

Audit and Accounts Committee

The council is now holding virtual meetings. This plays a part in helping us to maintain the safety of the public, staff and councillors.

The City Mayor has asked that, as far as possible, there is still public involvement and input into the decision-making process.

Therefore, should you wish to raise a question or comment on any of the items listed, which will be presented at the meeting on your behalf, you can do so in writing, by sending an email to the address at the bottom of this agenda.

Please do this by 4.30pm on the day before the meeting is due to take place.

Further information on the coronavirus and what it means for Salford can be found on the council website - <https://www.salford.gov.uk/coronavirus>

DATE: Wednesday, 23 September 2020

TIME: 2.00 pm

VENUE: On-line Live Meeting (MS Teams) via the link below

AGENDA

ON-LINE MEETING (MICROSOFT TEAMS - AUDIO ONLY) VIA THE LINK BELOW:

https://teams.microsoft.com/join/19%3ameeting_NzBmZDI1ZGIhZGRiOS00ZDk2LTkxNDAtMDE5N2UzYzRjZTI5%40thread.v2/0?context=%7b%22Tid%22%3a%2268c00060-d80e-40a5-b83f-3b8a5bc570b5%22%2c%22Oid%22%3a%22d7e0a353-9a97-4a8e-952c-f6451ae2de66%22%2c%22IsBroadcastMeeting%22%3a%22true%7d

AUDIT AND ACCOUNTS COMMITTEE SELF ASSESSMENT CHECKLIST (MEMBERS ONLY) - DAVID SMITH

- 1 **Apologies for Absence**
- 2 **The Committee is asked to consider whether it agrees to the inclusion of the items listed in Parts 1 and 2 of the agenda.**
- 3 **Declarations of Interest.**
- 4 **To approve, as a correct record, the minutes of the previous meeting.** (Pages 1 - 8)

To approve, as a correct record, the minutes of the previous meeting

held on 22 July 2020.

5 Matters Arising

6 Strategic Risk Register - Jacquie Russell (Pages 9 - 36)

7 Internal Audit Charter - Jean Gleave (Pages 37 - 52)

8 Internal Audit Quality & Improvement Programme - Jean Gleave (Pages 53 - 68)

9 Budget Update - Chris Hesketh

**10 Local authority financial reporting and external audit:
independent review - Chris Hesketh** (Pages 69 - 74)

11 External Auditors Update - Mazars

12 URGENT BUSINESS - PART 1

13 EXCLUSION OF THE PUBLIC

The officers consider that the following items contain exempt information as provided for in the Local Government Access to Information Act and that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Members are recommended to agree the necessary resolutions excluding the public from the meeting during consideration of this item. At the time this agenda is published no representations have been that this part of the meeting should be open to the public.

14 URGENT BUSINESS - PART 2

15 Date of Next Meeting

Wednesday 21st October 2020 at 2pm (from 1:45pm for members).

Contact Officer: Liz Wright
Tel No: 0161 793 2811
E-Mail: decisionmakingandscrutiny@salford.gov.uk

Audit and Accounts Committee

Conducted as a Live Teams Meeting (audio only)

Date: 22 July 2020

Meeting commenced: 2:00pm

Meeting ended: 4:30pm

Present:

- Councillor Robin Garrido: In the Chair
- Councillors: Joshua Brooks, David Jolley, Roger Jones, John Walsh.
- Vittoria Bugana (Co-opted Member)

Invitee:

- Councillor Bill Hinds

Public: None

Officers:

- Cheryl Burrows – Senior Auditor
- Jean Gleave - Head of Internal Audit
- Joanne Hardman – Chief Finance Officer
- Chris Hesketh – Head of Financial Management
- Karen Murray - External Auditor Mazars
- Amelia Payton - - External Auditor Mazars
- Sian Roxborough – City Solicitor
- David Smith – Internal Audit Manager
- Tony Thompstone – Strategic Finance Manager
- Liz Wright - Senior Democratic Services Officer

Training Session - Statement of Accounts (presented by Chris Hesketh and Tony Thompstone)

The committee thanked Chris and Tony for their informative training session.

1. Apologies for absence

Apologies for absence were submitted on behalf of Councillor Brooks, Councillor M Pevitt and Ben Dolan.

2. The committee is asked to consider whether it agrees to the inclusion of the items listed in Parts 1 and 2 of the agenda

Resolved: That the items included on the agenda for this meeting be approved.

3. Declarations of interest

Councillor Garrido declared the following interest:

- Forviva Group (Main board member for the Group, Chair of the Development Committee Member of the Audit and Accounts Committee)

4. To approve, as a correct record the minutes of the previous meeting

Resolved: That the committee approved, as a true and correct record, the minutes of the previous meeting held on 24th June 2020.

5. Matters arising

- The closing date for the applications for Independent Member vacancy was 7th August.

6. Draft Annual Governance Statement – Jean Gleave/Sian Roxborough

- The purpose of the report was to present the draft Annual Governance Statement for 2019/20.
- The Annual Governance Statement (AGS) supports the council's Statement of Accounts and outlines how the council manages its affairs to deliver high quality services and ensure that public money is spent effectively.
- The requirement to produce an Annual Governance Statement was a statutory responsibility (Accounts and Audit Regulations 2015) and the statement was a public document and was available on the Salford City Council website.
- The purpose of the governance statement was for local authorities to report publicly on the extent to which they comply with their own code of governance on an annual basis, including how they had monitored the effectiveness of their governance arrangements in the year, and to report on any planned changes in the coming period.
- The statement contained details of the mechanisms in place to ensure that the City Council's interests were sufficiently protected and that decision making was transparent and auditable.
- The statement also detailed changes to structures, governance procedures, policies and corporate objectives, which had occurred since the last update and these were highlighted to the committee.
- Attention was drawn particularly to section 5, *Significant Governance Issues including Covid19 impact*.
- The statement would need to be up to date to the point the accounts were approved and signed off.
- The Greater Manchester Spatial Framework was raised and it was agreed that the Head of Internal Audit would investigate if it should be included under future developments.
- Any further comments could be added via the CMT consultation.
- The draft statement had been presented to the Corporate Management Team on 01.07.20 and to Cabinet Briefing on 14.07.20.
- The committee were asked to approve the draft statement.
- The statement would be audited by the external auditors and the final version published on the website.

Resolved: That the draft Annual Governance Statement be approved.

7. Draft Statement of Accounts – Joanne Hardman/Tony Thompstone

- The report was presented by the Chief Finance Officer, accompanied by the Strategic Finance Manager and the committee was recommended to:
 - note the draft 2019/20 statement of accounts presented to Mazars for audit;
 - note the audit timeline;
 - note their responsibility to authorise the statement of accounts at the conclusion of the audit;
 - seek further information or explanations from officers about any part of the document.
- The 2019/20 statement of accounts and supporting working papers had been prepared and were authorised for issue by the Chief Finance Officer on 14 July 2020.
- Aspects of the report were highlighted and this included:

- the pressure around the Children’s Services budget, linked to Looked After Children and how the pressures were offset;
 - explanation of the pension liabilities;
 - an update about Covid19 funding, including that the first tranche (£9million) of the £19M funding from the Government had been received.
 - confirmation that the 2019/20 budget was balanced at year end;
 - the Collection Fund was forecast to be in deficit due to more residents being on the Council Tax Reduction scheme and anticipated reduction in collection. The Government had extended the period over which the Collection Fund deficit was to be cleared to general fund;
 - clarification that the £6.73M was shown in the budget for school expansion was received in 2019/20 but was for use in 2020/21;
 - confirmation that the GM precepts breakdown would be included in the statement.
 - the extent of the reserves and that the earmarked reserves also included grants received that would be spent in 2020/21;
 - the reserves were towards the lower end for authorities in Greater Manchester (GM) and for an authority of Salford’s size.
- There was a question about the airport dividend and it was commented that there was a possibility that no dividend would be paid in 20/21 due to Covid19 and that this would be reflected in the budget monitoring statements going forward.
 - They were also presented to Mazars, the appointed auditor, on that date and the accounts were electronically circulated for information and consideration by the committee members and published on the council’s internet pages.
 - The audit process would conclude in September and the committee would receive the auditor’s report at its meeting in September alongside a revised draft of the accounts, incorporating any changes agreed during the audit.
 - The committee would be asked to give approval for the revised draft to be published as the council’s formal audited statement of accounts for 2019/20 and it was agreed that the formal audited statement of accounts for 2019/20 would be presented to the October 2020 meeting for approval by the committee.
 - The Chair confirmed that this timeline was reasonable and in line with the Government’s revised guideline for the approval of accounts following the impact of the Coronavirus.
 - The opportunity for members to seek further information on the accounts will extend throughout the audit.
 - The Chair asked for the thanks of the committee to be passed on to all the staff for their hard work that had gone into preparing the detailed accounts.

Resolved: That:

1. The recommendations in the report as listed above were noted.
2. The audited Statement of Accounts would be presented to the October 2020 for approval by this committee.
3. The thanks of the committee to be passed on to all the staff for their hard work that had gone into preparing the detailed accounts.

8. Budget update – Joanne Hardman

- The Chief Finance Officer gave an update that included the following.
- The Overview and Scrutiny Board had been updated and was receiving a monthly return on Covid19 costs/losses. The June return had shown a £57M impact mainly associated to

income loss. The underlying assumption was that where effects were recurrent it would impact on the budget over a 6 month period.

- Government funding of £19M over three tranches was available to address the £57M pressures in the budget.
- The first 20/21 budget monitoring statement was going to the Lead Member for Finance and the CMT.
- There was a review of the potential proposal to use £4M of the reserves (earmarked and some general reserves).
- In terms of issuing a 114 Notice, everything was being done to avoid this and it was viewed very much as a last resort, as spending would be limited to statutory spending.
- Some Government funding had been received via GMCA, which amounted to £4M currently and had included £2M for infection control.
- Ring fenced Government funding for business had been passported to local businesses via the city council but did not offset any of the £57M pressure on the budget.
- There was a financial risk of losses from business rates due to bankruptcies, which would not be recoverable.
- The Collection Fund deficit increase was due to more residents being on the Council Tax Reduction scheme and anticipated reduction in collection as previously discussed.
- The Government expected the city council to assess what was and was not recoverable and this would be presented at the next Overview and Scrutiny Board in the next couple of weeks, for review.
- A concern was voiced that all the hard work that had gone into increasing council tax collection could be undermined due to Covid19.

Resolved: That the committee noted the updated.

9. RIPA Annual Report – Sian Roxborough

- The City Solicitor introduced the report, which updated the members with details of:
 - RIPA(Regulation of Investigatory Powers Act 2000 activity/applications from 1st April 2019 to 31st March 2020.
 - Current plans to amend / update the authority's RIPA procedural guide .
 - The RIPA training delivered to officers from 1st April 2019 to 31st March 2020.
- The report recommendations were to:
 - Note the current position in respect of RIPA activity/applications, procedures and practice.
 - Approve that the RIPA Policy and Procedures document should be reviewed and updated.
 - Note that when completed, the draft updated RIPA Policy and Procedures document will be reported back to the Audit and Accounts Scrutiny Committee for comments prior to Cabinet approval.
- There had been no RIPA applications this year and there had not been any since 2013.
- Most investigations were carried out overtly rather than covertly so RIPA authorisation was rarely required by the authority. The infrequent use of RIPA powers was common across the country, as these powers were only used as a last resort.
- RIPA authorisation was acquired via the Magistrates Court.
- Covert Human Intelligence Sources (CHIS) training was scheduled for 2nd September.
- The IPCO (Investigatory Powers Commissioner's Office) inspection had been taking place during the day and the outcome letter would be presented to a future meeting of this committee.

Resolved: That the committee:

1. noted the current position in respect of RIPA activity/applications, procedures and practice;
2. approved that the RIPA Policy and Procedures document should be reviewed and updated;
3. note that when completed, the draft updated RIPA Policy and Procedures document will be reported back to the Audit and Accounts Scrutiny Committee for comments prior to Cabinet approval.

10. Urban Vision Update Presentation – Shoaib Mohammad

- The Assistant Director Technical Services gave a PowerPoint presentation to update members on the UV transition, which included the following.
 - Operational issues
 - Human Resources
 - IT
 - Procurement
 - Commercial/legal
 - Finance
 - Next steps
- The transition, back to the city council in January, had been successful.
- There had been no changes in terms and conditions for staff as all had been honoured under TUPE.
- There was a number of gaps in staffing (in health and safety and at a junior level).
- There was more work needed on quality and H&S manuals to bring them in line with the city council.
- Recruiting to some roles was proving challenging, where the salary rates were not proving to be competitive and so could need a market supplement to be applied when re-advertised.
- A training matrix was in place for staff with integration training tailored to the needs of individuals.
- Governance and reporting standards had been established.
- The IT transition had been completed in February before lockdown so the impact of the lockdown had been negated.
- A review was happening over the first 12 month period so that permanent systems could be put in place.
- In terms of procurement, any exceptions had been through the Procurement Board and a review of procurement was being completed over a 12 month period.
- Final invoices had been issued by the end of May with only two schemes accounts left to finalise.
- Finance systems were now fully integrated and £2M in savings had been given back to the city council.
- Depot overheads had been significantly reduced and the savings had been passed onto the Highways Department of the council.
- The members congratulated everyone in UV on the very successful transition.

Resolved: That the committee noted the update and asked for their congratulations to be passed on to all the staff in UV.

11. External Auditors – Mazars

11a Letter: Request for declarations from Audit and Accounts Committee Chair

- The External Auditor presented the request letter. They confirmed the questions had not changed from last year.

Resolved: That the committee noted the request letter.

11.b Response Letter: To the requests for declarations from the Audit and Accounts Committee Chair

- The External Auditor presented the letter from the Chair of the Committee responding to the questions. The External Auditor confirmed they had no concerns with the responses.

Resolved: That the committee noted the response letter and the External Auditor's comment.

12. Audit Fee Scale Letter 2020-21 – Public Sector Audit Appointments (PSAA)

- The External Auditor confirmed that the scale fee had not changed from last year. It was confirmed that actual charges could increase in the year.

Resolved: That the committee noted the Audit Fee Scale Letter.

13. URGENT BUSINESS – PART 1

There was no urgent Part 1 business.

14. EXCLUSION OF THE PUBLIC

Resolved: That, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the ground that they involve the likely disclosure of exempt information as specified in the paragraphs of Part 1 of Schedule 12A to the Act.

Part 2 – Closed to the Public

15. Urgent business – Part 2

There was no urgent Part 2 business.

16. Date of the next meeting

The dates of the future meetings listed below were confirmed and it was agreed that members would meet from 1:45pm for the 2pm start.

- Wednesday 23 September 2020 at 2pm
- Wednesday 21 October 2020 at 2pm
- Wednesday 20 January 2021 at 2pm
- Wednesday 24 March 2021 at 2pm

Committee Members attendance 2020/21

✓ = present; A = Apologies submitted; Blank = No apologies submitted.

