BARNET
LONDON BOROUGH

Appendix 1

Internal Audit

Progress Report 2016-17 – Quarter 2

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Contents

1. Introduction

The Internal Audit Plan was approved by the Audit Committee on the 19th April 2016. As previously requested by the Committee, this report covers audit reports with limited or no assurance which are summarised into key messages with some detail.

2. Final Reports Issued

This report covers the period from 1st July 2016 to 30th September 2016 and represents an up to date picture of the work in progress to that date. The Internal Audit service has over this period issued 13 in relation to the 16/17 plan. In summary, the assurance ratings provided for reports issued in final were as follows:

Substantial ✓✓✓	1
Reasonable	8
Limited	1
No	-
N/A	3
Total	**13**

	Systems Audits	Assurance	Number of findings by risk category				
			Critical	**High**	**Medium**	**Low**	**Advisory**
1	Insurance	Limited	-	1	3	1	-
2	ITDR- Follow up review	Reasonable	-	1	2	1	1
3	Direct Payments	Reasonable	-	-	3	4	2
4	Looked After Children- Virtual Schools	Reasonable	-	-	3	2	-
5	Re Operational Review Phase 1	Reasonable	-	-	5	1	-
6	Purchase Cards	Reasonable	-	-	4	2	-
7	Transformation projects- Adults Transformation Programme	Reasonable	-	-	4	-	-
8	Contract Management Toolkit	Reasonable	-	-	2	1	-

Table 1: Work completed during quarter 1 including assurance levels

	Compliance-Parking						
	Transformation projects-Libraries	Substantial	-	-	-	1	-
	Grants / Payments by Results						
10	Bus Subsidy Grant	N/A					
11	Troubled Families Grant	N/A					
12	Disabled Facilities Grant	N/A					
	School Audits						
13	Hampden Way Nursery	Reasonable	-	-	5	-	-

The internal audit scoring framework has been included in **Appendix 1** for reference.

The summary detail of those reports issued as Limited or No assurance is included within section 3.

3. Key Findings from Internal Audit Work with No or Limited assurance

Title	Insurance
Audit Opinion	**Limited Assurance**
Date of report:	October 2016
Background & Context	This review focussed on the design and operating effectiveness of controls in the following key areas to support the Council in ensuring it has effective insurance arrangements in place: - Insurance strategy and arrangements ensure appropriate coverage and represent value for money; - Claims handling processes ensure that only appropriate claims are processed and liability for the claim and value of the claim are correct; - Arrangements are in place to ensure the appropriate assessment of contractor liability for claims where applicable; and - Arrangements are in place to ensure the reduction of claims.
Summary of Findings	Overall the review identified that the service has a strong control environment to support the core claims handling process and no issues were identified in this area. The review did identify areas for improvement around how the Council interacts with contractors in ensuring that third parties have appropriate coverage in place and ensuring that contractors are accountable for claims relating to services provided on behalf of the Council. This is significant in light of the commissioning model adopted by the Council and the amount of services that are outsourced to third parties. We also identified improvements around the Council's approach to claim reduction work where a more systematic approach to intervention is required. It is not clear that all is being done to maximise opportunities to improve procedures to reduce claims and save money through reduced excess payments and reduced premiums. This audit has identified one high, three medium and one low risk findings. We identified the following issues as part of the audit:

