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Friday 19 June 2009

To: Chairman – Councillor PW Topping  
Vice-Chairman – Councillor NCF Bolitho  
Members of the Corporate Governance Committee – Councillors JD Batchelor,  
FWM Burkitt, Dr DR de Lacey, Mrs JM Guest and RT Summerfield

Quorum: 3

Dear Councillor

You are invited to attend the next meeting of **CORPORATE GOVERNANCE COMMITTEE**, which will be held in **MONKFIELD ROOM, FIRST FLOOR** at South Cambridgeshire Hall on **MONDAY, 29 JUNE 2009 at 9.30 a.m.**

Members are respectfully reminded that when substituting on committees, subcommittees, and outside or joint bodies, Democratic Services must be advised of the substitution *in advance of* the meeting. It is not possible to accept a substitute once the meeting has started. Council Standing Order 4.3 refers.

Yours faithfully  
**GJ HARLOCK**  
Chief Executive

**The Council is committed to improving, for all members of the community, access to its agendas and minutes. We try to take all circumstances into account but, if you have any specific needs, please let us know, and we will do what we can to help you.**

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## AGENDA

## PAGES

- 1. Apologies for Absence**  
To receive apologies for absence from committee members.
- 2. Declarations of Interest**
- 3. Minutes of Previous Meeting**  
To confirm the minutes of the meetings held on 29 April and 21 May 2009, as a correct record.

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## ITEMS FOR DECISION

- 4. Approval of Statement of Accounts (appendix to follow)**
- 5. Corporate Governance Self Evaluation**

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## **AUDIT REPORTS**

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|-----------|---|----------------|
| <b>6.</b> | <b>Internal Audit Progress Report</b>                                   | <b>17 - 24</b> |
| <b>7.</b> | <b>External Audit Report on Use of Resources: Update by Neil Gibson</b> |                |

## **INFORMATION ITEMS**

- |            |   |                |
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| <b>8.</b>  | <b>Local Government Ombudsman Annual Review</b> | <b>25 - 38</b> |
| <b>9.</b>  | <b>Risk Maturity Action Plan</b>                | <b>39 - 46</b> |
| <b>10.</b> | <b>Financial Regulations</b>                    | <b>47 - 48</b> |
| <b>11.</b> | <b>Strategic Risk Register</b>                  | <b>49 - 68</b> |
| <b>12.</b> | <b>Matters of Topical Interest</b>              |                |
| <b>13.</b> | <b>Date of Next Meeting</b>                     |                |

Meetings have been arranged on the following dates:

- 30 September 2009
- 23 December 2009
- 6 January 2010
- 31 March 2010

All meetings to begin at 9:30am.

## **GUIDANCE NOTES FOR VISITORS TO SOUTH CAMBRIDGESHIRE HALL**

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### **Security**

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### **Banners, Placards and similar items**

No member of the public shall be allowed to bring into or display at any Council meeting any banner, placard, poster or other similar item. The Chairman may require any such item to be removed.

### **Disturbance by Public**

If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room. If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared.

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

Minutes of a meeting of the Corporate Governance Committee held on  
Wednesday, 29 April 2009 at 9.30 a.m.

PRESENT:	Councillor PW Topping – Chairman Councillor RT Summerfield – Vice-Chairman	
Councillors:	JD Batchelor FWM Burkitt Mrs JM Guest	NCF Bolitho Dr DR de Lacey
Officers:	Patrick Adams Alex Colyer Catriona Dunnett Steve Hampson Greg Harlock Paul Swift	Senior Democratic Services Officer Interim Executive Director, Corporate Services Principal Solicitor Executive Director Chief Executive Policy and Performance Review Manager
External:	Chris Harris Allan Maund Suzanne Lane Neil Gibson Nigel Smith	RSM Bentley Jennison RSM Bentley Jennison RSM Bentley Jennison Audit Commission Audit Commission

Councillor SM Edwards was in attendance, by invitation.

**2. DECLARATIONS OF INTEREST**

None.

**3. MINUTES OF PREVIOUS MEETING**

The minutes held on 15 December 2008 were agreed as a correct record subject to the following amendments:

- Nigel Gibson was corrected to Neil Gibson in the attendance list and in the final paragraph of minute 39.
- The end of the first sentence of minute 38(b) was corrected to read: "... presented the Use of Resources Report."

**4 (a) Internal Audit Annual Report**

Chris Harris presented internal audit's annual report for 2008/09. It was noted that the assurance level for "Capital Exp. and Asset" on page 15 of the agenda should be "Substantial" instead of "Adequate".

It was agreed that the wording under the heading the Acceptance of Recommendations should be amended as it presented good news in a negative way.

The Chief Executive expressed great disappointment in the decision to award an amber light on Internal Control instead of green in light of the fact that the assurances in key areas were all substantial. Chris Harris informed the Committee that this was a subjective decision which the auditors and the Council's management disagreed on. He explained that the Council was closer to achieving a green than a red.

Chris Harris agreed to provide the Committee with details of the auditor's three recommendations on Risk Management. It was noted that Chris Harris and the Chief Executive would discuss what the Council needed to do to achieve a green rating on Risk Management.

The Committee **NOTED** the report.

**4 (b) Internal Audit Operational Plan for 2009/10 and 3 Year Strategic Plan to 31 March 2012**

The agenda item was amended to include details of the Operational Plan for 2009/10. Chris Harris presented this report which provided an independent and objective opinion on risk management, internal control and corporate governance and their effectiveness in achieving the Council's agreed objectives.

Chris Harris confirmed that the audit of Phase Two of the Housing Futures project would not go ahead if the tenants voted in favour of the transfer of the housing stock. However, it was noted if the stock were transferred the arrangements would have to be monitored.

Councillor FWM Burkitt asked the Internal Auditors whether the Council's improved performance could result in a further reduction in the number inspection days. It was agreed that the Chief Executive and Chris Harris should discuss how the number of audit days carried out by Internal Audit could continue to be reduced.

The Corporate Governance Committee supported the Chief Financial Officer's opinion that:

- A)** The detailed internal audit plan for the coming financial year (as set out in Appendix B) reflected the areas that should be covered as a priority, with the acknowledgement that work on Phase Two of the Housing Futures project was dependent on whether the Tenants voted in favour of the transfer of the housing stock;
- B)** The updated Strategy for Internal Audit (as set out in Appendix C) covered the organisation's key risks;
- C)** The audit strategy included all those areas that should be subject to internal audit coverage, both in terms of our professional responsibilities as well as covering areas of concern flagged by management;
- D)** The level of audit resource was accepted and agreed as appropriate, given the level of assurance required, though it was expected that as the Council's performance continued to improve, less audit days would be necessary.

**4 (c) Internal Audit Progress Report**

The item was discussed after item 2. It was noted that the heading in the agenda was incorrect and needed to be amended from Internal Audit Operational Plan for 2009/10 to Internal Audit Progress Report.

Chris Harris presented this report which summarised the outcome of work completed to date against the periodic internal audit plan for 2008/09.

**ICT and Contact Centre**

It was noted that the review of ICT Network Security was carried out annually and the results of this year's review should be reported at the next meeting of the Committee.

Surprise was expressed that the Contact Centre, which had been judged as the best in the country, had only received an “adequate” assurance level.

#### **Management responses**

It was noted that it was not unusual to have four works in progress which awaited management responses at this stage and so this was not a cause for concern.

#### **Reducing the number of audit days**

Chris Harris explained that the number of audit days carried out by Bentley Jenison was a reduction on the number carried out by the previous internal auditors and the downward trend was continuing. It was understood that naturally there was a minimum level of inspection and so the downward trend could not continue indefinitely.

The Committee **NOTED** the report.

### **5 (a) External Audit: Audit and Inspection Letter 2007/08 & Direction of Travel**

Nigel Smith of the Audit Commission presented this report which detailed External Audit’s annual audit and inspection letter for 2007/08. He highlighted the progress that the Council had made in its Use of Resources arrangements, but warned that the assessment would be tougher in future years, which meant that improvements would have to be made to maintain the current level of performance. In practice, he explained, most councils scoring a 3 in the previous scheme would score a 2 under the new assessment. It was noted that the time period between the publishing of the criteria for the use of resources assessment and the actual assessment was truncated, leaving little time for the Council to alter its policies.

#### **Minor corrections**

It was suggested that the sentence relating to littering in paragraph 3 should be reworded for the sake of clarity and paragraph 16 should be amended as it implied that the Council was responsible for climate change. It was unclear that the “district average” in paragraph 20 referred to the national average of all district councils.

#### **Comprehensive Performance Assessment (CPA) replaced by Comprehensive Area Assessment (CAA)**

It was understood that the Council’s “fair” rating related to the CPA inspection carried out in 2004 and that there would be no re-inspection, as the CAA had replaced the CPA scheme. It was noted that external factors such as the economic downturn would influence performance.

#### **Value for money**

Nigel Smith explained that the Council had scored 2 out of 4 on value for money because of a lack of proof that resources were being targeted on residents’ concerns. The Interim Executive Director – Corporate Services explained that an attempt to improve its value for money score might not be best use of the Council’s resources.

#### **Scrutiny**

Councillor JD Batchelor expressed concern at the criticism in the report of the Scrutiny and Overview Committee that Committee, which he chaired. He stated that had he been consulted he could have informed the report writer that the two meeting in 2008 were not cancelled due to a lack of business, but because external factors made a discussion on the items scheduled premature. The Policy and Performance Review Manager acknowledged this but added, as there were no other items to replace the scheduled items on the agenda the statement in the report was factually correct.

The Committee **NOTED** the report.

**6. MATTERS OF TOPICAL INTEREST**

None.

**7. AUDIT OF EMPLOYMENT PRACTICE - SAFEGUARDING CHILDREN**

The Executive Director presented this report, which informed the Committee of the Council's duty to safeguard children and the audit requirements in relation to safer recruitment practices.

The Chief Executive explained that there needed to be a justifiable reason to submit a Councillor or officer to undergo a CRB check and the Council had been advised that if it attempted to check all Councillors, without proper justification, it would run the risk of having its licence withdrawn.

The Committee **NOTED** the report.

**8. ANNUAL GOVERNANCE STATEMENT**

The Principal Solicitor presented this report on the draft Annual Governance Statement, which sought to provide public assurance about the effectiveness of the Council's system of internal control and the Council's corporate governance arrangements and assurance framework.

It was noted that the Annual Governance Statement needed to be included in the statement of accounts for the year ending 31 March 2009 and so effectively needed to be agreed prior to the next meeting of the Committee on 29 June. Members of the Committee expressed concern that due to the lateness of the report they had been unable read it before the meeting. It was therefore agreed that members of the Committee should make any comments or suggested amendments to the report to the Principal Solicitor and that delegated authority should be given to the Chairman and Vice-Chairman of the Committee to agree the Annual Governance Statement to ensure that the statement of accounts is agreed at the Corporate Governance Committee meeting on 29 June.

The following amendments were suggested by the Committee:

- The Council's view that it deserved a green rating in Risk Management should be included.
- In the paragraph R3 under the heading Improvements During the Year the phrase "staff absence" should be replaced with the phrase "staff illness".

The Committee

**AGREED** that

- A)** Members of the Committee should provide the Principal Solicitor with any suggested amendments to the Annual Governance Statement by 18 May 2009;
- B)** Delegated authority be given to the Chairman and Vice-Chairman to liaise with the Chief Executive to determine any amendments to be made to the Annual Governance Statement prior to its submission to the Leader of Council and Chief Executive for their approval.



**9. RISK REGISTER**

The Chief Executive presented this report, which enabled the Committee to review the Council's risk register and examine the actions being taken to achieve risk management targets.