Councillor	Jan	March	June	July	Sept	Oct	Jan	March
Councillor R Garrido (chair)	✓	Cancelled due to Covid19	✓	✓				
Councillor J Brooks	✓	Cancelled due to Covid19	✓	A				
Councillor P Coen		Cancelled due to Covid19						
Councillor D Jolley	✓	Cancelled due to Covid19	✓	✓				
Councillor R Jones	✓	Cancelled due to Covid19	✓	✓				
Councillor M Pevitt	✓	Cancelled due to Covid19	✓	A				
Councillor John Walsh	✓	Cancelled due to Covid19	✓	✓				
Councillor B Hinds (invitee)	A	Cancelled due to Covid19	✓	✓				
Vittoria Bugana (co-opted member)	✓	Cancelled due to Covid19	✓	✓				

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Part 1: Open to the Public – Item No.6

REPORT OF Assistant Director, Strategy & Performance

TO Audit and Accounts Committee

ON 23 September 2020

TITLE: Strategic Risk Register

RECOMMENDATIONS:

It is recommended that Audit and Accounts Committee Members:

- a) Note the contents of the 2020/2021 Strategic Risk Register.
-

EXECUTIVE SUMMARY:

Risk Management in Salford City Council is about improving our ability to deliver outcomes for the community by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing activities.

As part of the council's business planning process for 2020-21 a full review of the Strategic Risk Register has taken place. A copy of the new Strategic Risk Register is attached at Appendix 1.

The Risk Register includes strategic risks on infectious disease outbreaks, on the council's ability to deliver core services as a result of business disruption and the council's plans to manage the spread of COVID-19. All are relevant for considering our response to the COVID-19 pandemic.

Whilst developing the new Strategic Risk Register, due to the ongoing and emerging implications of COVID-19 additional work has been undertaken to complete and refine the risks identified.

BACKGROUND DOCUMENTS:

Salford City Council Risk Management Strategy and Process 2018-19
2019-20 Strategic Risk Register
2019-20 Annual Governance Statement

KEY DECISION: YES/ NO

DETAILS:

1. Background

- 1.1 Risk management in Salford City Council is about improving our ability to deliver outcomes for the community by managing our threats, enhancing our opportunities and creating an environment that adds value to ongoing activities. By effectively managing our risks and opportunities, which is all part of good governance, we will be in a stronger position to deliver our objectives, provide improved services to the public, work better as a partner with other organisations and achieve value for money.
- 1.2 It is good governance for the Council to maintain and review a register of its corporate, strategic and operational risks. The Strategic Risk Register is a tool for capturing important information about our risks. All risks included in the Strategic Risk Register are identified in line with the council's Risk Management Strategy. Strategic Risks should be those issues that affect the governance, legal, financial or reputational interests of the Council as a whole. Operational or service specific risks are captured in supporting Service Group Risk Registers.

2. Review of Strategic Risk Register

- 2.1 In order to ensure that the risks contained in the Strategic Risk Register reflect the current challenges in our changing operating environment and are aligned to the council's priorities it is good practice to review these risks on a regular basis.
- 2.2 In December 2019, CMT (Corporate Management Team) held a facilitated risk identification workshop, with a view to developing a revised Strategic Risk Register. Discussions have also taken place at Audit and Accounts Committee meetings where members raised queries regarding the current risks in the Register and suggested other potential risks that could be considered for inclusion. These suggestions have also been reflected in the development of the Strategic Risk Register. Strategic Directors have led development of risks for their respective areas.

3. Strategic Risk Register

- 3.1. Whilst developing the new Strategic Risk Register, additional work has taken place on individual risk assessments to reflect the ongoing and emerging implications of COVID-19.
- 3.2. The Risk Register includes strategic risks on infectious disease outbreaks (including COVID-19) and on the council's ability to deliver core services as a result of business disruption. These risks are relevant for considering our response to the COVID-19 pandemic. The pandemic is on an unprecedented scale, depth and duration and initial de-briefs are underway to ensure we learn the lessons from the initial few months. Full de-briefs and learning are unlikely to be completed for another 18 months.
- 3.3. The risks included align to the significant governance issues identified in the council's Annual Governance Statement. COVID-19 Governance arrangements are also outlined in the Annual Governance Statement.
- 3.4. Whilst reviewing the Strategic Risk Register, we have also considered common key risks identified by other organisations, including research and guidance from ALARM (the public risk management association). The council's Risk Register also links to the GMCA risk register which contains risks unique to the combined authority or where the risk relates to delivery e.g. waste, these risks are reflected in Service Group Risk Registers.
- 3.5. The format of the Risk Register has also been reviewed and re-designed to provide more detail on each strategic risk identified, introducing target risks and allowing for movement on the risk to be monitored and reported.
- 3.6. Following presentation of the Strategic Risk Register at Audit and Accounts Committee, updates will then be provided at future Committee meetings on a twice a year basis to present a mid-year and year-end update on the strategic risks contained within the Register.

4. Recommendations

It is recommended that Audit and Accounts Committee Members:

- a) Note the contents of the 2020/2021 Strategic Risk Register.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The risks contained in the register relate to many areas of Council risk. Where an equality risk has been identified it will be highlighted in the update report.

ASSESSMENT OF RISK:

This is contained in the Risk Register attached.

LEGAL IMPLICATIONS Supplied by:

Risk Management is a statutory requirement and a key part of the Council's corporate governance.

FINANCIAL IMPLICATIONS Supplied by: N/A

Risk Management is aligned to the council's financial planning process. Risk management processes are considered within existing budgets to manage the risk or contingency plans can be implemented should any risks be triggered.

PROCUREMENT IMPLICATIONS Supplied by: N/A

Risk management is aligned to the council's procurement processes.

HR IMPLICATIONS Supplied by: N/A

Risk Management is aligned to the council's HR policies and processes.

CLIMATE CHANGE IMPLICATIONS:

The impact of climate change is integral to the council's risk management approach. Climate change is leading to increasing frequency of severe weather e.g. high rainfall, flooding and heatwaves. Failure to deliver on climate change initiatives, particularly around the reduction in the use of energy and carbon within required timescales will have medium and long-term climate change risks to residents, businesses and infrastructure. In the short-term no action will result in reputational damage to the council.

The City has in place civil contingency plans to react and respond to events as they happen. The Council has declared a climate change emergency and have in place a suite of Greater Manchester and Salford Council policies to react to the climate change threat. The Council is also committed to the GM 5 Year Environment Plan which includes immediate mitigation and adaptation measures. The Council has also introduced a Climate Change Board which reviewed the council's Climate Change

Action Plan and this is also supplemented by subgroups which will focus on difficult challenges.

OTHER DIRECTORATES CONSULTED:

All Service Groups have been consulted.

CONTACT OFFICER: Jacquie Russell, Assistant Director, Strategy and
 Performance

TEL NO: 0161 793 3577

WARDS TO WHICH REPORT RELATES: ALL

Salford City Council

Strategic Risk Register

Page 14

The Strategic Risk Register is a tool for capturing important information about the council’s risks and is a continual process that is closely aligned to the council’s corporate performance framework. The Strategic Risk Register is used by Members and senior officers to identify and manage risks facing the Council and in particular the key risks to delivery of the council’s priorities – The Great Eight.

Timeline	Date
<u>Strategic Risk Register</u>	
Briefing of Statutory Deputy City Mayor and Lead Member for Housing	18 August 2020
Corporate Management Team	19 August 2020
Cabinet Briefing	8 September 2020
Audit and Accounts Committee	23 September 2020

SRR.001 Infectious disease outbreaks (including Coronavirus)

Salford faces a risk from infectious diseases outbreaks (including vaccine preventable disease, emerging and new diseases) which could involve loss of life, severe demand pressures affecting essential services and may also result in issues of community cohesion.				Risk Owner	Gillian McLauchlan
Existing Controls	GM Multi-agency Outbreak Plan and in particular the Greater Manchester High Consequence Infectious Disease (HCID) Plan in place. GM COVID 19 Outbreak Plan and Salford COVID 19 Outbreak Management Plan Salford Health Protection Board. NHS England/Public Health England/Salford City Council joint work on screening and immunisation – includes targeted work to increase uptake. Emergency plans and pandemic plans in place. National command and control arrangements and comms via Public Health England. Business continuity plans in place.				
Existing Controls - Assurances	The Salford COVID19 Outbreak Management Plan sets out the arrangements in place to prevent, control and reduce transmission of the virus, to protect the vulnerable, to prevent increased demand on health care services, and to address health protection, infection control and environmental health associated impacts which will support the city's social and economic recovery. Delivery of this Plan is led by the Director of Public Health and the monitoring of the Outbreak Plan will be the initial responsibility of the Health Protection Board. Infection control messages and personal protection for staff and the public. Business continuity plans to be activated. Wider businesses, schools, community organisations business continuity (where affected). Advice on mass gatherings. Treatment/vaccination (which may not be available in the short term) to protect contacts and to control the outbreak.				
Gaps in Existing Controls	There are many infectious diseases that can be prevented through vaccination. Rates of people receiving their vaccinations is dropping in Salford so we are keen to promote vaccination uptake with members of the public throughout the year and catch up campaigns. New diseases represent a global challenge like Coronavirus Disease 2019 (COVID-19) and the Ebola outbreak that is still ongoing in the Congo.				
Original Risk	12	Current Risk	16	Target Risk	Risk Treatment Plan:
			Following the COVID19 outbreak emergency plans and pandemic plans came into effect. The pandemic is on an unprecedented scale, depth and duration and we are not out of the emergency response phase yet. Initial de-briefs are underway to ensure we learn the lessons from the initial few months. The full de-brief and learning is unlikely for another 18 months. In Salford, a strategic coordinating group (SCCG) was established using the existing corporate management team, with the inclusion of a number of additional senior people from public health, the Salford NHS Clinical Commissioning Group (SCCG) and others, which met daily. Resources and structures at a GM level have also been utilised. The Council has a number of workstreams focused on recovery, over the short, medium and longer term. These are being incorporated into a COVID-19 recovery action plan which will be regularly reviewed and monitored for progress by the Salford COVID-19 Pandemic Recovery Coordinating Group. Each of those workstreams has a strategic officer lead and reports into both the Council's Corporate Management Team and the relevant Cabinet Member. Council Governance and decision making has been adapted to continue to provide effective leadership and oversight, making best use of digital communications for meetings.		
Major	4	Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)	
Likely	3	Very Likely	4	Last Updated: 29 Jun 2020 Next Assessment:	
Risk Identified	21-Feb-2020	Risk Assessed	29-Jun-2020	Target Date	
Risk Movement since last assessment	 Increasing			Risk History	

SRR.002 Inability to deliver minimum service levels/statutory service levels as a result of a business interruption incident

Business continuity risk - Should an emergency or major incident occur, there is a risk that the council may not be able to deliver key services as a result - loss of staff/loss of buildings/loss of IT infrastructure/loss of power due to unplanned interruption.
 Brexit transitional arrangements are coming to an end in December and as a result of the significant amount of unknowns, there is a potential risk to the delivery of council services/vibrancy of the city.
 Due to the COVID19 pandemic there is a potential risk that the council may not be able to maintain delivery of council services / vibrancy of the city.

Risk Owner
 Jeanette Staley

Existing Controls



The Council has a statutory requirement under Civil Contingencies Act to maintain a risk register on emergencies, with a pandemic being one of those risks. Responsibility sits at a Greater Manchester level, and the risk register can be found on the GM prepared website. This sets out mitigation plans that are in place.
 A Salford Emergency Response and Recovery Plan is also in place. The Plan is regularly exercised through various scenario planning and desk top multi-agency exercises. Governance is in place – GOLD via a Salford Strategic Coordination Group, SILVER via Local Resilience Forum and BRONZE through Business Continuity Champions.
 Business Continuity - The council has a business continuity corporate plan, as well as directorate/service-based business continuity champions, business impact analysis and business continuity plans. BIAs (Business Impact Assessments) have been completed and Business Continuity plans have been written. A test of our Business Continuity arrangements will be run.
 Brexit - The council has conducted a Brexit impact assessment and a Brexit mitigation plan. During the no deal period the council was running 2 weekly Brexit meetings with business continuity champions, where we would review and update our plans in line with current government guidance/changes. The Brexit plan is being kept up to date, continue to share government guidelines across the council and continue to meet as a Brexit group quarterly.
 COVID19 – the council has a full command and control structure to manage the ongoing COVID19 Pandemic and mitigate as far as possible the effects on Salford's residents, businesses and communities.

Existing Controls - Assurances

For the actions we would take in the event of a business interruption incident, please refer to the corporate business continuity plan and the directorate business continuity plan relevant to the incident. For the actions we would take in the event of Brexit affecting SCC (Salford City Council) or the wider City, please refer to the actions contained within the Brexit plan and/or the SCC emergency response and recovery plan. For the actions we would / are taking in relation to COVID19 please refer to the COVID19 Outbreak Management Control Plan and the Recovery Co-ordinating Group Recovery Plan.
 Our emergency planning and business continuity plans are regularly tested (whether that be through exercising or through live incidents). Any learning we gain from these are debriefed and put back into plans retrospectively.

Gaps in Existing Controls

Original Risk	12	Current Risk	8	Target Risk	8	Risk Treatment Plan:
<p>Likelihood</p> <p>Impact</p>		<p>Likelihood</p> <p>Impact</p>		<p>Likelihood</p> <p>Impact</p>		<p>Following the COVID-19 outbreak the council has made use of its existing business continuity arrangements and its emergency preparedness which has been tested to the full. The council followed the guidance from government that all of those who could work from home should do so. Through the business and risk processes, it was able to establish those who could work from home. They were provided with advice, support and where necessary equipment to enable them to work from home. Throughout the first three months of the pandemic, GOLD has met daily, reducing to three times a week, and then once a week during June. Silver and Bronze have also met bi-weekly until recently. Risks are being captured in a daily log of the GOLD discussions. Progress is reviewed at each subsequent meeting. Ensures either actioned, resolved or can be escalated immediately.</p> <p>The Chief Executive as chair of GOLD, reports daily to the City Mayor. Regular meetings take place with other portfolio holders to ensure democratic oversight.</p> <p>The impact of Covid-19 is likely to be felt by the Council, its citizens and its partners for some time. The Council has developed a COVID-19 Recovery action plan which is regularly reviewed and monitored for progress by the Salford COVID-19 Pandemic Recovery Coordinating Group.</p>

				The Council is part of a wider Greater Manchester approach to 'Build Back Better' after the pandemic. Due to the ongoing situation in relation to COVID-19, risk scores remain changeable and will be reviewed on a monthly basis.		
Major	4	Major	4	Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)
Likely	3	Unlikely	2	Unlikely	2	Last Updated: 29 Jun 2020 Next Assessment:
Risk Identified	11-Feb-2020	Risk Assessed	29-Jun-2020	Target Date	31-Mar-2021	
Risk Movement since last assessment			Risk History			

SRR.003 Resilience of council resources (finance and people)

Financial resilience is the ability of the council to withstand financial strain arising from various causes including changes to local authority funding, increasing demand for services, higher costs, loss of income sources, an increasingly complex delivery landscape and changes in the economy overall. An unprecedented event such as the Covid19 pandemic can bring the full range of these risks to bear on the council's financial position. There is no single indicator of overall risk to financial resilience, but CIPFA has identified a number of areas which should be scrutinised, focusing especially on the adequacy of reserves, the consequences of borrowing, vulnerability to social care cost increases, the ability to raise funds other than from government sources and vulnerability to changes in the business rates retention system. The council has identified significant risks in each of these areas. If financial resilience is weakened then the council may have inadequate resources to meet service demands and priorities, inadequate reserves to respond to financial risks and may be unable to set a legal, balanced budget. As a result, the appointed auditor may issue a qualified report, a s114 notice may be issued, spending may be suspended and government may step in to administer the council's functions. Furthermore, if the nature and interrelation of financial risks is not fully understood, then the council will make poor financial decisions, leading to inefficient use of resources.

