012. They have given a SFIS timetable shown below:

SFIS Timetable

<p>Now to April 2013</p>	<p>□ Pilot activity commences in the 4 initial pilots. □ By April 2013 a single management board will be in place to oversee performance and future development and will have representation from DWP, LAs and HMRC. This will ensure we successfully implement and guide the required partnership approach. We will provide you with more information on this in the future.</p>
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<p>April 2013 to March 14</p>	<ul style="list-style-type: none"> □ All work on Benefit Fraud investigation activity in DWP, LAs and HMRC will be branded as SFIS from April 2013. □ The existing pilots will continue and additional ones introduced, these will allow us to continue testing the policies, procedures, processes, emerging IT systems and new legislation. □ Work closely with Universal Credit (UC) to understand the impacts on SFIS and to support the UC pathfinder. □ Full evaluation of the pilots and sign off of the final design of SFIS. □ Following evaluation the pilots will become pathfinders and additional sites will be added. □ LA/DWP/HMRC staff (not within a pilot site) will be encouraged to engage at progressing joint investigations as part of SFIS with their relevant counterparts. □ Work on the long term organisational model for SFIS will be issued for consultation and agreement with Ministers.
<p>April 2014 to March 2015</p>	<ul style="list-style-type: none"> □ Rollout of the final SFIS Design including IT solutions across the remaining LAs, areas of DWP and HMRC not part of Piloting or Pathfinder activity in 2013/14.

3.56 The DWP have stated that from April 2013 local authorities will have to investigate any fraud within their own Local Council Tax Support or Benefit Schemes.

3.57 In response to a question ‘You have said I will become part of SFIS from April 2013, what does this mean?’ they stated that:

‘Initially you will still operate in the same way as you do now and claimants will not see a difference. We want to start to create a unique identity and pave the way for the cultural changes that are needed for a successful implementation. So this is the first step towards the future. When your area of DWP/LA/HMRC becomes a pilot or pathfinder or is part of the national roll out then you will operate under the SFIS policy and procedure. Initially - there will be no change to your employer or terms and conditions. Throughout this process there will be continuing dialogue on the way forward between DWP, HMRC and LAs.’

3.58 Future of public audit

3.59 Members were informed that following the appointment of PWC by the Audit Commission as LB Bromley’s external auditors for the next five years, the audit fee was reduced from £266k to £164K per annum a saving of £102K. In addition the grant certification fee reduces from £50K to £23k to be reviewed annually. A total saving of £129 per annum. The contract will expire in 2017 after which local authorities are expected to appoint their own auditors.

3.60 Following the decision to disband the Audit Commission the draft Local Audit Bill sets out the Government’s vision for a new local audit framework, where bodies will be able to appoint their own auditors from an open and competitive market, on the advice of an independent auditor appointment panel.

- 3.61 This independent panel must consist of a majority of independent members, and have an independent chair. To be classified as independent, a panel member must not have been a member or officer of the body within the last five years, and must not at that time be a relative or close friend of a member or officer of the body.
- 3.62 Provided they meet the requirements for the auditor panels, the draft Bill will allow bodies to nominate their existing audit committee to act as its independent auditor panel. The draft Bill also aims to allow separate bodies to share auditor panels, and enable joint procurement arrangements.
- 3.63 At present there is no requirement for existing audit committees to appoint independent members but it is clear that this is a growing trend across other councils.
- 3.64 **Audit Committee**
- 3.65 A review of the effectiveness of Bromley's Audit sub Committee was carried out by the Chair of the Audit Sub Committee in conjunction with the Head of Audit using the CIPFA template. The review confirmed the effectiveness of the Sub Committee with very few action points.
- 3.66 There has been no further update from the CLG on the appointment of independent chairmen of audit committees. Interestingly, in a recent survey carried out of local authorities in the south east it was found that for those who responded 6 including 4 London boroughs had independent members and a further 3 London boroughs had advertised for the role and therefore were in the process of appointing an independent member.
- 3.67 **Value for Money**
- 3.68 Members of this committee had previously agreed a simple methodology for Internal Audit to use in assessing the value for money arrangements for designated areas covered in the audit plan. We have completed our last review for 2011/12 in Children's Safeguarding expanded on below.
- 3.69 In the 2012/13 plan, we have provisionally highlighted the following audits that could be subject to VfM arrangements: Debtors; Domiciliary care; Residential and Nursing care; Early Years; SEN and Inclusion; Car Parking (PCNs). The Early Year's audit has been completed but we could not carry out a review of VfM arrangements as this service had not carried out any benchmarking on performance monitoring as children are placed in private settings at the discretion of parents and the settings are individually inspected by Ofsted.
- 3.70 **Children's Safeguarding-**
- 3.71 Based on the findings of the review for Value for Money (VfM) arrangements, Internal Audit has concluded that the service scored an overall 3 (Substantially met). This was on the basis of using a methodology agreed by members of the Audit sub-Committee to review VfM in a scoring range of 1 – 4, with 1 equating to not met and 4 equating to fully met.
- 3.72 Benchmarking rated as a 3. The benchmarking carried out centrally by the DfE compares information from statistical neighbours and Outer London boroughs. In the area of initial assessments completed within 10 days Bromley's performance has increased from 29.1% in 2009/10 to 54.6% in 2010/11 and is currently at 77.3%, exceeding the target of 75%. The performance of social care assessments completed within 35 working days has increased from 43.5% in 2009/10 to 66.7% in 2010/11, the target is 75%. The score of 3 is awarded on the basis of gradual improvement in the percentages achieved and practices being put in place such as working with other boroughs e.g. Lewisham, strengthening Family workers.