It was noted that this report had originally been prepared for the cancelled meeting in March and so included the risk of being capped, which had not occurred. It was noted that due to recent events the risk of pandemic 'flu may have to be revised, although it was understood that the Council had contingency measures to ensure that key services would continue to be provided in the event of an emergency.

The Chief Executive stated that to comply with EU legislation the Council's website would allow online transactions, screening of legislation, policy and fee practices, by the end of the year.

The Committee

**AGREED**

- A)** The strategic risk register, prioritisation matrix and action plans;
- B)** Actions being taken to achieve risk management targets.

**10. ANTI-FRAUD CORRUPTION AND SECURITY HEALTHCHECK**

The Interim Executive Director – Corporate Services presented this report, which updated the Committee on the implementation of recommendations from an Anti-Fraud, Corruption and Security healthcheck review carried out by the Council's internal auditors, RSM Bentley Jennison.

It was noted that although the appendix was confidential the report was not and unless the Committee wished to discuss the confidential aspects of the appendix there was no need to go into private session.

Chris Harris agreed to present an update on this issue at September's meeting of the Committee.

The Committee **NOTED** the report.

**11. DATE OF NEXT MEETING**

The Committee noted that its next meeting would be held on Monday 29 June at 9:30am.

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**The Meeting ended at 12.00 p.m.**

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

Minutes of a meeting of the Corporate Governance Committee held on  
Thursday, 21 May 2009 at 2.50pm

PRESENT: Members of the Committee:

JD Batchelor  
FWM Burkitt  
Mrs JM Guest  
PW Topping

NCF Bolitho  
Dr DR de Lacey  
RT Summerfield

Officers:

Greg Harlock  
Catriona Dunnett  
Richard May  
Alex Colyer

Chief Executive  
Principal Solicitor  
Democratic Services Manager  
Interim Executive Director, Corporate Services

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

**2. APPOINTMENT OF VICE-CHAIRMAN OF CORPORATE GOVERNANCE COMMITTEE 2009/10**

It was proposed by Councillor FWM Burkitt, seconded by Councillor Mrs JM Guest and, there being no other nominations, **RESOLVED** that Councillor NCF Bolitho be appointed Vice-Chairman of the Committee for the 2009-2010 Civic Year.

**3. ELECTION OF CHAIRMAN OF CORPORATE GOVERNANCE COMMITTEE 2009/10**

It was proposed by Councillor Mrs JM Guest, seconded by Councillor FWM Burkitt and, there being no other nominations, **RESOLVED** that Councillor PW Topping be elected Chairman of the Committee for the 2009-10 Civic Year.

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**The Meeting ended at 2.52 p.m.**

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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<b>REPORT TO:</b>	Corporate Governance Committee	29th June 2009
<b>AUTHOR/S:</b>	Chief Executive / Head of Accountancy	

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**STATEMENT OF ACCOUNTS 2008/09****Purpose**

1. To approve the Statement of Accounts (to be distributed later as a separate document).
2. This is a key decision because it is of such significance to a locality, the Council or the services which it provides that the decision-taker is of the opinion that it should be treated as a key decision.

**Background**

3. The Accounts and Audit Regulations 2003 require the draft Statement of Accounts for 2008/09 to be approved before the 30th June 2009.
4. A bulletin issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in February 1996 stated that "it must be stressed that approval in this context has to some extent a different meaning than on other resolutions required to be approved by Members. The responsible financial officer (RFO) retains responsibility for the preparation of the statement of accounts and indeed is required under (1996) Regulation 8 (3) to certify their fair presentation. The Member's role in approval is to demonstrate their ownership of the accounting statements and their confidence in the RFO and in the process by which he or she maintains the accounting records and prepares the statement".
5. However, on financial reporting in the Use of Resources assessment, there needed to be evidence that "the accounts were subject to robust member scrutiny prior to approval".
6. In October 2000, a statutory instrument was issued setting out functions which were not to be the responsibility of an authority's executive. One of these functions was the duty to approve the authority's statement of accounts. At its meeting in March 2007, Council resolved that the terms of reference of the Audit Panel (now known as the Corporate Governance Committee) be extended to incorporate approval of the Statement of Accounts.

**Considerations**

7. I am pleased to report that the draft Statement of Accounts for 2008/09 has been produced. The Statement is in draft because it is still subject to approval and to audit and awaiting the Auditor's Report.

8. The contents of the Statement of Accounts are largely determined by the Code of Practice on Local Authority Accounting – a statement of recommended practice (SORP) issued by CIPFA. The SORP is updated annually and for 2008/09 there are fewer and minor changes compared to 2007/08.
9. The explanatory foreword is intended to explain in overall terms and in an easily understandable manner the Council's financial position including a comparison of actual expenditure with original estimate. A brief statement will also be included on a forthcoming Members' bulletin outlining the key financial issues.
10. In view of the detailed technical processes involved in the preparation of the draft Statement of Accounts and accompanying explanatory information, it will be helpful if Members provide advance notice of any questions, thereby allowing time for any associated research to be completed.
11. The draft Statement of Accounts is issued subject to audit. The audit is due to take place in July/August. The accounts and other related documents will be available for inspection by the public for 20 working days and electors or their representatives may question the auditor about the accounts and make objections on an appointed day which is still to be determined.
12. The Statement of Accounts will be published on the Council's website together with, in due course, a summary of the accounts which will be simplified and easier to understand.

### Options

13. The Committee may decide not to approve the Statement of Accounts in which case a further meeting must be held within twenty working days and, if the accounts are not approved at that meeting, then a statement must be published as to the reasons why the accounts can not be approved.

### Implications

14. Financial	The actual working balances will be incorporated in the next review of the Medium Term Financial Strategy.
Legal	The SORP constitutes a proper accounting practice under the Local Government Act 2003 and local authorities are legally required to comply with the SORP.
Staffing	In future years, there is a risk that the accounts may not be closed in accordance with the statutory deadlines if vacancies and/or sickness occur at critical times. This is a reputational risk – there are no financial penalties for not complying with the deadline but it will adversely affect the Use of Resources score
Risk Management	The short deadlines and increasing complexity allow less time for preparation, checking and reviewing and there is, therefore, also the risk that errors may occur in the Statement of Accounts.
Equal Opportunities	None

### Consultations

15. None.

**Effect on Strategic Aims**

16.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>
	<b>Commitment to assisting provision for local jobs for all.</b>
	<b>Commitment to providing a voice for rural life.</b>
	This report has no direct implications for any of the Strategic Aims but any variation in the expenditure on individual services might have affected the achievement of the Objectives.

**Recommendations**

17. The Corporate Governance Committee is recommended to approve the draft Statement of Accounts.

**Background Papers:** the following background papers were used in the preparation of this report:

Statement of Accounts as enclosed with this report

**Contact Officer:** Adrian Burns / Sally Smart- Head of Accountancy / Principal Accountant  
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[sally.smart@scambs.gov.uk](mailto:sally.smart@scambs.gov.uk)

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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**REPORT TO:** Corporate Governance Committee  
**AUTHOR/S:** Chief Executive

29 June 2009

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**CORPORATE GOVERNANCE COMMITTEE SELF EVALUATION****Purpose**

1. To report on the findings of the Corporate Governance Committee's self evaluation process and enable the Committee to agree any improvements it wishes to make.

**Background**

2. The Corporate Governance Committee agreed that it would like to complete a self-evaluation in time for the first meeting of 2009/10.
3. The Chief Executive oversaw a process whereby feedback was invited from Members of the Council, internal and external auditors, and senior officers. Each was asked to comment on the Committee's performance in its three roles: Internal Audit; External Audit; and its General role - as set out at Appendix A. Comments were also invited on how the committee communicated with and involved other Members.
4. This feedback then informed a discussion held by the committee on 17 June 2009.

**Survey findings**

5. Seven responses were received: three members, three officers and one auditor.
6. Three said that they could not respond to the survey as they knew little about the work of the Committee. The low response rate may indicate that others feel equally uninformed and therefore unable to comment.

**Self-evaluation findings**

7. On 17 June, the Committee discussed each aspect of their work in turn, informed by the feedback received. Their findings were as follows:
8. The Committee felt that it performed its General Role well but agreed that there was an ongoing need for training during 2009/10. There was also some concern about how topics are identified for the agenda. For example the Committee could have looked at fire risk issues or the consolidation of contracts last year. Members felt a need to develop greater awareness of the Committee's responsibilities and scope.
9. Regarding their External Audit role, the Committee agreed that there was a need to improve communication with external auditors and to ensure their attendance at meetings of the Committee. Whilst feedback suggested that performance in the external audit function had improved over the previous year, Members agreed that they were often hampered by the late submission of reports - most notably the Annual Audit and Inspection Letter. The Committee intends to work with the Chief Executive to improve this situation during 2009/10.
10. Feedback regarding the Internal Audit role suggested that there may have been "too much attention to operational matters, rather than overarching assurances being provided by this

inspection tool". The Committee rejected this; rather they felt there was a need for more detailed attention to some issues, such as those at paragraph 8 above. Members would like to work with officers to develop a more useful statement of the potential consequences of risks identified. They agreed that they would like to rise on the risk maturity index.

11. In considering the Committee's performance on communicating with and involving other Members the Committee acknowledged that very few Members were adequately aware of their work. They agreed that officers should be asked to expand Members' induction to include a briefing on the role of the Corporate Governance Committee (and other committees). During 2009/10 they intend to invite relevant portfolio holders to attend and contribute whenever appropriate.
12. The Committee identified several other ideas for improving performance in 2009/10:
  - Holding a 30-minute planning session prior to each meeting
  - Exploring the opportunities for liaison with equivalent committees of the County Council, the other district councils in Cambridgeshire, and those of the police authority, fire service, PCT and so on
  - Shorter, better focused agendas leading to more efficient working
  - Publicity of activities, such as elements of the Annual Governance Statement
13. The Committee is invited to confirm the findings listed in this report and instruct officers to support them in achieving the improvements identified.

**Implications**

14. Financial	none
Legal	none
Staffing	none
Risk Management	The role of the Corporate Governance Committee is central to the good governance and legal compliance of the Council. Self-evaluation and planning for improvement are likely to reduce the risks posed by poor governance and audit arrangements. Without the self-evaluation the Council could miss opportunities for improvement and this could lead to criticism by external inspectors.
Equal Opportunities	none

**Effect on Strategic Aims**

19. Evaluating and seeking to improve the work of the Corporate Governance Committee contributes to the commitment to being a listening council, providing first class services accessible to all. Ensuring that the authority has robust governance and audit arrangements in place will protect the provision of services to the community and support the achievement of all the Council's aims.

**Recommendations**

20. It is recommended that the Corporate Governance Committee confirms the findings listed in this report and instructs officers to support them in achieving the improvements identified.

**Contact Officers:** Greg Harlock, Chief Executive  
 Telephone: (01954) 713011  
 Jackie Sayers, Scrutiny Development Officer  
 Telephone: (01954) 713451

## Functions of the Corporate Governance Committee

### A. General

#### **Responsibility of the Corporate Governance Committee:**

- To review and advise the Council on the embedding and maintenance of an effective system of corporate governance, risk management and internal control.
- To give assurance to the Council that there is a sufficient and systematic review of the corporate governance, risk management and internal control arrangements within the Council.
- in conjunction with the Chief Finance Officer, to commission such “value for money” or special studies as considered appropriate;
- to consider the Performance Indicators and Local Authority Profile as published by the Audit Commission and, as appropriate, initiate investigative action;
- to recommend to the Council action in respect any issues of major concern arising from audit reports and/or management letters.
- to maintain an overview of the main instruments of financial control, such as Standing Orders in relation to contracts, Financial Regulations etc., and, where appropriate, make recommendations to the Council for improvement.
- to approve the Statement of Accounts.