If the council does not have sufficient capacity and capability in its workforce to deliver and support the delivery of services for our residents at the right time in a flexible, integrated and place based way this will result in increased demand for more specialist services, resident dissatisfaction at the service level provided and impact upon employee engagement and wellbeing.

Risk Owner

Samantha Betts;
Joanne Hardman

Page 18

Existing Controls

Finance

The council's financial planning arrangements include preparation by the finance team of detailed financial forecasts, based on the best available information and including prudent assumptions based on professional judgement and external advice. These forecasts are built into the council's strategies as follows:

- a balanced budget to put into effect the council's service plans for the forthcoming year, matched by available funding and including a risk assessment of the adequacy of general reserves.
- a medium term financial strategy (MTFS) to set out how the council will fund Salford's ambitions and priorities over the next three years, including a risk-based reserves strategy that also ensures reserves will not be depleted without first identifying a strategy to restore them to risk-assessed levels during the MTFS period.
- a treasury management strategy to manage the council's cash flows, including an investment strategy focused on the security of principal sums and a borrowing strategy to manage interest payable and other charges.
- a capital strategy that prioritises capital investment programmes, while placing a limit on the amount of unsupported borrowing to be taken and governing the council's appetite for risk in investments.

Budget monitoring, comparing actual performance against approved budget, is undertaken throughout the financial year and reported to service management teams, the Corporate Management Team, Cabinet and Overview and Scrutiny Committee. Where services are experiencing budget pressures, focussed 'deep dives' are undertaken and reported to members. The impact of pressures and any recovery activity is reflected within outturn forecasts enabling a strategic, corporate response. Where a residual deficit is forecast, a number of actions will be explored including:-

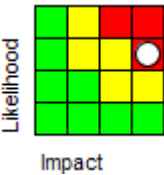
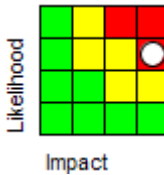
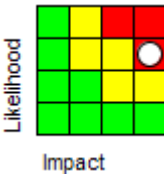
- use of any service or non-specific underspends to offset pressures elsewhere within the budget
- accessing external funding ensuring compliance with any funding conditions
- use of reserves
- use of general balances
- review of spend and identification of potential savings

A risk assessment is a critical element in the review of these options. Alongside the work undertaken to balance the annual budget, any ongoing impact on the MTFS will be explored with the strategy being updated and reported to CMT and members

In order to ensure that decision making is based on sound financial information the finance team, working with service groups, ensures that the council's accounts appropriately and accurately reflect activity and commitments.

People:

- Targeted recruitment campaigns and different approaches for more difficult to fill posts using appropriate tools and social media.

	<ul style="list-style-type: none"> •Developing our talent pipeline through work placements, apprenticeships, undergraduate and graduate programmes working closely with our partners at Salford College and Salford University. •Flexible recruitment campaigns and approaches to attract a diverse candidate pool able to be deployed to appropriate roles as demands arise i.e. test, track and trace. •Maximising the opportunities provided through apprenticeships to upskill the current and future workforce. •MyWork programme to enable our people to work more effectively in the right place at the right time able to respond to the needs of our citizens. Providing our employees with the right tools, skills and leadership enabling them to work from the most appropriate place, whilst being able to access the right information and systems, avoiding unnecessary travel and freeing up more time to respond to the needs of our citizens. •#Leading Salford leadership framework and development programme to ensure that we recruit, develop and retain leaders with the right skills and behaviours to operate effectively. <p>In addition to the control measures detailed above additional measures have been implemented to ensure capacity to continue to deliver and support the delivery of essential services during the global pandemic. Work is ongoing to ensure that the council has the right people in the right place to continue to deliver essential services for our residents. A range of new approaches have been introduced to enable us to do so including: creation of talent pools; fast track recruitment process; continuous social media posts and campaigns to drive external interest to current vacancies for essential services; fully virtual recruitment and selection implemented; virtual induction resources developed; established the resourcing hub; and support for all staff using digital tools and technologies.</p>			
Existing Controls - Assurances	<p>Annual budget setting process culminating in Council approval of annual budget, MTFs, treasury management strategy and capital strategy. Accuracy of budget monitoring and forecasting when compared to outturn position. Review of main financial systems and processes by internal audit Annual audit of the statement of accounts by external auditor.</p>			
Gaps in Existing Controls	A more informed approach to workforce planning based on an understanding of future workforce skills requirements			
<p>Original Risk</p> <p>12</p> 	<p>Current Risk</p> <p>12</p> 	<p>Target Risk</p> <p>12</p> 	<p>Risk Treatment Plan:</p> <p>A review of 2020-21 revenue budget incorporating COVID19 costs and associated recovery costs is taking place. Consideration of a recovery plan for bridging the gap could include a range of options i.e. govt funding, reserves, discretionary spend restrictions and savings. We are ensuring opportunities to access government funding are maximised including working with partners to ensure maximum benefit for the city. The Medium-Term Financial Strategy is being revised to assist with government funding discussions and lobbying. Financial planning assumptions are being reviewed to reflect government announcements (e.g. fair funding) and financial implications where known. A review of 2020-21 capital programme is taking place - what is committed, re-profiling and re-prioritisation. In relation to Treasury management, our action is to maintain an adequate cash position taking into account increased costs, income loss and impact of short-term borrowing.</p> <p>Through a squad working approach the council continues to make progress with significant change programmes across all three service directorates utilising the Salford Way change methodology. Workforce Panel have considered an update on [My]Work which is the Council's approach to enabling people to work smarter reducing unnecessary travel and supporting place-based working.</p> <p>Monthly monitoring against savings targets and budgets help the Council to identify any slippages in its savings programme as early as possible. HR and OD work closely with service directorates to redesign services in response to public service reform, new and emerging technologies and new ways of working. Ensuring appropriate workforce development plans are in place to ensure we have people in the right place with the right skills maximising the</p>	

				opportunities that the apprenticeship levy provides.
Major	4	Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)
Likely	3	Likely	3	
Risk Identified	02-Mar-2020	Risk Assessed	02-Mar-2020	Last Updated: 29 Jun 2020
Risk Movement since last assessment	<input checked="" type="checkbox"/> Constant		Target Date	01-Mar-2021
			Risk History	Next Assessment:

SRR.004 An increase in the number of people and families requiring financial support due to the impact of COVID-19 pandemic and changes in welfare system, creating a potential financial risk to the council

	<p>There have been significant changes in the welfare system that will move people currently accessing benefits into the new Universal Credit Scheme. New claimants will move directly into the new scheme. This change for current claimants will remove or could reduce the allowances for some residents leaving them financially worse off. Two significant changes introduced, spare room subsidy and housing benefit cap, have impacted on families and individuals causing them to seek financial support. These changes along with the increased cost of accommodation rent and reduction in available affordable housing poses a potential financial risk to residents. This may result in residents getting into debt, becoming at risk of being homeless, needing to access financial support from council discretionary budgets, requiring access to debt advice services, presenting in housing services and needing to access support through the wellbeing services. These financial pressures on families if not managed can also have a direct impact on children's budgets and resources, creating a pressure on services to provide support because families can become in arrears and reliant on services.</p> <p>As a result of the COVID-19 pandemic many residents in the city have had no ability to absorb the financial or emotional challenges this has created and increased levels of poverty are likely. There has been a high impact on those living in poverty, self-employed, furloughed and those who do not receive statutory sick pay. There is a likelihood of an increase in unemployment levels through redundancies, business closures and reduced opportunities across many sectors resulting in more families needing financial support.</p>	Risk Owner	Janice Lowndes
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 21</p> <p>Existing Controls</p>	<p>The Anti-Poverty Strategy, Housing Strategy and Homelessness Strategy are in place with annual delivery plans which aim to reduce the impact of poverty, increase house development and reduce the cost of housing. The Housing and Homelessness strategies and plans will ensure that the council meets the statutory duties to provide housing to residents at risk of homelessness including in a preventative stage and a relief stage as required through the Homelessness Reduction Act.</p> <p>The Anti-Poverty Strategy has focussed on reducing the impact of poverty through a range of interventions across the council and partner organisations. Prior to the COVID-19 pandemic there had already been a significant increase in people being supported in temporary accommodation and a significant increase in residents accessing Housing Options Services and Welfare Rights & Debt Advice Services. The uptake of financial support through Salford Assist and Discretionary Housing Payments scheme had also increased, maximising and almost exceeding the budget allocation.</p> <p>In response to the pandemic, the provision of emergency humanitarian assistance was provided through the Spirit of Salford (SoS) Helpline. This included a range of services to support vulnerable Salford residents impacted by the virus including help with food shopping and medication, applying for benefits, advice for managing debts and applying for benefits including council tax discounts, and support for mental health and loneliness.</p> <p>Calls for services (such as housing, welfare rights & debt advice, Salford assist and health improvement) were also made through the usual routes throughout as well as the Spirit of Salford Contact Centre. Calls to WRDA and housing were higher through the usual routes than through the help line. Initially, support for food was through volunteers using Salford Assist vouchers to purchase groceries at Aldi Supermarket and delivering direct to the home or vouchers posted directly to the resident. Since April, a Food Hub at Buile Hill Park has replaced food vouchers with pre-made food boxes, which are provided at no cost (for those on a low income). As of 25th May, this reverted to supplying vouchers.</p> <p>With parents unable to access free school meals, eligible parents of children under 18 were provided with food vouchers from Salford Assist and also advised to contact schools as some gave food vouchers as part of government free school meal food voucher scheme.</p> <p>Homeless people were identified as being particularly vulnerable as unable to self-isolate. Direct provision of temporary accommodation provided to all rough sleepers through the GM Everyone In Scheme. People in shared accommodation schemes moved into individual accommodation. Support for service users provided locally via Salford Temporary Accommodation and Rough Sleeper Teams.</p>		
<p>Existing Controls - Assurances</p>	<p>A number of housing schemes are in development to secure further properties for temporary and permanent accommodation.</p> <p>Work is in place to embed housing support in children's services to improve the quality of service, meet the statutory requirements and reduce cost.</p> <p>As of 26 June, the hotline has received more than 11,300 telephone calls, along with 1,456 requests for support from the website. 3,206 food boxes have been delivered to vulnerable residents. Many messages giving positive feedback have been received. A Community Impact Assessment on the Spirit of Salford helpline has also been carried out.</p>		
<p>Gaps in Existing Controls</p>	<p>Consideration needs to be given as to how we mitigate the likely increase in poverty and deprivation in Salford. This will be reflected in the city's well-established Tackling Poverty Strategy. This is currently being refreshed with a view to the 3-year strategy being published in late 2020.</p>		

		To inform any future civil emergencies, conduct an equality impact assessment on current practice of welfare rights, benefit advice and council tax reduction work.				
Original Risk	12	Current Risk	16	Target Risk	Risk Treatment Plan:	
						<p>Housing - Develop a plan with registered providers to manage the reopening of Salford Home Search to manage the demand for and allocation of housing. Develop the homelessness prevention plan and establish the list of people who are potentially at risk as the restrictions on evictions are eased.</p> <p>Focus on communications with housing providers to make early contact with Housing Options before taking eviction action.</p> <p>Promoting and extending Salford Letting Agency to increase the number of privately rented properties available through Housing Options.</p> <p>Housing – developing a local plan with MHCLG to create further housing for homeless people. This will be completed end of August with a commencement date end of year.</p> <p>Food Poverty - Help tackle poverty by supporting the Salford Food Share Network and other key partners to support food poverty alleviation projects. Review the referral pathway into Salford Assist to enable easement of the food hub.</p> <p>Closer work with the Salford Food Share Network to engage more food schemes in a single approach to food support.</p> <p>Financial support - Estimate the requirements for welfare and debt support using the national data on additional applications for Universal Credit and other entitlements.</p> <p>Further actions focussing on plans for the release of lockdown phase are contained in the COVID-19 Recovery Action Plan.</p>
Major	4	Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)		
Likely	3	Very Likely	4	Last Updated:	Next Assessment:	
Risk Identified	26-Feb-2020	Risk Assessed	29-Jun-2020	Target Date		
Risk Movement since last assessment	Increasing			Risk History		

SRR.005 Community Resilience - addressing inequalities

Widening inequality across Salford's diverse communities remains a significant risk to the council, both in terms of delivering poor outcomes for local people and the potential to increase demand for local public services. Entrenched inequalities associated with health and wellbeing, the economy, poverty, employment, education, access to services and climate change continue to exist. In addition, there is now a substantive body of evidence that the worst effects of the COVID-19 pandemic have traced and further exacerbated pre-existing patterns of inequality across our communities. As Salford moves into recovery it is imperative that we seek to continue to respond to these structural inequalities and put in place plans to limit the long-term negative effects of the pandemic and strengthen the resilience of Salford's most disadvantaged communities.

	Risk Owner
Jacquie Russell	

Existing Controls

The city council has a number of strategies and plans in place, or development, aimed at tackling some of the short and long-term systemic inequality issues present in Salford. For example:

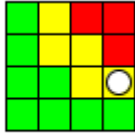

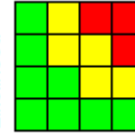
- Salford's COVID-19 Recovery Action Plan sets out some initial priority areas for action as the city moves out of lockdown and into living with COVID-19 over the next 12 to 18 months. Key areas of work include: supporting children, young people, and families, Adult Health, wellbeing, & social care, supporting the economy, transport and the environment.
- The council has undertaken several Community Impact Assessments to gather its own intelligence on the disproportionate impacts of the pandemic on different communities to help support the council and its partners in addressing any adverse impacts arising from our immediate emergency response. These have highlighted a number of additional areas of improvement which are being taken forward as part of recovery planning work.
- Longer term, the council's emerging Inclusive Economy Strategy will seek to address structural economic inequality across Salford. Working with Centre for Local Economic Strategies and the Association for Public Service Excellence, the strategy will be based on community wealth building and social value principles as a way to build a fairer and greener local economy in Salford
- Salford's national recognised Tackling Poverty Strategy is in the process of being refreshed for the next three years. Working again with the Salford Poverty Truth Commission and partners, the strategy will seek to build on the work of the previous strategy to continue to reduce and prevent poverty in the city and campaign for a change at a national level,
- Salford has begun work with VCSE sector organisations and wider partners to develop a new citywide Equality Strategy that would seek to directly address some of the disproportionate highlighted impacts by the pandemic.
- Finally, Salford's Locality Plan was recently refreshed to specifically tackle some of the entrenched health inequalities such as the significant gap in life expectancy between the most and least deprived communities in the city. This work is being taken forward through the Health and Wellbeing Board.

