

**AUDIT AND GOVERNANCE COMMITTEE**

**18 March 2016**

**CORPORATE ASSURANCE MAP 2015/2016 – UPDATE**

**Report of the Head of Assurance, Procurement and Projects**

**1. Purpose of Report**

- 1.1 To enable the Audit and Governance Committee to consider the updated Corporate Assurance Map based on assurances gathered from a range of sources and work undertaken by the audit, risk and assurance service during the year; and the performance of Internal Audit.
- 1.2 For completeness, the report covers Internal Audit's key performance measures. The report covers work undertaken for the Council and Council owned companies.

**2. Description of Decision**

- 2.1 The Audit and Governance Committee are asked to note the report and consider the updated Corporate Assurance Map (the Map).

**3. Background**

- 3.1 In March 2015 the Committee approved the proposed Corporate Assurance Map for 2015/16 and the plans of work for Internal Audit and Risk & Assurance.
- 3.2 A key feature of the integrated assurance framework is to co-ordinate assurance that could be provided by other sources within the Council and external sources and consider if there are any gaps or duplication in the assurance provided.

**4. Updated Corporate Assurance Map**

- 4.1 The updated Corporate Assurance Map, as at 22<sup>nd</sup> February 2016, is shown overleaf.
- 4.2 The Map also shows assurance received in relation to the Council's wholly owned companies, Sunderland Care and Support Ltd and Sunderland Live Ltd.

## Corporate Assurance Map

Assurance Position (Cumulative)		2015/16									
		1st Line	2 <sup>nd</sup> Line							3 <sup>rd</sup> Line	
		Management Assurance	Other Internal Assurance Activity							Internal Audit	External Assurance
		Legal Services	Financial Resources	Programmes and Projects	Performance	ICT	HR & OD	Business Continuity	Risk and Assurance		
<b>Strategic Risk Areas</b>											
Current Risk	Residual Risk										
People									X		
Place									X		
Economy									X		
Organisational			X						X		X
<b>Corporate Risk Areas</b>											
Customer Focus / Service		X			X				X	X	
Legality			X						X		
Service / Business Planning		X			X				X	X	
Programme and Project Management		X		X					X	X	
Partnerships		X							X	X	
Business Continuity Planning		X						X	X	X	
Procurement		X							X	X	
Relationship and Contract Management		X							X	X	
Financial Management		X	X						X	X	X
Human Resource Management		X					X		X	X	
Information Governance		X	X						X	X	
Performance Management		X			X				X	X	
Asset Management		X							X	X	
ICT Strategy and Delivery						X			X	X	
Fraud and Corruption		X								X	
Risk Management (Service Delivery)		X							X	X	
Schools		X	X						X	X	
<b>Wholly Owned Companies</b>											
Sunderland Care and Support Ltd		X	X		X					X	X
Sunderland Live Ltd		X	X		X					X	

Key: X=activity planned, White=no coverage, **Green**=full / substantial assurance, **Amber**=moderate assurance, **Red**=limited / no assurance

### Strategic Risk Areas

- 4.3 The top section of the Map relates to the strategic risks identified in the Strategic Risk Profile. The Profile is attached at Appendix 1. Given the longer term nature of these risks the current risk rating is shown (i.e. what would be the level of risk if no actions were taken to manage the risks), and the residual risk level (i.e. the level of risk taking into account ongoing actions and planned actions). Progress against each of the mitigating actions is assessed with the lead officers and assurance levels determined.
- 4.4 A refresh of the Strategic Risk Profile has been started with the Executive Management Team and shall be concluded alongside the production of an updated Corporate Plan for 2016/17.

### Assurance from Internal Audit

- 4.5 The detailed results of Internal Audit work are shown at Appendix 2, with the summary outcomes shown on the Map. Appendix 2 shows all of the opinions, including those from previous years, which have been considered in determining the overall assurance level.
- 4.6 There are five audits in the audit plan that are no longer appropriate to undertake in the current financial year. Four of these relate to Children's Services and are subject to change under the improvements currently being made. Future work for Children's Services will be considered once the position / new delivery model becomes clearer. The other audit is in relation to Personnel Administration arrangements where the officers involved are working to implement the results of the Workforce Transformation project (pay and grading review) which is taking priority at this time. It has therefore been agreed to defer this audit into 2016/17. All of the audits which will not now to undertaken are shown in grey in Appendix 2.

### Assurance from Risk and Assurance Team

- 4.7 Areas that the Risk and Assurance Team are currently involved in are shown at Appendix 3. Much of their work is ongoing over a period of time, however, where ongoing assurance can be provided from their work this is shown on the Map. Assurance work within the last quarter has included:
- Support to the development of alternative service delivery vehicles such as Sunderland Care and Support Ltd and place based services.
  - Major capital schemes such as the New Wear Crossing and the development stage of the SSTC Phase 3 and the International Advanced Manufacturing Park.
  - Providing assurance on the delivery of the Workforce Transformation project (pay and grading review).
  - Risks in relation ICT business objectives and the future of the service.
  - Implementation of the Intelligence Hub.
  - Implementation of the Care Act and Children and Families Act.
  - Replacement of the SWIFT ICT system.

- Information Governance.
- Adults Safeguarding Board.
- Governance arrangements and procedures at Sunderland Care and Support Ltd and Sunderland Live Ltd.

4.8 As discussed at the last meeting of the Committee, the Risk and Assurance team are currently supporting the Assistant Head of Law and Governance with the completion of the Department for Health's Information Governance Toolkit, in preparation for its sign off by the Assistant Chief Executive, in her role as Senior Information Risk Owner (SIRO). The Toolkit draws together the legal rules and central guidance set out by Department of Health policy in a single standard as a set of information governance requirements, focusing on four key areas of:

- Information Governance Management
- Confidentiality and Data Protection Assurance
- Information Security Assurance
- Care Records Assurance.

4.9 Completion of the Toolkit confirms that an organisation can be trusted to maintain confidentiality and security of personal information which once completed will allow the City Council to access NHS patient data and share health and social care information with Health partners. As the Toolkit represents a rigorous, evidence based assessment, that both looks across the whole organisation and at the details of operational practice, this exercise has required a top down review and refresh of the Council's entire Information Governance framework. The Risk and Assurance team's role in this is to evaluate evidence based compliance to gauge the improvements in Information Governance arrangements that the Council has made as a result.

4.10 This exercise is aimed at achieving level two attainment, with a focus on social care data. In effect this would mean that the Council is demonstrating that it has appropriately developed its Information Governance framework and structure. At present, the Council is in the position of disseminating revised and refreshed policies and awareness materials to management and staff. Evidence is still being gathered in relation to specific controls in some areas, and regarding operational guidance in place within social care services.

4.11 Demonstrating that staff working with personal information are complying with requirements is outside of the current exercise, as this is assessed at level 3. An Improvement Plan project, to ensure that the Council can attain level 3, is currently under way, supported by the Corporate Project Team. It is likely that significant further work is required to implement the level 3 Plan. The implementation of the Improvement plan will be a focus for Risk and Assurance on-going support.