#### **Shared responsibility with the Cabinet:**

- to monitor the overall efficiency and effectiveness of the internal and external audit services.
- to be informed by the Chief Finance Officer, at his discretion, of any matters of suspected fraud and/or maladministration, pending receipt of an interim or final report.

### B. External Audit

#### **Responsibility of the Corporate Governance Committee:**

- to oversee, generally, the work of external audit and provide a suitable forum for discussion of related matters;
- to consider, annually, the programme of work to be performed by external audit and the draft audit time budget;
- to confirm that the managed audit approach between external audit and internal audit is working for the maximum advantage of the Council;
- to receive, upon request, periodic presentations on specialist audit areas or other matters of interest.

#### **Shared responsibility with the Cabinet:**

- to receive copies of all external audit reports including value for money studies;
- to monitor, annually, or more frequently where deemed appropriate, the implementation of agreed recommendations in respect of both external audit reports and management letters.

### C. Internal Audit

#### **Responsibility of the Corporate Governance Committee:**

- to review and confirm annually with the Chief Finance Officer the Audit Risk Index and Strategic Audit Plan;
- in association with the Chief Finance Officer, to consider the total resource requirements for the coming year and the proposed level of fees and fee structure;
- to monitor the activities of the Internal Audit service provider and measure performance against plan;
- to review the annual report of the Internal Audit Manager;
- to examine and review the planning and co-ordination of internal audits with the aim of confirming an effective and efficient service continues to be provided;
- to consider a quarterly report by the Audit Manager detailing audit coverage and the extent to which any major problems were highlighted;
- to consider the draft statement on internal control prior to its inclusion in the ~~statement of accounts~~ (this should now read ‘Annual Governance Statement’).

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South Cambridgeshire District Council

Internal Audit Progress Report

June 2009

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This report has been prepared for our client and should not be disclosed to any third parties, including in response to requests for information under the Freedom of Information Act, without the prior written consent of RSM Bentley Jennison and our client. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, it is based upon the documentation reviewed and information provided to us during the course of our work. Thus, no guarantee or warranty can be given with regard to the advice and information contained herein.

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**1. Introduction**

- 1.1 The periodic internal audit plan for 2009/10 has previously been approved by the Corporate Governance Committee. This report summarises the outcome of work completed to date against the plan, and Appendix A provides cumulative data in support of internal audit performance.

**2. Final Reports Issued**

- 2.1 We have issued the following 2008/09 final reports since the last Corporate Governance Committee:

- Section 106 Follow Up;
- Pro-active Fraud;
- Follow Up of the 2007/08 Internal Audit Reports; and
- IT Disaster Recovery Planning.

- 2.2 We have issued the following 2009/10 final report since the last Corporate Governance Committee:

- Response Maintenance.

**3. Key Findings from Internal Audit Work**

- 3.1 The Corporate Governance Committee should note that the assurances given in our audit assignments will be taken into account when we form our overall opinion on the assurance that we can provide in our Annual Report at the end of the year. In particular the Corporate Governance Committee should note that any negative assurance opinions will need to be noted in the annual report and may result in a qualified or negative annual opinion.

- 3.2 No common weaknesses have been identified within our reports.

**4. Work in Progress or Planned**

- 4.1 The following audit from the 2009/10 plan is currently at the draft report stage:

- Housing Maintenance – Planned and Cyclical.

**5. Changes to our Plan**

- 5.1 There have been no changes to the Audit Plan since the last Corporate Governance Committee.

## Appendix A: Operational Plan Performance 2009/10

Detailed below is a summary of the work undertaken in 2009/10 to date, showing the levels of assurance given and the number of recommendations arising. In addition the outstanding reports for 2008/09 have been now been finalised which concludes the plan. Reports being considered at this Committee are shown in italics. Definitions with regard to the levels of assurance and the classification of recommendations are provided below.

### Recommendation Categorisation

Our findings and recommendations are categorised as follows:

**Fundamental (F):** *action is imperative to ensure that the objectives for the area under review are met*

**Significant (S):** *requires action to avoid exposure to significant risks in achieving the objectives for the area under review.*

**Merits Attention (MA):** *action advised to enhance control or improve operational efficiency*

### Opinions

#### Risk Based Internal Audit Assignments

The definitions for the level of assurance that can be given are:

	Level	System Adequacy	Control Application
(positive opinions)	Substantial Assurance	Robust framework of controls ensures objectives are likely to be achieved.	Controls are applied continuously or with minor lapses.
	Adequate Assurance	Sufficient framework of key controls for objectives to be achieved but, control framework could be stronger.	Controls are applied but with some lapses.
(negative opinion)	Limited Assurance	Risk of objectives not being achieved due to the absence of key internal controls.	Significant breakdown in the application of controls.

#### Follow Up Reviews

Our opinions reflect the progress made in implementing previous internal audit recommendations:

(positive opinions)	Good Progress
	Reasonable Progress
(negative opinion)	Little Progress



**2008/09 Internal Audit Plan**

Auditable Area	Date Planned	Date Completed	Status	Audit approach	Days Planned	Days Actual	Last year actual	Assurance level given	Number of Recommendations Made				
									F	S	MA	In Total	Agreed
Section 106 F/U	Q3 02.02.09	03.03.09	Final Report Issued	Follow Up	3	3	6.5	Reasonable Progress	0	1	3	4	4
Pro-active Fraud	Q4	N/A	Final Report Issued	Advisory	10	5	6	N/A	0	0	6	6	6
IT Disaster Recovery Planning	Q3/4	18.02.09	Final Report Issued	Awaiting Management Responses	10	10	N/A	Adequate	0	3	4	7	7
Follow up	Q4	13.02.09	Final Report Issued	Awaiting Management Responses	7	7	6.5	Reasonable Progress	0	4	13	17	17

**2009/10 Internal Audit Plan**

Auditable Area	Date Planned	Date Completed	Status	Audit approach	Days Planned	Days Actual	Last year actual	Assurance level given	Number of Recommendations Made					
									F	S	MA	In Total		
<b>Work complete to date</b>														
Housing Responsive Repairs	09/04/09	17/04/09	Final Report Issued	Systematic	8	8	8	Adequate	0	0	11	11	11	
<b>Totals to date:</b>									<b>0</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>11</b>	

Auditable Area	Date Planned	Date Completed	Draft Issued	Status	Days Planned	Audit approach	Assurance level given	Number of Recommendations Made						
								F	S	MA	In Total			
<b>Work in progress or yet to start (including reports still in draft)</b>														
Housing Maintenance – Planned & Cyclical	11/05/09	28/05/09	11/06/09	Awaiting Management Responses	8									
Absence Management	22/06/09				8									
Risk Maturity	Jul-09				8									
Civil Contingencies Act (Business Continuity Plans)	13/07/09				8									
Contract Services	20/07/09				8									
ICT Review	03/08/09				10									
Housing Rents	12/08/09				8									
Housing Allocations and Voids	12/08/09				8									
Income & Debtors	Sep-09				7									
General Ledger	Sep-09				7									
Creditors	Sep-09				7									

Cash, Banking & Treasury Management	Sep-09									7							
Payroll (including Expenses & Pensions)	Sep-09									12							
Capital Expenditure and Asset Management	Sep-09									7							
Procurement	28/09/09									8							
Insurance	06/11/09									6							
NNDR	09/11/09									7							
Council Tax	16/11/09									7							
Housing Benefits	04/01/10									14							
Performance Management	11/01/10									8							
Environmental Health	01/02/10									8							
Customer Services	01/02/10									8							
Growth										10							
Housing Futures										10							
Corporate Governance										8							
Proactive Fraud Thematic Review										10							
Annual Governance Statement										10							
Follow Up										7							
Contingency										8							
										242							
											<b>Total</b>						

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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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<b>REPORT TO:</b>	Corporate Governance Committee	29 June 2009
<b>AUTHOR/S:</b>	Chief Executive / Customer Service Coordinator	

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**LOCAL GOVERNMENT OMBUDSMAN – ANNUAL REVIEW 2008/09****Purpose**

1. To provide the Corporate Governance Committee with a summary of the Local Government Ombudsman's annual review 2008/09.
2. This is not a key decision.

**Background**

3. The Local Government Ombudsman acts on behalf of the public to investigate complaints and concerns regarding councils and other public bodies. When investigating a complaint the Ombudsman examines the way in which the council has acted, and seeks to identify whether maladministration has taken place, and if so whether that maladministration has caused injustice to the complainant.
4. The Local Government Ombudsman provides a summary of the complaints received about South Cambridgeshire District Council within an annual review (appendix 1) to the Chief Executive.

**Considerations**

5. A change in the way the Local Government Ombudsman operates means that the statistics about complaints received in 2008/09 are not directly comparable with those from 2007/08. Since 1 April 2008 the new Local Government Ombudsman Advice Team has been the single point of contact for all enquiries and new complaints. As a result of this change the number of calls handled by the Ombudsman has increased significantly. The Ombudsman now provides comprehensive information and advice to callers at the outset with a full explanation of the process and possible outcomes. This enables callers to make a more informed decision about whether putting their complaint to the Ombudsman is an appropriate course of action.
6. The change in the way the Ombudsman operates means direct comparisons with some of the previous year's statistics are difficult and could be misleading. As a result the Ombudsman's annual review focuses mainly on the 2008/09 statistics without drawing those comparisons.

**Enquiries and complaints received**

7. The Local Government Ombudsman received 30 complaints and enquiries during the year. The largest category was Planning and Building Control with 11, six related to Housing matters, three to Benefits, two to Finance, one for transport and highways and seven were categorised as "other".

8. Four complaints were treated as premature and a further seven were given advice (usually to make a complaint direct to the Council). The remaining 19 were investigated as new or resubmitted complaints.

**Complaint outcomes**

9. The Local Government Ombudsman made decisions on 17 investigations during the year. 10 of these concluded no evidence of maladministration. In another two the Ombudsman used his discretion not to investigate the complaint any further. Three complaints were deemed outside of the Ombudsman’s jurisdiction and two were subject to local settlements. Decisions on two complaints remain outstanding.
10. A local settlement is a complaint where, during the course of the investigation, a council takes or agrees to take some action that the Ombudsman considers to be a satisfactory response to the complaint.
11. South Cambridgeshire District Council paid a total of £750 compensation in settling two complaints. In one case the Council’s attempt to recover an overpayment of housing benefit inappropriately resulted in a delay in the commencement of a new tenancy. The complainant was offered £500 compensation for the delays and to cover expenses from the postponed removal. This offer was made without any recommendation from the Ombudsman’s office. The Ombudsman was pleased to see this proactive approach to settle what was a complex complaint.
12. The second settlement was for £250. The complainant was offered compensation for delays and lack of advice during an antisocial behavior complaint which meant the case did not get to court as promptly as it might have done.

**Liaison with the Local Government Ombudsman**

13. The Council’s average response time was 37.5 days. The Ombudsman commented that he had hoped to see further improvement towards the expected target of 28 days. The lack of improvement may partly be attributed to the vacant Customer Service Coordinator position for six months of the year. With the role now filled the Customer Service Coordinator will work with service areas to ensure responses meet the target of 28 days.

**Complaint handling training**

14. During 2008/09 the Local Government Ombudsman provided training in Effective Complaint Handling to South Cambridgeshire District Council employees on two separate courses. The training was well received by all involved.

15. Financial	Failure to resolve complaints effectively may result in the Local Government Ombudsman awarding costs against the Council.
Legal	The Local Government Ombudsman has statutory powers with which it can oblige Council officers to attend its offices rather than submitting comments/responses in writing.
Staffing	Responding to Local Government Ombudsman enquires requires significant staff time.
Risk Management	Failure to respond to complaints effectively and promptly is detrimental to the Council’s reputation.
Equal Opportunities	None.