Existing Controls - Assurances

Community Impact Assessments for COVID-19 Response, Spirit of Salford Helpline, and Recovery have been completed and governance arrangements are in place to take forward development of strategies aimed at tackling inequality in the city. A separate risk register for SCO has also recently been reviewed and updated and is awaiting signoff.

Gaps in Existing Controls

Initial analysis has revealed a greater negative impact of COVID-19 on BAME individuals and communities, with suggested causes including underlying inequalities in the wider determinants of health. Consideration of how to mitigate these will be included in future planning around tackling inequalities in the city.

Original Risk	8	Current Risk	8	Target Risk	8	Risk Treatment Plan:
Likelihood 		Likelihood 		Likelihood 		Ensure specific action plans developed to reflect Community Impact Assessment issues, with specific plans as necessary, e.g. Jewish community and Muslim communities. Ensure Equalities Strategy reflects COVID-19 recovery actions.
Impact Major	4	Impact Major	4	Impact Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)

Unlikely	2	Unlikely	2	Unlikely	2	Last Updated: 29 Jun 2020	Next Assessment:
Risk Identified	29-Jun-2020	Risk Assessed	29-Jun-2020	Target Date	31-Mar-2021		
Risk Movement since last assessment	<input checked="" type="checkbox"/> Constant			Risk History			

SRR.006 Information Management and Technology risk - risk of non-compliance, cyber security etc.

Cyber Security (CS) is a term used to define measures taken to protect against threats to security through accidental circumstances, actions / events or through deliberate attack.
 The threats can originate from the internet, corporate networks, maintenance activities, software upgrades and unauthorised access etc. with the potential to result in incident that has major impact on the City Councils ability to operate.

Risk Owner

Steven Fry

Existing Controls

At present the following measures are in place:
Protective monitoring:

- All PCs, Laptops and Servers on the Council's IT network are protected by Virus Protection Systems, which are controlled centrally by ICT and cannot be disabled.
- All incoming mail is scanned automatically by 2 separate systems to ensure that it does not contain viruses or malware.
- Multiple layers of firewall are in place on all external connections to the Council's network, preventing authorised access to data and systems.
- All systems that are accessible from outside the Council, such as the Customer portal, are located in a special area of the network that is separated from the main Council network.
- Regular penetration tests are carried out on all external access points to the Council's network to ensure unauthorised access cannot be achieved.
- JANet who provide our internet services to schools has dedicated security and network teams that have expertise in dealing with DoS attacks. As well as investigating incidents targeted at them, they assist customers when they are targeted.

Threat hunting:

- Deep Security by Trend Micro is deployed which delivers automated server protection through host-based security controls, including anti-malware, intrusion prevention (IPS), firewall, integrity monitoring, application control and log inspection.
- Structural modification – inspecting links and data within documents/emails for malicious code attempting to redirect unsuspecting users. These links can be manipulated before onward delivery.

Vulnerability management:

- Micro segmentation – the ability to logically segment parts of our Server Infrastructure ensuring a single compromised host does not impact the rest of the Infrastructure.
- Access Layer segmentation – Lateral communication is prevented at Layer 2 to mitigate virus/malware movement at the network layer, so device independent.

Cyber Threat Intelligence:

- In Office 365 we are leveraging O365 threat analytics while they are on and off premise for indicators of compromise with the user account and device objects.



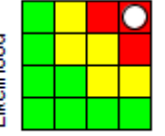
Organisational awareness:

- User awareness – regular communication with end users highlighting the risks to staff and users to always question what they receive and whether to open files. The first line of defence is often employee education. Investment in mandatory e-learning and organisational development around digital skills is being widened.

Existing Controls - Assurances

- Business impact assessment
- Business continuity plan
- Disaster recovery plan
- ISO27001 accreditation
- 3 Yearly rolling internal audit plan

Gaps in Existing Controls

Original Risk	16	Current Risk	16	Target Risk	16	Risk Treatment Plan:
 <p>Likelihood</p> <p>Impact</p>		 <p>Likelihood</p> <p>Impact</p>		 <p>Likelihood</p> <p>Impact</p>		<p>The council's Data Protection Officer (DPO) has been actively involved in providing guidance across the council in respect of data sharing to ensure that effective arrangements were implemented in line with the Information Commissioner's Office to deliver best outcomes for people in Salford.</p> <p>Covid-19 has seen an increase in phishing and network attacks. Heightened security measures and policies have been implemented and will continue to be closely monitored.</p>
Major	4	Major	4	Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)
Very Likely	4	Very Likely	4	Very Likely	4	Last Updated: 29 Jun 2020 Next Assessment:
Risk Identified	04-Dec-2019	Risk Assessed	04-Dec-2019	Target Date	31-Mar-2021	
Risk Movement since last assessment	<input checked="" type="checkbox"/> Constant			Risk History		

SRR.007 Delivery of high-quality services for Looked after Children in Salford

If the Council does not ensure the delivery of services for Looked after Children are at an appropriate level and standard, this could result in failure to meet the statutory duty to effectively safeguard children and young people.

Risk Owner

Zoe Fearon

Existing Controls

Demand for services has reduced due to the impact of COVID -19 and less agencies being in touch with children and subsequently making referrals, however the referrals received over the last 4 months have increased in severity and complexity meaning a high number of contacts have led to referrals (threshold for statutory intervention met) It is anticipated that there will be an increase in the number of contacts and referrals when children return to school in September.

The number of children and young people becoming looked after has remained stable and data is showing a marked improvement in the 15 days to conference. The number of Looked After children has reduced slightly with a significant reduction in children placed outside of Salford and in IFA's.

Performance management is shared at all strategic levels within Children's Services and politically shared with the Lead Member.

Additional balances and checks to scrutinise the quality of social work practice have been introduced with the implementation of the Contact challenge meetings, there are planned to widen this framework to other areas within the service to ensure the impact and quality of work is scrutinised alongside the data. These meeting focus upon and scrutinise thresholds at the Bridge, decision making and quality of referrals. Impact challenge meetings have been introduced and are chaired by HOS/AD to look at the quality of CIN plans that have been in place for 12 months or longer, these provide an opportunity to focus upon the quality and impact of the plan and offer a high support/high challenge environment with senior management support.

Moving Forward Meetings began in March 2020 that provide an opportunity for social workers and partners to explore complex children/families that have been at CP for a period of 9 months without a positive impact or improved outcomes, again these are chaired by HOS/AD and provide an increased level of senior management oversight and support. Performance management reports have been revised and now encompass an overarching report for each service area detailing all key performance measures and detail all statutory functions, it is clear to see where improvements have been made and where sustained progress is in place.

Monthly meetings between the Assistant Director and frontline practitioners are now in place and on occasion these are attended by Lead members, this allows direct dialogue between senior managers and frontline staff.


A Head of service for social work practice has been recruited to and this has led to a full review of the retention and recruitment of Social Workers and managers, this post will look to develop a Service Manager forum and a practice manager forum to support the element of peer support and development.

Missing Controls - Assurances

Several strategic boards lead the work of the directorate and enable the performance to be picked up quickly and effectively.

Gaps in Existing Controls

Original Risk	8	Current Risk	8	Target Risk		Risk Treatment Plan:
<p>Likelihood</p> <p>Impact</p>		<p>Likelihood</p> <p>Impact</p>		<p>Likelihood</p> <p>Impact</p>		<p>Significant work has been undertaken over the last 12 months in relation to Neglect within the City, this culminated in a Neglect Summit on 29 October 2019 attended by over 70 professionals from across the partnership. The Neglect Strategy includes specific tools to support professionals working directly with children and families in order to identify neglect at the earliest opportunity.</p> <p>The Social Work Health Check has now been completed and has culminated in a detailed action plan which is being delivered over a 10-month period beginning in January 2020. COVID-19 has impacted significantly upon the progress of the Social Work Health plan and will be revisited in September 2020.</p> <p>Staffing levels have been challenging throughout this period which has led to the review of the recruitment and retention plan, a significant recruitment drive is underway and 8 additional Advanced social work posts have been created.</p> <p>There has been updated Neglect training a pilot of the use of the tools is underway, an evaluation will be completed in September 2020 before the full role out of the tools, there is an updated overarching Neglect action plan which is reviewed on a fortnightly basis and the impact will be assessed at the end of October 2020, this is a priority area for the partnership.</p>

					<p>Following the COVID-19 outbreak levels of sufficiency appears to be holding well however there have been some issues across Salford in securing foster placements for teenagers whose families have experienced crisis breakdowns. Creative ways to support youths have been explored and continue to be explored. The use of Route 29 has been extremely supportive in preventing admissions into care, additional support continues to be offered and alternative solutions, including the use of Lledr Hall is in place.</p> <p>We are ensuring foster placements remain supported and stable during this time. There is a risk moving forward that recruitment to fostering could slow down, areas are using the internal recruitment approach to support with this. Foster carer strategy to be reviewed and revised. This was scheduled to take place prior to COVID-19 and will be revisited when priority actions elsewhere have been completed around keeping children safe. Ideally a SQUAD approach will begin in September 2020.</p> <p>A uniformed practice model within Social Care will be adopted over the next 12 months with training beginning in September 2020 in the Bridge and Duty and Assessment teams, this will be rolled out throughout 2020 /2021.</p>
Major	4	Major	4		Potential actions for improvement - End of year and half-year update (Apr & Oct)
Unlikely	2	Unlikely	2		Last Updated: Next Assessment:
Risk Identified	04-Dec-2019	Risk Assessed	04-Dec-2019	Target Date	
Risk Movement since last assessment	 Constant		Risk History		

SRR.008 Pupils not attending in schools and settings

As the pandemic continues during this academic year there is a risk that children will not attend school from September as they would usually do. Some parents and pupils will be concerned regarding the risk of the virus to their family and vulnerable family members. Some pupils will find the return very difficult due to a variety of reasons following a 6-month period of not being in school. Some pupils who did attend school regularly prior to the pandemic may continue to have poor attendance. Many parents may choose to Electively Home Educate their child to avoid the challenge of returning to school.

In addition managing infection control in schools meant that there will be many legitimate reasons why children will need to be off school e.g. when isolating due to being in a bubble with a positive case or when unwell from another virus and needing to not return to school until being free from symptoms for 48 hours.

Children not attending school regularly presents a significant risk to both the children's safeguarding and education outcomes. In terms of safeguarding, schools usually submit the majority of 'worried about a child' referrals to social care and without visibility of children these referrals have fallen significantly so far during the pandemic. Schools also provide families with a significant amount of support at an early help level. If children do not attend school, then these safeguarding risks that are usually visible to the school will not be. In terms of education outcomes, pupils being supported to continue to learn is a key priority. During the pandemic so far, there is much evidence that children and young people have not engaged with remote learning. This has been for a variety of reasons. Therefore, supporting many children to reengage with learning is a key priority and to experience quality first teaching to ensure the learning time lost so far is minimised as much as possible. Without attendance at school with is going to be extremely challenging. In terms of those children who are unable to attend school for legitimate reasons e.g. continued shielding in the long term or short term periods of self-isolation, schools have a responsibility to provide high quality remote learning and DFE guidance states their plans must be in place by the end of September.

Ensuring schools are able to remain open as much as possible is key area for consideration. There is a risk due to necessary infection control measures that numbers of staff will not be able to attend

e.g. due to self-isolation or due to either themselves or household members being unwell with a cold and needing to be 48 hours clear of symptoms before being able to return to work. Schools have business continuity plans in place but the DFE have made clear there is not additional funding available this academic year.

Risk Owner

Sue Johnson; Cathy Starbuck

Page 29

Existing Controls

A communication plan is in place from the council via the usual channels to ensure expectations of parents/pupils to attend school is clear. Schools also have clear comms plans in place and are being supported with various resources e.g. videos. All agencies across the 0-25 Partnership will be supported to convey the key messages regarding attendance at school and the associated support available.

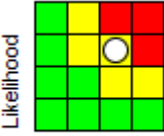
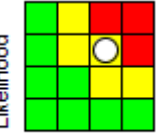
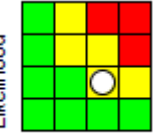
Promoting support for attendance and support for families who are anxious has a high focus and providing reassurance that schools are as safe as they can be via detailed risk assessments being available on school websites. The risk assessments demonstrate the appropriate protective measures that have been put in place to ensure, as far as reasonably practicable, the health, safety and wellbeing of pupils and staff. Whilst ensuring they have regard to the latest statutory guidance, in particular guidance issued by the Department of Education relating to COVID-19. Schools are sharing these risk assessments on their websites. Individual risk assessments have been developed for both pupils and staff to support bespoke discussions to ensure school is as safe as it can be. Since March schools have developed successful strategies to engage with parents to reassure them about the safety of the school environment. Some good practice has been shared amongst leaders but these strategies will be collated and shared formally in the autumn term.

Schools are being supported with a bank of resources locally and from GM to support emotional well-being. This will complement our business as usual approach to supporting mental health in schools. Additional training will be made available to schools via the 'Well Being for Education Return' DFE additional monies of 35K.

Multi-agency referral process available schools for families they are struggling to engage with; for children and young people who are anxious about returning to school, either as a result of pre-existing concerns about attending school (emotionally based school avoidance; EBSA) or more specific COVID-19 related anxieties.