- 3.73 Customer surveys rated as 3 based on a Complaints review being undertaken for the period January to December 2011.
- 3.74 External assessments are rated as 3 based on Ofsted inspections. The annual children's services assessment carried out in November 2011 gave an overall assessment of performs well.
- 3.75 Budget is rated at 3 based on monitoring reports up to March 2012 where an overspend on salaries of £50,000 was reported to CYP Portfolio. It was reported that the situation was in hand as the requirement for locum staff is decreasing.
- 3.76 **Cumulative spend**
- 3.77 Following the design and launch of the cumulative management information report, the Finance Director requested that Internal Audit undertake a review of supplier spending to ensure contracts were in place where appropriate in compliance with the Authority's financial regulations and contract procedure rules.
- 3.78 A cumulative spend report was generated from Oracle on 1/8/12 detailing the yearly spends with 17,291 suppliers since April 2009 and the total cumulative spend with each suppliers over this period of time. The report also highlighted which suppliers had a required contract in place with the authority. The report covered both revenue and capital expenditure and was linked into the corporate contract register, but not the service department registers.
- 3.79 Suppliers with a cumulative spend exceeding £200,000 and no contract in place when expected were then investigated by audit, Head of Procurement, The Children's and Young People, Strategic Commissioning Manager, and The Strategic Procurement & Contracts Manager in the Education and Care Service Department.
- 3.80 After full examination of the cumulative spend report, there are 6 suppliers still under query regarding contract arrangements, plus those that have been subject to previous and current audit investigations in Children and Family Centres, Parks and Greenspace and Behaviour Services. This would indicate that the cumulative spend report is highlighting potential problem areas.
- 3.81 In conclusion, this exercise has proved to be a useful management tool as it has highlighted known problems and potentially areas that management may not have been aware of in the past. It will also ensure that for the first time there will be accountability for monitoring spend through Financial Budget Monitoring and this is a valuable audit trail tool for senior management, procurement and Internal Audit to confirm compliance with financial regulations, contract procedure rules and that value for money is being achieved.
- 3.82 **Other Matters**
- 3.83 Financial Regulations- members of this committee had previously approved the update on the financial regulations-the main changes took account of council wide reorganisations, deletion of the Part 1 procedures and clarification of authorisation limits. This has resulted in a user friendly streamlined document. The document was approved by the General Purposes and Licensing Committee in July 2012 and will be submitted for full council approval in November 2012. The document has been loaded onto One Bromley.
- 3.84 The web based access that would allow online training and awareness for both the Financial Regulations and the Contract Procedure Rules will be actioned shortly. Members of this committee had previously been given a short demonstration on how this would work.

3.85 Risk Management

3.86 We attach a schedule of the current net high risks (Appendix F to J) and the cross-cutting corporate risks (Appendix K). At the request of the Chief Executive these are due to be presented to the Corporate Management Team in November 2012 for review and comment.

3.87 Currently there are 155 risks of which 25 are high (16%), 73 are medium (47%) and 57 are low (37%).

3.88 The Bromley risk register reflects a bottom-up approach in that the Assistant Directors are responsible for identifying those operational and strategic risks which they consider could potentially have an adverse impact on their services. These are then agreed via their respective Management teams and maintained centrally by the risk management team. The high risks are reviewed quarterly and the full risk register updated annually as part of the Annual Governance Statement exercise.

3.89 The corporate risk register attempts to capture those cross-cutting risks within each division that individually may not be regarded as high risks themselves but collectively give us cause for concern. The corporate risk register should also reflect the concerns of the Directors e.g. failure to deliver BBB, failure to live within our financial means. This is reviewed annually.

3.90 We are in the process of incorporating the Public Health risks into the risk register. Whilst currently they use a slightly different scoring methodology to our own we have included their high risks in the schedule.

3.91 We recently participated in an exercise co-ordinated by LBB Croydon to compare our high risks. 10 councils contributed and while this did not throw up any real surprises a number of common themes emerged; budget reductions, business continuity planning, capacity to deliver change, ICT security, increase demand for social care services, school's agenda and public health reforms.

3.92 The benefit reforms due to take effect from April 2013 are seen as an emerging risk (total benefits cap, introduction of Council Tax Support scheme, under-occupation rules for housing benefit). In addition Universal Credit will be phased in from October 2013.

4. POLICY IMPLICATIONS

None

5. FINANCIAL IMPLICATIONS

Some of the findings identified in the audit reports mentioned above will have financial implications.

6. LEGAL IMPLICATIONS

None

7. PERSONNEL IMPLICATIONS

None

Non-Applicable Sections:	[List non-applicable sections here]
Background Documents: (Access via Contact Officer)	