Title	Insurance
	• **Third party insurance arrangements- Contractor liability – (finding 1, high) -** There are no parameters in place to define when the insurance team should be consulted regarding specific insurance requirements as part of the commissioning process and undertake verification procedures to ensure that contractors / third parties have coverage in line with requirements. Although evidence was provided to demonstrate proactive involvement for certain large outsourcing contracts, at present consultation is reactive and there are insufficient mechanisms in place to ensure that the Insurance team is consulted when required. The Insurance Claims Process Manual does not define clearly that claims handlers should proactively consider contractor liability when processing claims. We identified instances where the principles of contractor liability were not fully agreed and understood at the outset resulting in claims not being forward to the contractor for recovery. The claims raised in relation to services provided by Re have not been referred to the contractor since contract inception and an agreement has not been reached to date regarding liability and responsibility for paying and processing claims. Where claims in relation to outsourced services are referred to the relevant contractor the Council is unable to obtain assurance over the quality of the claims handling and level of customer service provided by contractors in processing claims which could result in reputational damage. • **Claims reduction - (finding 2, medium) -** The information presented to management currently by the insurance team does not enable delivery units to understand claims data and take action to reduce claims. Officers are currently unclear around how the data should be used and what they should be doing with it. There is not a systematic approach to proactive claims reduction work undertaken by the Insurance team. For example a forward plan is not in place that sets out a programme of proactive work informed by data analysis, formal actions plans are not created and agreed with departments and the impact of intervention is not quantified. • **Insurance Strategy - (finding 3, medium) -** The 2015 Insurance strategy had not been subject to formal Member/Member Committee approval and therefore key officer scrutiny / clearance under the Council's Governance arrangements. The Head of Insurance indicated that the last approval of the Insurance Strategy by Members had taken place in 2008 (Cabinet Resources Meeting 22 July 2008), a number of years prior to the adoption of the current commissioning model by the Council.

Title	Insurance
	• **Performance Management - (finding 4, medium) -** There is currently no formal performance management framework in place to assess the effectiveness of the Insurance function. We understand that this is in progress • **Claims handling procedures - (finding 5, low) -** Documented procedures were provided for claims handling, Insurance Claims Process Manual dated 8 August 2015 and the Property Handling procedures. The Senior Claims Handler indicated that they did not fully represent current practice and required updating.

Priority 1 agreed actions

1. Third party insurance arrangements- Contractor liability

Agreed actions	Responsible Officer	Deadline
a) Parameters will be introduced and guidance included in procurement processes to ensure that contracts of a certain nature/value are reviewed by the insurance team to ensure that appropriate insurance provisions are included in the agreement and that third party insurance arrangements are verified. This is a corporate/Commercial risk and has been shared with the commercial team to ensure that commercial work with the insurance team to put in place the required contract processes, procedures and documentation. b) The assessment of liability, accepting liability or declining liability process in the Insurance Claims Process Manual will be updated to include details and prompts around the determination of contractor liability for insurance claims c) For outsourcing arrangements / contracts management will clarify with them when respective parties will be liable and this should be understood and applied by the claims handling team. We will develop a clear register of in/out sourced services linked to underwriting records and claims procedures. d) Contractors processing claims in relation to services provided on behalf of the Council will be	a-d) Head of Insurance e) Commissioning Director, Environment	31 December 2016

Title	Insurance		
made aware of the Council's expected standards for claims processing. e) An agreement regarding liability and payment for claims in relation to services provided by Re will be progressed and resolved.			

4. Follow up reviews

Internal Audit
Information Technology Disaster Recovery

See report attached as Appendix 2.

5. Work in progress

The following work is in progress at the time of writing this report:

Table 2: Work in progress		
	Systems Audits	**Status**
1	Re Invoicing	Draft report
2	Key Financial Systems (Continuous Audit Monitoring): - Accounts Payable - Accounts Receivable - General Ledger - Schools Payroll - Council Tax - NNDR - Housing Benefits	Draft report
3	Re Operational Review Phase 2	Fieldwork in progress
4	Contract Management Toolkit Compliance – Mortuaries	Fieldwork in progress
5	Review of SPIRs process	Fieldwork in progress
6	Parks & Green Spaces - Health & Safety	Fieldwork in progress
7	Statutory Complaints	Fieldwork in progress
8	Education ADM	Fieldwork in progress
8	Review of Barnet Group Internal Audit Plan and Reports	Planning

9	SWIFT to Mosaic Data Migration	Planning
10	IT Change Management follow up- Phase 2	Planning
11	IT Risk Diagnostic	Planning
12	No Recourse to Public Funds	Planning
13	Catering Traded Service	Planning
14	Estates Health and Safety	Planning
	Schools reviews	
15	Frith Manor	Draft Report
16	Summerside	Draft Report

6. Implementation of Internal Audit recommendations

Shading	Rating	Explanation
	Implemented	The recommendation that had previously been raised as a priority one has been reviewed and considered implemented.
	Partly Implemented	Aspects of the original priority one recommendation have been implemented however the recommendation is not considered implemented in full.
	Not Implemented	There has been no progress made in implementing the priority one recommendation.