This will include a single referral point and a graduated response to meeting need using the Thrive Framework. Collaboration between the following services will offer support to school staff, parents, children and young people:

- Education Welfare Service

	<ul style="list-style-type: none"> •Early Help Team •The Educational Psychology Service •CAMHS (including i-Reach) •Place2Be and 42nd Street – Mental Health Practitioners <p>Further support via the multi-agency triangulation meeting, via the Assure process, can also be sought. Some children will not be able attend school for legitimate reasons and robust measures need to be in place to ensure that these pupils can access the curriculum. Some children, on the advice of health with continue to shield and some pupils will need to self –isolate whilst awaiting a test results or due to being part of a bubble who has been advised to self-isolate for 14 days due to a positive case. All schools will have a remote learning plan in place by the end of September to support these pupils.</p> <p>Supporting the schools to remain open due to staff shortages due to needing to self-isolate is also a key priority. Schools are being supported in their own contingency planning by HR advice and in addition a talent pool of teachers and support staff has been recruited to. Volunteers have also been sought via CVS and our own City Council staff as a number of schools will not have the budget to support the costs of additional supply staff. A Supporting schools subgroup meets weekly and will consider operationally this strategy, using data analysis.</p>						
Existing Controls - Assurances	<p>All schools (with the exception of the UTC due to technical issues) share attendance data. Attendance data will continue to be monitored on a weekly basis via Children’s Services leadership team and Lead member. IT have supported a PowerBI platform that can analyse social care and EHC cohorts. Schools’ COVID-19 risk assessments have been prepared by the individual Headteacher/schools leadership team and have been shared with all school staff. This includes the updating of schools own policies i.e. H&S, safeguarding, fire regulations etc. to reflect COVID-19. New processes and procedures have also been communicated with parents/carers and pupils. The assessments have also been approved and signed off by the Governing Body and/or Multi Academy Trust Lead. Whilst the development and ownership of assessments sits with individual schools, Local Authority officers have been and will continue to support schools. This includes officers reviewing completed/updated assessments.</p>						
Gaps in Existing Controls							
Original Risk	9	Current Risk	9	Target Risk	6	Risk Treatment Plan:	
				Local Authority officers in partnership with school will continue to review this risk as the Autumn term develops and implement and amend the strategy above as appropriate.			
Serious 3	3	Serious 3	3	Serious 3	3	Potential actions for improvement - End of year and half-year update (Apr & Oct)	
Likely 3	3	Likely 3	3	Unlikely 2	2	Last Updated:	Next Assessment:
Risk Identified	01-Aug-2020	Risk Assessed	01-Aug-2020	Target Date	31-Mar-2021		
Risk Movement since last assessment	<input type="checkbox"/> Constant			Risk History			

SRR.009 Inability to meet demand for services as a result of population growth/changes in demographics-impacts across multiple areas including health, homelessness, bins etc

There are just over a quarter of a million people living in Salford (254,408 in 2018) and the population has been increasing since 2002. Salford has one of the youngest and fastest growing populations in Greater Manchester. It is projected to increase over the next twenty years from around 258,000 people (in 2020) to 291,000 (in 2040).
 Much of the population growth in the city has occurred in the East, around Salford Quays and Blackfriars. Salford has a younger population than the average for England; with a third of the population aged 20-39 years (compared to 26% across England), a lower proportion in older age groups, and proportionately more young children. Salford is currently the 18th most deprived local authority area in England (out of 317) and remains the third most deprived locality in Greater Manchester as measured by the Index of Multiple Deprivation. There are 76,400 people (30.4%) who reside in a highly deprived area of Salford.
 As the population continues to grow, the demand for council services will increase and the council will face added pressures to deliver these services within existing budgets.

Risk Owner

Dr Muna Abdel Aziz

Existing Controls	Housing and Homelessness strategy, building new homes and a focus on affordable housing. Integrated care pooled budgets across adults and children face a shared financial challenge and priority setting. Investing in prevention and early intervention services. Neighbourhood model of working to meet needs closer to where people live. Debt support, discretionary housing payments and council tax reductions where most needed. Population growth is reflected in increasing income from council tax and New Homes Bonus (yet these are finite resources).
Existing Controls - Assurances	New ways of meeting demand (digitally, mutual aid, further integration) Growing ageing population as assets – Locality plan proposes intergenerational work. Communities engaged in difficult conversations around choices and priorities.

Gaps in Existing Controls

Original Risk	6	Current Risk	6	Target Risk	Risk Treatment Plan:
					This risk requires a full risk assessment.
Significant	2	Significant	2		Potential actions for improvement - End of year and half-year update (Apr & Oct)
Likely	3	Likely	3		Last Updated: 29 Jun 2020 Next Assessment:
Risk Identified	21-Feb-2020	Risk Assessed	21-Feb-2020	Target Date	
Risk Movement since last assessment	Constant			Risk History	

SRR.010 Risk to delivery as a result of rapid change in strategic direction / priorities

If there was a rapid change in the strategic direction and priorities for Salford, does the council have sufficient capacity and capability to continue the effective delivery of services?		Risk Owner		Jacquie Russell		
Existing Controls		<p>The elected City Mayor brought together political and organisational leaders from across the city behind a shared vision to create "A Better and Fairer Salford and provide the best quality of life for the people of the city". Through the City Leaders Forum, leaders from partner organisations across the city work together to discuss shared strategic priorities for the city. To deliver the vision for "A Better and Fairer Salford", the City Mayor set out his key priorities for the city called The Great Eight. These priorities guide how resources are allocated and projects planned.</p> <p>Excellent cross-city partnership working in response to the COVID-19 crisis. The full economic impact of the recent COVID-19 crisis in 2020 remains uncertain, however the Council will maintain its ambition for Salford, and will potentially need to even increase it, to ensure that our city is well positioned to emerge and grow when the crisis ends to continue to improve the well-being of the city's residents.</p> <p>The council working with key partners including the NHS, Salford University, housing providers and the voluntary sector will continue to drive forward our shared set of cross cutting priorities.</p>				
Existing Controls - Assurances		<p>All Service Groups across the council develop business plans aligned to achievement of these priorities and the council agrees an annual set of core performance measures to demonstrate progress against these priorities.</p> <p>Monitored via Corporate Performance Framework.</p> <p>Key cross cutting issues for the city are discussed at City Leaders Forum.</p> <p>Corporate and Service's Business Continuity Plans.</p> <p>Salford Emergency Response and Recovery Plan.</p>				
Plans in Existing Controls						
Original Risk	8	Current Risk	8	Target Risk	8	Risk Treatment Plan:
						Ongoing review of the plans and meetings outlined under existing controls - assurances together with a full review of priorities should there be a change in leadership.
Major	4	Major	4	Major	4	Potential actions for improvement - End of year and half-year update (Apr & Oct)
Unlikely	2	Unlikely	2	Unlikely	2	Last Updated: 29 Jun 2020 Next Assessment:
Risk Identified	29-Jun-2020	Risk Assessed	29-Jun-2020	Target Date	29-Jun-2021	
Risk Movement since last assessment	Constant		Risk History			

Page 32

SRR.011 Managing the ongoing social impact of climate change.

All the current science and empirical evidence suggests that climate change is leading to increasing frequency of severe weather, be that high rainfall and flooding or heatwaves. Salford is as vulnerable to these types of event as the rest of Greater Manchester and the region. Failure to deliver on climate change initiatives, particularly around the reduction in the use of energy and carbon, within the required timescales impacting on achieving long term carbon reduction targets will have medium- and long-term climate change risks to residents, business and infrastructure. In the short-term inaction will result in reputational damage.

Risk Owner

Jim Wensley

Existing Controls

The City already has in place Civil Contingency plans to react/respond to events as they happen, working with the whole range of civil agencies (SRR.002 in the Strategic Risk Register).
The Council has declared a climate emergency and we have in place a suite of Greater Manchester and Salford City Council Policies to drive change across the City to react to the climate change threat.
Salford City Council is committed to the GM 5 Year Environment Plan (March19) – which includes immediate mitigation and adaptation measures and further innovation measures needed to meet the challenge of Climate Change and meeting a science-based target for the City of Carbon Neutrality by 2038. This requires on average a 15% annual reduction in emissions.

Existing Controls - Assurances

The Salford Strategic Flood Forum enables different parts of the city council and relevant external partners to discuss flood risks and mitigation opportunities within the city, in addition to continuous joint working with relevant partners. The flood forum receives regular updates on the implementation of Salford’s Local Flood Risk Management Strategy which contains a number of measures designed to mitigate flood risk within the city. One of the main measures completed in recent years was the construction of an additional flood storage basin at Castle Irwell.

Gaps in Existing Controls

	Original Risk	6	Current Risk	6	Target Risk	6	Risk Treatment Plan:
Page 33							
	<p>Likelihood</p> <p>Impact</p>		<p>Likelihood</p> <p>Impact</p>		<p>Likelihood</p> <p>Impact</p>		<p>The Place Directorate is currently reviewing existing City and GM policies and action plans in this area and working to define a delivery plan with aligned resources to enable the City to respond to the Climate Change threat and our stated aim of achieving carbon neutrality by 2038.</p> <p>The city council takes its responsibilities regarding flooding very seriously. As an example, applications for new development in flood areas are carefully scrutinised to ensure that the development proposals are safe, in line with the city council’s development and flood risk supplementary planning guidance. Developing approaches to biodiversity and greening through the city should reduce the impact of urban heat islands during heat events.</p> <p>In the event that a major flooding incident occurs emergency planning procedures are in place and staff are trained to respond. The training includes knowledge of the operational procedures of the flood basins and communities most at risk within the city. The response to major incidents can include opening rest centres to accept those displaced by flooding and assisting with the recovery phase.</p> <p>The emerging approach to retrofit should reduce the risk of excess summer and winter deaths in the event of extreme weather events.</p> <p>Following the declaration of a climate emergency by Salford City Council in 2019 the council introduced a Climate Action Board which reviews the council’s climate change action plan. This is now being supplemented by sub-groups which will focus on difficult challenges. The level of home retrofit required to meet the target in the 5 Year Environment plan are extremely challenging.</p> <p>The roll out of Carbon Literacy Training to all staff will assist in the identification of climate change risks and opportunities at an individual, team and service level.</p> <p>Consideration is also now being given to the Covid-19 lockdown experience to see how the council can maintain changed behaviours that have contributed to better air quality, reduced</p>

					pollution and less congestion.
Serious	3	Serious	3	Serious	3
Unlikely	2	Unlikely	2	Unlikely	2
Risk Identified	11-Feb-2020	Risk Assessed	11-Feb-2020	Target Date	31-Mar-2021
Risk Movement since last assessment	<input checked="" type="checkbox"/> Constant		Risk History		
Potential actions for improvement - End of year and half-year update (Apr & Oct)					
Last Updated: 29 Jun 2020 Next Assessment:					

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Part 1 - Open to the Public	ITEM NO.
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**REPORT OF THE CHIEF FINANCE OFFICER
AND
HEAD OF INTERNAL AUDIT**

**TO THE AUDIT & ACCOUNTS COMMITTEE
ON WEDNESDAY 23rd SEPTEMBER 2020**

TITLE: THE INTERNAL AUDIT CHARTER 2020/21

RECOMMENDATIONS:

Members are requested to approve the updated version of the internal audit Charter for 2020/21 (Appendix 1).

EXECUTIVE SUMMARY:

The internal audit Charter was approved previously by the Audit and Accounts Committee in October 2019.

The work of internal audit is governed by the UK Public Sector Internal Audit Standards (PSIAS) which came into effect from 1st April 2013. The Standards comprise a revised definition of internal auditing; a Code of Ethics for internal auditors working in the Public Sector; the Mission of Internal Audit; the Core Principles for the Professional Practice of internal auditing; and the Standards themselves.

The Standards are mandatory for all internal auditors working in the UK public sector. The purpose of this Charter is to define the scope, roles and responsibilities of the internal audit function with which internal audit should comply. The Charter follows the model charter document provided by the Chartered Institute of Internal Auditors (CIIA).

The Standards were updated in March 2017 and the CIIA's model charter was updated in January 2019; the internal audit Charter has been updated accordingly. An updated copy of the internal audit Charter is attached at Appendix 1 to this report.

BACKGROUND DOCUMENTS:

Public Sector Internal Audit Standards - Applying the IIA International Standards to the UK Public Sector.

KEY DECISION: NO

DETAILS:

The Relevant Internal Audit Standard Setters which includes CIPFA in respect of local government across the UK adopted a common set of Public Sector Internal Audit Standards (PSIAS) from 1 April 2013. The standards were updated in March 2017 and the Chartered Institute of Internal Auditors (CIIA's) model charter was updated in January 2019; this internal audit Charter has been updated accordingly.

The revised Charter follows the model charter document provided by the CIIA and includes extra detail in line with the PSIAS as follows:

- Definition of the Mission of Internal Audit (section 1)
- Definition of Roles (section 3)
- Ethics and Due Professional Care (section 4)
- Independence and Objectivity (section 7)

The Charter notes that compliance with the PSIAS requires that the internal audit function shall be subject to a Quality Assurance and Improvement Programme (QAIP) in line with the Standards (section 19). This includes a self assessment on a regular basis and an external assessment which must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The external assessment was undertaken in November 2017 and noted that the internal audit service conforms to the PSIAS and the CIPFA Local Government Application Note questionnaire.

Results of quality reviews will be reported to the Audit and Accounts Committee by the Head of Internal Audit on a regular basis.

KEY COUNCIL POLICIES: Salford City Council Constitution

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The work required to deliver the internal audit plan is identified through a regular risk assessment process. This is carried out using an established methodology that is designed to show that all potential audit areas are considered fairly.

ASSESSMENT OF RISK:

The work of internal audit forms a key element of the council's overall system of internal control. An effective internal audit service also helps to promote and implement best practice and process improvements in the management of risks. A key requirement in producing the Annual Governance Statement is to be able to place reliance on the opinion and annual report of the Head of Internal Audit. The Corporate risk register is reviewed to ensure that the internal audit plan reflects the issues raised. A key requirement for the Audit and Accounts Committee in order for the Committee to meet its Terms of Reference is to assess the adequacy of the internal audit service.

LEGAL IMPLICATIONS: Supplied by: Melinda Edwards (Principal Solicitor)

Internal audit is a statutory service in the context of the Accounts and Audit (England) Regulations 2015 and the work it undertakes is governed by the UK Public Sector

Internal Audit Standards (“the Standards”). The Standards are mandatory for all internal auditors working in the UK public sector.

The Standards were updated in March 2017 and in that regard require that the purpose, authority and responsibility of the internal audit be formally defined in an internal audit Charter, consistent with a revised definition of internal auditing; a Code of Ethics for internal auditors working in the Public Sector; the Mission of Internal Audit; the Core Principles for the Professional Practice of internal auditing; and the Standards themselves. The Chief Audit Executive must periodically review the internal audit Charter and present it to senior management and the Board for approval.

The internal audit Charter is a formal document that defines the internal audit activity’s purpose, authority and responsibility. The Charter must establish the internal audit activity’s position within the Authority, including the nature of the chief audit executive’s functional reporting relationship with the Board, authorise access to records, personnel and properties relevant to the performance of engagements, and define the scope of internal audit activities.

Adoption of the Charter provides assurance to the Audit and Accounts Committee that the service undertakes its duties in accordance with the requirements of the recognised Standards.

The report notes that the Council’s Charter has been further updated to reflect the updated model charter issued by the Chartered Institute of Internal Auditors (CIIA’s) in January 2019 and seeks approval of the same accordingly.

FINANCIAL IMPLICATIONS: Supplied by: Jean Gleave (Head of Internal Audit)

There are no budget implications arising from this report.

PROCUREMENT IMPLICATIONS: Supplied by: Christine Flisk (Procurement Manager)

There are no known procurement implications with this report.

HR IMPLICATIONS: Supplied by: Catherine Sharples (HR Manager)

There are no known HR implications with this report.