**Consultations**

- 16. Provisional information provided by the Local Government Ombudsman was reported to the Senior Management Team on 8 May 2009.

**Effect on Strategic Aims**

- 17. 

<b>Commitment to being a listening council, providing first class services accessible to all.</b>
The complaints process provides a vital channel for customers to feedback information relating to their experience of our services. This information should inform service planning and reviews and identify improvements to service delivery that will contribute to providing first class services accessible to all.

**Recommendations**

- 18. The Corporate Governance Committee is asked to note the contents of this report and the Local Government Ombudsman’s annual review.

**Background Papers:** the following background papers were used in the preparation of this report:

The Local Government Ombudsman’s Annual Review 2008/09

**Contact Officer:** Paul Knight – Customer Service Coordinator  
Telephone – 01954 713309

**Appendix 1** – The Local Government Ombudsman’s Annual Review 2008/09





**The Local Government Ombudsman's  
Annual Review**

**South Cambridgeshire District  
Council**

**for the year ended  
31 March 2009**

The Local Government Ombudsman (LGO) provides a free, independent and impartial service. We consider complaints about the administrative actions of councils and some other authorities. We cannot question what a council has done simply because someone does not agree with it. If we find something has gone wrong, such as poor service, service failure, delay or bad advice, and that a person has suffered as a result, the Ombudsmen aim to get it put right by recommending a suitable remedy. The LGO also uses the findings from investigation work to help authorities provide better public services through initiatives such as special reports, training and annual reviews.

# Contents of Annual Review

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# **Section 1: Complaints about South Cambridgeshire District Council 2008/09**

## **Introduction**

This annual review provides a summary of the complaints we have dealt with about South Cambridgeshire District Council. We have included comments on the authority's performance and complaint-handling arrangements, where possible, so they can assist with your service improvement.

I hope that the review will be a useful addition to other information your authority holds on how people experience or perceive your services.

Two appendices form an integral part of this review: statistical data for 2008/09 and a note to help the interpretation of the statistics.

## **Changes to our way of working and statistics**

A change in the way we operate means that the statistics about complaints received in 2008/09 are not directly comparable with those from 2007/08. Since 1 April 2008 the new LGO Advice Team has been the single point of contact for all enquiries and new complaints. The number of calls to our service has increased significantly since then. It handles more than 3,000 calls a month, together with written and emailed complaints. Our advisers now provide comprehensive information and advice to callers at the outset with a full explanation of the process and possible outcomes. It enables callers to make a more informed decision about whether putting their complaint to us is an appropriate course of action. Some decide to pursue their complaint direct with the council first.

It means that direct comparisons with some of the previous year's statistics are difficult and could be misleading. So this annual review focuses mainly on the 2008/09 statistics without drawing those comparisons.

## **Enquiries and complaints received**

Our Advice Team received 30 complaints and enquiries during the year. The largest category was Planning and Building Control with 11, six were about Housing matters and seven were in the "Other" category.

Four complaints were treated as premature and a further seven were given advice (usually to make a complaint direct to the Council). The remaining 19 were referred to investigators as new or resubmitted complaints.

## **Complaint outcomes**

I decided 17 complaints during the year. In 10 of these I found no evidence of maladministration. In another two I used my discretion not to investigate the complaint any further. Typically these are cases where even though there may have been some fault by the Council there is no significant injustice to the complainant. In a further three cases I decided that they were outside my jurisdiction so that I could not investigate them. The remaining two were subject to local settlements.

## **Local settlements**

A 'local settlement' is a complaint where, during the course of our investigation, a council takes or agrees to take some action that we consider to be a satisfactory response to the complaint. In 2008/09, 27.4% of all complaints the Ombudsmen decided and which were within our jurisdiction were local settlements. Of the complaints we decided against your authority only 12% were settled in this way.

Your Council paid a total of £750 in compensation in settling these two complaints. In one case the Council's attempts to recover an overpayment of housing benefit inappropriately resulted in a delay in the commencement of a new tenancy. The complainant was caused considerable inconvenience and stress as a result. The Council offered compensation of £500 for the delays and to cover expenses from the postponed removal. This offer was made without any recommendation from my office and I was pleased to see this proactive approach to settle what was a complex complaint.

The second settlement was for £250. This was for delays and lack of advice to the complainant in an antisocial behaviour complaint which meant the case did not get to court as promptly as it might have done and the complainant's distress was exacerbated by the delay.

Five cases that had been returned to the Council as premature were resubmitted. One was the second settlement described above and in two others I found no maladministration. One was closed under the exercise of my discretion and one is still under investigation.

## **Liaison with the Local Government Ombudsman**

I made formal enquiries on 11 complaints. Your Council's average response time was 37.5 days. In my letter last year I commended your Council for an improvement on the previous year's times and I had hoped to see further improvement towards my expected target of 28 days. It is disappointing to note that this was not achieved and that response times were much the same as last year's. Benefits complaints took an average of 47 days to obtain a response and the one housing complaint took 59 days. I hope that your Council can identify the causes of delays and identify strategies to try to improve the time taken to respond to my investigators' enquiries.

Delays in responding to our enquiries result in delays in my responses to complainants which may then be outside my published target timescales. Such delays are also a factor in the way the public views the Council.

I was pleased to note that your officers attended a meeting for the region's Ombudsman Link Officers last autumn along with one of my investigators and an Assistant Ombudsman. I believe that this was a useful and positive session and I hope that it was of benefit to the officers involved.

## **Training in complaint handling**

I am pleased that during 2008/09 we provided training in Effective Complaint Handling to staff from your authority on two separate courses. We continue to offer training courses for all levels of local authority staff in complaints handling and investigation. All courses are presented by experienced investigators. They give participants the opportunity to practise the skills needed to deal with complaints positively and efficiently. We can also provide customised courses to help authorities to deal with particular issues and occasional open courses for individuals from different authorities

I hope that the officers found the training to be beneficial and, in case the Council intends to undertake additional training, I have enclosed some information on the full range of courses available together with contact details for enquiries and bookings.

I hope that the officers found the training to be beneficial and, in case the Council intends to undertake additional training, I have enclosed some information on the full range of courses available together with contact details for enquiries and bookings.

### **Conclusions**

It is pleasing to note that only two complaints resulted in the need for a settlement but at the same time I am aware that the Council still needs to be able to provide responses to my enquiries more quickly than it is currently managing to do.

I welcome this opportunity to give you my reflections about the complaints my office has dealt with over the past year. I hope that you find the information and assessment provided useful when seeking improvements to your Council's services.

**J R White  
Local Government Ombudsman  
The Oaks No 2  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8JB**

**June 2009**

## Section 2: LGO developments

### Introduction

This annual review also provides an opportunity to bring councils up to date on developments – current and proposed – in the LGO and to seek feedback. It includes our proposal to introduce a 'statement of reasons' for Ombudsmen decisions.

### Council First

From 1 April 2009, the LGO has considered complaints only where the council's own complaints procedure has been completed. Local authorities have been informed of these new arrangements, including some notable exceptions. We will carefully monitor the impact of this change during the course of the year.

### Statement of reasons: consultation

The Local Government and Public Involvement in Health Act 2007 made provision for the LGO to publish statements of reasons relating to the individual decisions of an Ombudsman following the investigation of a complaint. The Ombudsmen are now consulting local government on their proposal to use statements of reasons. The proposal is that these will comprise a short summary (about one page of A4) of the complaint, the investigation, the findings and the recommended remedy. The statement, naming the council but not the complainant, would usually be published on our website.

We plan to consult local authorities on the detail of these statements with a view to implementing them from October 2009.

### Making Experiences Count (MEC)

The new formal, one stage complaint handling arrangement for adult social care was also introduced from 1 April 2009. The LGO is looking to ensure that this formal stage is observed by complainants before the Ombudsmen will consider any such complaint, although some may be treated as exceptions under the Council First approach. The LGO also recognises that during the transition from the existing scheme to the new scheme there is going to be a mixed approach to considering complaints as some may have originated before 1 April 2009. The LGO will endeavour to provide support, as necessary, through dedicated events for complaints-handling staff in adult social care departments.

### Training in complaint handling

Effective Complaint Handling in Adult Social Care is the latest addition to our range of training courses for local authority staff. This adds to the generic Good Complaint Handling (identifying and processing complaints) and Effective Complaint Handling (investigation and resolution), and courses for social care staff at both of these levels. Demand for our training in complaint handling remains high. A total of 129 courses were delivered in 2008/09. Feedback from participants shows that they find it stimulating, challenging and beneficial in their work in dealing with complaints.

### **Adult Social Care Self-funding**

The Health Bill 2009 proposes for the LGO to extend its jurisdiction to cover an independent complaints-handling role in respect of self-funded adult social care. The new service will commence in 2010.

### **Internal schools management**

The Apprenticeship, Skills, Children and Learning Bill (ASCL) 2009 proposes making the LGO the host for a new independent complaints-handling function for schools. In essence, we would consider the complaint after the governing body of the school had considered it. Subject to legislation, the new service would be introduced, in pilot form, probably in September 2010.

### **Further developments**

I hope this information gives you an insight into the major changes happening within the LGO, many of which will have a direct impact on your local authority. We will keep you up to date through LGO Link as each development progresses but if there is anything you wish to discuss in the meantime please let me know.

**J R White  
Local Government Ombudsman  
The Oaks No 2  
Westwood Way  
Westwood Business Park  
Coventry  
CV4 8JB**

**June 2009**

# Appendix 1: Notes to assist interpretation of the statistics 2008/09

## Introduction

This year, the annual review only shows 2008/09 figures for enquiries and complaints received, and for decisions taken. This is because the change in the way we operate (explained in the introduction to the review) means that these statistics are not directly comparable with statistics from previous years.

### Table 1. LGO Advice Team: Enquiries and complaints received

This information shows the number of enquiries and complaints received by the LGO, broken down by service area and in total. It also shows how these were dealt with, as follows.

**Formal/informal prematures:** The LGO does not normally consider a complaint unless a council has first had an opportunity to deal with that complaint itself. So if someone complains to the LGO without having taken the matter up with a council, the LGO will usually refer it back to the council as a 'premature complaint' to see if the council can itself resolve the matter. These are 'formal premature complaints'. We now also include 'informal' premature complaints here, where advice is given to the complainant making an enquiry that their complaint is premature. The total of premature complaints shown in this line *does not include* the number of resubmitted premature complaints (see below).

**Advice given:** These are enquiries where the LGO Advice Team has given advice on why the Ombudsman would not be able to consider the complaint, other than the complaint being premature. For example, the complaint may clearly be outside the Ombudsman's jurisdiction. It also includes cases where the complainant has not given enough information for clear advice to be given, but they have, in any case, decided not to pursue the complaint.

**Forwarded to the investigative team (resubmitted prematures):** These are cases where there was either a formal premature decision, or the complainant was given informal advice that their case was premature, and the complainant has resubmitted their complaint to the Ombudsman after it has been put to the council. *These figures need to be added to the numbers for formal/informal premature complaints (see above) to get the full total number of premature complaints. They also needed to be added to the 'forwarded to the investigative team (new)' to get the total number of forwarded complaints.*

**Forwarded to the investigative team (new):** These are the complaints that have been forwarded from the LGO Advice Team to the Investigative Team for further consideration. The figures may include some complaints that the Investigative Team has received but where we have not yet contacted the council.



