

Audit and Risk Committee

27 November 2023

Time 2.00 pm **Public Meeting?** YES **Type of meeting** Regulatory

Venue Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr Jaspreet Jaspal (Lab)

Vice-chair Cllr Mary Bateman (Lab)

Labour

Cllr Philip Bateman MBE

Cllr Claire Darke

Cllr Jeszemma Howl

Cllr Barbara McGarrity QN

Independent Member

Mr Mike Ager

Mr Armstrong Ngoh

Conservative

Cllr Paul Appleby

Cllr Andrew McNeil

Quorum for this meeting is two Councillors.

Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

Item No. *Title*

MEETING BUSINESS ITEMS

- 1 **Apologies for absence**
- 2 **Declaration of interests**
- 3 **Minutes of previous meeting** (Pages 5 - 10)
[For approval]
- 4 **Matters arising**
[To consider any matters arising from the minutes]

DECISION ITEMS

- 5 **Strategic Risk Register** (Pages 11 - 56)
[To receive an update on the strategic risk register.]
- 6 **Internal Audit Update Report** (Pages 57 - 68)
[To receive the internal audit update.]
- 7 **Mid-Year Annual Governance Statement** (Pages 69 - 96)
[To receive an update on the mid-year annual governance statement.]
- 8 **Grant Thornton Audit Plan** (Pages 97 - 122)
[To receive an update on the Grant Thornton audit plan.]
- 9 **CIPFA Audit Committee Updates** (Pages 123 - 126)
[To receive the CIPFA audit committee updates.]
- 10 **Audit Services - Counter Fraud Update** (Pages 127 - 138)
[To receive the audit services – counter fraud update.]
- 11 **Review of Fraud Related Policies and Procedures** (Pages 139 - 158)
[To receive an update on the review of fraud related policies and procedures.]

12 **Exclusion of press and public**
[To pass the following resolution:

That, in accordance with section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within paragraph 3 of Schedule 12A to the Act.]

PART 2 - EXEMPT ITEMS, CLOSED TO PRESS AND PUBLIC

13 **Audit Investigations Report** (Pages 159 - 162)

[To receive an update on the audit investigations report.]

Information relating to any individual.

Information which is likely to reveal the identity of an individual.

Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (1, 2, 3)

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Attendance

Members of the Audit and Risk Committee

Cllr Jaspreet Jaspal (Chair)
Cllr Mary Bateman (Vice-Chair)
Cllr Barbara McGarrity
Cllr Phillip Bateman
Cllr Claire Darke
Cllr Paul Appleby
Cllr Andrew McNeil
Mr Armstrong Ngoh
Mr Mike Ager

Employees

Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
Emma Bennett	Executive Director of Families
Ian Cotterill	Head of Internal Audit
Julie Obada	Head of Skills
Alison Shannon	Chief Accountant
Fabrica Hastings	Democratic Services Officer
Donna Cope	Democratic Services Officer

In Attendance

Jon Roberts	Grant Thornton
Kirsty Lees	Grant Thornton

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
Apologies for absence was received from Councillor Jeszemma Howl.
- 2 Declaration of interests**
Councillor Philip Bateman declared an interest in matters relating to Birmingham International Airport Board and relating to Ashmore Park Nursery School and Phoenix Nursery School.
- 3 Minutes of previous meeting**
That the minutes of the previous meeting be approved as a correct record.

4 **Matters arising**

The Director of Finance updated the Committee on the level of contingencies held corporately for 2021/2022 and how they were used. There was £8.6 million of contingencies corporately of which £7.8 million was utilised. The main items were from the impact of Covid relating predominantly to loss of income, pay awards, inflation and pressures on temporary accommodation budget.

Councillor Barbara McGarrity requested an update regarding Council employee's availability in attending the Civic Centre to provide a service to Wolverhampton residents and businesses. David Pattison, Chief Operating Officer advised that employee availability was based on the business needs as a priority. The service concerned has been reminded of their responsibility.

The Chief Operating Officer advised the Committee that the question raised by Councillor Andrew McNeil regarding the scoring chart has been built into the Strategic Risk Register and would be presented to the Committee at the next meeting.

5 **Strategic Risk Register - High Unemployment Risk**

Ian Cotterill, Head of Internal Audit introduced the Strategic Risk Register – High Unemployment Risk report. He advised the Committee that a refresh exercise of the Strategic Risk Register was undertaken with the Council's Strategic Executive Board, an update would be presented at the Audit and Risk Committee meeting in November.

Emma Bennett, Executive Director of Families and Julie Obada, Head of Skills, presented the update on the high unemployment risk as the responsible risk owners. The Executive Director of Families advised that the council was not solely responsible for the high unemployment rate in Wolverhampton as this is a system issue.

The Committee were provided with an overview of the development of the Education, Skills Employment Strategy. The strategy gained approval at full Council on the 20 September 2023, with an aim to share the risk through working closely with schools, with key system owners and agencies within Wolverhampton to try and address the risk. The strategy is focused on the life journey of local people within the city. The Committee were advised on the Council's employment support programmes including the Wolves at Work 18-24 that focuses on youth unemployment, and the Restart programme.

The Black Country Impact programme would finish at the end of October 2023, the Council would continue to target young people to provide extra support through the Youth Employment Hub. The Hub is supported by the Department of Work and Pensions (DWP) and is successful in supporting over 800 people, with a conversion rate up to 36% into work since it started in October 2021. A second Youth employment Hub opened in Summer 2022 at the Bilston College.

The Committee were advised on the specialist teams providing support to anybody 16 plus with a disability. The Individual Placement and Support Service (IPS) provides targeted specialist support for people with drug and alcohol misuse getting into work. Both teams have been successful in getting local people into work over the last six months.

The Committee were provided with an overview of the current caseload and conversion rates on the various programmes provided.

The Head of Skills advised the Committee on the Wolves Work Box where employment vacancies are promoted and advised that employers could add vacancies to the website free of charge. She advised that monthly newsletters are circulated via a mailing list with a subscription rate of 13,500. The Committee were advised that all career advisors were at every secondary school, special school and the college within the city. Extra resources within the Connexions team were there to support young people with special educational needs.

The Committee were advised that the Council work with the careers enterprise company on the Council's careers hub and that the city schools perform consistently better than the national average across the education sector.

The Council would look at developing the five priority areas on the Education, Skills Employment Strategy, and working with partners to deliver the transformation programmes. The strategy is a key part of the shared prosperity fund which begins in April 2023 delivered through the West Midlands Combined Authority.

The Committee were advised on the funding to be received to the Council from the Commonwealth Games. As well as the work to be undertaken with other authorities across the country and Warwick University to look at a new model to be 90% accurate in predicting young people at risk of not participating, this would enable resources to be targeted more efficiently.

The Committee were advised on the new work experience programme called open door starting in 2024.

The Head of Skills provided an overview of the devolution deal the West Midlands Combined Authority was working on with the Government. Aiming towards integrated employment skills programmes at a local level and responding to their needs.

In response to a question raised by Councillor Jaspreet Jaspal regarding employees who have signed up to the open-door programme. The Head of Skills advised that the Council was in the process of recruiting staff to commence in the new year, but there are over 100 business employers the Council work with already through careers activities to be approached.

In response to a number of questions raised by Councillor Paul Appleby, The Head of Skills advised that the positive changes in claimant rates was data that the DWP holds, but the DWP had recently agreed to provide the Council with more data which is broken down into claimant groups and provide restart data to provide to the Committee moving forward. She advised that the Council used Outreach in the community to target customers for the programmes, and that an update on the West Midlands innovation zones group could be provided to the Committee. She advised that there would be a full wrap up on the Black Country Impact Scheme to be provided to the Committee when the scheme is completed by March 2024. The Work Box programme was a transformation programme for the Council, working towards a contact management system where background information would be available. The Head of Skills requested members to submit any questions for individual responses outside of the meeting.

Councillor Jaspreet Jaspal requested an update regarding employee recruitment and retention risk be presented to the Committee at a future meeting.

David Pattison, the Chief Operating Officer agreed to bring an update regarding employee recruitment and retention risk, to the next meeting and advised the number of apprentices the Council had recruited has increased.

In response to a question raised by Mike Ager, Independent Member regarding information available relating to whether people in employment in Wolverhampton are employed in the city or elsewhere. The Head of Skills advised she would present information on travel to work patterns at neighbouring authorities to the Committee.

In response to a question raised by Armstrong Nghoh, Independent Member regarding whether the statistics on the financial resources used to mitigate the high unemployment risk, could be provided to the Committee. The Head of Skills advised that inter/ external funding figures could be provided.

Resolved:

1. That the Strategic Risk Register – high Unemployment Risk report be noted.

6 **Audit and Risk Committee 2022-2023 Annual Report**

Cllr Jaspreet Jaspal presented the Audit and Risk Committee 2022-2023 Annual Report. She thanked the previous Chair, Cllr Craig Collingswood and Peter Farrow, Head of Audit for their work during 2022-2023.

Resolved:

1. That the update on the Audit and Risk Committee 2022-2023 Annual Report be noted.

7 **Internal Audit Update Report**

Ian Cotterill, Head of Internal Audit presented the Internal Audit Update Report.

The Committee were asked to note that the first quarter of the year was quiet as the audits from the previous year was carried over in line with the annual audit report, presented to the Committee in July 2023.

The Head of Internal Audit advised there were no limited assurance reports this quarter to report to the Committee.

The Committee were provided with examples of recent audits in relation to the licencing review of houses with multiple occupation, Amazon corporate account and Elections Voter ID information.

In response to a question raised by Councillor Jaspreet Jaspal regarding the Amazon corporate account. The Head of Internal Audit provided an overview of the Amazon corporate account and the arrangements involved. He advised that users that have Council P-cards can request access to the account to spend on items. He advised that a spend data review was recommended as part of the internal audit.

In response to a question raised by Mike Ager, Independent Member regarding the assurance and control of the Amazon corporate account. The Head of internal Audit advised that the review of the Amazon corporate account was around the arrangements of the governance, guidance and administration of the usage.

In response to a question raised by Councillor Paul Appleby regarding the Amazon corporate account spend. The Head of Internal Audit advised that the next part of the exercise was to get more management information to build greater intelligence regarding the spend data. The Director of Finance advised the Committee that there were no big issues identified but that the Council want to ensure the controls around the Amazon corporate account were in place.

In response to a question raised by Armstrong Ngoh, Independent Member regarding the internal audit report. The Head of Internal Audit advised that the recommendation trackers are being implemented for all leadership teams to monitor progress around their recommendations and would be provided to members moving forward, including specific follow up reviews around limited assurance reports.

Claire Nye the Director of Finance advised the Committee that she monitors the progress of all recommendations implemented within the service area. David Pattison, Chief Operating Officer advised the Committee that transparency was a critical role of internal audit.

Resolved:

1. That the Internal Audit Update Report be noted.

8 **Grant Thornton Verbal Update**

Jon Roberts, Grant Thornton presented the Grant Thornton Verbal Update.