CLIMATE CHANGE IMPLICATIONS: SUPPLIED BY: N/A

OTHER DIRECTORATES CONSULTED: None

CONTACT OFFICER: Jean Gleave TEL NO: 0161 607 6651

WARDS TO WHICH REPORT RELATES: N/A

Appendix 1: Salford City Council Internal Audit Charter 2020/21

1. Purpose, Mission Statement and Definition

The purpose of Salford City Council's internal audit Charter is to define internal audit's purpose, authority and responsibility. It establishes the internal audit activity's position within the council and reporting lines; authorises access to records, personnel and physical property relevant to the performance of audit work; and defines the scope of internal audit activities.

This Charter also covers the arrangements for the appointment of the Head of Internal Audit and internal audit staff, and identifies the nature of professionalism, skills and experience required.

The Mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The purpose of Salford City Council's internal audit service is to provide independent, objective assurance and consulting services designed to add value and improve the council's operations. The internal audit service helps the council to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

2. Statutory

Internal audit is a statutory service in the context of the Accounts and Audit (England) Regulations 2015, which require authorities to ensure that they have a sound system of internal control which:

- 1) Facilitates the effective exercise of its functions and the achievement of its aims and objectives
- 2) Ensures that the financial and operational management of the authority is effective
- 3) Includes effective arrangements for the management of risk

The Accounts and Audit Regulations 2015 also state that:

- 1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance
- 2) Any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit:
 - (a) make available such documents and records; and
 - (b) supply such information and explanations as are considered necessary by those conducting the internal audit
- 3) A relevant authority must, each financial year:
 - (a) conduct a review of the effectiveness of its system of internal control; and
 - (b) prepare an annual governance statement

The findings of the review referred to in paragraph 3) must be considered, as part of the consideration of the system of internal control by the Audit & Accounts Committee.

Appendix 1: Salford City Council Internal Audit Charter 2020/21

3. Roles

The Public Sector Internal Audit Standards require that the internal audit charter defines the terms 'Board', 'Chief Audit Executive' and 'Senior Management' in relation to the work of internal audit. For the purposes of internal audit work the roles are defined as follows:

Board:

The internal audit activity is established and defined by the Board, (hereafter referred to as the Audit & Accounts Committee). The internal audit activity's responsibilities are defined by the Audit & Accounts Committee as part of their oversight role.

Chief Audit Executive:

The role of the Chief Audit Executive is undertaken by the Head of Internal Audit.

Head of Paid Service

The council's head of paid service is the Chief Executive. The Chief Executive receives high level assurances from internal audit, relating to the council's governance arrangements.

Senior Management:

Senior Management is defined as the Chief Executive, Strategic Directors, Assistant Directors and members of the Corporate Management Team.

Chief Finance Officer (Section 151 Officer)

The council's Section 151 officer is required to ensure that appropriate arrangements are made for the provision of an internal audit service in accordance with the requirements of the Accounts & Audit Regulations (2015). Internal audit activity supports the council's Section 151 officer, to discharge responsibilities for maintaining proper administration of financial affairs and an adequate and effective system of internal control as required under section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2015.

Monitoring Officer

The council's City Solicitor, Legal & Governance Division has the role of Monitoring Officer; functions include maintenance of the Constitution, supporting the Standards Committee and ensuring lawfulness of decision making. Internal audit activity supports the Monitoring Officer in discharging her responsibilities for maintaining high standards of governance, conduct and ethical behaviour.

4. Ethics and Due Professional Care

Salford Internal Audit Services operate in accordance with the Public Sector Internal Audit Standards (PSIAS) 2013. Internal audit staff shall govern themselves by adherence to the PSIAS Code of Ethics. In addition to this, individual team members

Appendix 1: Salford City Council Internal Audit Charter 2020/21

are also required to adhere to the Codes of Ethics of their professional bodies where appropriate.

Internal auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's [Seven Principles of Public Life](#), information on which can be found at [Committee on Standards in Public Life](#).

Internal auditors must exercise due professional care by considering the:

- extent of work needed to achieve the engagement's objectives;
- relative complexity, materiality or significance of matters to which assurance procedures are applied;
- adequacy and effectiveness of governance, risk management and control processes; and
- probability of significant errors, fraud, or non-compliance.

The internal audit function is required to comply with Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Chartered Institute of Internal Auditors (CIIA) International Professional Practices Framework (IPPF) which includes the Core Principles for the Professional Practice of Internal Auditing; the Code of Ethics; the International Standards for the Professional Practice of Internal Auditing; and the Definition of Internal Auditing. The Relevant Internal Audit Standard Setters, which includes CIPFA in respect of local government across the UK, adopted a common set of internal audit standards (PSIAS) from 1 April 2013. The Standards were subject to review and update in March 2017 (w/e from 1 April 2017). Compliance with the Standards shall be subject to a quality assurance and improvement programme in line with the Standards. This includes a self-assessment on a regular basis and an external assessment which must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. Results of quality reviews, and conformance to the Standards and the Code of Ethics, shall be reported to the Audit and Accounts Committee by the Head of Internal Audit.

The Core Principles within the PSIAS articulate internal audit effectiveness. For an internal audit function to be considered effective, all Principles should be present and operating effectively; failure to achieve any of the Principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission (see Mission of Internal Audit).

The internal audit activity must achieve the following ten **Core Principles**:

- demonstrates integrity;
- demonstrates competence and due professional care;
- is objective and free from undue influence (independent);
- aligns with the strategies, objectives, and risks of the organisation;
- is appropriately positioned and adequately resourced;
- demonstrates quality and continuous improvement;
- communicates effectively;
- provides risk-based assurance;

Appendix 1: Salford City Council Internal Audit Charter 2020/21

- is insightful, proactive, and future-focused; and
- promotes organisational improvement.

5. Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, will have full, free and unrestricted access to any and all of the organisation's records, physical properties and personnel pertinent to carrying out any engagement.

All employees are requested to assist the internal audit activity in fulfilling its roles and responsibilities. The Head of Internal Audit has direct access to the Chief Officers; the Chief Executive; all levels of management; the Chair of the Audit and Accounts Committee; and the Elected City Mayor.

Designated auditors are entitled, without necessarily giving prior notice, to require and receive:

- access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- access at all reasonable times to any land, premises, officer and member of the Council;
- the production of any cash, stores or other property of the Council under an officer's and member's control; and
- explanations concerning any matter under investigation.

Where the council works in partnership with other organisations, the role of internal audit will be defined on an individual basis. Where internal audit undertakes work on behalf of any other organisations, this will be determined in conjunction with the organisation's Board and in consultation with the Chief Finance Officer to ensure that appropriate audit resources are available to provide assurance over the council's activities.

External assurance work will result in an assurance statement to the organisation's Board and recommendations to senior management.

6. Organisation

Internal audit resides within the Service Reform Service Group. On an administrative level, the Head of Internal Audit reports to the Chief Finance Officer (S151 Officer) and also reports to the Governance Group which is chaired by the Monitoring Officer.

The Head of Internal Audit reports to the Audit & Accounts Committee, who approves the Annual Internal Audit Plan. The Audit & Accounts Committee reviews the adequacy of internal audit, the scope and nature of its work and receives and reviews its reports.

The Head of Internal Audit shall have an independent right of access to the Chair of the Audit and Accounts Committee. In exceptional circumstances, where normal reporting channels may be seen to impinge on the objectivity of the audit, the Head of Internal Audit may report directly to the Chair of the Audit and Accounts Committee

Appendix 1: Salford City Council Internal Audit Charter 2020/21

Annually, the Head of Internal Audit shall have a period of time with the Audit & Accounts Committee Members in camera.

7. Independence and Objectivity

The internal audit activity will remain free from interference by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair internal auditor's judgment including:

- assessing specific operations for which they had responsibility within the previous year;
- performing any operational duties for the council or its affiliates;
- initiating or approving transactions external to the internal audit service; and
- directing the activities of any council employee not employed by the internal audit service, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Where internal audit provides consultancy services and/or the Head of Internal Audit has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards must be in place to limit impairments to independence or objectivity.

Any operational (non-audit) activities undertaken by the Head of Internal Audit or a member of the internal audit team are recorded and any conflict of interest declared to ensure that the independence of future internal audit work in respect of the activity is not compromised. The Head of Internal Audit will disclose to the Audit and Accounts Committee any interference and related implications in determining the scope of internal audit, performing work and/or communicating results.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined.

Internal auditors must make a balanced assessment of all the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgments. If potential impairment to independence or objectivity, in fact or appearance, related to the proposed audit, disclosure must be made prior to accepting the engagement.

The Head of Internal Audit will confirm to the Audit and Accounts Committee, at least annually, the organisational independence of the internal audit activity.

8. Responsibility

Internal audit is responsible for establishing procedures and applying the required resources to ensure that the service conforms with the Mission Statement, the Definition of Internal Auditing and the Standards. The members of the internal audit

Appendix 1: Salford City Council Internal Audit Charter 2020/21

team must demonstrate conformance with the Core Principles, the Code of Ethics and the Standards.

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes in relation to the organisation's defined goals and objectives.

Internal control objectives must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement. The internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems regarding:

- consistency of operations or programs with established objectives and goals and effective performance;
- effectiveness and efficiency of operations and employment of resources;
- compliance with significant policies, plans, procedures, laws, and regulations;
- reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information; and
- safeguarding of assets.

Internal audit is responsible for evaluating all processes ('audit universe') of the entity including governance processes and risk management processes. The Head of Internal Audit must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement (AGS). The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is the 'assurance role' for internal audit. The Head of Internal Audit's opinions are a key element of the framework of assurance the Chief Executive and the Leader of the Council need to inform the completion of the AGS.

Internal audit may perform consulting and advisory services related to governance, risk management and control as appropriate for the organisation. This is advisory in nature and generally performed at the specific request of the organisation, provided the internal audit service does not assume management responsibility. The aim of the consultancy service is to help line management improve the council's risk management, governance and internal control. This is the 'Consultancy' role for internal audit and contributes towards the overall opinion.

Significant consultancy work expected during 2020/21, as detailed within the internal audit plan and progress reports is detailed below:

Head of Internal Audit – Attends Governance Group	Review of risk management arrangements by audit manager
Head of Internal Audit – Role in the facilitation of Annual Governance	Periodic review of arrangements by

Appendix 1: Salford City Council Internal Audit Charter 2020/21

Statement and Code of Corporate Governance	audit manager.
Internal Audit team work on transformation programme	Audit Manager and Principal auditor link to transformation team, supported by Salford IT audit work
IT Audit team input into replacement social care system	IT Audit Manager and Principal IT Auditor link to project team, supported by Salford IT audit work

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Audit and Accounts Committee and to Senior Management, including fraud risks, governance issues, and other matters needed or requested by the Audit and Accounts Committee.

Internal audit may also evaluate specific operations at the request of the Audit & Accounts Committee or Senior Management, as appropriate.

Fraud

Managing the risk of fraud is the responsibility of line management. The Section 151 Officer has specific responsibilities in relation to the detection and investigation of fraud and may request internal audit to assist with the investigation of suspected fraud or corruption. The relationship between the council's corporate fraud team; the corporate fraud lead; the Head of Internal Audit; the Section 151 Officer; Legal Services and HR is to be set out in a fraud response plan.

Internal audit will provide support for the Council's Anti-Fraud & Anti-Corruption Strategy and will investigate significant matters that are reported to them. The Head of Internal Audit will ensure awareness of all serious suspected or detected fraud so that the adequacy of the relevant controls for the opinion on the internal control environment can be considered.

Whilst it is not a primary role of internal audit to detect fraud, it does have a role in providing an independent assurance on the effectiveness of the processes put in place by management to manage the risk of fraud. Internal audit can do additional work, although it cannot be prejudicial to this primary role. Typical activities may include:

- investigating the cause of fraud;
- responding to whistleblowers;
- considering fraud in every audit;
- making recommendations to improve processes; and
- review fraud prevention controls and detection processes put in place by management.

9. Internal Audit Plan

Appendix 1: Salford City Council Internal Audit Charter 2020/21

The Head of Internal Audit should develop and maintain a strategy for providing the Section 151 Officer economically and efficiently, with objective evaluation of, and opinions on, the effectiveness of the council's risk management, governance and internal control arrangements

At least annually, the Head of Internal Audit will submit to the Audit & Accounts Committee a risk-based Internal Audit Plan for review and approval, including risk assessment criteria. The Internal Audit Plan will include timing as well as budget and resource requirements for the next fiscal year. The Head of Internal Audit will communicate the impact of any resource limitations or significant changes to Senior Management and the Audit & Accounts Committee.

The Internal Audit Plan will be developed based on a prioritisation of the audit universe using a risk-based methodology, including input of Senior Management and the Audit & Accounts Committee. The plan will be discussed with appropriate Senior Management prior to submission to the Audit & Accounts Committee for approval.

The Head of Internal Audit will review and adjust the internal audit plan, as necessary, in response to changes in council's business, risks, operations, programmes, systems and controls. Any significant deviation from the approved Internal Audit Plan will be communicated through the periodic activity reporting process. These activities will all combine to assist the Head of Internal Audit in the production of an annual report and annual audit opinion on the council's control environment, as required by the Standards.

10. Scope of Internal Audit Work – Opinion Work

The internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach.

Governance

Internal audit must assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- promoting appropriate ethics and values within the organisation;
- ensuring effective organisational performance management and accountability;
- communicating risk and control information to appropriate areas of the organisation; and
- co-ordinating the activities of and communicating information among the Audit and Accounts Committee, external and internal auditors and management.

Appendix 1: Salford City Council Internal Audit Charter 2020/21

Risk Management

In order to prepare the risk-based audit plan, the Head of Internal Audit undertakes a review of the council's risk registers, and has discussions with Strategic Directors of Service Groups.

A risk assessment is undertaken by scoring a number of factors, which are weighted to give an overall risk score. The resultant Internal Audit Plan will provide for:

- the balance of the range of reviews and sufficient coverage to ensure that External Audit can consider the work of internal audit;
- the need to update and review for emerging risks;
- contingency time for ad hoc reviews or fraud investigations;
- sufficient time for audit management including audit planning, development of the annual opinion and attendance at meetings and maintenance of audit policies and procedures;
- staff training and development needs;
- liaison time with other assurance providers to share information, such as the External Auditor;
- assurances provided by other bodies; and
- a proper degree of co-ordination with the plan of the external audit team.

Internal Control

Internal audit must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement. The internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems regarding the:

- achievement of the organisation's strategic objectives;
- reliability and integrity of financial and operational information;
- economical, effective and efficient use of resources;
- effectiveness and efficiency of operations and programmes;
- safeguarding of the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity corruption or bribery; and
- compliance with laws, regulations, policies, procedures and contracts.

11. Overall Opinions

The annual report of the Head of Internal Audit is used to inform the Annual Governance Statement. This report must conclude on the overall adequacy and effectiveness of the council's framework of governance, risk management and control giving an overall opinion, summary of the work undertaken to support this opinion (including any reliance placed on work by other assurance providers).