### Assurance from others within the Council

- 4.12 Assurance provided from others within the Council is shown in the Corporate Assurance Map.

Provision for all on-going financial pressures, including Children's Safeguarding, has been made within the budget planning for 2016/2017 and delivery of the savings plans is being closely monitored through the Implementation Board.

- 4.13 The Assurance from ICT regarding the Council's ICT arrangements has moved from Green to Amber. This is mainly due to the position regarding Disaster Recovery/Business Continuity arrangements for the Council's ICT systems following significant downsizing of the ICT Unit and loss of key personnel. Two reports were subsequently commissioned by the ICT Unit to review the arrangements for Major Incident Planning and Disaster Recovery/Business Continuity within the Unit. Both reports highlighted concerns and made recommendations for improvement which are currently being actively progressed.

### Assurance from Management

- 4.14 Arrangements are in place to obtain assurance from service management in a number of areas. Members will note that the majority of risk areas are shown as having substantial assurance.

### Assurance from External Sources

- 4.15 Although external assurance regarding key risk areas covered by the Children's Safeguarding OFSTED inspection will remain the same until a further inspection is undertaken, assurance is available regarding progress reported to the Improvement Board in this area. Performance is monitored and reported against 31 indicators. The latest performance report shows improvements in the Red/Amber/Green ratings for the indicators, as follows:

	Green	Amber	Red	N/A
Original Position	6	8	16	1
Current Position	16	9	6	0

- 4.16 An extract from the minutes of the last Improvement Board in January 2016, stated that the Commissioner '*noted that in terms of reporting to the Minister, his opinion would be that the improvement journey is satisfactory and that there are 'green shoots of recovery' that are highlighted in the dataset and action plan*'.

4.17 The Map includes assurance from relevant external sources. The results of the external reports in relation to the ICT Unit referred to in paragraph 4.13 above has resulted in Limited Assurance being provided against both the Business Continuity and ICT key risk areas in the Corporate Assurance Map.

Overall

4.18 All assurance levels remain the same.

**5. Internal Audit Performance**

5.1 The performance in relation to targets set for Internal Audit is shown at Appendix 4.

5.2 Performance is on target for all KPI's apart from:

- Percentage of draft audit reports issued within 15 days of the end of the field work – performance of 83% against a target of 90%.
- The percentage of medium risk recommendations implemented for the Council and Schools is shown below:

Area	Implementation Rate
Council services	82%
Schools	81%

**6. Conclusions**

6.1 This report provides an update on the assurance provided in the Corporate Assurance Map, work ongoing in relation to the Internal Audit and Risk & Assurance Teams and performance targets for Internal Audit.

6.2 Results of the work undertaken so far during the year have not highlighted any issues which affect the overall opinion that the Council continues to have in place an adequate system of internal control, except for the arrangements in place for services for children in need of help and protection, children looked after and care leavers, and the effectiveness of the local safeguarding children board.

**7. Recommendations**

7.1 The Audit and Governance Committee are asked to note the report and consider the updated Corporate Assurance Map.

## Strategic Risk Profile

### People

#### Desired Outcomes

A city where everyone is as healthy as they can be and enjoys a good standard of wellbeing

A city with high levels of skills, educational attainment and participation

A city which is, and feels, even safer and more secure

A city that ensures people are able to look after themselves wherever possible

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<p><b>PE 1</b> Failure to ensure appropriate health and wellbeing services to children and adults, in response to financial pressures</p>	<p>Neil Revely, ED of People Services / Gillian Gibson, Public Health Director</p>	<p><b>2x4 = 8</b></p>	<p><b>2x4 = 8</b></p>	<ul style="list-style-type: none"> <li>• Implement the Health and Wellbeing Strategy to:               <ul style="list-style-type: none"> <li>○ Target prevention and early intervention</li> <li>○ Build capacity and reduce dependency to help individuals to be more independent and self-sustaining</li> </ul> </li> <li>• Manage demand by empowering customers to take up viable alternatives to council services</li> <li>• Coordinate and implement public health campaigns and promotional activities working with relevant external public health related organisations</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Health and Wellbeing Board has responsibility for delivering the Health and Wellbeing Strategy</li> <li>• Delivery plan for the Health and Wellbeing Strategy</li> <li>• Continuing to integrate approach. Consideration being given to an integrated commissioning approach with Health</li> <li>• Joint Strategic Needs Assessment completed and signed off by the Health and Well Being Board</li> <li>• People Services plan on a page in place</li> <li>• Better Care Fund agreement in place</li> <li>• Priority spend on those services that have the greatest impact on health</li> </ul>	<p><b>2x3 = 6</b></p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<ul style="list-style-type: none"> <li>Partnership work ensuring that every <b>contact</b> counts</li> <li>CCG making <b>every contact</b> count</li> </ul>	
<p><b>PE 2</b> We fail to encourage more people to help themselves and communities to come up with local solutions</p>	<p>Sarah Reed, Assistant Chief Executive</p>	<p><b>3x3 = 9</b></p>	<p><b>3x3 = 9</b></p>	<ul style="list-style-type: none"> <li>As a Community Leadership Council we will strengthen self-help capacity in our communities</li> <li>Deliver the Voluntary Community Sector Relationship Transition project</li> <li>Implement the Community Resilience Plan, Health and Wellbeing Strategy and Strengthening Families Strategy to develop asset based approaches to increase independence and self-reliance</li> <li>Through the “PEOPLE” strand of communications deliver an integrated campaign, which encourages people to help themselves</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Continuing to develop the approach to being a Community Leadership Council</li> <li>Voluntary Community Sector project complete, it developed an approach that aligns engagement with the VCS and day to day service delivery</li> <li>Community Resilience Plan being implemented in parts across all partners. Arrangements for monitoring of progress and effectiveness need to be developed</li> <li>Enhanced area arrangements and ASDMs</li> </ul>	<p><b>1x3 = 3</b></p>
<p><b>PE 3</b> Despite improvement, a range of health indicators across the city continue to be below national averages including levels of child and adult obesity, rates of breastfeeding and levels of teenage pregnancy</p>	<p>Neil Revely, ED of People Services / Gillian Gibson, Public Health Director</p>	<p><b>3x3 = 9</b></p>	<p><b>3x3 = 9</b></p>	<ul style="list-style-type: none"> <li>Deliver the Public Health improvement responsibilities</li> <li>Progress the delivery plan and performance management to address improvement in health indicators</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Plan on a page for the People Directorate in place but needs refreshing given new management arrangements for Children’s Services</li> <li>Progress on overarching indicators to be reported to Health &amp; Wellbeing Board</li> </ul>	<p><b>2x3 =6</b></p>



Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<ul style="list-style-type: none"> <li>• Board to challenge other under performing indicators</li> <li>• University to review methods of measuring progress as to how things are being done differently</li> <li>• People Services plan on a page includes Activity Policy</li> <li>• Education and Skills Strategy includes what 'great schools' look like, including healthy eating and activity</li> <li>• Joint Venture agreement for Leisure includes targets for increasing activity levels</li> <li>• Integrating work with CCG</li> <li>• Better health improvement with planning work</li> <li>• Palantir evidence based approach</li> <li>• Review of licencing policy</li> </ul>	
<p><b>PE 4</b> Economic conditions will mean that our interventions to help people, particularly young people, to gain employment will not be as effective as intended</p>	<p>Neil Revely, ED of People Services</p>	<p><b>3x3 = 9</b></p>	<p><b>3x3 = 9</b></p>	<ul style="list-style-type: none"> <li>• Extend employment opportunities for people out of work and to ensure job progression and mobility for those people in work through the implementation of the Sunderland Employment Strategy</li> <li>• Continue to deliver (and develop) early intervention and prevention practices to support young people who are a risk of becoming NEET</li> <li>• Maximise learning opportunities afforded by the Youth Contract and by 3<sup>rd</sup> sector providers to young people requiring most support, to move them towards employment opportunities.</li> <li>• The Education Leadership Board to continue to improve the links between schools and employers</li> <li>• Extend the environmental apprenticeship scheme across other Streetscene services</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• NEET interventions continue via work of Locality/Connexions team members. This is being supplemented through People Board initiatives</li> <li>• North East Leadership Board (Combined Authority) has been set up to deliver the shared ambitions of the seven councils to accelerate economic growth; focusing on skills, transport and inward investment, giving the area a</li> </ul>	<p><b>2x3 = 6</b></p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<p>stronger voice nationally and internationally</p> <ul style="list-style-type: none"> <li>• “Work Discovery” which is now in its third year, was established through business leaders working directly with schools, supported by the Council, providing students with greater knowledge of job opportunities</li> <li>• Education and Skills Strategy launched which prepares young people for employment and successful careers, but no delivery plan in place</li> </ul>	
<p><b>PE 5</b> The current skill levels of young people and adults are not sufficient to meet the current and future needs of the economy</p>	<p>Neil Revely, ED of People Services</p>	<p><b>3x3 = 9</b></p>	<p><b>3x3 = 9</b></p>	<ul style="list-style-type: none"> <li>• Implement the Sunderland Skills Strategy to consider employer demand and the skills needed to fill any expected shortages or gaps within the growth sectors</li> <li>• Implement the Family, Adult and Community Learning Strategy which outlines the priorities and principles necessary to meet the learning needs of adults and families</li> <li>• The Education Leadership Board to continue to Improve links between schools and employers</li> <li>• Set up the Combined Authority whose remit will include regional skills issues</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Education Leadership Board is in place with stakeholder involvement, i.e. employers, training providers, college/university, schools and nurseries, Council officer.</li> <li>• Combined Authority in place from April 2014</li> <li>• FACL continues to have increased participation and improved level of accredited course participation.</li> <li>• North East Leadership Board (Combined Authority) to deliver the shared ambitions of the seven councils to accelerate economic growth; focusing on skills, transport and inward investment, giving the area a stronger voice nationally and internationally</li> <li>• The Economic Leadership Board has established 3 Result Groups including Sector Growth and Skills, providing a greater focus on skills on a city wide basis</li> <li>• The North East Local Enterprise Partnership (NELEP)</li> </ul>	<p><b>2x3 = 6</b></p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<p>has been chosen by government as one of only three LEPs across the country to pilot innovative new approaches to skills development funding to help boost local jobs and business growth. NELEP will work jointly with the Skills Funding Agency to develop the skills model</p> <ul style="list-style-type: none"> <li>• Judgment of 'Good' received from the recent FACL OFSTED inspection</li> <li>• Education and Skills Strategy launched which prepares young people for employment and successful careers, delivery plan being developed</li> </ul>	
<p><b>PE 6</b> Increasing poverty levels and community cohesion issues arising out of welfare reforms and economic conditions</p>	<p>Sarah Reed, Assistant Chief Executive</p>	<p><b>3x3 = 9</b></p>	<p><b>3x3 = 9</b></p>	<ul style="list-style-type: none"> <li>• Continue to deliver the Welfare Reform "Social Fund"</li> <li>• Prepare for the introduction of "Universal Credit"</li> <li>• Implement the Community Resilience Delivery Plan</li> <li>• Continue to implement the Child and Family Poverty Strategy</li> <li>• Deliver the Strengthening Families project</li> <li>• Develop and implement a delivery plan for the Access to Housing Strategy</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Uncertainty remains over the impact of introduction of "Universal Credit"</li> <li>• Strengthening Families approach being used to address poverty and cohesion issues an being positively supported by the intelligence service</li> <li>• Opportunity that devolution deal brings to work with individuals with needs</li> <li>• Palantir evidence based</li> </ul>	<p><b>2x3 = 6</b></p>
<p><b>PE 7</b> Implementation of the Health &amp; Wellbeing Strategy may not effectively target the most vulnerable groups resulting in widening inequalities</p>	<p>Neil Revely, ED of People Services / Gillian Gibson, Public Health Director</p>	<p><b>1x3 = 3</b></p>	<p><b>1x3 = 3</b></p>	<ul style="list-style-type: none"> <li>• Implement the Health and Wellbeing Strategy, delivery plan and performance management arrangements</li> <li>• Continue to liaise with the Clinical Commissioning Group and GPs to gain a better understanding of vulnerable groups</li> <li>• Develop an asset based approach to delivery, making</li> </ul>	<p><b>1x3 = 3</b></p>

Risk Description	Risk Owner	Score Dec 2015 LxI	Current Score Feb 2016 LxI	Mitigation and progress to reduce current score	Residual Score LxI
				<p>better use of assets that already exist in families and communities</p> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Health and Wellbeing Board monitor the actions to reduce inequalities. The Design Principles that underpin the approach to health and wellbeing includes Equity – providing access to excellent services dependent on need and preferences that are also based on evaluated models</li> <li>• People Services plan on a page to be refreshed given new management arrangements for Children’s Services</li> <li>• Benefits co-ordination with Gentoos regarding people with complex needs</li> <li>• 2 GP federations established to co-ordinate communications with GPs in the City</li> <li>• Continue collaboration and wider scope between Council and CCG work</li> </ul>	
<p><b>PE 8</b> Failure to align partner services to ensure we have a city that is safe and secure</p>	<p>Sarah Reed, Assistant Chief Executive</p>	<p><b>2x2 = 4</b></p>	<p><b>2x2 = 4</b></p>	<ul style="list-style-type: none"> <li>• Continue to deliver the Safer Sunderland Partnership’s delivery plan: tackling alcohol, drugs, domestic violence, violent crime, anti-social behaviour, safety and feelings of safety and re-offending</li> <li>• Apply the Strengthening Families approach to support people out of offending</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• The multi agency Strengthening Families Programme is starting to record success in reducing offending</li> <li>• Negative Ofsted report received and improvement plan being developed by external Commissioner</li> <li>• Integrated locality based teams being established</li> <li>• Palantir evidence based approach</li> </ul>	<p><b>1x2 = 2</b></p>

## PLACE

### Desired Outcomes

An attractive, modern city where people choose to invest, live, work and spend their leisure time.