Grant Thornton signed an unqualified audit opinion of the 2021-2022 accounts on the 22 September 2023. The Committee were advised that some amendments were made to the accounts including valuation amendments that resulted in some prior period adjustments.

The Council provided responses to concerns raised in respect of Reinforced Autoclaved Aerated Concrete (RAAC) and equal pay prior to the accounts being signed off by Grant Thornton. A contingent liability was noted and CWC officers provided Grant Thornton with assurance around the Council's vulnerability.

The Committee were advised that the audit for the 2022-2023 financial accounts had commenced. Grant Thornton has a plan to aim for completion around the end of the calendar year. The value for money work for 2022-2023 would be completed around the same timescales.

Grant Thornton requested that a meeting be scheduled for Committee around December 2023.

In response to a question raised by Councillor Philip Bateman regarding any weaknesses within the 2022-2023 accounts that members should be aware of. Grant Thornton advised that the reports with cash implications for the Council were areas for members scrutiny, such as provisions, reserves and accruals. The Committee were advised that estimates that don't have a bearing on the level of reserves, were areas for auditors and accountants to focus on and are subject to Government and FRC attention for rationalisation.

The Chief Operating Officer provided the Committee with an update on the assurance provided to auditors regarding the equal pay aspect. The Council's job

evaluation scheme ensures the Council meet the duties regarding equal pay, he confirmed that the Council was structurally sound in relation to equal pay. The Head of Internal Audit was commissioned in August 2023 to produce the management of equal pay risks report that would be presented to the Committee as part of the mid-year Annual Governance Statement in November.

In response to a question raised by Mr Armstrong Ngoh, Independent Member regarding if the assurance provided to the Committee was based on the work of internal audit or the assurance provided to Grant Thornton by City of Wolverhampton Council officers. Grant Thornton advised the assurance was based on the extra work completed by internal audit.

Claire Nye, Director of Finance advised the Committee on the Council's financial position in light of section 114 notices in other authorities. She expects more authorities to come forward with 114s due to exceptional circumstances and general pressures. The Councils in year pressures were around children's social care, temporary accommodation, and home to school transport. The Committee were assured that the Council were managing these pressures and would bring a report on the in-year position to Cabinet in November 2023. The Council were making progress toward next year's budget setting and would bring an update to Cabinet in October 2023.

Resolved:

1. That the Grant Thornton Verbal Update be noted.

9

Draft Accounts 2022 - 2023

Alison Shannon, Chief Accountant presented the Draft Accounts 2022 – 2023 report.

The Committee were advised that the update was for information only and would be brought back to Committee for approval with the External Audit Findings Report following the conclusion of the audit.

The Committee were advised that training workshop sessions would be offered to members to support the understanding of the main statements in the accounts.

The accounts are aligned to the out-turn position reported to Cabinet in July 2023 and were published on the Council's website on 22 September 2023. The audit of the accounts by Grant Thornton (the Council's external; auditors) would commence on 30 October which would be concluded by the end of the calendar year.

It was agreed that a revised version of the Draft Accounts 2022 – 2023 report would be circulated to members.

Mr Mike Ager, Independent Member thanked officers for the early presentation of the accounts report.

Resolved:

1. That the Draft Accounts 2022 – 2023 report be noted.

CITY OF WOLVERHAMPTON COUNCIL	Audit and Risk Committee 27 November 2023
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Agenda Item No: 5

Report title	Strategic Risk Register	
Accountable director	Claire Nye, Finance	
Originating service	Audit	
Accountable employee	Ian Cotterill	Head of Internal Audit
	Tel	01902 5504475
	Email	Ian.Cotterill@wolverhampton.gov.uk
Report to be/has been considered by	Not applicable	

Recommendations for noting:

The Audit and Risk Committee is asked to note:

1. The latest summary of the Council's Strategic Risk Register, as under Appendix 1.
2. The Council's Risk Management Framework, as under Appendix 2.
3. The update on the Employee Recruitment and Retention which was called in by the Audit and Risk Committee on 25 September 2023, as under Appendix 3.

1.0 Purpose

- 1.1 To keep members of the Audit and Risk Committee aware of the key strategic risks faced by the Council and how it can gain assurance that these risks are being mitigated. It also provides an update to the committee in respect of the called in risk for employee recruitment and retention.

2.0 Background and progress

- 2.1 The Council is no different to any organisation and will always face risks in achieving its objectives and priorities. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 2.2 The Cabinet remain the owners of the strategic risk register, with the Audit and Risk Committee maintaining oversight of, and providing an independent level of assurance on the adequacy of the risk management processes that underpin it. The latest strategic risk register was presented to Cabinet on 15 November 2023 as part of the Performance and Budget Monitoring Report for 2023-2024.
- 2.3 The strategic risk register was last presented to the Committee in July 2023. Since that time the risk register has been reviewed in conjunction with risk owners and reviewed by the Council's Strategic Executive Board (SEB). This has resulted in the following updates and changes:
- There have been 17 new risks added to the register which include nationally publicised risks such as equal pay, reinforced autoclaved aerated concrete (RAAC), and housing standards (damp and mould).
 - A detailed scoring breakdown of the current and target risk scores (likelihood and impact scores) has now been included in the register.
 - A rationale has now been provided to explain how the accepted target score has been determined.
 - The previous medium term financial savings (MTFS) risk which is now risk 29 on the new register (previously risk 11) has now been split into two risks to reflect the uncertainty around funding made available to the Council and its own financial management of the resources available to the Council.
 - The number of red risks has increased from two to 10 risks.
 - The safeguarding adults risk (risk one, which was previously risk three) has increased from an amber risk to a red risk due to the pressures on the service caused by an increase in adult safeguarding referrals and the ability to recruit additional resources.
 - The information governance risk (risk 18, which was previously risk 10) has increased from an amber risk to a red risk due to the volatile cyber environment and evolving threats in this arena.
 - A new summary sheet has been provided at the front of the register to give a high level view of risks, per portfolio holder. This also provides details of the scoring criteria used to determine the risks.

- 2.4 Although the number of risks has increased from 15 risks to 32 risks this should not be viewed negatively. Having a detailed risk register shows the Council are a mature and transparent organisation in terms of the way it manages their risks. Having an effective risk management process in place demonstrates strong governance. By identifying new and emerging risks on the horizon the Council can ensure that early mitigations can be put in place to manage risks effectively.
- 2.5 Whilst the strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the Council's corporate priorities. Other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.
- 2.6 A summary of the strategic risk register is included at Appendix 1 of this report which sets out the status of the risks as at November 2023. These risks are reviewed on an on-going basis and can be influenced by both external and internal factors and as such, may fluctuate over time.
- 2.7 A copy of the Council's current Risk Management Framework is included at Appendix 2 of this report. This sets out the process of how the Council manages its risks.
- 2.8 At its September 2023 meeting, the Committee requested further information regarding the Employee Recruitment and Retention strategic risk. The risk owner has provided the following further information on this and will also be attending the meeting to discuss the risks in more detail. Please see Appendix 3 for this separate report.
- 2.9 The strategic risk register will be updated as required and presented at approximately quarterly intervals to the Committee. The strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the corporate priorities. As stated above, other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.

3.0 Financial implications

- 3.1 There are no financial implications associated with the recommendations in this report however, the identification and management of risks is essential to the proper management of the Council's resources. Financial implications may arise from the implementation of strategies employed to mitigate individual risks and these will be evaluated and reported separately where appropriate.

[CN/16112023/A]

4.0 Legal implications

- 4.1 Although there may be some legal implications arising from the implementation of the strategies employed to mitigate individual risks, there are no direct legal implications arising from this report.

[TC/16112023/B]

5.0 Equalities implications

- 5.1 There will be equalities implications arising from the implementation of a number of the strategies employed to mitigate individual risks. These equalities implications will be addressed, where appropriate, through the various mechanisms taken to manage each risk.

6.0 All other implications

- 6.1 Although there may be implications arising from the implementation of the strategies employed to mitigate individual risks, there are no direct implications arising from this report.

7.0 Schedule of background papers

Strategic Risk Register Update – Audit & Risk Committee 24 July 2023

8.0 Appendices

- 8.1 Appendix 1 – Strategic Risk Register
8.2 Appendix 2 – City of Wolverhampton Council Risk Framework
8.3 Appendix 3 – Update Report of Employee Recruitment and Retention Risk

City of Wolverhampton Council – Strategic Risk Register Summary (November 2023 Update)