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (30 September 2016)
1. Grant Income June 2015 **Grant Identification** Roles/arrangements for proactively identifying grant opportunities should be implemented. a) We suggest that roles for pro-	1 September 2015 Assistant Director of Finance (CSG) Operations Director (CSG) Supported by	Previously we followed up and reported: • Q1, 2016/17 – The recommendation was considered Partly Implemented as the following remained outstanding: *Evidence of implementation of the agreed process for the*	**Partly Implemented** Pro-active scanning - CSG Finance have not searched/scanned for external grants for communication to Delivery Unit representatives where potential external grants have been identified. Related records - External Grant Opportunity forms including the decision by the Delivery Unit as to whether to apply for the grant - had not been completed where applicable by Delivery Units.

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (30 September 2016)
actively identifying grants could be undertaken as part of existing structures as follows: (i) Delivery Units together with their Commissioning Directors should consider the options available, including the possibility of a dedicated team/officer for pro-actively identifying grants depending on resources / the significance of grants available in that area. (ii) Service area leads pro-actively identify grants in their area. Local business improvement / performance teams challenge for proactive identification, undertake proactive reviews themselves and co-ordinate related reporting of horizon scanning outcomes as part of their local performance management arrangements. (iii) CSG service areas: Senior Responsible Officers (SROs) client-side at the Council pro-actively identify grants in their CSG responsibility areas or arrange for CSG Capita leads to undertake this role, with SRO monitoring CSG	Director of Resources (LBB)	*routine pro-active scanning for income grants by Delivery Units was not evident at the date of the follow-up.* *When we are able to evidence the routine pro-active scanning for income grants across Delivery Units in line with Management Agreements and the completion of the relevant templates in the required format, we will be able to move the status to implemented.* • Q4, 2015/16 – The recommendation was considered Partly Implemented as the following remained outstanding: *Evidence of implementation of the agreed process for the routine pro-active scanning for income grants by Delivery Units was not evident at the date of the follow-up. Since implementation of the new process for identifying grants*	The Assistant Director of Finance (CSG) recognised that a process for scanning for grants and escalation to Delivery Units, where applicable, needed to be put in place. **Agreed actions for full implementation:** CSG will re-subscribe to the Grant Finder system. The system will be interrogated on a weekly basis and services notified of relevant grants. Potential grants will be added as a standing agenda item within the monthly finance report going to SMT meetings. **Revised implementation date**: 30 December 2016

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (30 September 2016)
identification activity. b) Eligible grants identified should be formally documented and reported to Senior Management to ensure that grant identification processes are undertaken routinely and that senior management are involved in the decision making process. This could form part of Senior Management Team (SMT) standing agendas. c) All eligible grants for which applications will not be submitted should be reported to the Commissioning Group's Head of Finance sufficiently in advance of application deadlines, 5 working days as a minimum, to consider whether decisions not to apply were appropriate and challenge as necessary.		*only one form had been received by CSG from the Street Scene Delivery Unit for their review and scrutiny.* *Management Agreements for 2016-17 were still in the process of being drafted. We were informed that the responsibility for identifying grants would be included in the Management Agreements. Wording for inclusion in the Management Agreements defining the responsibility for horizon scanning had been agreed at 31 March 2016.* *When we are able to evidence the routine pro-active scanning for income grants across Delivery Units in line with Management Agreements and the completion of the relevant templates in the required format, we will be able to move the status to implemented.*	