A responsible, well looked-after city that is adaptable to change.

A well connected city.

A city where cultural identity and vibrancy act as a significant attraction

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<b>PL 1</b> The Local Development Framework is not adopted thereby restricting development opportunities for the City	Alison Fellows, ED of Commercial Development	<b>2x4 = 8</b>	<b>2x4 = 8</b>	<ul style="list-style-type: none"> <li>Develop the LDF (Local Plan) to ensure it meets the required Government criteria</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Local Plan is being developed in line with government criteria. However adoption of Local Plan is expected to be late 2017/18. Development will not stop in the meantime however.</li> <li>Internal Project Board set up to oversee delivery of Plan and ensure work is adequately resourced.</li> <li>Area Action Plan to be developed in respect of the IAMP site - work is programmed and managed via IAMP governance arrangements.</li> </ul>	<b>1x4 = 4</b>
<b>PL 2</b> Failure to deliver our place-shaping activities in a coordinated manner (including economic housing and transport investments)	Alison Fellows, ED of Commercial Development	<b>2x3 = 6</b>	<b>2x3 = 6</b>	<ul style="list-style-type: none"> <li>Adopt an ambitious, developer/investor friendly Core Strategy (Land Use Plan) that will guide high quality future physical development that is synonymous with a modern, vibrant, aspirational city</li> <li>Develop and implement the Sunderland Housing Strategy</li> <li>Develop and implement City Transport Strategy</li> <li>Set up the Combined Authority that will have responsibility for the creation of an area wide integrated transport authority and preparation of a local transport plan</li> <li>Utilise all available funding opportunities to improve infrastructure e.g. Regional Growth Fund</li> </ul>	<b>1x3 = 3</b>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Combined Authority (NECA) set up to <ul style="list-style-type: none"> <li>○ Provide leadership and a united voice on key strategic transport issues.</li> <li>○ Link strategic transport planning with economic priorities.</li> <li>○ Provide strong representation on transport issues of national significance including rail, strategic road network and our ports.</li> <li>○ Provide more effective co-ordination enable improvement to the area's public transport network.</li> <li>○ Offer the best framework to maximise and manage devolution of transport funding.</li> <li>○ SCC input into formal NECA workstreams being co-ordinated through officer group with regular reporting and meetings.</li> </ul> </li> <li>• Funding secured for New Wear Crossing - construction commenced</li> <li>• Funding secured for scoping of the IAMP development and work duly programmed</li> <li>• City Transport Strategy has been developed – to be approved Spring 2016</li> <li>• City Housing Strategy in development – draft due to be produced Easter 2016</li> <li>• Potential capital pipeline developed, to focus horizon scanning for external funding opportunities - ongoing</li> </ul>	
<p><b>PL 3</b> Delivery of capital investment priorities is too slow to realise opportunities available</p>	<p>Alison Fellows, ED of Commercial Development</p>	<p><b>Score</b> <b>2x3 = 6</b></p>	<p><b>Score</b> <b>2x3 = 6</b></p>	<ul style="list-style-type: none"> <li>• Development of a Local Asset Backed Vehicle (LABV) to deliver accelerated regeneration and economic development activity</li> <li>• Continue to support the development of priority areas including: <ul style="list-style-type: none"> <li>○ Vaux site</li> <li>○ Sunnyside</li> <li>○ Seaburn</li> </ul> </li> </ul>	<p><b>1x3 = 3</b></p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Realignment of St Mary's Way and development of city centre square completed, which will support development of the Vaux Site and City Centre.</li> <li>• New Washington Leisure Centre opened.</li> <li>• Creation of the LABV should expedite the delivery of investment priorities, including the Vaux site – LABV now fully operational and working on 3 key sites (Vaux, Seaburn, Chapelgarth)</li> <li>• Vaux planning application for Building 1 and site-wide infrastructure submitted January 2016</li> <li>• Planning applications for Seaburn and Chapelgarth also due to be submitted Spring 2016</li> <li>• Capital programme planning and governance reviewed and new arrangements implemented, linked to funding processes</li> <li>• Other planning applications for the development of key city centre sites expected in early 2016</li> <li>• Masterplanning work being developed on other key city areas e.g. Holmeside, Minster Quarter, Sunnside, Sheepfolds</li> <li>• College Holmeside campus under construction, due for opening Sept 2016</li> <li>• Sunnside delivery arrangements under discussion with HCA</li> </ul>	
<p><b>PL 4</b> Inability to stimulate sufficient inward investment for development projects, particularly in relation to the City Centre</p>	<p>Andrea Winders, ED of Enterprise Development</p>	<p><b>2x3 = 6</b></p>	<p><b>2x3 = 6</b></p>	<ul style="list-style-type: none"> <li>• Promote the City nationally and internationally as a place to invest, through the Make it Sunderland campaign</li> <li>• Private sector partners to develop a Business Improvement District proposal providing resources that will contribute to physical improvement in the city centre</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Sunderland BID Limited has been established in the form of an independent, not-for-profit company</li> </ul>	<p><b>1x3 = 3</b></p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<p>controlled by the private sector. The Board membership currently stands at 17 who are elected from businesses and city stakeholders. The Board is responsible for ensuring projects are delivered on time and within budget. A small operational team is now in place to support Ken Dunbar, the first Chief Executive of the new BID Company. The company has developed a business plan to invest at least £3.4 m in the city centre over the next 5 years</p> <ul style="list-style-type: none"> <li>• Make it Sunderland campaign continues to promote investment in the City</li> <li>• Inward investment secured in respect of The Bridges, Sunnyside Leisure and a new hotel complex.</li> </ul>	
<p><b>PL 5</b> The City's infrastructure does not provide appropriate access and movement for all, including those with restricted mobility</p>	<p>Neil Revely, ED of People Services</p>	<p><b>2x2 = 4</b></p>	<p><b>2x2 = 4</b></p>	<ul style="list-style-type: none"> <li>• Continue to engage with Nexus to develop Community Transport, taking into consideration the market and the commercial viability of transport routes</li> <li>• Engage with the Voluntary and Community sector to provide access for people with restricted mobility (e.g. volunteer drivers)</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• On-going engagement with NEXUS in relation to community transport. Government funding in respect of community transport may be reduced</li> <li>• Active Travel Plan</li> <li>• Refreshing All Age Friendly City Policy</li> <li>• City Transport Strategy has been developed – to be approved</li> </ul>	<p><b>2x2 = 4</b></p>
<p><b>PL 6</b> Fail to agree and implement a Cultural Strategy and associated action plan</p>	<p>Neil Revely, ED of People Services</p>	<p><b>2x2 = 4</b></p>	<p><b>2x2 = 4</b></p>	<ul style="list-style-type: none"> <li>• Develop Cultural Strategy and implementation plan</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Cultural Partnership formed to bring a wider base to the development of the strategy</li> <li>• Cultural Strategy being launched</li> </ul>	<p><b>1x2 = 2</b></p>



Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<ul style="list-style-type: none"> <li>• Heritage lottery schemes being progressed</li> <li>• Fulwell Mill – the Activity Centre has been transferred to Sunderland North Community Business Centre (SNCBC) under a 3 year lease and they will develop a Business Plan for the Centre, which will also include future funding options for the Mill.</li> <li>• Monkwearmouth Station – discussions with Sunderland AFC are on-going as to the potential for them taking on the building. An options paper has been produced</li> <li>• Museum and Heritage Service Vision – a vision document has been produced for submission to Arts Council England to enable accreditation to be secured for the Museum and Winter Gardens and options for the future delivery of the Museum are being considered</li> </ul>	

## ECONOMY

### Desired Outcomes

A national hub of the low carbon economy

A prosperous and well connected waterfront city centre

An inclusive city economy for all ages

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<p><b>EC 1</b> The increased costs of university fees and restricted access to appropriate learning opportunities will dissuade some young people from attending HE and skills levels will not increase as quickly as anticipated</p>	<p>Neil Revely, ED of People Services / Andrea Winders, ED of Enterprise Development</p>	<b>2x3 = 6</b>	<b>2x3 = 6</b>	<ul style="list-style-type: none"> <li>• Education Leadership Board to promote the benefits of higher education</li> <li>• North East Local Enterprise Partnership (NELEP) to support the promotion of higher education</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• NELEP and the Education Leadership Board continue to promote the benefits of higher education</li> <li>• Council, schools, colleges and the NE Chamber of Commerce are engaged to strengthen ties between education and business in the city</li> </ul>	<b>2x3 = 6</b>
<p><b>EC 2</b> The City doesn't attract inward investors because of a lack of sites / finance</p>	<p>Alison Fellows, ED of Commercial Development / Andrea Winders, ED of Enterprise Development</p>	<b>2x3 = 6</b>	<b>2x3 = 6</b>	<ul style="list-style-type: none"> <li>• Development of a Local Asset Backed Vehicle (LABV) to leverage private sector funding and investment in the City</li> <li>• Allocation of appropriate employment sites through the LDF process</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Funds secured in respect of the Enterprise Zone</li> <li>• City Deal has been signed, providing funding to begin development of the 100-hectare International Advanced Manufacturing Park (IAMP)</li> <li>• Local Growth Fund and ERDF funding secured in respect of transport infrastructure and the Low Carbon Zone transport scheme</li> <li>• LABV expected to deliver investment for priority areas (see PL3 above)</li> <li>• EZ applications submitted in respect of Port and IAMP</li> <li>• Housing Strategy in development - draft due Easter</li> </ul>	<b>2x3 = 6</b>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				2016 <ul style="list-style-type: none"> <li>Review of SCC owned sites in progress</li> <li>SCC site disposal programme underway</li> <li>Regular meetings of public sector partners across City to review separate assets and potential for combined projects</li> </ul>	
<b>EC 3</b> The more highly qualified/skilled people in the City will leave to find suitable work outside of the region, reducing the proportion of highly qualified/skilled people living in the City	Alison Fellows, ED of Commercial Development / Andrea Winders, ED of Enterprise Development	<b>3x3 = 9</b>	<b>3x3 = 9</b>	<ul style="list-style-type: none"> <li>Continue to deliver the Make It Sunderland campaign that sets the direction for our efforts to attract employment opportunities to the city, across a wide range of sectors</li> <li>Implement a Housing Investment Plan that ensures we have the right range and types of housing, in the right locations, to retain existing residents and attract new people into the City</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Housing Strategy in development – draft due Easter 2016</li> <li>SCC internal Housing Board set up to provide co-ordination and assurance</li> <li>See comments at EC2 above re sites/assets</li> <li>Housing Investment Plan to be updated and included in the Housing Strategy</li> <li>Make it Sunderland campaign continuing to attract jobs and investment into the City</li> </ul>	<b>2x3 = 6</b>
<b>EC 4</b> Inability to deliver on the New Wear Crossing in line with the planned timescales	Alison Fellows, ED of Commercial Development	<b>2x3 = 6</b>	<b>2x3 = 6</b>	<ul style="list-style-type: none"> <li>Complete the procurement phase and deliver the construction phase of the New Wear Crossing</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Construction phase for the new bridge has commenced</li> <li>Contract management strategy and governance arrangements in place, including detailed reporting and assurance arrangements</li> </ul>	<b>2x3 = 6</b>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<p><b>EC 5</b> Fail to ensure plans are in place to support carers, people with disabilities and mental health issues into or to maintain employment</p>	<p>Neil Revely, ED of People Services</p>	<p>2x4 = 8</p>	<p>2x4 = 8</p>	<ul style="list-style-type: none"> <li>• Continue to engage with Remploy, who provide sustainable employment opportunities for disabled people and those who experience complex barriers to work</li> <li>• Continue to support the Carers Strategy Group</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• On-going engagement with Remploy and the Carers Strategy Group</li> <li>• Sunderland Carers Centre successful in bid to run the Independent Supporters Programme in Sunderland</li> <li>• Implementation of the Care Act improves the assessments of carers for adults and young carers</li> </ul>	<p>1x4 = 4</p>
<p><b>EC 6</b> Pace and scale of regeneration in the City Centre does not satisfy economic prosperity ambitions</p>	<p>Alison Fellows, ED of Commercial Development and Andrea Winders, ED of Enterprise Development</p>	<p>2x4 = 8</p>	<p>2x4 = 8</p>	<ul style="list-style-type: none"> <li>• Progress development opportunities, e.g. Vaux site, City Square, Sunnyside</li> <li>• Support the Business Improvement District proposal</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Keel Square completed</li> <li>• Sunderland BID Limited has been established in the form of an independent, not-for-profit company controlled by the private sector. The company has developed a business plan to invest at least £3.4 m in the city centre.</li> <li>• LABV set up with the development of the Vaux Site as one of its priority objectives</li> <li>• City Centre has undergone ambitious programme of place shaping to open up a range of investment sites, including opening of Keel Square and realignment of St Mary's Way to support the regeneration of the former Vaux site and the wider city centre</li> <li>• Construction started on the new Sunderland College campus on the Holmeside site due to open September 2016</li> <li>• See PL3 above</li> </ul>	<p>1x4 = 4</p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<p><b>EC 7</b> Partners do not have a coordinated approach to supporting, developing and attracting business to the City</p>	<p>Andrea Winders, ED of Enterprise Development</p>	<p><b>2x2 = 4</b></p>	<p><b>2x2 = 4</b></p>	<ul style="list-style-type: none"> <li>• Continue to support the Business and Innovation Centre which provides a joint approach for business support</li> <li>• Implement the Enterprise and Innovation Strategy</li> <li>• Continue to develop the North East Local Enterprise Partnership (NELEP) Enterprise Zones</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• University has secured funding to develop a Business Support centre</li> <li>• Software Centre and Washington centre providing incubation and business space with business support activity</li> <li>• Sector growth and Results group of the Economic Leadership Board tasked with simplifying business support in the city</li> </ul>	<p><b>1x2 = 2</b></p>

## ORGANISATION

### Desired Outcomes

Achieving Community Leadership.