Ref.	Risk Title and Description	Our City, Our Plan Priority	Risk Owner	Cabinet Member and Portfolio	Target Risk Score	Previous Impact Score	Current Risk Score	Target L'hood Score
Adults and Wellbeing Portfolio – Councillor Jasbir Jaspal								
01. (was 3)	Safeguarding Adults There is a risk of failure to safeguard the City's most vulnerable adults.	Fulfilled lives for all with quality care for those that need it	B. Wilkinson	Cllr J Jaspal	8	12	16	↑
02. (was 5)	Social Care Providers Adults There is a risk that we may lose service providers and not be able to maintain adequate service provision.	Fulfilled lives for all with quality care for those that need it	B. Wilkinson	Cllr J Jaspal	9	12	12	↔
03.	Asylum and Refugees There is a risk that Council's fails to support new asylum seekers and refugees living in the city thus preventing community cohesion.	Healthy, inclusive communities	J. Denley	Cllr J Jaspal	6	N/A New Risk	9	N/A New Risk
04.	Terrorism Threats – Places and Locations There is a risk the Council fails to implement appropriate anti-terrorism security measures for Council run events in accordance with legislative requirements, such as Martyn's Law. Thus, posing risk to event attendees.	Thriving economy in all parts of the city Healthy Inclusive Communities	J. Denley	Cllr J Jaspal	6	N/A New Risk	8	N/A New Risk
05.	Terrorism Threats - People There is a risk the Council and its local specified authority partners fail to respond to the Prevent Duty putting vulnerable people at increased risk of radicalisation.	Healthy Inclusive Communities	J. Denley	Cllr J Jaspal	4	N/A New Risk	4	N/A New Risk
06.	Inadequate rating from Care Quality Commission (CQC) inspection for Adult Social Care (ASC) There is a risk to public trust and confidence around service delivery and provision of ASC. This would have a negative reputational impact for the Council.	Fulfilled lives for all with quality care for those that need it	B. Wilkinson	Cllr J Jaspal	5	N/A New Risk	15	N/A New Risk
07.	Impact of future pandemics There is a risk to the utilisation of Council resources as a result of future pandemics.	Healthy, inclusive communities	J. Denley	Cllr J Jaspal	8	N/A New Risk	8	N/A New Risk
Children and Young People Portfolio – Councillor Chris Burden								
08. (was 2)	Safeguarding Children Failure to safeguard the City's most vulnerable children.	Strong families where children grow up well and achieve their potential.	A. Hinds	Cllr C Burden	4	8	8	↔
City Housing Portfolio – Councillor Steve Evans (Deputy Leader)								
09.	Housing Regulator (Damp and Mould) There is a risk that the Council fails to address damp and mould issues in properties, which could lead to the death of a resident in the city.	Good homes in well-connected neighbourhoods	J. Roseblade	Cllr S Evans	8	N/A New Risk	8	N/A New Risk
10.	Negative assessment against the Consumer Standards – Social Housing (Regulation) Act. Implementation of the Act has redefined the legislative landscape with the Regulator of Social Housing taking a more robust, proactive approach. A new regulatory regime includes publication of performance data, In-Depth Assessments (IDA) and Inspection (4 Yearly)	Good homes in well-connected neighbourhoods	J. Roseblade	Cllr S Evans	8	N/A New Risk	16	N/A New Risk
11.	Housing Supply There is a risk that the city will not have a suitable housing supply to meet the needs of residents.	Good homes in well-connected neighbourhoods	J. Roseblade	Cllr S Evans	8	N/A New Risk	16	N/A New Risk
12.	Housing Standards There is a risk that housing standards in the city are not maintained or are poor, which could cause risk to health.	Good homes in well-connected neighbourhoods	J. Roseblade	Cllr S Evans	8	N/A New Risk	16	N/A New Risk
Digital and Community Inclusion Portfolio – Councillor Obaida Ahmed								
13. (was 12)	Cyber Security There is a risk of failure to maintain a high level of cyber security (technology, processes and awareness) throughout the Council may result in cyber-attacks and theft or loss of confidential data leading to financial penalties, reputational damage and a loss in public confidence.	Our Council Our Digital	C. Johns	Cllr O Ahmed	6	12	12	↔
14.	Major Core System Failures There is a risk that core digital and IT systems, or their providers, fail resulting in an impact on the delivery of services.	Our Council Our Digital	C. Johns	Cllr O Ahmed	4	N/A New Risk	9	N/A New Risk
Environment and Climate Change Portfolio – Councillor Craig Collingswood								
15. (was 14)	Climate Change Failure to achieve the Council's commitments in relation to Climate Change, including the pledge to make Council activities net-zero carbon by 2028 may result in significant reputational damage and a loss in public confidence.	Climate Conscious	D. Pattison	Cllr C Collingswood	3	6	6	↔
16.	Private Hire Vehicle Growth There is a reputational risk where members of the public are injured or harmed as a result of using private hire vehicles licensed by the Council.	Our Council	J. Roseblade	Cllr C Collingswood	9	N/A New Risk	12	N/A New Risk
Governance and Equalities Portfolio – Councillor Paula Brookfield								
17. (was 6)	Employee Wellbeing There is a potential impact on the health and wellbeing of the Council's staff due to unprecedented levels of service demand and changes to working practices.	Our Council	L. Phillips	Cllr P Brookfield	8	12	12	↔
18. (was 10)	Information Governance If the Council does not put in place appropriate policies, procedures and technologies to ensure the handling and protection of its data is undertaken in a secure manner and consistent with relevant legislation then it may be subject to regulatory action, financial penalties, reputational damage and the loss of confidential information.	Our Council	D. Pattison	Cllr P Brookfield	12	6	16	↑
19. (was 19)	Employee recruitment and retention Currently experiencing recruitment and retention difficulties that mirrors national issues. This is impacting a number of specialist roles in Adults and Children's Social Care, Procurement, IT and Digital etc.	Our Council	L. Phillips	Cllr P Brookfield	9	9	9	↔
20.	Equal Pay Due to potential unapproved local working practices, and new case law, there is a risk the Council could be exposed to future equal pay claims, thus impacting Council resources.	Fair and Equal	D. Pattison	Cllr P Brookfield	12	N/A New Risk	12	N/A New Risk

Ref.	Risk Title and Description	Our City, Our Plan Priority	Risk Owner	Cabinet Member and Portfolio	Target Risk Score	Previous Impact Score	Current Risk Score	Target L'hood Score
21.	Health & Safety of Council Employees There is a risk of serious injury, or death, to an employee of the Council where health and safety legislative requirements have not been implemented or followed.	Our Council	D. Pattison	Cllr P Brookfield	9	N/A New Risk	12	N/A New Risk
22.	Reinforced Autoclaved Aerated Concrete (RAAC) There is risk that Council owned buildings may have to closed where the use of RAAC has been identified, which potentially has an impact on service delivery.	Our Council	J. Nock	Cllr P Brookfield	4	N/A New Risk	15	N/A New Risk
Jobs, Skills and Education Portfolio – Councillor Jacqui Coogan								
23. (was 9)	High Unemployment There is a risk that historic levels of high unemployment will remain in the city without a systemic shift by a range of partners, as articulated in the city Education, Skills and Employment Strategy.	<ul style="list-style-type: none"> Thriving Economy in all parts of the city More local people into good jobs and training 	C. Johns	Cllr J Coogan	12	16	16	↔
The Leader of the Council's Portfolio – Councillor Stephen Simkins								
24. (was 1)	Business Support There is a risk that economic challenges impact negatively on local businesses and they cannot access appropriate support to thrive.	Thriving economy in all parts of the city	C. Johns	Cllr S Simkins	6	8	8	↔
25. (was 4)	Reputation / Loss of Public Trust There is a risk that the Council loses public trust and confidence by: <ul style="list-style-type: none"> failing to respond to the needs of local people, especially those most vulnerable. failure to inform the public about delivery of key City priorities. 	Our Council	I. Fegan	Cllr S Simkins	10	10	10	↔
26. (was 8)	City Centres – Council Led Development Projects There is a potential impact on the City if the Council does not take effective action to regenerate and repurpose. In addition, there are risks to ongoing Council managed and operated capital projects and programmes in terms of costs, timings and ensuring that original business cases continue to align with the Council's strategic aims.	<ul style="list-style-type: none"> Thriving economy in all parts of the city Good homes in well-connected neighbourhoods 	R. Lawrence	Cllr S Simkins	8	12	12	↔
27. (was 17)	Financial wellbeing and resilience Risk that without the council's plan to coordinate the partnership support across the city, residents will not receive support to mitigate the impact of the cost-of-living crisis.	<ul style="list-style-type: none"> Strong families where children grow up well and achieve their full potential. Healthy, inclusive communities 	A. Hinds	Cllr S Simkins	9	9	9	↔
28.	City Learning Quarter There is risk that the City Learning Quarter is not delivered as planned resulting in adverse impacts on life chances for young people, and learning for people of all ages, potentially resulting in difficulty for local employers to grow their businesses and for all to contribute to local economic growth.	<ul style="list-style-type: none"> More local people into good jobs and training Strong families where children grow up well and achieve their full potential. Thriving economy in all parts of the city 	R. Lawrence	Cllr S Simkins	6	N/A New Risk	12	N/A New Risk
Resources Portfolio – Councillor Louise Miles								
29. (was 11)	Medium Term Financial Strategy There remains significant uncertainty in relation to demand for services, inflation and levels of government funding. This uncertainty creates a risk that we cannot set a robust medium term financial strategy.	Our Council	C. Nye	Cllr L Miles	15	20	20	↔
30.	Financial Management If the Council does not have strong financial management there is a risk that the expenditure will exceed the budget, leading to a call on reserves.	Our Council	C. Nye	Cllr L Miles	8	N/A New Risk	8	N/A New Risk
31. (was 15)	Related Parties The Council has a number of bodies that it either owns or has a potential liability for. There is a risk that poor performance of these bodies could adversely impact on the Council both financially and reputationally.	Our Council	C. Nye	Cllr L Miles	8	12	12	↔
32.	Impact of statutory legislation and guidance on Council budgets There is a risk of pressures on the Council's resources (including financial) as a result of the urgent requirement to implement new statutory legislation or guidance.	Our Council	C. Nye	Cllr L Miles	16	N/A New Risk	16	N/A New Risk

Scoring Criteria:

Risk Scoring - Impact

Impact	Score	Descriptor
Low	1	Minimal loss, delay inconvenience or interruption. Can be easily and quickly remedied
Low/Medium	2	Minor loss, delay, inconvenience or interruption. Short to medium term effect.
Medium	3	Significant waste of time and resources. Impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover.
Medium/High	4	Major impact on costs and objectives. Serious impact on output / or quality. Medium to long-term effect and expensive to recover.
High	5	Critical impact on the achievement of objectives and overall performance. Critical impact on costs and / or reputation. Very difficult and possibly long-term to recover.



Risk Scoring - Likelihood

Impact	Score	Descriptor
Low	1	Rare (0-5%) This risk will only materialise in exceptional circumstances.
Low / Medium	2	Unlikely (5-25%) The risk will probably not materialise.
Medium	3	Possible (25-60%) The risk may materialise at some point.
Medium / High	4	Likely (60-80%) The risk will probably materialise.
High	5	Almost certain (80%+) The risk will materialise in most circumstances.

Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
Impact					

City of Wolverhampton Council – Strategic Risk Register

Risks reviewed by risk owners as reported to the Audit and Risk Committee

Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
01.	<p>Safeguarding Adults</p> <p>There is a risk of failure to safeguard the City's most vulnerable adults.</p> <p>Risk Owner: Becky Wilkinson Cabinet Member: Cllr J Jaspal</p>	Fulfilled lives for all with quality care for those that need it	12 Amber	<p>Current Score:</p> <p>L'hood: 4 Impact: 4</p> <p>16 Red</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>		<p>Rationale for target risk score: The impact of this risk materialising, by its very nature, will always be significant hence a score of 4. However, through the work outlined below it is our aim to reduce the likelihood of this risk and therefore are targeting a score of 2.</p> <p>Update position and further actions to mitigate risks:</p> <p>There continues to be a month on month increase in Safeguarding referrals which impacts on the ability of Adult Social Care to ensure a timely response and has led to an increase in the time enquiries are taking.</p> <p>Whilst we have responded to the risks with additional temporary posts there are challenges with recruitment and shortage of suitably skilled agency social workers to fill temporary vacancies. There are a significant number of referrals that are inappropriate and do not meet the criteria for a safeguarding enquiry which need to be reviewed and actioned.</p> <p>The nature of referrals being received are more complex meaning they take longer to review and conclude.</p> <p>The long-term plan to manage the increase in demand is being considered through the Adult Social Care redesign.</p> <p>Workstream set up to review Family Front door and MASH responses.</p> <p>MASH Action Plan in place with regular review by Adult Leadership Team.</p> <p>Dashboard developed to help prioritise referrals.</p> <p>A peripatetic team will be considered as part of our redesign – better able to respond as needed.</p> <p>Updated recruitment adverts and templates are now available for recruiting managers to use. The benefits of working for our Council are highlighted, demonstrating our strengths-based approach to social work and the vibrancy and diversity of our city.</p> <p>Electronic Multi Agency Referral Form implemented, this has enabled inappropriate safeguarding referrals to be screened and appropriately sign posted/responded to.</p> <p>Launch of local practice guidance to improve the appropriateness of referrals.</p> <p>Development of new pathways to provide a timelier response from the right team including Domestic Abuse pathway.</p>	<p>Monthly Adult Leadership performance meetings, team dashboards developed which provide performance information to Adult Leadership and Senior Leadership Teams.</p> <p>Thematic Dip Samples undertaken by Managers, and QA Team, Practice Weeks undertaken throughout the year.</p> <p>Multi-Agency Audits undertaken by MASH Management Board and WST. Performance reported at Quarterly MASH Management Board meetings.</p> <p>MASH Managers have daily meetings to review and oversee performance.</p> <p>Monthly Information Sharing meetings take place with Care Quality Commission and partner agencies to share concerns and plan actions to improve quality of services in the city.</p>
02.	<p>Social Care Providers Adults</p> <p>There is a risk that we may lose service providers and not be able to maintain adequate service provision.</p> <p>Risk Owner: Becky Wilkinson Cabinet Member: Cllr J Jaspal</p>	Fulfilled lives for all with quality care for those that need it	12 Amber	<p>Current Score:</p> <p>L'hood: 4 Impact: 3</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p>		<p>Rationale for target risk score:</p> <p>This is a national risk recognised by government as well as a local risk, the fair cost of care exercise indicated that Care Provider Fees were low In Wolverhampton that statistical neighbours, this has been rectified in the 2023/3 fee review and therefore lowers the likelihood of provider failure over time.</p> <p>Through the work outlined it is our aim to reduce the likelihood of this risk materialising however it is a national issue and therefore to some extent out of our control. As a result the target likelihood score it set at 3.</p> <p>Update position and further actions to mitigate risks:</p> <p>The factors contributing to the risks to our providers include:</p> <ul style="list-style-type: none"> Market pressures – fragility of the care market and increased risk of provider failure/ sufficiency of provision. Risk of Providers being rated as inadequate following inspection post Covid. Cost of living crisis (inflation and increase in fuel prices) Workforce pressures - challenges with recruitment and retention of staff. Retention of experienced Registered Managers. <p>Risks to sustainability are being mitigated with:</p> <ul style="list-style-type: none"> Robust outbreak management processes and robust Quality Assurance Check (QAC) visits Use of the Care Quality Commission (CQC) Capacity tracker for updates from provider organisations Exploring interim financial support measures for providers to mitigate against key risks to care delivery. <p>Risk is amber due to resource and cost of living pressures. Provider support call has been stood up due to these challenges.</p>	<p>Fee uplift agreed at CRP February 2023 which has ensured Wolverhampton is paying a competitive rate for placements and addresses cost pressures highlighted by the sector.</p> <p>With respect to quality, work is underway with OneWolverhampton to produce a Quality Assurance Framework, which will be adopted by all partners and cover all aspects of residential care. This work will also seek to ensure a package of support and training is available for Registered Managers, particularly those new to role.</p> <p>Robust provider failure process, which ensures co-ordinated response and that people remain safe whilst alternative care arrangements are made.</p> <p>Increased activity taking place with WMADASS to understand the financial risk of regional and black country neighbouring authorities</p>

Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
03.	<p>Asylum and Refugees</p> <p>There is a risk that Council's fails to support new asylum seekers and refugees living in the city thus preventing community cohesion.</p> <p>Risk Owner: John Denley Cabinet Member: Cllr J Jaspal</p>	Healthy, inclusive communities	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 3</p> <p>6 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>Responsibility for asylum seekers in contingency hotels lies primarily with the Home Office. However, there are potential resource implications for CWC in supporting residents to access local services. Failure to manage this adequately could result in a lack of integration as well as impact on community cohesion. This risk is unlikely to materialise due to the robust processes adopted within the City by CWC and partners to ensure that asylum seekers are able to access support, this has led to an overall score of 6. These actions are outlined below.</p> <p>Update position and further actions to mitigate risks:</p> <p>Asylum: Wolverhampton currently hosts over 1300 Asylum seekers across dispersed (community-based accommodation) and Contingency Accommodation (2 Hotels). There is a robust and embedded process to mitigate risk and to ensure rapid escalation.</p> <ul style="list-style-type: none"> • Communication agreement with clear direct points of contact for referral, safeguarding and escalations with Lead Officer New communities and Migration being point of contact and support. • Monthly Serco Operational meeting with key partners and providers across 0-19 services, Education, Health, Social Care, Public Health and VCS in attendance to mitigate any risks and ensure remedial action is implemented. • Clear pathways have been implemented for access to intervention to reduce delays in integration and cohesion; VCS provide support based on individuals needs and to delivery workshops, ESOL and enhance access to education, funding is allocated for school uniform, bus tickets and priority support for school and educational access, additional access to City activities available to young people and adults- HAF. • RWT and ICB have ensured resource allocation to mitigate health inequalities; 0-19 inequalities team have a Health Visitor who works solely with both hotels and there are dedicated GP surgeries to ensure families are able to access Health and Wellbeing intervention without delay. • Strategic meetings are facilitated – cross organisationally to ensure regular communication and ensure any concerns are escalated via Regional Strategic Migration Partnership Asylum PWG without delay; and where required direct meetings with providers or Home Office have been and will continue to be facilitated. <p>Refugees: Wolverhampton has led via best practice for the welcoming of international Refugee via Home Office and DLUCH resettlement schemes; Syrian Vulnerable Person scheme, UK Resettlement scheme, Homes for Ukraine, Sudan BNO process, Afghan Resettlement Schemes.</p> <p>There is a robust model of reporting, intervention and coordinated approach to ensure the diverse and holistic needs and housing requirement for the arriving cohort are met, with consideration given to reducing impact on the host community.</p> <ul style="list-style-type: none"> • Properties- sourced to meet household need in the Private rented sector; located across the city to mitigate concentration and to enable better community cohesion. Properties are checked across partnership to ensure safe and suitable for arriving households. • Wrap around support- personalised needs led intervention delivered across partnership of VCS and the Local Authority to mitigate risk and enhance the opportunity integration and resettlement as equal citizens and lead fulfilled lives with access to the best future prospects. • Priority Health access- Health intervention funding allocated at place to enable the health and wellbeing needs of households be met with enhanced access to specialist intervention where requires e.g., SEND support. • Robust monitoring and review documentation and active communication with Home Office, DLUCH and Regional Strategic Migration Partnership. <p>Newly Granted Refugees – Via Asylum Discontinuation:</p> <ul style="list-style-type: none"> • Rapid intervention process embedded to mitigate the risk of homelessness and destitution withing the Local Authority. • Access to financial inclusion and full rapid assessment of needs to enable newly granted refugees access all entitled services and opportunities. • Working in partnership cross departmentally and organisationally, coordinating pathways based on household requirements and identified barriers to resettlement or cohesion. • Exploration of housing solutions to enhance housing and resettlement options without impact on host community. 	<ul style="list-style-type: none"> • Wolverhampton Migration Partnership Forward Plan- aligned to Wolverhampton migration Forum facilitating opportunity for partnership working to readdress and gaps in delivery and meet the needs of this cohort or escalate concerns that would impact cohesion. • Tender for Our People project up to £750k for 3 years to provide bespoke intervention to mitigate the risk and inequalities that may be experienced by household that are Refugee, Asylum and/or migrants. • Attendance at all relevant regional and national meetings to ensure a 'best practice' approach is embedded and any challenges can be highlighted for discussion and where possible remedial action. • Cross organisational and departmental delivery continues to ensure cohesive and interconnected approach to meeting the needs of the cohort and minimising risk. • Implementation of Asylum Discontinuation – Prevention Pilot to mitigate the impact of homelessness and destitution for individuals discontinued from Asylum provision. • Reporting and monitoring compliance as outlined by funders and/or Central Government. • Monitoring and review of service delivered by VCS on behalf of the Local Authority, implementing remedial action where required. • Local authority Structure and staffing implemented to mitigate the increased pressure of Asylum and Resettlement since 2021.

Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
04.	<p>Terrorism Threats – Places and Locations</p> <p>There is a risk the Council fails to implement appropriate anti-terrorism security measures for Council run events in accordance with legislative requirements, such as Martyn's Law. Thus, posing risk to event attendees.</p> <p>Risk Owner: John Denley Cabinet Member: Cllr J Jaspal</p>	<p>Thriving economy in all parts of the city</p> <p>Healthy, Inclusive Communities</p>	N/A New Risk	<p>Current score: 8</p> <p>L'hood: 2 Impact:4</p> <p>8 Amber</p> <p>Target score: 6</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>There is a national threat level system is designed to give a broad indication of the likelihood of a terrorist attack and is set by the government's Joint Terrorism Analysis Centre and security service MI5. Threat levels are designed to give a broad indication of the likelihood of a terrorist attack.</p> <p>The levels are:</p> <ul style="list-style-type: none"> • LOW: an attack is highly unlikely • MODERATE: an attack is possible, but not likely • SUBSTANTIAL: an attack is likely • SEVERE: an attack is highly likely • CRITICAL: an attack is highly likely in the near future <p>The current threat to the UK (England, Wales, Scotland and Northern Ireland) from terrorism is SUBSTANTIAL. With a national threat level of SUBSTANTIAL, we need to recognise this within our risk register and ensure, within Wolverhampton, we work across partners to mitigate this risk as much as possible. In terms of managing this risk whilst we could try to reduce the likelihood the impact remains high if the risk materialised.</p> <p>Update position and further actions to mitigate risks:</p> <p>Regular and routine communications with and inputs from West Midlands Counter Terrorism Police (WMCTP) via the Counter Terrorism Security Advisors including:</p> <ul style="list-style-type: none"> • School lock down procedures • Comprehensive training programme for CWC and partners • Security advice to events and design of new development schemes to reduce risk of vehicle as a weapon and other threats. • Good practice developments <p>Significant upcoming city events established as a standing item on the Protect and Prepare Board agenda with opportunity to raise concerns / identify response as required.</p> <p>The newly established Hostile Vehicle Mitigation Subgroup of the Protect and Prepare Board will hold a detailed work programme to continue to reduce risk over time.</p>	<p>Bi-monthly meetings of the Wolverhampton Protect and Prepare Board – strategic, multiagency membership aiming to ensure an appropriate level of joint working, preparedness and resilience to enable an effective multi-agency response to present and emerging terror-related threats that may have a significant impact on the safety of the city.</p> <p>Oversight of Protect and Prepare activity is governed by CONTEST Board. The Board receive regular reports from Counter Terrorism Police on ongoing and emerging risk and threat at international, national, regional and local levels plus information on key activity from the Protect and Prepare Board. Key decisions from Protect and Prepare Board are bought forward to CONTEST for endorsement / ratification.</p> <p>There is connected governance between Protect and Prepare Board and Local Resilience Board (LRB) with Protect and Prepare listed as a standing item on the LRB agenda. Information shared includes key activity of the PPB, opportunities for joint working plus any Protect and Prepare information that is specifically relevant / impactful to the Council.</p> <p>Key representative from the Local Resilience Board has been newly appointed as the Chair of the Training, Exercise and Learning Subgroup of the Protect and Prepare Board continuing the connectivity between the two Board structures.</p> <p>WMCTP undertake an annual review of Local Authority activity relating to Protect and Prepare which includes elements such as:</p> <ul style="list-style-type: none"> • Identified SRO • Established Board structure. • Breadth of partner membership and engagement • Progress of activity <p>WMCTP RAG rating for Wolverhampton 2022 – 2023 = Green</p>
05.	<p>Terrorism Threats - People</p> <p>There is a risk the Council and its local specified authority partners fail to respond to the Prevent Duty putting vulnerable people at increased risk of radicalisation.</p> <p>Risk Owner: John Denley Cabinet Member: Cllr J Jaspal</p>	Healthy Inclusive Communities	N/A New Risk	<p>Current score:</p> <p>L'hood: 1 Impact: 4</p> <p>4 Amber</p> <p>Target score:</p> <p>L'hood: 1 Impact: 4</p> <p>4 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>The likelihood of non-compliance with the Prevent Duty is low, hence a score of 1. However, failure to discharge the Duty could lead to the Secretary of State issuing a direction to the Council via the powers within the Act and so the risk should continue to be monitored. This leads to an impact score of 4.</p> <p>Update position and further actions to mitigate risks:</p> <p>The Council has a nominated Prevent Lead dedicated to the delivery of activity related to the Duty.</p> <p>Risk and threat is monitored through the Counter Terrorism Local Profile and responded to through the local Counter Terrorism Situational Risk Assessment – part of the benchmarking activity required by the Duty.</p> <p>Routine communications, inputs and monitoring from the regional Home Office Prevent Advisor.</p> <p>Multiagency Prevent Delivery Group brings together local specified authority partners to ensure effective implementation of the partnership Prevent Delivery Plan.</p> <p>Monthly Channel Panel meetings to assess and support people who are at risk of being drawn into terrorism with the aim of providing a tailored package of interventions to address the individual's needs and vulnerabilities, and to safeguard them from harm.</p> <p>Channel Chairs receive regular update training from the Home Office to ensure knowledge and skills are optimal.</p> <p>Development of Engagement Strategy and Communications Plan to strengthen messaging to local communities.</p> <p>Prevent Duty requirements embedded within procurement processes and new contracts for services.</p> <p>Ongoing monitoring of community relations and cohesion.</p>	<p>Oversight of the Prevent Delivery Plan by CONTEST Board with specified authority partners in attendance including Education, University of Wolverhampton, City of Wolverhampton College, Black Country Integrated Care Board (Place) and Royal Wolverhampton NHS Trust plus representation from Home Office and West Midlands Counter Terrorism Police – Prevent Team</p> <p>The Channel Panel Annual Assurance Statement forms part of the self-assessment for Local Authorities and is signed by the Chief Executive of the Council. It is submitted to the Home Office as evidence of compliance with Channel delivery and practice as required by Channel Statutory Duty Guidance 2020 issued under Section 36 (7) of the Counter Terrorism Security Act 2015. The Annual Assurance Statement provides a local benchmark against requirements contained within the guidance, identifying any areas for improvement to be progressed over the coming year.</p> <p>To corroborate the statement, a formal observation of Channel Panel is undertaken by the Home Office Regional Channel Quality Lead each year.</p> <p>The Home Office completes an annual assurance exercise to evaluate the extent to which the Local Authority is complying with and delivering against the Prevent Duty. This includes self-assessment against the Prevent Local Authority Benchmarking Assessment within the Prevent Duty Toolkit. Assessment is considered against ten benchmarks and a set of performance criteria, and involves regular audits, inspections/observations, feedback, and reviews.</p> <p>This exercise concludes annually with the Home Office Annual Prevent Duty Assurance Statement for Wolverhampton – a report summarising the benchmarking assessment scores and identifying areas of focus for the year ahead.</p>

Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
06.	<p>Inadequate rating from Care Quality Commission (CQC) inspection for Adult Social Care (ASC)</p> <p>There is a risk to public trust and confidence around service delivery and provision of ASC. This would have a negative reputational impact for the Council.</p> <p>Risk Owner: Becky Wilkinson Cabinet Member: Cllr J Jaspal</p>	Fulfilled lives for all with quality care for that need it.	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact: 5</p> <p>15 Red</p> <p>Target score:</p> <p>L'hood: 1 Impact: 5</p> <p>5 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>The nature of this risk means that the impact will be always significant and therefore the target impact score remains at 5. However, we believe that it is possible to manage the likelihood of occurrence through the following actions and therefore the target likelihood score is 1:</p> <ul style="list-style-type: none"> Governance model to oversee inspection preparation work in place. Self – assessment in place and regularly reviewed and refined as necessary. Improvement plan being developed, and actions identified being worked on. <p>Update position and further actions to mitigate risks:</p> <p>Encompass continuous learning from pilot sites, inspection guidance and regional support.</p> <p>Continue to prepare the workforce in readiness for inspection.</p> <p>Commissioned Care Act training to revisit Care Act duties and compliance for workforce.</p>	<p>Quality Assurance Framework – Practice Weeks (Practice Conversations, Observations of practice and Dip Samples)</p> <p>Peer Review Feedback</p> <p>Performance Data</p> <p>Feedback from people</p>
07.	<p>Impact of future pandemics</p> <p>There is a risk to the utilisation of Council resources as a result of future pandemics.</p> <p>Risk Owner: John Denley Cabinet Member: Cllr J Jaspal</p>	Healthy, inclusive communities	N/A New Risk	<p>Current score:</p> <p>L'hood: 2 Impact:4</p> <p>8 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>A new pandemic remains one of the most serious risks facing the UK, though it is impossible to predict when it will occur. Its impact will depend on many factors including transmission route, attack rate, and severity of disease. The most likely cause remains a respiratory pathogen (as with Covid-19), even though a range of scenarios is possible. As such, the factors contributing to this risk are largely outside the control of the Council.</p> <p>Impact can be marginally minimised through support provided by national government in the form of funding and guidance. This would help the Council's Public Health team respond effectively to the health impact of the pandemic, as well as mitigate its financial impact on the Council due to reallocation of resources and potential lost revenue. However, that also remains outside of the Council's control.</p> <p>Update position and further actions to mitigate risks:</p> <p>The UK Health Security Agency (UKHSA) is responsible for developing national planning arrangements in relation to pandemics. Local pandemic planning and mitigation is coordinated through the resilience forum, with the Public Health, health protection team contributing as appropriate.</p>	<ul style="list-style-type: none"> Dialogue with UKSHA Contribution to resilience forum Appropriate training of staff Core Public Health skills and knowledge in Health Protection issues maintained Contributing and leading on preparedness plans and exercises – local and regional
08.	<p>Safeguarding Children</p> <p>Failure to safeguard the City's most vulnerable children.</p> <p>Risk Owner: Alison Hinds Cabinet Member: Cllr C Burden</p>	Strong families where children grow up well and achieve their potential	8 Amber	<p>Current Score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p> <p>Target score:</p> <p>L'hood: 1 Impact: 4</p> <p>4 Amber</p>		<p>Rationale for target risk score:</p> <p>The internal and external assurance that is in place ensures that the robust services we have in place as a council operate effectively as a partner within the statutory safeguarding partnership and hence the likelihood of the majority of vulnerable children not being safeguarded is low. However, whenever this happens and in particular with very serious incidents the impact for the council and for all those involved could be high.</p> <p>Update position and further actions to mitigate risks:</p> <p>There has been an increase in referrals to the MASH over the last 18 months which now place Wolverhampton above national and statistical neighbours in this area. This continues to be monitored and understood at performance management board.</p> <p>Mobilisation of remodelled services in child protection, family help and family networks and in our statutory safeguarding partnership arrangements from January 2023 under the DfE funded Families First for Children Pathfinder Programme will offer further opportunity to ensure services are offered to families at the earliest opportunity and test a remodelled multi agency response to child protection utilising Child Protection Lead Practitioners</p> <p>Although the annual turnover rate of social workers remain below national level workforce pressures remain high. Nationally and regionally, there is a shortage of suitable agency social workers to back fill temporary vacancies created by secondment opportunities, and maternity leave. This impacts particularly in the Strengthening Families Service. To mitigate this, we have created a peripatetic team of social workers and continue to recruit to these permanent posts, we are part of a regional MoU to manage the use of agency workers, We have rebranded our social work recruitment, and introduced additional incentives following a regional benchmarking process.</p> <p>There is a risk that the Council is unable to identify suitable placements registered with Ofsted for children in care particularly those with highly complex needs who are subject to a court authorised Deprivation of Liberty (DoL) Order, due to insufficient placement options.</p> <p>Where children's homes are identified these are at high cost due to the current market position. If not, placements can be identified alternative unregulated provision has to be considered.</p> <p>When an unregulated placement is made Ofsted are informed, there is regular senior management oversight, and the arrangements are regarded as temporary whilst alternative regulated options are secured. The opening of two small children's homes in Wolverhampton is in process and this will increase the internal sufficiency options.</p>	<p>Internal Quality Assurance report, alongside monthly analysis of performance information offers Senior Leadership Team reassurance regarding practice.</p> <p>Rereferrals into MASH 24 is regularly monitored and a deep dive into this area has taken place.</p> <p>Quality assurance and performance information is shared with SEB, Cabinet Member and the Leader regularly, together with Ofsted on a quarterly basis.</p> <p>Senior leaders have regular oversight of the number of children that social workers are working with. Actions are being taken to try to attract experienced agency workers locally and regionally to cover short term vacancies whilst we also recruit to vacant permanent posts promoting additional motivating factors to join Wolverhampton.</p> <p>Positive outcome of Ofsted Inspection of Children's Services (21 March - 1 April 2022) with services rated overall as good offering external reassurance that children and families are supported and safeguarded well in Wolverhampton.</p> <p>Assurance provided to Wolverhampton Safeguarding Together Partnership through several mechanisms including scrutiny of practice through priority groups and specific activity such as the Covid response group and multi-agency casefile audits and external scrutineer report. Reviews of the impact of learning from Children's Safeguarding Practice Reviews is also assured through the One Panel.</p> <p>Appropriate serious incident referrals are made to the Safeguarding Partnership to consider if a learning review needs to be undertaken into specific incidents. This ensures where appropriate, practice is independently scrutinised, and lessons learned.</p> <p>The Leader/Cabinet Member/SEB and CYP Scrutiny panel are briefed every 6 months to offer reassurance regarding safeguarding of the children in the city.</p> <p>A multi-agency response is in place to work with young people to reduce potential of further violent crimes within the city. This response includes universal responses and more targeted approaches with individuals most at risk.</p> <p>Two recent independent thematic reviews on knife crime and exploitation have offered strong reassurance in this area.</p> <p>Regular oversight by senior leadership team of children placed in unregulated settings and liaison with Ofsted.</p>


Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
							Opening of two internal family homes for children in care will increase sufficiency. Children are given opportunity to be supported by an independent advocate.
09.	<p>Housing Regulator (Damp and Mould)</p> <p>There is a risk that the Council fails to address damp and mould issues in properties, which could lead to the death of a resident in the city.</p> <p>Risk Owner: John Roseblade Cabinet Member: Cllr S Evans</p>	Good homes in well-connected neighbourhoods	N/A New Risk	<p>Current score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>There is a well-established reporting mechanism in place for reporting issues related to damp and mould and a robust repair process to rectify the issue. The likelihood scores remain the same for current and target. The only way likelihood score will reduce is if the condition of existing stock is free from deficiencies before damp and mould occurs and therefore not present in the home. However, this is unlikely due to the age of existing stock, so current measures in place will allow for ease of reporting and rectifying to minimise the likelihood of severe cases resulting in death of a resident.</p> <p>The target impact score is remains at 4 on the basis there has been significant importance on improving processes and providing education material/support for residents and employees to identify and report any issues relating to damp and mould to allow the matter to be rectified. However, this has brought additional investment requirements to ensure systems are in place (SIRI) to allow the reporting of cases to be recorded/processed within required timescales. The impact of the death of a resident or any serious damp and mould case would bring severe reputational damage and failures in our existing processes.</p> <p>Update position and further actions to mitigate risks:</p> <p>The true extent of damp and mould in the cities private sector housing remains unknown as this can only be truly ascertained by inspection. A BRE conditions report has been commissioned for other purposes which will also provide a desktop assessment of the extent of damp and mould issues.</p> <p>Winter Plan 2023 – 2024 developed.</p> <p>The Private Sector Housing Service enforces:</p> <ul style="list-style-type: none"> Adequate reasonably economic heating. Insulation. Ventilation such as extractor fans. Landlords required to undertake professional mould removal required for more extensive issues. Works in default if necessary <p>Communication:</p> <ul style="list-style-type: none"> Landlord Forum - Damp and mould advisory presentation to landlords. Damp and mould mitigation advice leaflet provided in response to all enquiries regardless of whether they refer to damp and mould. Website updated to provide educational information in relation to damp and mould. <p>Support provided:</p> <ul style="list-style-type: none"> Damp and mould removal kits provided to PRS tenants. Provision of household support fund. Domestic thermometer / hygrometer provided to increase awareness of humidity in the home. <p>In the social housing sector, complaints received from residents whose homes are managed by a registered housing provider (not the Council) are sent to Private Sector Housing Enquiries. Registered Providers are regulated by the Regulator of Social Housing and are responsible for management of their stock. City Housing maintains communication through the Social Housing Provider Forum.</p> <p>Council owned housing stock is managed by four managing agents. Contract management of these organisations provides oversight and assurance of repairs (inc. DMC) and complaints. The largest managing agents is Wolverhampton Homes.</p> <p>The joint Wolverhampton Homes and City of Wolverhampton Council's (CWC) Damp, Mould and Condensation Working Group, formed in early 2022, and continues to regularly meet to drive service and system enhancements,</p> <p>Wolverhampton Homes, along with CWC colleagues, has continued to target reports of DMC from customers and has worked with its partners to develop predictive data to proactively identify 'at risk' homes.</p> <p>Regular reporting of DMC is reported to CWC. DMC is now included as one of the BIG 7 risks.</p> <p>Operationally, reporting of DMC has increased significantly. Increasing contractor capacity has been a challenge due to the labour shortage regionally. Performance against the 10 working day inspection and 20 working day 'works' target remain within target or tolerance.</p> <p>A programme of support is provided, including education and advice on DMC. Healthy Homes Advisors are in place. No access procedures have been strengthened. Knowledge sharing with ASC and CS have also been developed to support families with vulnerabilities. Since November 2022, WH has experienced a significant increase in DMC related service requests from customers; linked to increased awareness and proactively communications. All homes reporting DMC will be visited. The highest proportions of DMC reported are minor and treatable with cleaning and remedial works.</p>	<p>Audit Services: Private Sector Housing Enforcement Audit 2022 – 2023 – Overall conclusion was 'satisfactory', specifically noting:</p> <ul style="list-style-type: none"> There is an effective mechanism in place for handling Private Sector Housing referrals. When, received they are triaged and allocated to Environmental Health officers, who action promptly. New coding has been introduction to easily identify damp and mould cases. <p>Council housing BIG 7 risk reporting – monthly, quarterly data analysis. Annual reporting to Scrutiny.</p> <p>DMC risk protocols, now support a robust approach to hazards and risk management and encompass the principles of the Housing Health and Safety Rating System (HHSRS).</p> <p>KPI's to monitor remedial work timescales related to Disrepair Claims have been introduced since April 2023 and are reported quarterly to WH Board and CWC's WHDPQMG.</p> <p>Complaints handling KPI and Tenant Satisfaction Measures.</p>

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						<p>Staffing and financial resources have needed to be reallocated to DMC to meet the increase in demand. Contractors have also been requested to increase labour resources. This has had limited success due to the region wide shortage in suitable labour. The repairs budget overspend is contributed to by DMC requests.</p> <p>Further actions to mitigate risk include the following:</p> <ul style="list-style-type: none"> • Department equality plan to assess impact of language on DMC cases and case handling. • Continued analysis of rent arrears and the link to DMC, i.e., the ability to afford appropriate heating and warmth. Link to EPC and property condition. • WH has further refined its Predictive Data Analytics tool in collaboration with the Housing Management system provider, NEC. Using algorithms to predict homes that may be at a greater risk of mould forming. 	
10.	<p>Negative assessment against the Consumer Standards – Social Housing (Regulation) Act.</p> <p>Implementation of the Act has redefined the legislative landscape with the Regulator of Social Housing taking a more robust, proactive approach. A new regulatory regime includes publication of performance data, In-Depth Assessments (IDA) and Inspection (4 Yearly)</p> <p>Risk Owner: John Roseblade Cabinet Member: Cllr S Evans</p>	Good Homes in well-connected neighbourhoods	N/A New Risk	<p>Current score:</p> <p>L'hood: 4 Impact: 4</p> <p>16 Red</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>The rationale for a current likelihood target of 4 is the number of improvement tasks identified and these are being worked through to deliver a reduced target of 2 once all the actions recommended have been delivered to meet the requirements of the Regulator for all Managing Agents. The team are currently undergoing a restructure to ensure the resources are in place and fit for purpose to meet the new regulations.</p> <p>The rationale for a current impact score of 4 is to acknowledge there is a lot of work to be undertaken and maintain with all Managing Agents to avoid a negative assessment by the Regulator and this will remain a target score until such time all workstreams have been delivered to ensure the Council is in the best position for the inspections. Should the outcome be negative, this could bring reputational damage to the Council in its responsibility as a Housing Authority.</p> <p>Update position and further actions to mitigate risks:</p> <ul style="list-style-type: none"> • Management agreement between CWC and WH to be updated. • Shareholder Board to be established, • Stronger client and governance arrangements • Annual reporting to Scrutiny. • Re-establish performance reporting to Cabinet. • 	<ul style="list-style-type: none"> • Savills review of compliance against the consumer standards • Campbell Tickell review of the management arrangement between CWC and WH • Scrutiny Board approval of recommendations to strengthen governance, reporting and clienting. • Intention to update management agreement and develop Shareholder Board – being progressed by Legal. • Restructure of Landlord Services within the Councils City Housing Team will strengthen the ability of the Council to respond to regulation and inspection
	<p>Housing Supply</p> <p>There is a risk that the city will not have a suitable housing supply to meet the needs of residents.</p> <p>Risk Owner: John Roseblade Cabinet Member: Cllr S Evans</p>	Good Homes in well-connected neighbourhoods	N/A New Risk	<p>Current score:</p> <p>L'hood: 4 Impact: 4</p> <p>16 Red</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>The rationale for a current likelihood score of 4 is the increasing pressure and challenges of the housing needs of our residents. A target score of 2 will ensure the Council works towards exploring every opportunity to increase its housing supply through a number of programmes to add units to its stock.</p> <p>The rationale for a current impact of 4 is that we should not be able to meet the housing demands, the waiting list will increase, and vulnerable residents may need rehousing in temporary accommodation. The target score of 4 will remain as current data research shows the demographics of our residents will increase the demand for council accommodation, including specialist/supported units, for many years to come.</p> <p>Update position and further actions to mitigate risks:</p> <ul style="list-style-type: none"> • Continuing information and education on housing availability to residents, officers, and Cllrs • Increased support to engage with the private rented sector and landlords directly (e.g., Call Us First, Landlord Forum) to provide access to and maintain tenancies. • Homelessness Task and Finish Group monitoring homelessness numbers, TA use and spend. Identifying improvements and better value TA. • Housing support fund funded by the HRA available to support tenants to remain in their homes where increasing rent costs are unaffordable. • Money Smart Service through WH available • Homelessness Service provided from the Civic 5 days a week; seeing increasing footfall. • Housing Development Team restructured and appropriately resourced to establish a housing development pipeline and access Homes England and WMCA funding. 	<ul style="list-style-type: none"> • KPI data on evictions and rent arrears highlight that that rent loss is relatively low compared to peer landlord. • Evictions from council housing remain low (<20pa) – further analysis via the DEP to be completed. • Call Us First Team – capacity expanded with staff recruited. • Ongoing local conversations with Homes England, early indication of support for schemes and larger regeneration proposals • Early conversations between planning and housing relating to housing development – although ongoing challenges around HRA land which over the years has been designated open space or trees. • Continue to explore the options for face-to-face housing advice in the city.