A statement will also be made on the conformance with the PSIAS and the CIIA's Code of Ethics, the results of the quality assurance and improvement program and

Appendix 1: Salford City Council Internal Audit Charter 2020/21

any external assessor's improvement recommendations, disclosure of any impairments or limitations. If an unfavourable opinion is given, the reasons for this must be specified.

A statement will also be made on the conformance with the PSIAS, the results of the quality assurance and improvement program and any external assessor's improvement recommendations, disclosure of any impairments or limitations. If an unfavourable opinion is given, the reasons for this must be specified.

12. Non-Opinion Work

Internal audit may provide, at the request of management, a consultancy service which evaluates the policies, procedures and operations put in place by management. A specific contingency should be made in the internal audit plan to allow for management requests and consultancy work.

The Head of Internal Audit must consider the effect on the opinion work before accepting consultancy work or management requests over and above the contingency allowed for in the internal audit plan. Approval must be sought from the Audit and Accounts Committee for any significant additional consulting services not already included in the audit plan, prior to accepting the engagement. The Head of Internal Audit must consider how the consultancy work contributes towards the overall opinion.

13. Performance Standards

Internal audit's prime responsibility is to the council. Where the council activities are undertaken by "partners", internal audit needs to have assurance that risks and controls are being properly managed by those organisations.

In order to give an evidenced based opinion, a minimum level of coverage is required. When planning the work of internal audit, assurances provided by third parties can be considered.

14. Audit Delivery

Engagement Planning

For each engagement, a Terms of Reference will be prepared, and agreed with relevant managers. The Terms of Reference will establish the objectives, scope and timing for the audit assignment, and reporting requirements.

Audit work is undertaken using a risk based audit approach, which will consider the probability of significant errors, fraud, value for money and non-compliance. Risk categories are used to assess the level of risk within the processes under review.

Performing the Engagement

Auditors are required to identify, analyse, evaluate and document sufficient information to achieve the review's objectives. This evidence supports their conclusions, professional judgments and recommendations and therefore must be factual and accurate.

Appendix 1: Salford City Council Internal Audit Charter 2020/21

This data is held in compliance with the General Data Protection Regulation and internal audit's Document Retention Policy. Engagements are properly supervised to ensure objectives are achieved, quality is assured and staff is developed.

Where key systems are being operated on behalf of the council, or where key partnerships are in place, the Head of Internal Audit must ensure arrangements are in place to form an opinion on their effectiveness.

Where the council operates systems on behalf of other bodies, the Head of Internal Audit must be consulted on the audit arrangements proposed or in place.

It is management's responsibility to ensure the provision for relevant audit rights of access in any contract or Service Level Agreement the council enters into, either as provider or commissioner of the service.

Reporting and Monitoring

A written report will be prepared including the objective, scope, and the internal auditors' opinion; all material findings, and recommendations and this will be issued by the Head of Internal Audit or designee following the conclusion of each internal audit engagement.

It will be distributed in accordance with internal protocols. Internal audit results will also be communicated to the Audit and Accounts Committee. All reports will be accurate, objective, clear, concise, constructive, complete and timely.

The internal audit report may include management's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response, whether included within the original audit report or provided thereafter of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

If the final communication contains a significant error or omission, the Head of Internal Audit will communicate the corrected information to relevant parties.

Internal audit undertakes a further review of agreed actions by means of Post Implementation Reviews. It is the responsibility of the manager to ensure agreed recommendations are implemented and for them to provide relevant evidence to internal audit.

The findings and results of Post Implementation Reviews are communicated to the Audit and Accounts Committee and used to inform future audit planning.

15. Communicating the Acceptance of Risks

If the Head of Internal Audit concludes that management has accepted a level of risk that may be unacceptable to the organisation, the Head of Internal Audit will discuss the matter with Senior Management. If the Head of Internal Audit determines that the matter has not been resolved, the Head of Internal Audit will communicate the matter to the S151 Officer and Audit and Accounts Committee.

Appendix 1: Salford City Council Internal Audit Charter 2020/21

16. Responsibilities of the Council

The council is responsible for ensuring that internal audit is provided with all necessary assistance and support to ensure that it meets the required standards.

The Section 151 Officer will make appropriate arrangements for the provision of an internal audit service. This will include the formal adoption of this Charter by the Audit & Accounts Committee and the adoption of corresponding elements in the Financial Procedure Rules.

The council will ensure it has taken all necessary steps to provide internal audit with information on its objectives, risks, and controls to allow the proper execution of the audit strategy and adherence to internal audit standards. This will include notifying internal audit of any significant changes in key control systems which may affect the internal audit plan.

The council, through the Chief Executive; Monitoring Officer; Director of Service Reform, Section 151 Officer; and other relevant managers will respond promptly to audit plans, reports and recommendations.

Responsibility for monitoring and ensuring the implementation of agreed recommendations rests with the council.

17. Skills and Competencies

Head of Internal Audit

The Head of Internal Audit will be appointed by the council and will have sufficient skill, experience and competencies to work with the leadership team and the Audit & Accounts Committee and influence the risk management, governance and internal control of the council. The Head of Internal Audit must hold a professional qualification (CCAB, CIIA or equivalent) and be suitably experienced.

The Head of Internal Audit is responsible for appointing the staff of internal audit and will ensure that appointments are made in order to achieve the appropriate mix of qualifications, experience and audit skills and meet the requirements of the PSIAS. Internal audit maintains an annually updated Training and Development Plan that sets out an ongoing development programme for internal audit staff.

The Head of Internal Audit has responsibility to establish and ensure adherence to policies and procedures designed to guide the internal audit activity. This also includes ensure emerging trends and successful practices in internal auditing are considered.

The Head of Internal Audit has the responsibility to ensure adherence to the council's relevant policies and procedures, unless such policies and procedures conflict with the internal audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Audit and Accounts Committee

Internal Audit Staff

Internal audit must be appropriately staffed in terms of grades, qualification levels and experience, having regards to its objectives and to the risk level within the council. Internal auditors need to be properly trained to fulfil their responsibilities and should maintain their professional competence through an appropriate ongoing development programme.

Appendix 1: Salford City Council Internal Audit Charter 2020/21

Each job role within the internal audit structure will detail skills and competencies within the approved role profile (job description and person specification). In line with council policy and the PSIAS, each member of the team will be assessed against these predetermined competencies and annual objectives.

Any development and training plans will be regularly reviewed, monitored and agreed with officers. This assessment will also take into account competency changes as needed i.e. to reflect changing technology and legislation.

Auditors are also required to maintain a record of their continual professional development in line with their professional body.

18. Periodic Assessment

The Head of Internal Audit is also responsible for providing, periodically, a self-assessment on the internal audit activity as regards its consistency with the internal audit Charter (purpose, authority, responsibility) and performance relative to its internal audit Plan.

19. Quality Assurance and Improvement Programme

The internal audit activity will maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. The programme will include an evaluation of the internal audit activity's conformance with the PSIAS and the Definition of Internal Auditing and an evaluation of whether internal auditors apply the Code of Ethics.

The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Head of Internal Audit will communicate to Senior Management and the Audit and Accounts Committee on the internal audit activity's quality assurance and improvement programme, including results of ongoing internal assessments and external assessments conducted at least every five years by a qualified, independent assessor or assessment team from outside the council.

20. Internal Audit Resources

If the Head of Internal Audit or the Audit and Accounts Committee consider that the level of audit resources or the terms of reference in any way limit the scope of internal audit, or prejudice the ability of internal audit to deliver a service consistent with the Mission, the Definition of Internal Auditing and the Standards, they should advise the Chief Executive and the Section 151 Officer accordingly.

21. Review

This Charter will be the subject of an annual review by the Head of Internal Audit and will be formally presented to the Audit and Accounts Committee for approval.

Part 1 - Open to the Public	ITEM NO.
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**REPORT OF THE CHIEF FINANCE OFFICER
AND
HEAD OF INTERNAL AUDIT**

**TO THE AUDIT & ACCOUNTS COMMITTEE
ON WEDNESDAY 23rd SEPTEMBER 2020**

TITLE: Quality Assurance and Improvement Programme

RECOMMENDATIONS:

That Members approve the content of this report and consider comment on and approve the updated Internal Audit Quality Assurance and Improvement programme (Appendix 1).

EXECUTIVE SUMMARY:

Public Sector Internal Audit Standards (PSIAS) require the formal documenting of a Quality Assurance and Improvement Programme (QAIP). This covers all aspects of the internal audit activity and enables compliance with all aspects of the PSIAS to be evaluated.

It allows for the assessment of the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. This is through both internal and external assessments. The requirement for an external assessment of the internal audit activity is at least once in every 5 years.

The results of the QAIP must be reported to senior management and the Audit and Accounts Committee on an annual basis. This may be provided within internal audit's annual report and opinion.

The QAIP is designed to provide assurance that internal audit performs its work in accordance with the Public Sector Internal Audit Standards (PSIAS). The updated QAIP for Salford City Council is attached as appendix 1 to this report.

BACKGROUND DOCUMENTS:

Public Sector Internal Audit Standards

KEY DECISION: NO

DETAILS: See above

KEY COUNCIL POLICIES: N/A

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

If the Council fails to comply with the legislation and regulations, then there are reputational risks as well as financial and legal risks.

ASSESSMENT OF RISK:

The work of internal audit forms a key element of the council's overall system of internal control. An effective internal audit service also helps to promote and implement best practice and process improvements in the management of risks. A key requirement in producing the Annual Governance Statement is to be able to place reliance on the opinion and annual report of the Head of Internal Audit. The Corporate risk register is reviewed to ensure that the internal audit plan reflects the issues raised. A key requirement for the Audit and Accounts Committee in order for the Committee to meet its Terms of Reference is to assess the adequacy of the internal audit service.

LEGAL IMPLICATIONS Supplied by: Melinda Edwards, Principal Solicitor

Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and to secure that one of their officers has responsibility for the administration of those affairs.

The Accounts and Audit Regulations 2015 also require authorities to ensure that they have a sound system of internal control which:

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - (b) ensures that the financial and operational management of the authority is effective; and
-

(c) includes effective arrangements for the management of risk.

A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance.

In that regard, the Public Sector Internal Audit Standards (CIPFA/IIA) require that the chief audit executive develops and maintains a quality assurance and improvement programme that covers all aspects of the internal audit activity.

A quality assurance and improvement programme is designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The quality assurance and improvement programme must include both internal and external assessments. Internal assessments must include ongoing monitoring of the performance of the internal audit activity; and periodic self-assessments or assessments by other persons within the organisation with sufficient knowledge of internal audit practices.

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. The chief audit executive must discuss with the board the form of external assessments and the qualifications and independence of the external assessor or assessment team, including any potential conflict of interest. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.

The chief audit executive must communicate the results of the quality assurance and improvement programme to senior management and the board.

The form, content and frequency of communicating the results of the quality assurance and improvement programme is established through discussions with senior management and the board and considers the responsibilities of the internal audit activity and chief audit executive as contained in the internal audit charter.

To demonstrate conformance with the Definition of Internal Auditing, the Code of Ethics and the Standards, the results of external and periodic internal assessments are communicated upon completion of such assessments and the results of ongoing monitoring are communicated at least annually. The results include the assessor's or assessment team's evaluation with respect to the degree of conformance.

FINANCIAL IMPLICATIONS Supplied by: Jean Gleave, Head of Audit

Managed through the normal revenue budget, the only additional cost relates to staff training.

PROCUREMENT IMPLICATIONS Supplied by: Christine Flisk, Procurement Manager.

There are no known procurement implications with this report.

HR IMPLICATIONS Supplied by: Catherine Sharples, HR Manager

There are no known HR implications with this report.

CLIMATE CHANGE IMPLICATIONS: Supplied by: N/A

OTHER DIRECTORATES CONSULTED: N/A

CONTACT OFFICER: Jean Gleave TEL NO: 0161 607 6651

WARDS TO WHICH REPORT RELATES: All

INTERNAL AUDIT

QUALITY ASSURANCE & IMPROVEMENT PROGRAMME

**Prepared by: Jean Gleave
Head of Internal Audit**

**Version 6.0
October 2020**

Contents

	Page
1. Introduction	2
2. Internal Assessments	2
3. External Assessments	4
4. Review of the QAIP	4

Appendices

- A Key Performance Indicators
- B Action Plan - Internal Assessment
- C Action Plan - External Assessment

1. Introduction

- 1.1 Internal audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to the various stakeholders of internal audit activity that internal audit:
- performs its work in accordance with its Charter, which is consistent with The Public Sector Internal Audit Standards (PSIAS), the PSIAS definition of Internal Auditing and Code of Ethics;
 - operates in an effective and efficient manner; and
 - is perceived by stakeholders as adding value and improving internal audit's operations.
- 1.2 Internal audit's QAIP covers all aspects of the internal audit activity in accordance with the PSIAS, including:
- monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
 - ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
 - helping the internal audit activity add value and improve organisational operations;
 - undertaking both periodic and on-going internal assessments; and
 - commissioning an external assessment at least once every five years, the results of which are communicated to the Audit & Accounts Committee and Chief Finance Officer in accordance with PSIAS.
- 1.3 The Head of Internal Audit is ultimately responsible for the QAIP, which covers all types of internal audit activities, including consulting.

2. Internal Assessments

- 2.1 In accordance with the PSIAS, internal assessments are undertaken through both on-going and periodic reviews.

On-going Reviews

- 2.2 Continual assessments are conducted through:
- management supervision of all engagements;
 - structured, documented review of working papers and draft reports by Internal Audit management;
 - audit Policies and Procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards;

INTERNAL AUDIT - QUALITY ASSURANCE & IMPROVEMENT PROGRAMME

- feedback from audit clients obtained through post audit Quality Control Questionnaires (QCQs) at the closure of each engagement;
- review and approval of all final reports, recommendations and levels of assurance by Audit Manager and the Head of Internal Audit, and
- regular team briefings attended by all members of the internal audit team for which minutes are retained.

Periodic Reviews

- 2.3 Periodic assessments are designed to assess conformance with Internal Audit's Charter, the PSIAS, Definition of Internal Auditing, the Code of Ethics, and the efficiency and effectiveness of internal audit in meeting the needs of its various stakeholders. Periodic assessments are conducted through:
- monitoring of internal performance targets and regular progress reports to Audit & Accounts Committee;
 - periodic audit survey to all Heads of Service;
 - annual risk assessments, in accordance with the internal audit Development Plan, for the purposes of annual audit planning;
 - annual review of the effectiveness of internal audit, undertaken by the Head of Internal Audit;
 - annual review of compliance against the requirements of this Quality Assurance & Improvement Programme, the results of which are reported to Senior Management and the Audit & Accounts Committee;
 - feedback from the Chief Finance Officer and the Chair of the Audit & Accounts Committee to inform the annual appraisal of the Head of Internal Audit, in accordance with Standard 1100;
 - periodic appraisal process to identify individual training and development needs; and
 - annual review of performance and development of all internal audit staff in accordance with the council's PDR process.
- 2.4 Results of internal assessments will be reported to the Audit & Accounts Committee at least annually. The Head of Internal Audit will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.
- 2.5 Any significant areas of non-compliance with the PSIAS that are identified through internal assessment will be reported in the Head of Internal Audit's Annual Report and used to inform the Annual Governance Statement (AGS).