Delivering High Quality Services That Are Led By Our Customers' Needs

Ensuring Value for Money and Productive Use Of Resources

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<b>OR 1</b> The Council and the community may not have the required skills and capacity to deliver the City's priorities	Sue Stanhope, Director of HR & OD Sarah Reed, Assistant Chief Executive	<b>3x3 = 9</b>	<b>3x3 = 9</b>	<ul style="list-style-type: none"> <li>Focus upon strengthening local self-help capacity, In order to meet our aspirations as a Community Leadership Council</li> <li>Utilise workforce planning to develop and transfer skills across the council</li> <li>Deliver the Voluntary and Community Sector Relationship Transition project</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>VCS project completed having developed an approach that aligns engagement with the VCS and day to day service delivery</li> <li>Both workforce planning and transformation projects are progressing which have/will allow the Council to become more flexible in the use of the Council's human resources</li> <li>Future priorities require individuals and communities to become more self-supporting</li> </ul>	<b>2x3 = 6</b>
<b>OR 2</b> Lack of pace, leadership, innovation and commitment resulting in inability to achieve the required outcomes	Sarah Reed, Assistant Chief Executive	<b>2x4 = 8</b>	<b>2x4 = 8</b>	<ul style="list-style-type: none"> <li>Develop the role of a Community Leadership Council to be more intelligent in setting relevant and focused priorities</li> <li>Deliver the Business Transformation Programme</li> <li>Deliver Alternative Service Delivery Models</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Role of Community Leadership Council developing</li> <li>Sunderland Care &amp; Support Ltd set up in December 2013. Leisure JV live on 1<sup>st</sup> June 2015</li> </ul>	<b>1x4 = 4</b>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
				<ul style="list-style-type: none"> <li>Further iteration of the Transformation programme is being developed along with the development of the Council's plan for 2020</li> </ul>	
<p><b>OR 3</b> Council does not secure the required savings</p>	<p>Sonia Tognarelli, Director of Finance</p>	<p><b>2x4 = 8</b></p>	<p><b>2x4 = 8</b></p>	<ul style="list-style-type: none"> <li>Agree MTFS (in context of Community Leadership Council)</li> <li>Agree Service Area efficiency targets and monitor progress               <ul style="list-style-type: none"> <li>Deliver the Business Transformation Programme</li> <li>Deliver Alternative Service Delivery Models</li> <li>Deliver the Workforce Planning project</li> </ul> </li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>MTFS in place</li> <li>Actions being progressed to deliver 2015/16 savings</li> <li>Five year budget planning approach being developed involving a fundamental review of all services which will provide the necessary intelligence aligned to strategic aims to allow Members to prioritise savings proposals as funding becomes clearer for future financial years</li> <li>Plans for 2016/17 in place which will be monitored through the Improvement Board.</li> </ul>	<p><b>1x4 = 4</b></p>
<p><b>OR 4</b> Failure to collect, analyse and use intelligence to enable customer insight to inform decision making</p>	<p>Sue Stanhope, Director of HR &amp; OD Sarah Reed, Assistant Chief Executive</p>	<p><b>2x3 = 6</b></p>	<p><b>2x3 = 6</b></p>	<ul style="list-style-type: none"> <li>Development and delivery of the Intelligence Hub</li> <li>Strategic planning and service redesign to reflect the needs and preferences of our customers and communities</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>Intelligence Hub is now in the deployment phase with specialist resources available to support the introduction of the intelligence approach</li> </ul>	<p><b>1x3 = 3</b></p>

Risk Description	Risk Owner	Score Dec 2015 Lxl	Current Score Feb 2016 Lxl	Mitigation and progress to reduce current score	Residual Score Lxl
<p><b>OR 5</b> Employee engagement falls as a result of ongoing significant changes</p>	<p>Sue Stanhope, Director of HR &amp; OD</p>	<p><b>2x3 = 6</b></p>	<p><b>2x3 = 6</b></p>	<ul style="list-style-type: none"> <li>• Continue to monitor and intervene in areas where employee engagement is showing signs of diminishing</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Position continues to be monitored via information obtained from employee surveys, consultations and feedback from unions. Recent results suggest employees continue to remain engaged</li> <li>• There is a degree of uncertainty in the Workforce with the future financial savings that are required</li> </ul>	<p><b>1x3 = 3</b></p>



Detailed Internal Audit Coverage

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
Customer Focus	Community and Family Wellbeing - Governance Arrangements	L	Customer Services Network	M	Community and Family Wellbeing		Review of planning and performance management arrangements.	Moderate
	Out of Area Placements	L			Adoption Service		To review the stability of placements prior to adoption.	
	Web Content Development	M			Multi Agency Safeguarding Hub		Review of Information Sharing arrangements, and response to safeguarding incidents / serious case reviews.	
	Crisis Loans / Social Fund	S			Safeguarding and Quality Assurance Unit		To review progress against any agreed action plans resulting from Safeguarding Inspection.	
					Commissioning	L	Review of working arrangements for the new integrated commissioning arrangements, including contract management arrangements.	
					Accounting / General Ledger	S	To review the interfaces between SAP, Capita and the Council's website	
					Personal Budgets	L	To review the operation of the new assessment and resource allocation tool	
Legality					Constitution		To assess the level of compliance with constitutional requirements following recent changes.	Substantial
Service / Business Planning	Corporate Service/ Business Planning	M			Community and Family Wellbeing		Review of planning and performance management arrangements.	Moderate

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	Community and Family Wellbeing - Governance Arrangements	L			Adoption Service		To review the stability of placements prior to adoption.	
	Derwent Hill	M			Multi Agency Safeguarding Hub		Review of Information Sharing arrangements, and response to safeguarding incidents / serious case reviews.	
	Out of Area Placements	L	Port Governance Arrangements	M	Commissioning	L	Review of working arrangements for the new integrated commissioning arrangements, including contract management arrangements.	
	Operational Asset Management	M	LEP Accountable Body Arrangements	S	Corporate Service Planning Arrangements		To review the development of the five year plan in relation to the Council's savings targets and strategic priorities.	
Programme and Project Management	Implementation of the Economic Master Plan	M	Programme and Project Management	S	Corporate Service Planning Arrangements		To review the development of the five year plan in relation to the Council's savings targets and strategic priorities.	Moderate
			Realisation of Benefits & Savings	M	Capital Programme Funding and Monitoring		To review the arrangements for monitoring performance against the capital programme.	
Partnerships			Corporate Partnership Arrangements	L	Follow Up of 2014/15 audit		To review progress against actions agreed following previous audit work.	Limited
Business Continuity and Emergency Planning	HHAS Business Continuity Planning	M	Corporate Business Continuity Planning	M	Emergency Planning	S	To review the arrangements to maintain an up to date fit for purpose Major Incident Plan.	Moderate