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12.	<p>Housing Standards</p> <p>There is a risk that housing standards in the city are not maintained or are poor, which could cause risk to health.</p> <p>Risk Owner: John Roseblade Cabinet Member: Cllr S Evans</p>	Good Homes in well-connected neighbourhoods	N/A New Risk	<p>Current score:</p> <p>L'hood: 4 Impact: 4</p> <p>16 Red</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>The rationale for the current likelihood score of 4 is due to ageing stock, poor energy performing homes and investment requirements. The target score of 2 is due to the HRA Business Plan for a number of investment programmes to address poor condition council homes.</p> <p>The rationale for the current impact score of 4 is to recognise the challenges of the HRA and the investment required to maintain existing stock and improve the standard of housing offer across the city. The target score of 4 will remain until such time additional funding is available and funding opportunities explored to deliver improved and better-quality stock within the city.</p> <p>Update position and further actions to mitigate risks:</p> <ul style="list-style-type: none"> Strengthening HRA Business Plan development process to provide greater engagement with Councillors on investment plans and options. Non-traditional stock investment planned, and area renewal programmes planned, with initial Cabinet approvals in place for phase 1; redevelopment of New Park Village and the Tarran Bungalows. Retrofit programme of £27.5m to improve 414 not-trads across the city started May 2023. Capital programme approved for new build programme, estate remodelling, disabled adaptations, Decent Homes stock condition improvements and other stock improvements (inc. structural works, lifts, fire safety in med and high rise, roofing, door security and remedial works to non-trads). 	<ul style="list-style-type: none"> Wolverhampton Homes Delivery Plan Quarterly Monitoring Group, chaired by the Cabinet Member, provides review of delivery plan objectives, KPIs and financial performance. The WH/CWC Financial Information Group, chaired by the Director of Finance, provides financial monitoring and scrutiny, including the repairs and capital investment programmes. Savills review of HRA Demonstrable improvements to Council housing stock, including fire safety (sprinklers, fire doors) and high-rise improvements. Known stock improvement pressures are considered and further scrutiny and oversight will be provided to Councillors, in particular about investment / disinvestment options. Excellent performance under the BIG 7 risks; fire, asbestos, gas, electrical, legionella, lifts, DMC Part of the TPAS EGAGE project on high rise fire safety Housing Assistance Policy to be reviewed to ensure ongoing suitability. Success in attracting energy funding for private homes. <p>Audit Services: Private Sector Housing Enforcement Audit 2022 – 2023 – Overall conclusion was 'satisfactory', specifically noting:</p> <ul style="list-style-type: none"> There is an effective mechanism in place for handling Private Sector Housing referrals. When, received they are triaged and allocated to Environmental Health officers, who action promptly. New coding has been introduction to easily identify damp and mould cases.
13.	<p>Cyber Security</p> <p>There is a risk of failure to maintain a high level of cyber security (technology, processes and awareness) which result in cyber-attacks and theft/loss of confidential data leading to financial penalties, reputational damage and a loss in public confidence.</p> <p>Risk Owner: Charlotte Johns Cabinet Member: Cllr O Ahmed</p>	Our Council / Driven by Digital	12 Amber	<p>Current:</p> <p>L'hood: 4 Impact:3</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 2</p> <p>6 Amber</p>		<p>Rationale for target risk score:</p> <p>Nationally there continues to be cyber security threats to local government and the wider public sector, with high profile cyber incidents impacting on some local authorities and other agencies.</p> <p>There is ongoing work to improve the council's security posture to reduce the likelihood and impact of constantly changing threats. Cyber security at the Council is externally verified through both PSN accreditation and Cyber Essentials Plus accreditation.</p> <p>The Council manages the risk through effective controls. However, due to the sensitivity in respect to this area, we cannot provide detailed information here which may compromise the council's security.</p> <p>Update position and further actions to mitigate risks:</p> <p>Digital and IT continue to deploy enhancements to further improve security and, a summary of key activity includes:</p> <ul style="list-style-type: none"> Policy and strategy – including ongoing review of existing and development of new policies to support improved cyber security, such as the Information and Cyber Security Policy, Acceptable Use of IT Assets and social media Policy and a new Bring Your Own Device policy. Training and development – including a new mandatory cyber security course and bespoke training and awareness sessions dependent on role in development. Technology and digital solutions – including roll out of new technology solutions to further tighten security. <p>There is a continued work programme to address cyber threats which continue to evolve.</p>	<p>The Council has achieved external accreditation of its cyber security, through achievement of Cyber Essentials Plus and PSN compliance. Cyber Essentials Plus reaccreditation for the year was achieved again in December 2022. PSN compliance was achieved again in March 2023. Assessment of the council's cyber security posture is also provided by Microsoft.</p> <p>Internal Audit review of Cyber Security and Disaster Recovery gave satisfactory assurance.</p> <p>Regular updates provided to Resilience Board, SEB and Cabinet Member.</p> <p>A detailed update was provided to Audit and Risk Committee in July 2022, a link to the meeting papers and minutes is available here.</p>
14.	<p>Major Core System Failures</p> <p>There is a risk that core digital and IT systems, or their providers, fail resulting in an impact on the delivery of services.</p> <p>Risk Owner: Charlotte Johns Cabinet Member: Cllr O Ahmed</p>	Driven by digital	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 2</p> <p>4 Green</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>We continue to work to mitigate against the impact and likelihood of core systems failing, through robust management of our IT infrastructure and management of contracts with key suppliers. Leading to a target likelihood score of 2. Through effective contingency plans already place and tested we believe we can manage this risk and reduce the impact to a score of 2.</p> <p>Update position and further actions to mitigate risks:</p> <p>Regular and robust contract management with key suppliers of systems is in place to mitigate against supplier failure which may impact on the delivery of systems.</p> <p>Ongoing work to ensure effective IT infrastructure and systems, which links to wider work including cyber security (see risk 12).</p>	<p>Regular and robust contract management with key suppliers of systems is in place to mitigate against supplier failure which may impact on the delivery of systems.</p> <p>Ongoing work to ensure effective IT infrastructure and systems, which links to wider work including assurance such as PSN and Cyber Essentials Plus.</p>

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15.	<p>Climate Change Failure to achieve the Council's commitments in relation to Climate Change, including the pledge to make Council activities net-zero carbon by 2028 may result in significant reputational damage and a loss in public confidence.</p> <p>Risk Owner: David Pattison Cabinet Member: Cllr C Collingswood</p>	Climate conscious	6 Amber	<p>Current Score: L'hood: 2 Impact: 3 6 Amber</p> <p>Target score: L'hood: 1 Impact: 3 3 Green</p>	↔	<p>Rationale for target risk score:</p> <p>The impact of not meeting our Net Zero target by the end of 2028 is likely to be significant and has an impact of 3 the likelihood of this target not being met is 2, following detailed consideration of the current progress at the relevant scrutiny panel in October 2023.</p> <p>Update position and further actions to mitigate risks:</p> <p>The Council's Climate Change Net zero commitment was made in 2019 and a detailed action plan set by Council in 2020 and amended in 2. The action plan clearly sets out all activity needed to meet the Council's net zero ambitions by 2028 as well as setting out the framework for the 2041 target for the whole City.</p> <p>As set out in the scoring update a detailed report was taken to scrutiny panel in October 2023 setting out progress against the target.</p> <p>Following the Internal Audit report covering the position in late 2022/early 2023 several urgent steps have been taken to provide additional assurance that the target will be met. These include:</p> <ul style="list-style-type: none"> • The Council's Chief Operating Officer appointed as the Senior Responsible Officer • New Head of green Cities and Circular Economy and other staffing resources put in place including a detailed programme board. • The minutes and papers relating to the Climate Change Advisory Group meetings are being made public. • A number of additional steps have been taken to ensure we are on track to meet the commitment including the launch of a HVO (Hydrotreated Vegetable Oil) fuel pilot significantly reducing the climate impact of the Council's fleet whilst we work towards full electrification of the fleet. <p>Funding for external resource identified to support delivering 2041 strategy – strategy is being worked up and will be taken to Scrutiny Panel in early 2024 for pre decision scrutiny.</p> <p>Training for Carbon Literacy course rolled out across organisation, opportunities for further training in 2023/24 being explored.</p>	<p>Governance and action plan monitoring arrangements in place.</p> <p>Quarterly update to Member reference panel (Climate Change Advisory Group).</p> <p>Internal audit review undertaken in March 2023 of the 2028 Climate Change Action Plan. Monthly Programme Board has been established – with full supporting team now in place to provide the necessary support to deliver.</p> <p>Regular reporting against action plan now taking place and will be brought through to Climate Change Advisory Group and paper reporting on substantial progress made will be brought to Climate Change, Housing and Communities Scrutiny Panel in October 2023.</p>

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16.	<p>Private Hire Vehicle Growth</p> <p>There is a reputational risk where members of the public are injured or harmed as a result of using private hire vehicles licensed by the Council.</p> <p>Risk Owner: John Roseblade Cabinet Member: Cllr C Collingswood</p>	Our Council	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact: 4</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>Whilst the service continues to introduce additional safeguarding measures which are discussed below, the relative risk of untoward or criminal behaviour of a driver licensed by CWC continues to increase as the numbers of licensed drivers increases. Despite having robust licensing, monitoring and enforcement operations the likelihood of such an event post licensing is beyond the direct control of CWC and as such likelihood scores remain the same for current and Target. The only way likelihood score will reduce is if the number of licensed drivers reduces which will in all likelihood require a change in legislation.</p> <p>The target impact score is reduced to 3 on the basis that the team are implementing the detailed findings of an internal audit and external review. Whilst the findings demonstrated a well-managed and robust service with many areas of good practice there are several enhancements to the current operations which the team are working to implement urgently.</p> <p>Update position and further actions to mitigate risks:</p> <p>As with any regulatory scheme, there is an inherent risk that those being regulated will breach the regulations. Even a perfect applicant on paper can go on to commit serious offences and the Council is limited to what it can require from applicants without being successfully appealed in court or being subject to judicial review. Whilst the likelihood of a serious incident has increased, due to the increase of drivers from 1k to 35k, the risk is further mitigated due to the following:</p> <ul style="list-style-type: none"> • Digitisation of applications, reducing the chances of administration and human error relating to paper/written records. • Increased financial resources allowing the Council to take advantage of further technological solutions, such as APIs to automate checking of information with databases in other organisations. • More experience with investigating licence holders. • Ability to attract investigatory talent from other licensing authorities due to the reputation of the Council as an industry leader. <p>The Council was the first in the country to undertake daily DBS checks of its drivers, with 32,000/35,000 on the Update Service. Work is ongoing to increase this percentage, however three-year licences issued prior to April 2021 have not yet had the chance to renew.</p> <p>The Council is developing its own 'Access to Driver Data' Application Programming Interface (API) with the DVLA, allowing more frequent checks of drivers driving licences.</p> <p>The council is working with the National Anti-Fraud Network (NAFN) to be the first authority with an API with the National Register of Refusals, Revocations and Suspensions (NR3S). This will allow the Council to check every day if a driver has lost their licence elsewhere in the country without telling the Council.</p>	<p>An annual internal audit is being undertaken, with a report for 2023 drafted.</p> <p>An external audit by Bevan Brittan has been undertaken, with a report drafted.</p> <p>Chair the West Midlands Taxi Licensing Authorities Officer Working Group</p> <p>Member of West Mercia Taxi Licensing Authorities Officer Working Group</p> <p>Member of National Association of Licensing Enforcement Officers (NALEO)</p> <p>Member of Institute of Licensing</p> <p>Regularly in contact with the Department for Transport, who are interested in the technological solutions we apply, have approved the legitimacy of the licensing regime and have not raised concerns.</p> <p>Medical certification of all driver applicants is undertaken by General Medical Council (GMC) certified medical practitioners.</p> <p>All MOT testing stations are green rated by the Driver and Vehicle Standards Agency (DVSA)</p> <p>Right to work verification uses state of the art document scanners, comparable to what is used at airport border control. An illegal immigrant was caught using this system.</p> <p>Legal advice, often from KC, has been sought throughout the transformation and is acted in accordance with.</p> <p>Our decision-making processes have been highlighted by the Home Office as regional best practice.</p> <p>From 1 October 2022 to 30 September 2023, Wolverhampton undertook 421 compliance operations across the country. This resulted in 151 vehicles being suspended.</p> <p>In partnership with local councils, the Council has compliance teams based in a northern office in Cheshire and an eastern office in Leicestershire. This provides a base for them to operator from and undertake checks on drivers across those regions.</p> <p>South Staffordshire Council have entrusted its taxi licensing function to the Council.</p> <p>All training is undertaken by Worcestershire County Council.</p> <p>All licence holders are checked with the Disclosure and Barring Service, at the appropriate level.</p>
17.	<p>Employee Wellbeing</p> <p>There is a potential impact on the health and wellbeing of the Council's staff due to unprecedented levels of service demand and changes to working practices.</p> <p>Risk Owner: Laura Phillips Cabinet Member: Cllr P Brookfield</p>	Our Council	12 Amber	<p>Current Score:</p> <p>L'hood: 4 Impact: 3</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 4 Impact: :2</p> <p>8 Amber</p>		<p>Rationale for target risk score:</p> <p>Whilst sickness absence locally and nationally is on the rise it is envisaged that with the proactive measures and support being put in place this will support the Council in reducing sickness absence and improving the health and wellbeing our workforce. There are external factors that are outside of our control i.e employees waiting for operations which affect our ability to mitigate this risk but with what is within our control we can aim to have 8 Amber as a realistic future target.</p> <p>Update position and further actions to mitigate risks:</p> <p>Employee well-being continues to be a Council priority, a number of initiatives have been embedded for employees which include (but are not limited to) the Council's Our People Portal, access to mental health first aiders, access to face to face well-being checks and workouts led by WV-Active, the introduction of Council wide wellbeing leads and the creation of wellbeing pledges.</p> <p>Organisational Development (OD) are continuing to work with Human Resources and Health and Safety to monitor, analyse and proactively respond to sickness absence data to ensure appropriate support is provided for employee health and wellbeing.</p> <p>We continue to monitor the health and wellbeing of our employees and the effectiveness of Our People support offer. Targeted work is continuing with our frontline workers and there has been increased engagement initiatives and communications regarding health and wellbeing across the organisation.</p>	<p>Operational Health and Wellbeing Group</p> <p>Our People Board</p> <p>Employee Surveys</p> <p>Professional Conversations which include discussions around well-being</p> <p>SafeSpace Reporting Line</p> <p>Mental Health Support App for employees (My Possible Self)</p> <p>Regular employee communications and engagement digitally and physically (OD Wellbeing Roadshows – 17 to date) to ensure all employees have the resources/support available.</p>