## Table 2. Investigative Team: Decisions

This information records the number of decisions made by the LGO Investigative Team, broken down by outcome, within the period given. **This number will not be the same as the number of complaints forwarded from the LGO Advice Team** because some complaints decided in 2008/09 will already have been in hand at the beginning of the year, and some forwarded to the Investigative Team during 2008/09 will still be in hand at the end of the year. Below we set out a key explaining the outcome categories.

**MI reps:** where the LGO has concluded an investigation and issued a formal report finding maladministration causing injustice.

**LS (local settlements):** decisions by letter discontinuing our investigation because action has been agreed by the authority and accepted by the Ombudsman as a satisfactory outcome for the complainant.

**M reps:** where the LGO has concluded an investigation and issued a formal report finding maladministration but causing no injustice to the complainant.

**NM reps:** where the LGO has concluded an investigation and issued a formal report finding no maladministration by the council.

**No mal:** decisions by letter discontinuing an investigation because we have found no, or insufficient, evidence of maladministration.

**Omb disc:** decisions by letter discontinuing an investigation in which we have exercised the Ombudsman's general discretion not to pursue the complaint. This can be for a variety of reasons, but the most common is that we have found no or insufficient injustice to warrant pursuing the matter further.

**Outside jurisdiction:** these are cases which were outside the Ombudsman's jurisdiction.

## Table 3. Response times

These figures record the average time the council takes to respond to our first enquiries on a complaint. We measure this in calendar days from the date we send our letter/fax/email to the date that we receive a substantive response from the council. The council's figures may differ somewhat, since they are likely to be recorded from the date the council receives our letter until the despatch of its response.

## Table 4. Average local authority response times 2008/09

This table gives comparative figures for average response times by authorities in England, by type of authority, within three time bands.

LGO Advice Team

Enquiries and complaints received	Housing	Benefits	Public Finance inc. Local Taxation	Planning and building control	Transport and highways	Other	Total
Formal/informal premature complaints	0	1	0	1	0	2	4
Advice given	1	1	1	3	1	0	7
Forwarded to investigative team (resubmitted premature)	1	0	1	4	0	0	6
Forwarded to investigative team (new)	4	1	0	3	0	5	13
<b>Total</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>11</b>	<b>1</b>	<b>7</b>	<b>30</b>

Investigative Team

Decisions	MI reps	LS	M reps	NIM reps	No mal	Omb disc	Outside jurisdiction	Total
01/04/2008 / 31/03/2009	0	2	0	0	10	2	3	17

Average local authority response times 01/04/2008 to 31/03/2009

Response times	FIRST ENQUIRIES	
	No. of First Enquiries	Avg no. of days to respond
1/04/2008 / 31/03/2009	11	37.5
2007 / 2008	11	36.9
2006 / 2007	11	66.5

Types of authority	<= 28 days %	29 - 35 days %	> = 36 days %
District councils	60	20	20
Unitary authorities	56	35	9
Metropolitan authorities	67	19	14
County councils	62	32	6
London boroughs	58	27	15
National park authorities	100	0	0

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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<b>REPORT TO:</b>	Corporate Governance Committee	29 June 2009
<b>AUTHOR/S:</b>	Interim Executive Director - Corporate Services / Finance Project Officer	

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**RISK MATURITY ACTION PLAN UPDATE****Purpose**

1. The purpose of this report is to inform Corporate Governance Committee of progress on implementing the action plan resulting from Internal Audit's risk maturity review.

**Background**

2. As part of their audit plan for 2008/09, RSM Bentley Jennison, the Council's internal auditors, carried out a risk maturity review, assessing "the extent to which a robust risk management approach has been adopted and applied as planned by management across the organisation, to identify, assess, decide on responses to, and report on opportunities and threats that affect the achievement of the organisation's objectives" (Institute of Internal Auditors).
3. RSM Bentley Jennison have initially assessed the Council's risk maturity as Risk Defined/Managed, on the scale Risk Naïve-Aware-Defined-Managed-Enabled<sup>1</sup>. (Note: our own assessment was Risk Managed).
4. The risk maturity review's recommendations were taken into account in the annual review and revision of the Council's risk management strategy and process, reported to and agreed by Corporate Governance Committee on 30 September 2008.

**Considerations**

5. The risk maturity review's recommendations are given in **Appendix A**, together with management comments made at the time in response to the recommendations, suggested amendments to the risk management strategy agreed by Corporate Governance Committee in September 2008 and progress to date.
6. Of the nine recommendations, three were not accepted for the reasons given in management comments at the time, reproduced in Appendix A (recommendation reference numbers 5, 8 and 15). No amendments were required to the risk management strategy and there were no actions to implement.
7. A further recommendation (ref. no. 12) was subsequently considered not to enable any more effective management of risks by managers or Members. No amendment was required to the risk management strategy and there was no action to implement.
8. Another recommendation (ref. no. 11) did not require any amendment to the risk management strategy. The action is still pending, awaiting the implementation of the risk management module (CorRisk) of the new CorVu performance management

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<sup>1</sup> "Defined" means 'Risk management strategy and policies in place and communicated across the organisation'; "Enabled" means 'Risks taken on an informed basis. Risk management is used to help manage the organisation'.  
Source: RSM Bentley Jennison draft Risk Maturity report.

system. In the meantime, a standard risk assessment template form will be produced as part of this year's review of the risk management strategy (due September 2009).

9. The remaining four recommendations (ref. nos. 1, 10, 22/23 and 24) each required amendments to the risk management strategy; these were agreed as part of the review and revision of the risk management strategy in September 2008. There was no action to implement with regard to recommendation ref. No. 10; actions relating to the other recommendations have been implemented as follows:
- (a) ref. no. 1:
    - (i) Projects - Aligning the project risk log to the Council's risk register format is being discussed with the Applications and Information Manager;
    - (ii) Partnerships - Guidance has been added to the Partnership Toolkit and to the guidance for developing partnership terms of reference;
    - (iii) CorRisk - Awaiting implementation;
  - (b) ref. no. 22/23: Guidance to report writers has been updated;
  - (c) ref. no. 24: Communication of well managed / mitigated risks to the insurers to determine whether discounts can be gained on premiums has been discussed with the Council's insurance officer.

**Options**

- 10. In considering progress on the actions within the risk maturity action plan, the Committee could note the actions being taken.
- 11. Alternatively, the Committee could agree other actions.

**Implications**

12. Financial, Legal, Staffing	There are no immediate financial, legal or staffing implications resulting from this report.
Risk Management	Implementation of the actions in the risk maturity action plan will ensure that the Council has an effective risk management process in place.
Equal Opportunities	The Council's risk management process has no inherent equal opportunities implications.

**Consultations**

- 13. EMT and Corporate Governance Committee were involved in the review and revision of the risk management strategy in September 2008, which took the risk maturity review's recommendations into account.
- 14. The Applications and Information manager, Partnerships Manager, Performance Improvement Officer and insurance officer have been consulted regarding specific actions in the risk maturity action plan.

**Effect on Strategic Aims**

15.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	Implementation of the actions in the risk maturity action plan contribute to the Council's corporate governance responsibilities.
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>

<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>
<b>Commitment to assisting provision for local jobs for all.</b>
<b>Commitment to providing a voice for rural life.</b>

**Conclusions/Summary**

- 16. Implementation of the actions in the risk maturity action plan will enable the Council to further embed risk management in order to move towards a risk maturity status of Risk Enabled.
- 17. The remaining actions will be implemented as part of:
  - (a) the annual review of the Council’s risk management strategy (due September 2009); and/or
  - (b) the implementation of the CorRisk risk management module (due September 2009, but dependent on the assistance of the supplier and the Policy and Performance Team).

**Recommendations**

- 18. Corporate Governance Committee is recommended to note progress on actions being taken to address recommendations from the risk maturity review.

**Background Papers:** the following background papers were used in the preparation of this report:

None unpublished

**Contact Officer:** John Garnham – Finance Project Officer  
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**Appendix A – Risk Maturity recommendations, management comments, amendments to risk management strategy and update on progress**

Risk Maturity recommendations and management comments August 2008			Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	Recommendation and Categorisation	Management Comment	Further management comment	Amendment to risk management strategy	
1.	<p>Introduce a standardised risk register format (as part of the strategy review and the implementation of the new risk management software CORVU).</p> <p>(Merits Attention)</p>	<p>Accepted</p> <p>The Council will consider introducing a standardised risk register format across the strategic risk register, service area risk registers and project/ partnership risk registers/ logs, as part of (a) its implementation of the risk management module (CorRisk) of the new CorVu performance management system and (b) its review of the Risk Management Strategy.</p> <p>Implementation Date: The risk management strategy is due for review by 30 September 2008. CorRisk has a separate implementation timetable.</p> <p>Manager Responsible: Finance Project Officer (FPO)</p>	<p>The risk register format is standard across the strategic and service area risk registers. These are the risk registers that will be included in CorRisk.</p>	<p>The Council will require projects to use the standard risk register format set out in this strategy. The Project Management Toolkit will be updated to reflect this and guidance will be made available within the Toolkit.</p> <p>The Council will encourage partnerships to use the standard risk register format set out in this strategy; however, the Council acknowledges that a partnership may choose to use another format appropriate to its needs. If a partnership chooses not to use the standard format, the lead officer should liaise with the Finance Project Officer (FPO) for guidance on how to structure the risk register/ log. Guidance will also be made available in the Partnership Toolkit.</p> <p><b>(see paragraphs 5.2.2 and 5.2.3 of the draft revised strategy)</b></p>	<p>Projects: Aligning the risk management element of the Project Management Toolkit with the risk management strategy is being discussed with the Applications and Information Manager.</p> <p>Partnerships: Guidance has been added to the Partnership Toolkit and to the guidance for developing partnership terms of reference.</p> <p>CorRisk: Awaiting implementation</p>
5	<p>The Council should identify both the inherent and the residual risk scoring within their risk register to identify the significance of the risk and the effectiveness of the controls in place resulting in the residual risk.</p> <p>(Merits Attention)</p>	<p>Not accepted</p> <p>Internal Audit (IA) included the following Note at the end of their Internal Audit Finding 1:</p> <p>“We were advised by the FPO that during 2004 the Council had made a decision not to formally incorporate the inherent and residual risk assessment within their risk registers as it was felt this overcomplicated the risk management process. Through discussion with the Chief Executive on this matter he considers the system in place is working well and is well established and understood by those with risk management responsibilities across the organisation, thus they have no plans to change the current system.”</p>	<p>Identifying inherent and residual risk was considered when the Council first adopted a risk management strategy in January 2004.</p> <p>It was decided that this level of detail and complexity would not add sufficient value to the risk management process for the Council.</p> <p>The system in place is working well and is well established and understood by those with risk management responsibilities across the Council.</p>	<p>None required.</p>	<p>N/a</p>