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
Procurement	Derwent Hill	M	Commissioning	L	Commissioning	L	Review of working arrangements for the new integrated commissioning arrangements, including contract management arrangements.	Moderate
	Out of Area Placements	L	Contract Management	M	Revenue Procurement	M	Review of compliance with Procurement Procedure Rules	
	Revenue Procurement	S	Capital Procurement	S				
Relationship and Contract Management	Streetlighting PFI Contract Management	M	Commissioning	L	Commissioning	L	Review of working arrangements for the new integrated commissioning arrangements, including contract management arrangements.	Moderate
	Events Company Contract Management	M			Leisure Contract Management		To review the client arrangements for the Leisure Joint Venture.	
					LABV		To review the LABV client role arrangements.	
					Capital Programme Funding and Monitoring		To review the arrangements for monitoring performance against the capital programme.	
Financial Management	EFA / SFA Funding	S	EFA / SFA Funding	S	EFA / SFA Funding	S	Grant Certification work	Substantial
	Local Transport Capital and Integrated Transport Grants	S	Local Transport Capital and Integrated Transport Grants	S	Local Transport Capital and Integrated Transport Grants	S	Grant Certification work	
	Troubled Families Performance Reward Grant	L	Troubled Families Performance Reward Grant	M	Troubled Families Performance Reward Grant	L	Grant Certification work	
	DECC Fuel Poverty Grant	M	Contaminated Land Grant	S	Personal Budgets - Resource Allocation System	L	To review the operation of the new assessment and resource allocation tool	

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	Growing Places Funds 2, 3 and 7	S	Benefit Cap Advisors Grant	S	Financial Verification of Leavers from the Direct Payments Scheme	S	To review the arrangements to ensure that Direct Payments are used in line with the agreed support plan.	
	Clusters of Empty Homes Grant	S	Adoption Reform Grant	S	Port Income	M	To review the arrangements for billing and collection of income to the Port.	
	Out of Area Placements	L	Commissioning	L	Commissioning	L	Review of working arrangements for the new integrated commissioning arrangements, including contract management arrangements.	
	Foster Care Allowances	M	Port Governance Arrangements	M	Corporate Service Planning Arrangements		To review the development of the five year plan in relation to the Council's savings targets and strategic priorities.	
	Charging for Non Residential Adults Care Services	S	LEP Accountable Body Arrangements	S	Personnel Administration Arrangements		To assess the robustness of the personnel administration arrangements, and to ensure adequate separation of duties is in place with the transfer of the payroll function to HR & OD.	
			Personal Budgets / Direct Payments	M	LABV		To review the LABV client role arrangements.	
	Direct Payments	L	Accounting / General Ledger	S	Accounting / General Ledger	S	To review the interfaces between SAP, Capita and the Council's website	
	34 Schools	S	32 Schools	S	18 schools	S	Transaction testing in relation to income and expenditure	
	SAP Organisation Structures	S	SAP Organisation Structures		Capital Programme Funding and Monitoring		To review the arrangements for monitoring performance against the capital programme.	

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	SAP HCM Monitoring of Multiple Employee Positions	L	Mobile Phones Contract	L	BACS Processing	S	Transaction testing	
	BACS Processing	S	BACS Processing	S	Cash Receipting		Transaction testing	
	Cash Receipting	S	Cash Receipting	S	Accounts Payable	M	Transaction testing	
	Payroll	M	Payroll	M	Accounts Receivable		Transaction testing	
	Council Tax	S	Council Tax - Valuation	S	Periodic Income		Transaction testing	
	Business Rates	S	Business Rates - Valuation	S	Benefits Administration		To review the arrangements for administration of Housing Benefit and Council Tax Support, including the completeness and accuracy of the subsidy claim.	
	Accounts Payable	S	Accounts Payable	M	Business Rates - Liability	S	Transaction testing	
	Accounts Receivable	S	Accounts Receivable	S	Business Rates - Revised Billing	S	Transaction testing	
	Aquatic Centre	S	Periodic Income	S	Enforcement Section		A review of the arrangements for enforcement of debts owed to the Council. To include the bailiff function.	
	Benefits	S	Benefits Administration	S	Payroll		To assess the robustness of the payroll arrangements, and to ensure adequate separation of duties is in place with the transfer of the payroll function to HR & OD. Also to carry out transaction testing following implementation of the new Pay and Grading arrangements.	
	Council Tax Support Scheme	S	Recovery of Benefit Overpayments	M	Revenue Procurement		Review of compliance with Procurement Procedure Rules	

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	Operational Asset Management	M	Elections Hardware Grant	S	Autism Innovation Grant	S		Moderate
	Asset Register / Capital Accounting	S	Cash in Transit / Parking Services Income	M	Agency Workers (Unplanned)	N		
	Building Maintenance	N			Go Smarter to Work Grant	S		
	Capital Programme Funding and Monitoring	S						
	Treasury Management	S						
	External Funding	S						
	External Funding - Support to Partners / VCS	M						
	Insurance Claims Handling	S						
	Council Tax Support Scheme	S						
	Local Business Rates Scheme	S						
	Crisis Loans / Social Fund	S						
	Derwent Hill	M						
	Events Company Contract Management	M						
Human Resource Management	SAP Organisation Structures	S	SAP Organisation Structures		SAP Organisation Structures		To review the arrangements for grading new posts / staffing structures in the future.	Moderate

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	Monitoring of Multiple Employee Positions	L	Corporate Training and Development Arrangements	L	Induction Procedures	M	To review the level of compliance with induction procedures following movement of staff into new roles.	
	Corporate HR Management	M			Code of Conduct / Whistleblowing		To review the level of awareness of and compliance with the Employee Code of Conduct and the Council's whistle blowing arrangements.	
					Personnel Administration Arrangements		To assess the robustness of the personnel administration arrangements and to ensure adequate separation of duties is in place with the transfer of the payroll function to HR & OD.	
					Agency Workers (Unplanned)	N		
Information Governance	Corporate Information Governance Arrangements	L	Corporate Information Governance Arrangements	L	Corporate Information Governance Arrangements	L	To review progress on the development and implementation of an information governance improvement plan. Review to include physical security checks.	Limited
					Multi Agency Safeguarding Hub		Review of Information Sharing arrangements, and response to safeguarding incidents / serious case reviews.	
Performance Management	Operational Asset Management	M	Corporate Performance Management Arrangements	M	Multi Agency Safeguarding Hub		Review of Information Sharing arrangements, and response to safeguarding incidents / serious case reviews.	Moderate

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	Community and Family Wellbeing - Governance Arrangements	L			Community and Family Wellbeing		Review of planning and performance management arrangements.	
					Capital Programme Funding and Monitoring		To review the arrangements for monitoring performance against the capital programme.	
					Safeguarding and Quality Assurance Unit		To review progress against any agreed action plans resulting from Safeguarding Inspection.	
Asset Management	Derwent Hill	M			LABV		To review the LABV client role arrangements.	Moderate
	Technology Forge	L			Corporate Asset Management		To review the Council's property asset management arrangements against recommended practice.	
	Operational Asset Management	M						
	ICT Asset Management	M						
	Asset Register / Capital Accounting	S						
ICT Strategy and Delivery	ICT Asset Management	M	Physical and Environmental Controls	S	Cyber Security	L	Review of the arrangements required for the future of the Council.	Moderate
			Mobile Phone Contract	L				
Fraud and Corruption			Counter Fraud Testing	M	Financial Verification of Leavers from the Direct Payments Scheme	S	To review the arrangements to ensure that Direct Payments are used in line with the agreed support plan.	Substantial
			National Fraud Initiative Case Investigations	S	BACS Processing	S	Transaction testing	



Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
	Direct Payments	L	Schools Counter Fraud Checks	S	Cash Receipting		Transaction testing	
			Personal Budgets	M	Accounts Payable	M	Transaction testing	
	BACS Processing	S	BACS Processing	S	Accounts Receivable		Transaction testing	
	Cash Receipting	S	Cash Receipting	S	Periodic Income		Transaction testing	
	Payroll	M	Payroll	M	Benefits Administration		To review the arrangements for administration of Housing Benefit and Council Tax Support, including the completeness and accuracy of the subsidy claim.	
	Council Tax	S	Council Tax - Valuation	S	Business Rates - Liability	S	Transaction testing	
	Business Rates	S	Capital Procurement	S	Enforcement Section		A review of the arrangements for enforcement of debts owed to the Council. To include the bailiff function.	
	Benefits	S	Benefits Administration	S	Payroll		To assess the robustness of the payroll arrangements, and to ensure adequate separation of duties is in place with the transfer of the payroll function to HR & OD. Also to carry out transaction testing following implementation of the new Pay and Grading arrangements.	
	Accounts Payable	S	Accounts Payable	M	Revenue Procurement		Review of compliance with Procurement Procedure Rules	
	Accounts Receivable	S	Accounts Receivable	S	Agency Workers (Unplanned)	N		
			Periodic Income	S				
			SAP Organisation Structures					

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions		Scope of 2015/16 Audit	Overall Opinion
			Cash in Transit / Parking Services Income	M				
Risk Management			Port Governance Arrangements	M				Moderate
Schools	34 schools, 5 full, 25 substantial, 3 moderate, 1 limited	S	30 schools completed to date - 24 substantial, 5 moderate, 1 limited	S	18 schools 13 completed 11 - substantial 2 - moderate	S	Transaction testing in relation to income and expenditure	Substantial
Sunderland Care and Support Ltd	Direct Payments	L	Governance Arrangements	L	Governance		Review of integration of Care and Support Sunderland Ltd into the Company and overall governance arrangements to take the Company forward	Moderate
			Farmborough Court	S	Transaction / compliance testing		Compliance with new policies and procedures - to include visits to Supported Living establishments	
			Financial Procedures in Residential and Daycare Units (Establishment Visits)	L	Unit Costing		Audit of methodology / approach to identifying and assessing unit costs	
	Procurement Arrangements	S	Management and Security of Service Users Monies - Compliance with Procedures	S	Reablement		Review of integrated health and social care reablement services	

Key Risk Area	2013/14 Audits / Opinions		2014/15 Audits / Opinions		2015/16 Audits / Opinions	Scope of 2015/16 Audit	Overall Opinion	
	Risk Management Arrangements	L			Grace House Partnership Working	M	Review how key objectives are being delivered, including partnership governance	
	Information Management Arrangements	S			Community Equipment Service	M	Counter Fraud Testing	
	Transaction Testing	S						
Sunderland Live Ltd	Governance Arrangements	M	Airshow Income - Transaction Testing	M	Procurement		Review of the procurement procedure rules, including compliance with them and the arrangements for subcontracting of event services	Limited
	Verification of Expenditure and Income Transactions	M	Income	L	Transactions testing	L	Review of Airshow income transactions	
			Event Management	L	HR management		Review of HR policies, including compliance with them	
					Information Governance		Review of arrangements to keep information secure and comply with appropriate legislation	



## Risk and Assurance Activity

Area of activity	Work ongoing
Strategic Risk Profile	A review of the strategic risks affecting the Council was agreed with EMT. The risk areas have been categorised into People, Place, Economy and Organisational, in line with the Council's Outcomes Framework. Mitigating actions have been agreed and progress is being monitored and reported in Appendix 1. A review of the profile has been started in line with the development of the next Corporate Plan.
Supporting Executive Directors and Heads of Service to manage risks	Activity is ongoing to aid the management of risks through services, programmes and key projects and partnerships. This will be linked to mitigating actions in the Strategic Risk Profile where appropriate.
Support to Schools	Risk workshops for schools have been taking place. An assurance framework for schools is being developed with key officers within the People's Directorate. A number of Academies have also bought in the risk service.
Service Reviews (including alternative service delivery models), Programmes and Projects (including ICT)	<p>Major projects / service reviews being supported include:</p> <ul style="list-style-type: none"> <li>• Workforce Transformation Project</li> <li>• Sunderland Care and Support Ltd.</li> <li>• Intelligence Hub</li> <li>• ICT – various activity</li> <li>• Adult Social Care, Care Act and Children's and Families Act</li> <li>• Safeguarding – Childrens and Adults</li> <li>• Replacement of the SWIFT ICT system</li> <li>• City Deal and Enterprise Zones</li> <li>• New Wear Crossing construction and SSTC Phase 3</li> <li>• Information Governance</li> <li>• Place based services</li> <li>• Sunderland Live Ltd.</li> </ul>



## Internal Audit - Overall Objectives, Key Performance Indicators (KPI's) and Targets for 2015/16

## Efficiency and Effectiveness

Objectives	KPI's	Targets	Actual Performance
1) To ensure the service provided is effective and efficient.	1) Complete sufficient audit work to provide an opinion on the key risk areas identified for the Council 2) Percentage of draft reports issued within 15 days of the end of fieldwork 3) Percentage of audits completed by the target date (from scoping meeting to issue of draft report) 4) Cost per £m Turnover	1) All key risk areas covered over a 3 year period 2) 90% 3) 80% 4) Lower than average within CIPFA Benchmarking Club	1) On target 2) Behind target -- 83.3% 3) Ahead of target – 80.6% 4) On target - £496 v £865 average

## Quality

Objectives	KPI's	Targets	Actual Performance
1) To maintain an effective system of Quality Assurance	1) Opinion of External Auditor	1) Satisfactory opinion	1) Achieved
2) To ensure actions agreed by the service are implemented	2) Percentage of agreed high, significant and medium risk internal audit recommendations which are implemented	2) 100% for high and significant  90% for medium risk	2) Significant – on target – 100%  Behind target - Medium 82% (excluding schools)

## Client Satisfaction

Objectives	KPI's	Targets	Actual Performance
1) To ensure that clients are satisfied with the service and consider it to be good quality	1) Results of Post Audit Questionnaires 2) Results of other Questionnaires 3) Number of Complaints / Compliments	1) Overall average score of better than 1.5 (1=Good and 4=Poor) 2) Results classed as 'Good' 3) No target – actual numbers will be reported	1) On target – 1.0 to date 2) Non undertaken 3) 5 compliments 0 complaints