Audit Title, Date and Recommendation	Deadline and Responsible Officer(s)	Outcomes of previous audit follow-up assessments	Audit follow-up assessment (30 September 2016)
2. Procurement - Compliance with Contract Procedure Rules November 2015 **Contracts Register - Re** We would suggest that: - periodic reconciliations between vendor spend analysis reports and contract registers are undertaken by officers responsible for contract registers to ensure that they are complete Accuracy checks be undertaken to ensure that contractual data is correct for example: - vendor name, - contract value/purchase order value if below £10k, - contract term, - end date, - expiry date, - last DPR/Committee Report reference, and - DPR/Committee Report date if above £10k	1 March 2016 Commercial Manager - Re / Customer and Support Group (CSG) Re Operations Director	Previously we followed up and reported: • Q1, 2016/17 – The recommendation was considered Partly Implemented as the following remained outstanding: *The officer responsible for implementation has engaged with CSG Procurement (central), Re Finance and Re Service Managers to produce an up to date Re Contracts Register. Implementation is therefore still in progress. We have provided advice to the officer responsible to expedite implementation*	**Partly implemented** The Re officer responsible for implementing this recommendation has changed since the follow-up in Q1. The new responsible officer has gathered contract information and vendor spend from the relevant Re Service area managers and has updated the Re Contracts Register. However, the information provided was only for spend of £10k and above. As per the Council's Contract Procedure Rules (CPRs) there is a requirement to include all contractual relationships above £10k therefore there is a piece of additional work still to be undertaken. **Agreed action for full implementation:** Update the Re contract register to include all contractual relationships between £5k and £10k to comply with the Council's CPRs. **Revised implementation date:** 30 Nov 2016

3. Accounts Payable December 2015 **New Supplier Forms** b) A clear timetable should be agreed between the Council and CSG for the introduction of the e-form workflow system within Integra.	April 2016 Head of Exchequer (CSG) Operations Director (CSG)	Previously we followed up and reported: • Q1, 2016/17 – The recommendation was considered Partly Implemented as the following remained outstanding: Management indicated that an e-form for new suppliers has been developed and was undergoing final end user testing. The form is expected to be rolled out within the next month Revised implementation date: 19 August 2016.	**Partly implemented** The supplier e-form is in the process of being tested by Integra User Group members, following which it will be rolled out to all users. **Agreed action for full implementation:** The supplier e-form will be rolled out to all users incorporating any changes required from the testing phase. **Revised implementation date**: 1 November 2016
4. Street Scene Operations Review (Joint Internal Audit & CAFT review) November 2015 **Risk Management (CCTV and Mill Hill depot site security)** d) Spot checks of vehicles entering and leaving the site should be introduced as should increased site patrols.	November 2015 Acting Facilities Manager (CSG) Operations Director (CSG) Head of Estates (LBB)	Previously we followed up and reported: • Q1, 2016/17 – The recommendation was considered Partly Implemented as the following remained outstanding: No further action since the last follow-up. Spot checks of	**Partly Implemented** As per management, although vehicle spot checks are yet to be introduced currently there are some other control measures in place to reduce the risk of theft from site: • There is a fuel management system in place for over 10 years named Merridale. It ensures that fuel cannot be withdrawn without a fuel key as well as issuing a date stamp for each transaction with the vehicle fleet number,

vehicles entering and leaving the Mill Hill Depot site are still not done.

Further Action: The Acting Facilities Manager, CSG will contact the Head of Estates for his initial approval for spot checks. Once agreed, The Acting Facilities Manager, CSG will ensure the message is passed onto managers operating at Mill Hill Depot and inform them this message needs to be cascaded to staff. Spot checks will commence from Monday 1 August 2016 following communication of requirements to service managers.

Revised Implementation Date: 1 August 2016

- Q4, 2015/16 – The recommendation was considered Partly Implemented as the following remained outstanding:

Site patrols are undertaken and records of site patrols are maintained. These were

vehicle registration and the amount of fuel delivered. The fuel key is logged against a vehicle and no fuel can be drawn unless the correct mileage is inputted.

- CCTV cameras have been redirected so they are facing the fuel tank in order to ensure any unauthorised access can be seen. In addition Security Officers have been instructed to patrol the fuel area whenever this is in use, which will also act as a deterrent.

- Furthermore, in February 2016, the patrol ratio for security officers patrolling the whole depot was increased from one an hour to every 30 minutes.

- As of summer 2016, we have further enhanced the security policy at this site to ensure that identification is checked upon entry and that visitors are escorted throughout the site. Since this improvement there have been no reported problems or evidence of theft or unauthorised visitors on site.

Implementation of vehicle checks

It was first planned to implement vehicle spot checks at the start of June 2016 however once security were instructed to begin at the first pre-implement meeting it was raised that there

| | | inspected and showed Mill Hill depot site patrols being undertaken during the day and night. The entry and exit of non-Mill Hill Depot staff is controlled and monitored by security operating at the guard house at the entrance to the Mill Hill depot site.