Risk Maturity recommendations and management comments August 2008		Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	Recommendation and Categorisation	Management Comment	Further management comment	Amendment to risk management strategy
8	The Council should review all risks on the risk register to ensure that the risk identified is the actual risk to the organisation and not one of the possible causes and that the action plan in place addresses the true risk.  (Significant)	Not accepted  IA included the following paragraph within their Internal Audit Finding 8:  "We discussed the methodology applied with the FPO, the Chief Executive and the Chairman of the Corporate Governance Committee and they consider the format methodology in place is suitable to their needs and have no plans to make any changes to the existing format."  The wording of each risk is already considered as part of each quarterly review. Action plans already address the risk.	The standard format used for both strategic and service area risk registers is that each risk is given a title, followed by a description of the risk event, the consequence for the service/ objective/ priority, and possible outcome(s).  This format is suitable to the Council's needs. The wording of all risks on each risk register is reviewed every quarter to ensure that they remain accurate and up to date.	None required.  N/a
10.	Review the terminology of the Council's risk appetite as set out in the Risk Management Strategy to provide greater clarity.  (Merits Attention)	Accepted  This will be included in the review of the Risk Management Strategy.  Implementation Date: 30 September 2008  Manager Responsible: FPO	Greater clarification will be provided as part of the review of the risk management strategy.	The Council's risk appetite is clarified as being: "The Council will ensure that all risks identified are appropriately managed; however, it will require further attention to be given to: <ul style="list-style-type: none"><li>• risks having an Extreme impact, with a likelihood of Unlikely or higher;</li><li>• risks having a High impact, with a likelihood of Possible or higher; and</li><li>• risks having a Medium impact, with a likelihood of Likely or higher.</li></ul> <i>(see paragraph 6.2.3 of the draft revised strategy)</i>
11.	Seek to introduce a standard risk assessment template form as a means to ensure all elements required are clearly set out to provide greater clarity over the background to the risk assessment process.  (Significant)	Accepted  This will be an integral part of the new CorRisk module.  Implementation Date: In line with CorRisk implementation timetable  Manager Responsible: FPO	The CorRisk module will have an input screen setting out the elements required to record and assess a risk; there will also be a set of online guidance notes for each element.  Template forms equivalent to the CorRisk input screen will be developed and added to the Project Management Toolkit and Partnership Toolkit, together with similar guidance notes, for use in projects and partnerships.	None required.  Awaiting CorRisk implementation.  In the meantime, a standard risk assessment template form will be produced as part of this year's review of the risk management strategy.  September 2009  FPO



Risk Maturity recommendations and management comments August 2008			Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	Recommendation and Categorisation	Management Comment	Further management comment	Amendment to risk management strategy	
12.	Consider introducing a system to quantify the risks across the various risk registers held within the Council to provide senior management / Members with an overall picture of the number of risks being identified / managed within the organisation on an ongoing basis.  (Merits Attention)	Accepted  This will be considered as part of the review of the Risk Management Strategy.  Implementation Date: 30 September 2008  Manager Responsible: FPO	It is considered that information on the number of risks will not enable managers or Members to ensure that risks are managed any more effectively.	None required.	N/a
15	The sources of assurance over the controls in place to mitigate risks identified should be clearly documented and the outcome of these assurances fed back into the risk registers where appropriate.  (Merits Attention)	Not accepted  We included the following Note for IA's benefit under Internal Audit Finding 15:  "This appears to assume that the Council goes through the analysis of inherent and residual risks - and identifying mitigating controls between them - which it does not do. Where action plans are prepared, these include a note of (a) what actions/ controls are already in place, (b) whether they are considered adequate and - if not - (c) what further action/ control is required. These actions/controls are subject to review - and can be challenged - at various stages by the FPO, EMT and Corporate Governance Committee.)"	The risk management strategy already provides that, where action plans are prepared, these include a note of (a) what actions/ controls are already in place, (b) whether they are considered adequate and (if not) (c) what further action/ control is required.  These actions/controls are subject to review - and can be challenged - at various stages by the FPO, EMT and Corporate Governance Committee.	None required.	N/a

Risk Maturity recommendations and management comments August 2008		Review of risk management strategy September 2008		Update on progress June 2009	
IA Ref	Recommendation and Categorisation	Management Comment	Further management comment	Amendment to risk management strategy	
22/ 23.	<p>Seek to introduce additional mechanisms as a means to provide evidence that consideration is being given to:</p> <ul style="list-style-type: none"> <li>• Both Positive and negative risks</li> <li>• Ensuring a culture to encourage / challenge (and the documenting of any such instances)</li> </ul> <p>In order to work towards fully embedding risk management across all aspects of the Councils' business.</p> <p>(Merits Attention)</p>	<p>Accepted</p> <p>The use of the Risk Management Implications section of reports will be reviewed alongside the review of the Risk Management Strategy.</p> <p>Implementation Date: 30 September 2008</p> <p>Manager Responsible: FPO</p> <p>Guidelines will be updated as necessary following this review and re-issued to report writers.</p> <p>Implementation Date: 31 October 2008</p> <p>Manager Responsible: FPO</p>	<p>The use of the Risk Management Implications section of reports will be reviewed alongside the review of the Risk Management Strategy.</p> <p>Guidelines will be updated as necessary following this review and re-issued to report writers.</p> <p>At each of their last two training sessions, Cabinet and Corporate Governance Committee Members have been encouraged to challenge comments made in the Risk Management Implications section of reports.</p> <p>Reports to EMT and Corporate Governance Committee advise those bodies on their options in reviewing the strategic risk register, matrix and action plans. Healthy debate takes place at EMT and Corporate Governance Committee, as evidenced by the meeting minutes.</p>	<p>Positive aspects of the matter under consideration will generally be mainly described in the body of the report to Members, alongside the various "Implications" sections (Financial, Legal, Staffing, Equal Opportunities). Report writers can also use the Risk Management Implications section to highlight any positive risks (opportunities) not mentioned elsewhere in the report.</p> <p><b>(see paragraph 8.5.9 of the draft revised strategy)</b></p> <p>(Guidance to report writers will be updated to reflect this.)</p> <p>None required.</p>	<p>Completed</p> <p>N/a</p>
24.	<p>Seek to confirm that where risks are well managed / mitigated this is communicated to the insurers to determine whether discounts can be gained on premiums.</p> <p>(Merits Attention)</p>	<p>Accepted</p> <p>This will be discussed with the Council's insurance officer.</p> <p>Implementation Date: 31 August 2008</p> <p>Manager Responsible: FPO</p>	<p>The Council liaises with its insurers on cover and risk management matters; potential discounts would be taken into account when insurance cover/ premiums are considered.</p>	<p>Updates of risk registers/ logs will be provided to the Council's insurance officer, to facilitate discussion of insurance cover and negotiation of any premium discounts or reductions with the Council's insurers.</p> <p><b>(See paragraph 8.5.5 of the draft revised strategy)</b></p>	<p>The insurance officer has advised that when the insurance tender document was produced we included a statement of our risk management procedures. This enabled underwriters to take these into account when quoting the premiums.</p> <p>Subsequent premiums at the annual renewal are based on claims experience and market conditions. We are expected to take measures to mitigate the possibility of claims and that would include risk management.</p> <p>By way of example, there was no reduction in premium for fitting tracker devices in vehicles.</p>

**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

**REPORT TO:** Corporate Governance Committee  
**AUTHOR/S:** Chief Executive / Head of Accountancy

29 June 2009

**FINANCIAL REGULATIONS**

**Purpose**

1. To recommend an amendment to the Council's Financial Regulations to nominate an additional officer to authorise payments. This is not a key decision but Council approval is needed.

**Considerations**

2. Financial Regulations as part of the Constitution specify the following postholders to authorise payments:
  - Chief Finance Officer
  - Corporate Manager (Finance and Support Services)
  - Head of Accountancy
  - Principal Accountant (General Fund and Costing)
  - Head of Revenues
3. The Chief Finance Officer is currently the Chief Executive. The Chief Executive has delegated power to change the post title of Corporate Manager (Finance and Support Services) to Executive Director (Corporate Services).
4. The Chief Executive is often not available to authorise payments due to workload and meetings and will cease to be an authoriser when the responsibilities of Chief Finance Officer transfer to the post of Executive Director (Corporate Services). The post of Executive Director (Corporate Services) is currently filled on a part time interim basis to early October and the postholder is also often not available. There may be a gap between early October and when the new appointee to this post starts. The Head of Revenues has resigned to take up a new post with another local authority. There is also annual leave and the possibility of sick leave to consider. There may, therefore, be a shortage of staff to authorise payments.

**Implications**

5.	Financial	An additional authoriser is required to ensure suppliers and benefits are paid on time and treasury management transactions effected.
	Legal	None
	Staffing	
	Risk Management	
	Equal Opportunities	

**Effect on Strategic Aims**

6.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>
	<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>
	<b>Commitment to assisting provision for local jobs for all.</b>
	<b>Commitment to providing a voice for rural life.</b>
	To provide a service to suppliers and benefit claimants and to effect treasury management transactions.

**Recommendations**

7. The Corporate Governance Committee is requested to recommend to Council that the post of Finance Projects Officer be added to paragraph 6 (Operation of Bank Accounts) of the Financial Regulations within the Council's Constitution.

**Background Papers:** the following background papers were used in the preparation of this report:

Constitution

**Contact Officer:** Adrian Burns – Head of Accountancy  
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**SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL**

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<b>REPORT TO:</b>	Corporate Governance Committee	29 June 2009
<b>AUTHOR/S:</b>	Interim Executive Director - Corporate Services / Finance Project Officer	

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**STRATEGIC RISK REGISTER – QUARTERLY REVIEW****Purpose**

1. The purpose of this report is to enable Corporate Governance Committee to perform the quarterly reviews of:
  - (a) the strategic risk register and action plans to address risks above the Council's tolerance line;
  - (b) actions being taken to achieve risk management targets.

**Background**

2. At its meeting on 29 April 2009, Corporate Governance Committee approved:
  - (a) the strategic risk register, prioritisation matrix and action plans; and
  - (b) the actions being taken to achieve risk management targets.

**Considerations**

3. The strategic risk register has been reviewed with the nominated risk owners and other officers and the following changes and new risks have been suggested:
  - (a) Pandemic 'Flu: With the emergence of Swine 'Flu and the World Health Organisation upgrading its status to pandemic, the Council's risk assessment of the likelihood of pandemic 'flu leading to significant staff absence resulting in an inability to provide full services has been raised from A4 to A1 (Impact, Extreme; Likelihood, Almost Certain). An appendix to the Council's Business Continuity Plan covers the arrangements to be followed in the event of pandemic 'flu affecting the Council.
  - (b) Housing services budgeting and staffing: Following the tenants' vote against transfer of the Council's housing stock to a housing association, the Council's housing services need to make significant efficiencies and savings in order to maintain a sufficient HRA working balance. The risk of not achieving these efficiencies and savings has initially been assessed as A4 (Extreme; Unlikely). A plan will be agreed with the Housing Portfolio Holder to implement efficiencies and savings in order to address/mitigate the impact on services.
  - (c) Climate change adaptation: The Council needs to develop measures to safeguard its services against climate change. The risk of degradation or breakdown of service delivery and damage to property, increasing costs and impact on the Council's reputation has initially been assessed as C3 (Medium; Possible).
4. Some of the risks included in the strategic risk register are inter-related (e.g. 'Delivering efficiency and other savings'; and 'The current economic climate'); if any of these occur, they will affect each other.
5. Action plans to mitigate previous risks above the tolerance line have been reviewed and updated as follows:

- (a) Pandemic 'Flu: The situation continues to be monitored through Strategic Gold Briefings. Mutual aid arrangements have been agreed. The national anti-viral algorithm to predict staffing levels has been run through.
- (b) Delivering efficiency and other savings: The investigation of opportunities for conducting e-auctions was reported to Senior Management Team in May 2009. Formal procurement exercises will be carried out for the contracts indentified in the report, with an option to undertake an e-auction as the final stage, if appropriate, in each case. Research continues into more economical ways for the Council to undertake e-auctions.
6. Responses have been incorporated as appropriate in the draft strategic risk register, prioritisation matrix and action plans, attached at **Appendices A, B and C**.
7. Executive Management Team (EMT) will review the draft strategic risk register, prioritisation matrix and action plans at its meeting on 24 June 2009; any changes recommended will be reported verbally to Corporate Governance Committee at its meeting.
8. Corporate and service managers revised their service area risk registers alongside their preparation of service plans. Some service area risk registers have been updated again since the associated service plans were presented to portfolio holders.
9. The table below records progress against the targets adopted for risk management:

<i>Target</i>	<i>Due date</i>	<i>Progress</i>
Annual review of the risk management strategy and process	September 2008	Completed.  Note: The next review is due in September 2009.
Quarterly review of risk registers and action plans	December 2008; March, June, September 2009	December 2008 and March 2009: completed. June 2009: - Strategic risk register: complete following consideration of this report. - Service area risk registers: in progress.
Training for staff and Members as and when appropriate: - Staff:  - Members:	None specified         June 2009	<ul style="list-style-type: none"> <li>• Briefings were held for new staff and others with risk management responsibilities/ involvement, on 2 and 3 December 2008.</li> <li>• Further training will be given to staff as and when necessary.</li> <li>• A briefing was held for Cabinet and Corporate Governance Committee Members on 4 December 2008.</li> <li>• Further training has been arranged for Cabinet and Corporate Governance Committee Members on 29 June 2009.</li> </ul>
Communication of revised strategy and process	31 October 2008	Completed.