3. External Assessments

3.1 External assessments will appraise and express an opinion about internal audit's conformance with the PSIAS, Definition of Internal Auditing and Code of Ethics and include recommendations for improvement, as appropriate.

Frequency of External Assessment

3.2 An external assessment will be conducted at least every five years, in accordance with the PSIAS. Appointment of the External Assessor and scope of the external assessment will be approved by the Audit & Accounts Committee.

Scope of External Assessment

3.3 The external assessment will consist of broad scope of coverage that includes the following elements of Internal Audit activity:

- conformance with the *Standards*, Definition of Internal Auditing, Mission of Internal Auditing; the Code of Ethics, and Internal Audit's Charter, plans, policies, procedures, practices, and any applicable legislative and regulatory requirements;
- integration of the internal audit activity into the council's governance framework, including the audit relationship between and among the key groups involved in the process;
- tools and techniques used by internal audit;
- the mix of knowledge, experiences, and disciplines within the staff, including staff focus on process improvement delivered through this Quality Assurance and Improvement Programme; and
- a determination whether internal audit adds value and improves the council's operations.

3.4 Results of external assessments will be provided to the Chief Finance Officer and the Audit & Accounts Committee. The external assessment report will be accompanied by a written action plan in response to significant comments and recommendations identified.

3.5 Any significant areas of non-compliance will be reported in the Annual Report of the Head of Internal Audit and in the council's Annual Governance Statement (AGS).

4. Review of the QAIP

This document will be updated appropriately following any changes to the PSIAS or internal audit's operating environment and will be reviewed at least on an annual basis.

Key Performance Indicators

Detailed below are Key Performance Indicators that we should be measured against when delivering our Internal Audit Service:

Performance Plan delivered in accordance with agreed timescales
(*Measure*: 80% of plan delivered in financial year, 90% compared to planned, by the time of the HOIA)

The average utilisation of audit days achieved by staff.
(*Measure*: target average utilisation of staff is 88% of days available.)

Draft report issued in accordance with timescales agreed within the individual Terms of Reference
(*Measure*: 90% of draft reports issued within timescales)

Timely issue of the draft report, following completion of fieldwork.
(*Measure*: 90% of draft reports issued within 10 working days of the receipt of management response)

Timely issue of the final report following receipt of management responses (*Measure*: 90% of final reports issued within 5 working days of the receipt of management response)

The Head of Internal Audit Opinion is issued in accordance with the agreed timescale. (*Measure*: Met or not met)

Compliance with Public Sector Internal Audit Standards
(*Measure*: 100% compliance)

Contribution Strengthening of the control framework
(*Measure*: Percentage of critical, high and medium priority recommendations agreed – target 100%)

(*Measure*: Percentage of critical, high and medium priority recommendations implemented – target 80%)

Council sees a positive contribution from Audit Services
(*Measure*: Feedback on client satisfaction survey in relation to satisfaction with the quality, accuracy and usefulness of the audit output - 75% Overall satisfaction rate)

Audit and Accounts Committee members (and attendees) see a positive contribution from Audit Services
(*Measure*: Feedback on committee self-assessment)

External Audit opinion on Internal Audit
(*Measure*: no adverse comments in Management Letter)

PUBLIC SECTOR INTERNAL AUDIT STANDARDS: Action Plan Partial/Non Compliance – September 2020

Ref	PARTIAL COMPLIANCE	Required Action	Timescale/ Responsibility	Comment/Outcome
STANDARDS				
3. ATTRIBUTE STANDARDS				
3.2: 1200 Proficiency and Due Professional Care				
1210 Proficiency				
Action Point 1	Does the internal audit activity collectively possess or obtain the skills, knowledge and other competencies required to perform its responsibilities?	Further skills required in the following areas: Counter fraud Contract audit Financial audits	CAE March 2020	<p>Complete - Financial: The team now has a CIPFA qualified auditor and another studying towards CIPFA.</p> <p>Complete - Fraud: Audit Manager CIPFA qualified and undertook CIPFA counter fraud specialist training and the team has an auditor holding the accredited counter fraud technician qualification.</p> <p>In progress - Contracts: A principal auditor has joined the re-formed north west contract auditors group. One of the senior auditors undertook contract audit training.</p>

Ref	PARTIAL COMPLIANCE	Required Action	Timescale/ Responsibility	Comment/Outcome
3.4: 1300 Quality Assurance and Improvement Programme				
1320 Reporting on the Quality Assurance and Improvement Programme				
Action Point 2	Has the CAE reported the results of the QAIP to senior management and the board?	Results of the QAIP to be reported to senior management and the Audit & Accounts Committee.	CAE April 2020	Complete
Action Point 3	Has the CAE included the results of the QAIP and progress against any improvement plans in the annual report?	Results of the QAIP and progress against any improvement plans to be included in the annual report.	CAE April 2020	Complete
4. PERFORMANCE STANDARDS				
4.1 2000 Managing the Internal Audit Activity				
2050 Co-ordination				
Action Point 4	Has the CAE carried out an assurance mapping exercise as part of identifying and determining the approach to using other sources of assurance?	Develop assurance map to inform planning for 2021/22	CAE March 2021	In Progress

Ref	NON-COMPLIANCE	Required Action	Timescale/ Responsibility	Comment/Outcome
STANDARDS				
4. PERFORMANCE STANDARDS				
2450 Overall Opinion				
Action Point 5	Does the annual report incorporate the following: h) The results of the QAIP? i) Progress against any improvement plans resulting from the QAIP?	Include in 2019/20 annual report	CAE April 2020	Complete

PSIAS Ref	Rec No.	Points for consideration	Responsible	Action	Updated Action September 2020
1110	2	In addition to taking reports about Internal Audit activity to the Audit and Accounts Committee, such reports should also be taken to the Council's Senior Management Team to increase visibility of the function at this level.	Head of Internal Audit	Agreed – discussed with S151 and Corporate Management Team Feb 18. The Head of Internal Audit will make progress reports available to the Corporate Management Team twice yearly. Ongoing	To Service Reform SLT Oct 20
1110	4	Feedback from the Chief Executive and / or the Chair of the Audit and Accounts Committee should be sought and provided as part of the Head of Internal Audit's appraisal process.	Head of Internal Audit	Feedback from Audit and Accounts Committee Chair and S151 will be requested to inform the S151 at Warrington re CAE appraisal process. September 2020	As required
1210	7	All job descriptions and person specifications need to be updated to reflect the roles, responsibilities, qualifications, competencies, skills and experience required to carry out each post within the service. This includes the Shared Head of Internal Audit role.	Head of Internal Audit	Agreed and complete. Role profiles are now being developed.	HolA complete. Audit Manager complete. Principal Auditors Complete. Senior Auditors reviewed and updated.
2010	10	The assurance mapping exercise	Head of Internal Audit	Agreed and in progress. This will be assessed in the	2021/22 planning

2010		should be completed to support the audit planning process, and provide a clearer demonstration of how risks to the organisation are considered and assessed during the process of producing the annual Internal Audit plan.		planning process	
	11	The audit planning process should be supported by a fully documented audit universe to support a more methodical approach to the consideration and assessment of risk in the development of the annual Internal Audit plan.	Head of Internal Audit	Agreed and in progress. This will be developed fully to support the strategic plan 2020/21 to 2022/23.	2021/22 planning

Part 1: Open to the Public – Item No.

REPORT OF CHIEF FINANCE OFFICER

TO AUDIT & ACCOUNTS COMMITTEE

ON 22 SEPTEMBER 2020

TITLE: Redmond Review

RECOMMENDATIONS:

That the report be noted.

EXECUTIVE SUMMARY:

The Redmond Review set out to review the arrangements in place to support the transparency and quality of local authority financial reporting and external audit in England.

The reports sets out a number of recommendations in the review. The main ones relate to:

- detailed proposals for a new organisation “with the clarity of mission and purpose to act as the system leader for the local audit framework”
 - publication by authorities of a standardised statement of service information and costs, compared to the annual budget, that is aimed at taxpayers and service users.
-

BACKGROUND DOCUMENTS:

[Review terms of reference](#)

[Full review report and appendices](#)

[PF article on sector responses to review](#)

[PF article interview with Sir Tony Redmond](#)

KEY DECISION: NO

DETAILS:

1 Background

The Local Audit and Accountability Act 2014 (the 2014 Act) abolished the Audit Commission and introduced a new audit regime for local government to replace the previous arrangements.

In June 2019, the Secretary of State for the Ministry of Housing, Communities and Local Government (MHCLG) invited Sir Tony Redmond, former President of the Chartered Institute of Public Finance (CIPFA) to conduct a review of the current arrangements. The review was to examine the arrangements in place to support the transparency and quality of local authority financial reporting and external audit.

Broader issues of local authority finances and sustainability were outside the scope of the review.

Between September and December 2019 stakeholder views were canvassed, including those representing the interests of local authorities, the accountancy profession, and local residents and taxpayers. A range of issues were raised in relation to the current regime.

Following consideration of the evidence gathered, Sir Tony published his findings and recommendations in the report “Independent review into the arrangements in place to support the transparency and quality of local authority financial reporting and external audit in England” published 8 September 2020.

Sir Tony has stated that “The outcome of this Review is designed to deliver a new framework for effective local audit and an annual financial statement which enables all stakeholders to hold local authorities to account for their performance together with a robust and effective audit reporting regime.”

2 Review Recommendations

External Audit Regulation

1. A new body, the Office of Local Audit and Regulation (OLAR), be created to manage, oversee and regulate local audit with the following key responsibilities:
 - procurement of local audit contracts;
 - producing annual reports summarising the state of local audit;
 - management of local audit contracts;
 - monitoring and review of local audit performance;
 - determining the code of local audit practice; and
 - regulating the local audit sector.
2. The current roles and responsibilities relating to local audit discharged by the:

- Public Sector Audit Appointments (PSAA);
 - Institute of Chartered Accountants in England and Wales (ICAEW);
 - FRC/ARGA; and
 - The Comptroller and Auditor General (C&AG) to be transferred to the OLAR.
3. A Liaison Committee be established comprising key stakeholders and chaired by MHCLG, to receive reports from the new regulator on the development of local audit.
 4. The governance arrangements within local authorities be reviewed by local councils with the purpose of:
 - an annual report being submitted to Full Council by the external auditor;
 - consideration being given to the appointment of at least one independent member, suitably qualified, to the Audit Committee; and
 - formalising the facility for the CEO, Monitoring Officer and Chief Financial Officer (CFO) to meet with the Key Audit Partner at least annually.
 5. All auditors engaged in local audit be provided with the requisite skills and training to audit a local authority irrespective of seniority.
 6. The current fee structure for local audit be revised to ensure that adequate resources are deployed to meet the full extent of local audit requirements.
 7. That quality be consistent with the highest standards of audit within the revised fee structure. In cases where there are serious or persistent breaches of expected quality standards, OLAR has the scope to apply proportionate sanctions.
 8. Statute be revised so that audit firms with the requisite capacity, skills and experience are not excluded from bidding for local audit work.
 9. External Audit recognises that Internal Audit work can be a key support in appropriate circumstances where consistent with the Code of Audit Practice.
 10. The deadline for publishing audited local authority accounts be revisited with a view to extending it to 30 September from 31 July each year.
 11. The revised deadline for publication of audited local authority accounts be considered in consultation with NHSI(E) and DHSC, given that audit firms use the same auditors on both Local Government and Health final accounts work.
 12. The external auditor be required to present an Annual Audit Report to the first Full Council meeting after 30 September each year, irrespective of whether the accounts have been certified; OLAR to decide the framework for this report.
 13. The changes implemented in the 2020 Audit Code of Practice are endorsed; OLAR to undertake a post implementation review to assess whether these changes have led to more effective external audit consideration of financial resilience and value for money matters.

Smaller Authorities Audit Regulation

14-17. *[Not applicable to Salford CC]*

Financial Resilience of local authorities

17. MHCLG reviews its current framework for seeking assurance that financial sustainability in each local authority in England is maintained.
18. Key concerns relating to service and financial viability be shared between Local Auditors and Inspectorates including Ofsted, Care Quality Commission and HMICFRS prior to completion of the external auditor's Annual Report.

Transparency of Financial Reporting

19. A standardised statement of service information and costs be prepared by each authority and be compared with the budget agreed to support the council tax/precept/levy and presented alongside the statutory accounts.
20. The standardised statement should be subject to external audit.
21. The optimum means of communicating such information to council taxpayers/service users be considered by each local authority to ensure access for all sections of the communities.
22. CIPFA/LASAAC be required to review the statutory accounts, in the light of the new requirement to prepare the standardised statement, to determine whether there is scope to simplify the presentation of local authority accounts by removing disclosures that may no longer be considered to be necessary.
23. *[Not applicable to Salford CC]*

3 Response

Several bodies, including CIPFA, the LGA, ICAEW and audit firms have issued statements supportive of recommendations.

The resource implications of the OLAR, the proposed new oversight body to take charge of local authority audit, would amount to approximately £5m per annum after taking into account the amount related to staff subject to transfer under TUPE arrangements. Sir Tony has commented that there is "no comparison" between the new regulatory body and the defunct Audit Commission.

It has been noted that implementation of the recommendations would, in part, require regulatory or legislative change, and that many of the issues identified in this report require urgent attention, given the current concerns about local audit demonstrated in the review.

KEY COUNCIL POLICIES:

Council priority **A transparent effective organisation** – Delivering effective and efficient council services.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

The report recommends that “The optimum means of communicating... [the standardised statement of service information] to council taxpayers/service users be considered by each local authority to ensure access for all sections of the communities.”

ASSESSMENT OF RISK: Low

LEGAL IMPLICATIONS

Not applicable

FINANCIAL IMPLICATIONS Supplied by: Chris Hesketh

The report concludes that that “the current [external audit] fee structure does not enable auditors to fulfil the role in an entirely satisfactory way. To address this concern an increase in fees must be a consideration.”

An increase in audit fees therefore appears likely.

The production of the proposed standardised statement will add a new burden to the accountancy team. The proposed content includes information that is already published or can be prepared from existing data. Nevertheless, we will need to examine any final guidance to assess whether its production is manageable within existing resources.

PROCUREMENT IMPLICATIONS

Not applicable

HR IMPLICATIONS

Not applicable

CLIMATE CHANGE IMPLICATIONS

Not applicable

OTHER DIRECTORATES CONSULTED

Not applicable

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WARDS TO WHICH REPORT RELATES

None specifically