Spot checks of vehicles entering and leaving the site to mitigate the risk of illegal substances being brought onto the site or theft from Mill Hill depot are not yet undertaken as envisaged.

Once all necessary formalities have been implemented and checks have started, the recommendation will be regarded as implemented. | was more to the issue than just proceeding with the spot checks. Several other issues were identified and these needed to be actioned before installation, for example:

➤ Legal documents would need to be reviewed and signed off in the form of search procedures and staff disclaimers

➤ Clear procedures would need to be implemented for visitors

➤ Extensive training was required for Security Officers to enable them to search vehicles and individuals correctly

➤ Additional resources in terms of additional Security Officers would be required to act as witness. Plus there is a requirement for both male and female Security Officers.

➤ PPE would need to be purchased such as gloves, wands, mirrors, evidence bags etc.

➤ Senior Management, staff and Union engagement was required to ensure the changes were communicated and accepted.

➤ Consideration needed to be taken on |

			board over the possibility of delays to services and SLA's
			Dialogue with the key stakeholders at Mill Hill Depot is now underway. There will be a cost associated to all of the items listed, all of which will be presented back to LBB Head of Estates for approval once quantified.

Risk management

- ➤ As this matter needs to be dealt with the utmost sensitivity and consideration of all staff, we will need to engage with the Union officials and staff in order to avoid fuelling any potential unrest.

- ➤ This outstanding action has already taken up to a year and is likely to continue into the new year before it can be fully implemented. The main factor is that this it is subject to approval from many levels and resources.

- ➤ To carry out a thorough vehicle check it can take as long as 30 minutes and in some cases causing disruption and delays to Council services and local SLA's. This could cause a reputational risk to some services so the final searching solution may need to be a

			compromise. **Agreed action for full implementation:** Unions to be consulted and key Mill Hill depot stakeholders to agree any proposed new arrangements. Cost of new arrangements to be quantified and agreed with the Council's Head of Estates by the end of December 2016. Any agreed new arrangements to be introduced by the end of 2016/17. **Revised implementation date:** 31 March 2017
5. Schemes of Delegation February 2016 **Changes to standing data** a) A report of changes to financial limits on Integra should be built and made available for staff use. b) A report of changes to financial limits on Integra should be run on a regular basis (at least quarterly). This report should be reviewed by	30 April 2016 Assistant Director of Finance, CSG Operations Director, CSG	Previously we followed up and reported: • Q1, 2016/17 – The recommendation was considered Partly Implemented as the following remained outstanding: Management indicated that an audit tool which tracks all amendments to users' access is available within the system. A report is now being developed to extract that information. The report will be	**Partly implemented** A report has been developed and going forward will be run and reviewed on a monthly basis. **Agreed action for full implementation:** Report of changes to financial limits on Integra to be run and reviewed on a monthly basis. **Revised implementation date**: 1 November 2016

a member of the Integra Finance Team to monitor the updates to limits and check limits correctly reflect changes to staff roles.		run and reviewed on a monthly basis with effect from 1 September Revised implementation date: 1 September 2016.	
6. Customer Support Group (CSG) – Invoicing and Monitoring Arrangements February 2016 **Contract monitoring – assurance activities** a) Management should undertake an exercise to understand the key controls in place within each of CSG's core processes. This could be achieved through review of the appropriate policy and procedure documents. b) Management should assess and document whether the controls in place are sufficient to mitigate the Council's key operational risks. c) Any control gaps identified in the first line of defence should be raised with Capita and where appropriate processes should be	Q2 2016/17 Director of Commercial (LBB) Director of Resources (LBB)	Not applicable – this is our first assessment of progress	**Partly implemented:** The roles of commercial, finance and the SROs have been considered at a senior management workshop. A roles and responsibilities document, defining the roles of the Commercial team and SROs, has been drafted by the Director of Resources and is being agreed between the two teams. The Commercial team have recruited additional staff who can now support the three lines of defence model, for example developing a "deep dive" KPI/PI audit strategy, undertaking those deep dives and managing risks on an ongoing basis. Since the time of the audit there has been a review of the Council's risk management arrangements which included a complete update of the corporate risk register and associated CSG risks. Management confirmed that the overall governance of the CSG contract is being considered as part of the Year 3 Contract Review and that results from all the work completed to date - as well as the review - will feed into the lines of defence model with a revised version to be finalised in January 2017.