<i>Target</i>	<i>Due date</i>	<i>Progress</i>
Implementation of revised strategy and process	31 December 2008	In progress; aligning the risk management element of the Project Management Toolkit with the risk management strategy is being discussed with the Applications and Information Manager.

### Options

10. In reviewing the strategic risk register, matrix and action plans (paragraphs 3 to 5 and Appendices A to C), Corporate Governance Committee could:
- add to, delete from, or make other changes to the strategic risk register (Appendix A), in terms of either the title or detail of the risks;
  - alter the assessment of risks on the matrix (Appendix B), in terms of either their impact or likelihood;
  - add to, delete, or make other changes to the action plans (Appendix C), in terms of their detail.
11. In considering progress on the targets for risk management (paragraph 9), the Committee could agree other actions.

### Implications

12. Financial, Legal, Staffing	There are no immediate financial, legal or staffing implications resulting from this report. Some of the action plans may have financial, legal or staffing implications; if so, these will be considered in separate reports.
Risk Management	Risk management is undertaken regularly in order to minimise the possibility of the Council being adversely affected should either an unforeseen risk arise or an assessed risk not be properly planned for.
Equal Opportunities	The Council's risk management process has no inherent equal opportunities implications; however, Equalities is included as a risk area on the strategic risk register.

### Consultations

13. Members of EMT, risk owners, service and other relevant managers have been consulted regarding various aspects of this report.
14. There will be liaison with officers as appropriate regarding the implementation of decisions made by the Committee regarding this report.

### Effect on Strategic Aims

15.	<b>Commitment to being a listening council, providing first class services accessible to all.</b>
	The proposals in this report contribute to the Council's corporate governance responsibilities; they also ensure that strategic risks involved in the delivery of the Council's Corporate Plan and in meeting the Strategic Aims are identified and managed.
	<b>Commitment to ensuring that South Cambridgeshire continues to be a safe and healthy place for all.</b>

<b>Commitment to making South Cambridgeshire a place in which residents can feel proud to live.</b>
<b>Commitment to assisting provision for local jobs for all.</b>
<b>Commitment to providing a voice for rural life.</b>

**Conclusions/Summary**

- 16. Appendices A to C represent the strategic risk register, prioritisation matrix and action plans resulting from the consultations. The Committee needs to review and agree these as outlined in paragraph 10.
- 17. The quarterly review of the strategic risk register and action plans enables the Council to manage its strategic risks to an acceptable level.
- 18. The targets enable progress on risk management to be monitored.

**Recommendations**

- 19. Corporate Governance Committee is recommended to approve:
  - (a) the strategic risk register, prioritisation matrix and action plans;
  - (b) the actions being taken to achieve risk management targets.

**Background Papers:** the following background papers were used in the preparation of this report:

None unpublished

**Contact Officer:** John Garnham – Finance Project Officer  
Telephone: (01954) 713101



**Appendix A  
Strategic Risk Register  
June 2009**



<b>No. Title Description</b> (The risk event, <i>leading to</i> consequence for service/ Aim(s), <i>resulting in</i> possible outcome(s).)	<b>Impact/ Likelihood</b>	<b>Direction of Travel</b>	<b>Aims Approaches Actions</b>	<b>Owner</b>	<b>Timeline for Progress</b>
<b>1. Pandemic 'flu</b> A pandemic 'flu outbreak occurs affecting South Cambridgeshire, <i>leading to</i> significant staff absence, <i>resulting in</i> inability to provide full services and involvement in emergency management.	A1	↑ (from A4)	A.iv.	Corporate Manager – Health & Environmental Services	Emergence of Swine Flu and WHO update to pandemic
<b>2. Equalities</b> The Council is successfully challenged over not complying with general equalities legislation or legislation specific to public and local authority bodies, <i>leading to</i> financial compensation payments and penalties, possible Commission for Human Rights and Equalities inspection, <i>resulting in</i> reduction in reserves available to support balanced MTFs, adverse publicity and effect on reputation.	B2	→	A.ii.3. B.iv.6. C.iv.3.	Executive Director (Operational Services)	<ul style="list-style-type: none"> <li>• June 2009 (Level 2 of Equalities Standard achieved);</li> <li>• September 2009 (Gender Equality Scheme in place)</li> </ul>

No. Title Description (The risk event, <i>leading to</i> consequence for service/ Aim(s), <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Aims Approaches Actions	Owner	Timeline for Progress
<b>3. EU Services Directive</b> Failure to provide online transactions, screening of legislation, policy and fee practices <i>leading to</i> breaches of the EU services directive <i>resulting in</i> unjustified barriers to service provision, loss to the economy, possible legal intervention from EU traders.	B2	→	A.iii. A.iv. D.i. D.ii.	Corporate Manager – Health & Environmental Services	28 December 2009
<b>4. Housing services budgeting and staffing</b> Significant efficiencies and savings not achieved in housing services and revenue/ capital budgets, <i>leading to</i> Housing Revenue Account (HRA) continuing to run at a deficit, <i>resulting in</i> HRA working balance insufficient to meet ongoing and potential one-off demands; vulnerability to Government annual subsidy determination; deterioration in services provided to tenants; possible staffing implications; adverse publicity or other reputational damage.  [Note: A plan will be agreed with the Housing Portfolio Holder (to be incorporated in future service plans), to implement efficiencies and savings in order to address/ mitigate the impact on services. This will take the place of a risk management action plan.]	A4	new	C.iii.	Corporate Manager – Affordable Homes	During 2009/10
<b>5. Delivering efficiency and other savings</b> Annual targets not achieved, <i>leading to</i> adverse impact on Medium Term Financial Strategy (MTFS), <i>resulting in</i> possible overspending, reducing balances; possible cuts in some service areas or loss of services, possibly not meeting statutory service requirements; consequential impact on reputation with partner organisations and public.	B3	→	A.v.	Chief Executive	2009/10

No. Title Description (The risk event, <i>leading to</i> consequence for service/ Aim(s), <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Aims Approaches Actions	Owner	Timeline for Progress
<b>6. Embedding values</b> Values not effectively embedded within Council <i>leading to</i> no real change in culture and behaviour, <i>resulting in</i> adverse comment by the Audit Commission, poor public and partner perception of the Council, low morale.	C3	→	A.i. A.ii. A.iii. A.iv.	Corporate Manager – Planning and Sustainable Communities	N/a
<b>7. The current economic climate</b> (a) A noticeable slowdown in the sale of new properties, affecting completion rates and (b) rising demand for some services, <i>leading to</i> (a) reduced projected growth in the tax base and reduced income from other new property related services (e.g. planning fees, land charges, etc) and (b) increased pressure on some services, <i>resulting in</i> increased pressure on expenditure and staff.	C3	→	E.iii.	Chief Executive	N/a
<b>8. Planning for Growth</b> The housing market means that fewer houses are built in the District than expected, which may <i>lead to</i> reduced Housing & Planning Delivery Grant, <i>resulting in</i> consequential impact on the Council’s financial position. (In addition, the slowing down in development will mean some posts will need to be funded from other sources. Actions are being taken to address this, such as ensuring processes and staffing structures meet customers’ needs.)	C3	→	C.i. C.ii.2. E.iii. E.iv.	Corporate Manager – Planning & Sustainable Communities	N/a

No. Title Description (The risk event, <i>leading to</i> consequence for service/ Aim(s), <i>resulting in</i> possible outcome(s).)	Impact/ Likelihood	Direction of Travel	Aims Approaches Actions	Owner	Timeline for Progress
<b>9. Illegal Traveller encampments or developments</b> Failure to find required number of sites, or sites identified do not meet the needs of local Travellers, <i>leading to</i> illegal encampments or developments in the District, <i>resulting in</i> community tensions; cost and workload of enforcement action, including provision of alternative sites and/or housing; poor public perception and damage to reputation.	C3	→	E.i. C.iv.3.	Corporate Manager – Planning & Sustainable Communities	N/a
<b>10. Recruitment &amp; Retention</b> Some difficulties in recruiting to specific professions, <i>leading to</i> increased cost of repeat recruitment and pressure on officers to deliver services, <i>resulting in</i> lack of capacity to meet service delivery needs, loss of effectiveness/ productivity and increased absence rates	C3	→	A.iv.	HR Manager	N/a
<b>11. Climate change adaptation</b> The Council does not develop measures to safeguard its services against climate change, <i>leading to</i> unacceptable vulnerability to the impact of climate shifts and other weather-related events, <i>resulting in</i> a degradation or breakdown of service delivery and damage to property, increasing costs and impact on the Council’s reputation.	C3	new	C.vii.	Corporate Manager – New Communities	N/a

<b>No. Title Description</b> (The risk event, <i>leading to</i> consequence for service/ Aim(s), <i>resulting in</i> possible outcome(s).)	<b>Impact/ Likelihood</b>	<b>Direction of Travel</b>	<b>Aims Approaches Actions</b>	<b>Owner</b>	<b>Timeline for Progress</b>
<b>12. LAA action not completed</b> The Council may not complete an LAA action it is responsible for undertaking, <i>leading to</i> a desired outcome not being achieved for residents of South Cambridgeshire, and/or the authority not achieving an accurate Comprehensive Area Assessment (CAA) rating, <i>resulting in</i> possible reduction in funding (e.g. Reward Grant).	C4	→	All	Chief Executive	N/a
<b>13. Better Regulation Agenda</b> Non compliance with the requirements of the Local Better Regulation Office (LBRO), Compliance Code and Regulatory Enforcement & Sanctions Act <i>leading to</i> Intervention by LBRO and the Better Regulation Executive <i>resulting in</i> dissatisfied customers, reputation damage, poor corporate governance result, poor morale, loss of public/business confidence	C5	→	A.iv.	Corporate Manager – Health & Environmental Services	N/a

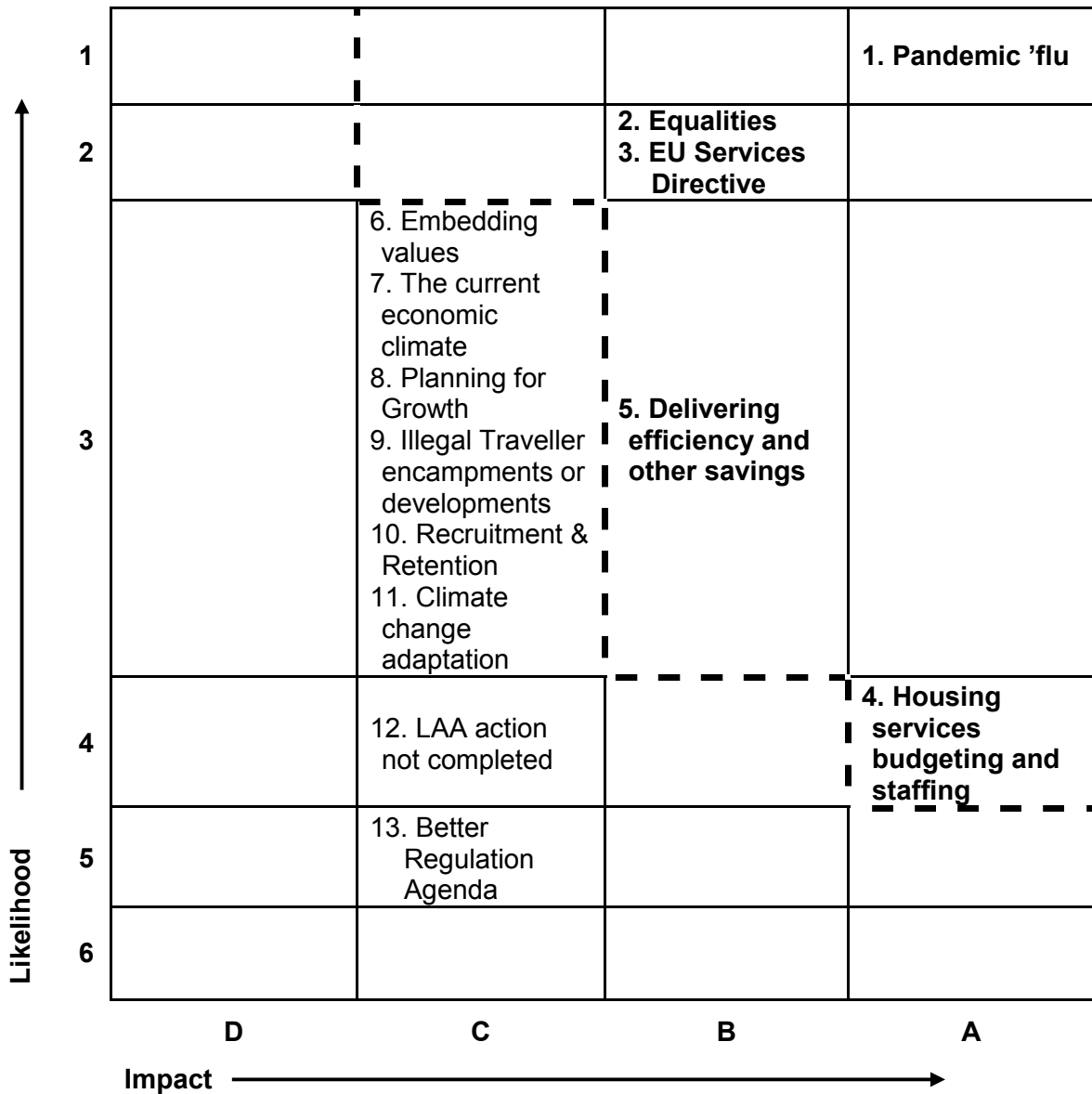
Note: The dotted line shows the Council's risk tolerance line.

### Key

<u>Impact</u>	<u>Likelihood</u>	<u>Direction of Travel</u>	<u>Aims, Approaches, Actions</u>
A Extreme	1 Almost certain	↓	The references in this column are to the Aims, Approaches and Actions adopted by Council on 27 November 2008 with effect from 1 April 2009.
B High	2 Likely	↓	
C Medium	3 Possible	→	
D Low	4 Unlikely	↑	
	5 Seldom	↑	
	6 Rare	↑	

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**Appendix B  
Strategic Risk Prioritisation Matrix  
June 2009**



Likelihood:

- 1 Almost certain
- 2 Likely
- 3 Possible
- 4 Unlikely
- 5 Seldom
- 6 Rare

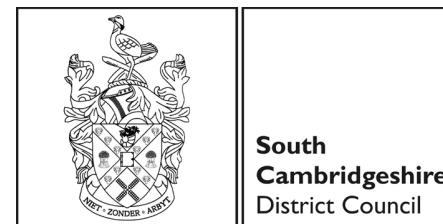
Impact:

- A Extreme
- B High
- C Medium
- D Low

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**Appendix C  
Strategic Risk Action Plans  
June 2009**



No: 1	<b>Pandemic 'flu</b>
Owned by:	Corporate Manager – Health & Environmental Services
Risk scores:	Current: A1; Target: A4

<b>Action/controls already in place</b>	<b>Adequacy of action/control to address risk</b>	<b>Required management action/control</b>	<b>Responsibility for action</b>	<b>Review frequency</b>	<b>Key dates</b>
Avian 'flu risk assessment	National alert system	Continue to monitor through website and pandemic 'flu Strategic Gold Briefings.	Corporate Manager (Health & Environmental Services)	Six-monthly	Production of service plans

<b>Action/controls already in place</b>	<b>Adequacy of action/control to address risk</b>	<b>Required management action/control</b>	<b>Responsibility for action</b>	<b>Review frequency</b>	<b>Key dates</b>
Pandemic 'flu risk assessment	WHO alert level 6; Cambs and Peterborough Pandemic flu plan activated and preparations/ actions well advanced SCDC represented on Incident gold and SCDC comms team at Comms gold meetings; Intelligence being shared. Containment policy being applied: antiviral collection and disposal points in place, National information leaflet drop, national flu information line in place; regional assessment centre operational	Dependant upon how the situation develops/ escalates. Implementation of plans proportionate to incident	CM (HES)		

<b>Action/controls already in place</b>	<b>Adequacy of action/control to address risk</b>	<b>Required management action/control</b>	<b>Responsibility for action</b>	<b>Review frequency</b>	<b>Key dates</b>
Annex to business continuity plan agreed	Preparation for SCDC response implemented: e.g. Staff/DEMT briefings, PFH receiving updates; alcohol hand washing facilities on order; closed bins purchased; hard surfaces cleaning enhanced; polling stations checked for hand washing facilities and posters designed; CExe briefed weekly; SITREPs compiled. Reinforced Catch it; Bin it; Kill it message. Article in SC Mag. Mutual aid arrangements have been agreed.	Implementation of plan proportionate to incident	CM (HES)/ Health & Safety Adviser		In line with recommended timescales
A local Business Continuity Plan desktop exercise has been planned					
Various national and regional exercises are taking place	Live exercises. Run through of anti-viral algorithm to predict staffing levels.				
The BT national FluLine has been approved and is planned for completion by April 2009	Arrangements in place to cover				
National preparedness has improved	National preparations ongoing				

No: 2	<b>Equalities</b>
Owned by:	Executive Director
Risk scores:	Current: B2; Target: C3

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Review frequency	Key dates
<p>The authority has already adopted and implemented various equalities policies.</p> <p>Relevant officers are aware of equalities legislation and are preparing appropriate policies and procedures for adoption and implementation.</p>	<p>Officers are not always specialists in particular equalities matters.</p> <p>Capacity is tight to (a) prepare and implement new policies and procedures; and (b) assist with surveys etc and carry out equality impact assessments.</p>	Adopt and implement policies and procedures re forthcoming equalities legislation	Lead officers	Monthly	Due dates
		Forward planning to include identification of future equalities issues and assessment of their impact	Executive Director	In line with: Forward plan	In line with: Forward plan
		Relevant service plans to include such items	Service managers	Service plans	Service plans
		Relevant officers to attend appropriate briefing and training on equalities issues	Relevant service managers	When relevant	When relevant
		Relevant officers to seek advice on best practice etc from competent authorities	ditto	ditto	ditto
Equalities training for Members held on 8 January 2008.	18 out of 57 Members attended.	Further training is included in the Equality Action Plan	Chief Executive and Leader		June 2009

<b>Action/controls already in place</b>	<b>Adequacy of action/control to address risk</b>	<b>Required management action/control</b>	<b>Responsibility for action</b>	<b>Review frequency</b>	<b>Key dates</b>
Equalities training for all staff, July to October 2008.	90% of staff trained.	Remaining 10% of staff and new starters to be trained	Chief Executive, Corporate Manager (Planning Services), and corporate managers	Monthly	June 2009
Steering group set up to lead on equalities.	New terms of reference and focus agreed, January 2009.	Looking at specialist training for steering group members.	Policy & Performance Manager	ditto	June 2009
Level 1 of equalities standard achieved in December 2007; programme to achieve level 2 in place.	Depends on implementation.	Regular monitoring.	Executive Director	ditto	June 2009
Executive Director to champion equalities.	The Executive Director chairs the steering group.				
Equalities Impact Assessment programme started with pilots.		Effective management of programme.	Policy & Performance Manager, Equalities and Diversity Officer and corporate managers	ditto	March 2009
A report went to Senior Management Team on single status and ongoing work.	Work is in hand to address any issues arising regarding single status.	Discussions with unions to identify and address any outstanding issues. Action plan.			
Work starting on new job evaluation and pay and grading structure.					

<b>Action/controls already in place</b>	<b>Adequacy of action/control to address risk</b>	<b>Required management action/control</b>	<b>Responsibility for action</b>	<b>Review frequency</b>	<b>Key dates</b>
Project steering group set up on equal pay with the unions.					
Disabilities Panel established with disabled groups to comment on relevant aspects of planning applications.	Panel meeting regularly; applications going to it for consideration; some appropriate amendments already achieved.				
Specific policies to go to Cabinet throughout the year: <ul style="list-style-type: none"> <li>• Comprehensive Equalities Policy</li> <li>• Race Equality Scheme</li> <li>• Disability Equality Scheme</li> <li>• Gender Equality Scheme</li> <li>• Gipsy and Traveller Strategy</li> </ul>			Equality & Diversity Officer		<ul style="list-style-type: none"> <li>• April 2009</li> <li>• Sept 2009</li> <li>• Jan 2010</li> <li>• Sept 2009</li> <li>• Sept 2009</li> </ul>

No: 3	<b>EU Services Directive</b>
Owned by:	Corporate Manager – Health & Environmental Services
Risk scores:	Current: B2; Target: C3

Action/controls already in place	Adequacy of action/control to address risk	Required management action/control	Responsibility for action	Review frequency	Key dates
Working group to oversee the project	Members of group identified. Corporate Manager – Health & Environmental Services is single point of contact; Survey returns to BERR completed Readiness level 2 achieved for point of single contact	Group to meet and develop work plan	Corporate Manager – Health & Environmental Services	To be determined	As defined by the Department for Business Enterprise and Regulatory Reform (BERR) readiness levels
Review local policies to ensure they are not discriminatory against particular industry sectors		Review to be undertaken	Working group		
Review back office IT systems to ensure that on-line applications and payments could be made for all services		Assessment to be made Decision on replacement of Environmental Health system required Draft standard national forms to be considered	Working group and Head of ICT, ICT Steering Group, Corporate Manager – Health & Environmental Services		

No: 5	<b>Delivering efficiency and other savings</b>
Owned by:	Chief Executive (previously Corporate Manager – Finance & Support Services)
Risk scores:	Current: B3; Target: B4

<b>Action/controls already in place</b>	<b>Adequacy of action/control to address risk</b>	<b>Required management action/control</b>	<b>Responsibility for action</b>	<b>Review frequency</b>	<b>Key dates</b>
Identification and implementation of efficiency and other savings of £325k w.e.f. 2009/10.	Planning Services and New Communities are going to trial “Systems Thinking” methodology in their corporate areas.		Corporate managers, Planning & Sustainable Communities and New Communities	Monthly	2009/10
Investigate opportunities for conducting e-auctions and recommend way forward to SMT	Completed; report presented to SMT in May 2009.	Carry out formal procurement exercises for the contracts identified in the report, with an option to undertake an e-auction as the final stage if appropriate.  Continue research into more economical ways for the Council to undertake e-auctions.	Procurement Officer		In line with procurement project timetables.  July 2009.