amended accordingly. d) Management should review and update the assurance framework document to ensure inclusion of the identified first line of defence activities. All key Second and Third line activities should also be recorded, including detailing the officers with the core roles and responsibilities in relation to them. e) Management should review the activities on the assurance map to ensure there is sufficient flow of information between the first, second and third lines of defence to allow the Council to promptly identify issues with any of the key delivery risks. f) Management should then consider whether the information available through the three lines of defence is sufficient to provide senior management with assurance that the key strategic risks are mitigated. g) Once reviewed, the three lines of defence map should be signed off by senior stakeholders including all SROs, the Director of Resources, the relevant Contract			**Agreed actions for full implementation:** • Roles and Responsibilities document to be applied in practice by the Commercial team and SROs. • Further work to be undertaken to document the first line of defence i.e. the controls operating within CSGs core processes (e.g. accounts payable, IT, etc) and for the Council to confirm these are sufficient. • Three Lines of Defence document to be fully updated by Partnership Relationship Manager and signed off by senior stakeholders including all SROs, the Director of Resources, the relevant Contract Managers, the Commercial Director, the Chief Operating Officer and the Chief Executive. • Three Lines of Defence document to be applied in practice. **Revised implementation date:** 31 March 2017

Managers, the Commercial Director and the Chief Operating Officer.			

Implemented recommendations

The following recommendations that had previously been raised as a priority one have been reviewed and are now considered implemented.

Audit Title, Date and Recommendation
1. **Better Care Fund (BCF) and Section 75 (S75) agreement review**- December 2015- **Section 75 agreement formalities**
2. **Better Care Fund (BCF) and Section 75 (S75) agreement review**- December 2015- **Pooled fund reporting and governance structure (Financial and performance)**
3. **Better Care Fund (BCF) and Section 75 (S75) agreement review**- December 2015- **Pooled fund/Budget**
4. **Schemes of delegation**- February 2016- **Commissioning and Delivery Units (RE)**
5. **Schemes of delegation**- February 2016- **Commissioning and Delivery Units (Street Scene)**
6. **Contract Management - Registrars Inter-Authority Agreement –** March 2016 – **Risk and Issue Management**
7. **Parking Permit Administration**- June 2016- **Roles and responsibilities**
8. **Establishment list -** June 2016 - **Changes to the establishment list (CSG HR)**
9. **Brookhill Nursery -** June 2016 **– Income**
10. **Brookhill Nursery -** June 2016 **– Payroll**

7. Internal Audit effectiveness review

Performance Indicator	Target	End of Quarter 2
% of plan delivered	48%*	30%
Number of reviews due to commence vs. commenced in quarter	95%	100%
% of reports year to date achieving: • Substantial • Satisfactory / Reasonable • Limited • No Assurance • N/A	N/A	 7% 50% 13% - 30%
Number / % of Priority 1 recommendations: • Implemented • Partly implemented • Not implemented in quarter when due	90%	 63% 37% 0%

* Based on 95% complete of those due in quarter.

Key:

Target met
Target not met
N/A

Implementation of internal audit recommendations – as per section 7 above, the progress of the 16 high priority recommendations due for implementation in quarter 2 is that 63% of recommendations have been fully implemented compared to a target of 90%. 37% have been partly implemented.

A summary of the status is as follows:

Status	Number	%
Implemented	10	63%
Partly Implemented	6	37%
Not implemented	0	0%
Total	**16**	**100**

8. Changes to our plan

Since the Internal Audit Plan was agreed in April 2016 there have been changes to audits originally planned for Q2 as follows:

Type	Audit Title	Reasons
Deferred	DLO audit	Deferred to Q4 2016/17 in light of ongoing considerations around the restructuring of the service and operating model.
Deferred	SWIFT to MOSAIC data migration	Deferred to Q3 2016/17 due to further delays with the Investing in IT project.
Deferred	IT Risk Diagnostic	Deferred to Q3 due to the prioritisation of follow up work around ITDR and IT Change Management.

9. Risk Management

The performance report for Quarter 1 2016/17 was presented to the Performance and Contract Monitoring Committee on 6th September 2016 and can be found via the link below:

http://barnet.moderngov.co.uk/documents/g8795/Public%20reports%20pack%2006th-Sep-2016%2019.00%20Performance%20and%20Contract%20Management%20Committee.pdf?T=10

Appendix J to the report is the Quarter 1 corporate risk register.

As highlighted in the Quarter 1 update the Interim Chief Executive has commissioned a thorough review of the risk management across the organisation. This review provided a timely opportunity to put the organisation's approach to risk management under closer scrutiny, especially from Members, providing an opportunity to reflect again on current practice and implement more extensive improvements and changes to our Council-wide approach.

The output of the exercise will be presented at the November Performance and Contract Monitoring Committee.

Appendix 1: Definition of risk categories and assurance levels

Findings rating	Description
Critical 40 points per finding	Immediate and significant action required. A finding that could cause: • Life threatening or multiple serious injuries or prolonged work place stress. Severe impact on morale & service performance (eg mass strike actions); or • Critical impact on the reputation or brand of the organisation which could threaten its future viability. Intense political and media scrutiny (i.e. front-page headlines, TV). Possible criminal or high profile civil action against the Council, members or officers; or • Cessation of core activities, strategies not consistent with government's agenda, trends show service is degraded. Failure of major projects, elected Members & Senior Directors are required to intervene; or • Major financial loss, significant, material increase on project budget/cost. Statutory intervention triggered. Impact the whole Council. Critical breach in laws and regulations that could result in material fines or consequences.
High 10 points per finding	Action required promptly and to commence as soon as practicable where significant changes are necessary. A finding that could cause: • Serious injuries or stressful experience requiring medical many workdays lost. Major impact on morale & performance of staff; or • Significant impact on the reputation or brand of the organisation. Scrutiny required by external agencies, inspectorates, regulators etc. Unfavourable external media coverage. Noticeable impact on public opinion; or • Significant disruption of core activities. Key targets missed, some services compromised. Management action required to overcome medium-term difficulties; or • High financial loss, significant increase on project budget/cost. Service budgets exceeded. Significant breach in laws and regulations resulting in significant fines and consequences.
Medium 3 points per finding	A finding that could cause: • Injuries or stress level requiring some medical treatment, potentially some workdays lost. Some impact on morale & performance of staff; or • Moderate impact on the reputation or brand of the organisation. Scrutiny required by internal committees or internal audit to prevent escalation. Probable limited unfavourable media coverage; or • Significant short-term disruption of non-core activities. Standing orders occasionally not complied with, or services do not fully meet needs. Service action will be required; or • Medium financial loss, small increase on project budget/cost. Handled within the team. Moderate breach in laws and regulations resulting in fines and consequences.
Low 1 point per	A finding that could cause: • Minor injuries or stress with no workdays lost or minimal medical treatment, no impact on staff morale; or • Minor impact on the reputation of the organisation; or

finding	• Minor errors in systems/operations or processes requiring action or minor delay without impact on overall schedule; or • Handled within normal day to day routines; or • Minimal financial loss, minimal effect on project budget/cost.
Advisory 0 points per finding	An observation that would help to improve the system or process being reviewed or align it to good practice seen elsewhere. Does not require a formal management response.

Level of assurance	Description
No 40 points or more	There are fundamental weaknesses in the control environment which jeopardise the achievement of key service objectives and could lead to significant risk of error, fraud, loss or reputational damage being suffered.
Limited 18– 39 points	There are a number of significant control weaknesses which could put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage. There are High recommendations indicating significant failings. Any Critical recommendations would need to be mitigated by significant strengths elsewhere.
Reasonable 7– 17 points	An adequate control framework is in place but there are weaknesses which may put some service objectives at risk. There are Medium priority recommendations indicating weaknesses but these do not undermine the system's overall integrity. Any Critical recommendation will prevent this assessment, and any High recommendations would need to be mitigated by significant strengths elsewhere.
Substantial ✓✓✓ 6 points or less	There is a sound control environment with risks to key service objectives being reasonably managed. Any deficiencies identified are not cause for major concern. Recommendations will normally only be Advice and Best Practice.