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						<p>The Organisational Development team have carried out site visits to provide support information and signpost the current offer around health and wellbeing for our employees. The Wellbeing@work pages on the Our People portal are updated weekly to ensure employees have access to the most up to date wellbeing information.</p> <p>We continue to support employees with the cost-of-living crisis by providing resources and support on financial wellbeing. We promote the support and resources available on a regular basis through a range of communication channels, including City People, toolbox talks, site visits and employee forums to ensure people are signposted to the support available.</p> <p>We have completed an employee Mental Health survey, analysed the results, and prepared an action plan to respond to our employees needs in terms of support, advice and guidance as mental health sickness absence continues to be on the increase within the Council and nationally.</p> <p>Organisational Development (OD) have commissioned the creation of a Wellbeing Data Dashboard. The dashboard will allow for deeper analysis of the correlation between Learning and Development Opportunities at all levels and the impact on rates of sickness. This will allow a proactive and targeted approach to supporting employees accessing wellbeing training opportunities and support.</p> <p>Our Employee Assistance Programme is being reviewed – the results of the mental health survey will help inform the procurement exercise for this and the content of the Our People Portal is under review in response to the mental health survey outcomes.</p> <p>Mental wellbeing learning & development offer has been enhanced from a personal and professional perspective. Training included Mental Health England Mental Health Awareness accredited training, NHS Suicide Prevention Workshops and a future roll out of Substance Misuse Insight, delivered by key community partners.</p>	
18.	<p>Information Governance</p> <p>If the Council does not put in place appropriate policies, procedures and technologies to ensure the handling and protection of its data is undertaken in a secure manner and consistent with relevant legislation then it may be subject to regulatory action, financial penalties, reputational damage and the loss of confidential information.</p> <p>Risk Owner: David Pattison Cabinet Member: Cllr P Brookfield</p>	Our Council	6 Amber	<p>Current Score:</p> <p>L'hood: 4 Impact:4</p> <p>16 Red</p> <p>Target score:</p> <p>L'hood:3 Impact:4</p> <p>12 Amber</p>		<p>Rationale for target risk score:</p> <p>The risk has increased for IG overall this year due to the increased risk regarding cyber. The likelihood and impact rating have both increased due to the volatile cyber environment and evolving threats within this arena. Over the last few months there has been a noted increase in cyber breaches being reported, in particular those of third-party suppliers. Although Cyber risk falls under Digital and IT arena, there are operational considerations in terms of process, policy, and training to mitigate risks to Council data and by implementing these we aim to have a target score of 12 Amber.</p> <p>Update position and further actions to mitigate risks:</p> <p>To ensure that our due diligence processes through our supply chains remain rigorous and compliant, a review of our current processes and procedures is planned and collaborative work with Procurement and Legal has been scheduled into the IG work programme for the year. In addition, ongoing collaborative work continues with Digital and IT in terms of the execution and delivery of their cyber action plan.</p> <p>Mandatory training levels continue to be monitored; a new dashboard has been produced with support from Data & Analytics which will produce up to date statistics both on an adhoc basis and at individual Leadership teams in their scheduled quarterly update meetings. A new Data Breach management dashboard has also been developed which will provide more trend and targeted reporting of breaches; implementation has been delayed but is scheduled for Q3. A series of short raising awareness communications have been scheduled with internal Communications to highlight IG and Cyber themes. Incidents reported during the period have been contained, investigated with mitigating actions put in place locally with relevant teams.</p> <p>Further actions to mitigate risk include the following:</p> <ul style="list-style-type: none"> Execute the ongoing training and awareness raising plan around IG and Cyber risk – continue to schedule communication through city people, Operational Management network forums and leaderships meetings to raise current risk themes. Continue to collaborate with Digital and IT on cyber risk. Robustly monitor the mandatory training levels via new dashboard to ensure above 95% take up in any given period. Further discussion arranged with OD to finalise and rollout of Level 2 and level 3 training for specialist roles. Continue to provide ad hoc training as requested or where required. Progress the collaboration with Audit Services to support the DPO reporting function and ongoing corporate compliance assurance. Caldicott Guardian meetings have been rescheduled and initial meeting held with new CGs. 	<p>E-learning take up and ongoing training development.</p> <p>Communications and awareness raising of IG and Cyber themes has been scheduled for the year.</p> <p>Privacy by design – DPIA, IG Impact Assessments</p> <p>Quarterly updates and regular touch points with Leadership teams</p> <p>Robust breach management procedures in place with assessment and monitoring at service level (leadership feedback)</p> <p>SEB/IG Board and Caldicott function to continue to monitor, challenge, support and champion IG compliance initiatives.</p> <p>A detailed annual report on Information Governance was taken to the Council's Governance and Ethics Committee in September 2023.</p>

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19.	<p>Employee recruitment and retention</p> <p>Currently experiencing recruitment and retention difficulties that mirrors national issues. This is impacting a number of specialist roles in Adults and Children's Social Care, Procurement, IT and Digital etc</p> <p>Risk Owners: Laura Phillips Cabinet Member: Councillor P Brookfield</p>	Our Council	9 Amber	<p>Current Score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p>		<p>Rationale for target risk score:</p> <p>Recruitment and Retention is a local and national issue that has been exacerbated by the effects of Covid. UK wide issues related to talent demand and availability due to covid. The council is responding by ensuring flexibility, agility and placing more of an emphasis on growing our own. Further initiatives such as succession planning will also support the council to respond to this risk however, due to the number of external factors and our increase in turnover (still below national levels) we are maintaining a target of 9 Amber as we believe the likelihood and impact will remain at 3 for some time until there are changes in the market.</p> <p>Update position and further actions to mitigate risks:</p> <p>Recruitment and Retention is not only a local but national issue that we will continue to monitor and respond to - it is important we have robust recruitment and retention initiatives to enable the council to have resources to deliver our services.</p> <p>Our current turnover rate remains at 10.7% and continues to be monitored via KPI reports and Powerbi dashboards. Recent local government turnover information is not available. However, XPerHR conducted a turnover survey in 2022 that shows total labour turnover for 2021 as 14.4% nationally amongst all organisations surveyed and 12.4% within the Public Sector.</p> <p>As an example of the issues being faced, the average turnover for Children's Services is 11.9% which is lower than the national average of 15.4% but the vacancy rate is 18.1% compared to national 16.7% which highlights the difficulties we face in recruiting to specialist roles.</p> <p>Further actions to mitigate risk include the following:</p> <p>To support us to be an attractive employer 'employer of choice' we have created WV Jobs, this tool is used to promote jobs and careers at CWC including information for applicants and benefits for working for the council.</p> <p>We have reviewed employee benefits to ensure we have an attractive and competitive offer (changed to Vivup with increased promotion) and conducted a deep dive review of benefits in areas where the impact is high – e.g., social worker recruitment. – now offer re-imbursment of costs for the blue card scheme and payment of professional body membership that is a legal requirement to undertake certain roles.</p> <p>As per Our People strategy we continue to have a strong emphasis on employee development, progression and 'growing our own'.</p> <p>Removal of artificial barriers from job descriptions/person specifications. Updated advert template with employee benefits.</p> <p>National/local graduate programme, collaborative recruitment with Wolves at Work 18–24-year-olds for specific posts.</p> <p>Recruited a Recruitment and Retention lead within People Services to lead on our response.</p>	<p>Introduction of exit interview to understand why employees leave the employment of the council</p> <p>Market forces policy</p> <p>Structural changes within HR to improve the offer/ support for our people, candidates and the on-boarding experience for new starters and consider outcome of exit interviews to take targeted action.</p> <p>Our People Board</p> <p>Benchmarking against other Local Authorities</p>
20.	<p>Equal Pay</p> <p>Due to potential unapproved local working practices, and new case law, there is a risk the Council could be exposed to future equal pay claims, thus impacting Council resources.</p> <p>Risk Owner: David Pattison Cabinet Member: Cllr P Brookfield</p>	Fair and Equal	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact:4</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 4</p> <p>12 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>Although we have procedural assurance in place for the risk associated with equal pay, based on observations nationally it is appropriate to retain the target risk at the current risk level and for us to continue to monitor and mitigate the risk.</p> <p>Update position and further actions to mitigate risks:</p> <p>The Council has a job evaluation scheme in place for the evaluation of posts on NJC terms and conditions.</p> <p>The Council implemented the Single Status Collective Agreement on 1 April 2013. This agreement provides assurance that employees on NJC terms and conditions are employed under an equality proof pay and grading model.</p> <p>The Collective Agreement was subsequently revised in 2019 in order to accommodate changes to local pay points as a result of the annual pay award.</p> <p>There are clear governance arrangements in place, through the Pay Strategy Board, to oversee and maintain the integrity of the Collective Agreement.</p> <p>There are appropriate policies and guides for managers to ensure they apply the terms of the Collective Agreement.</p> <p>Payroll Services gate keep the integrity of the Collective Agreement as they will only accept payroll related changes based on instructions from the Pay Strategy Board and Human Resource Officers.</p> <p>Periodic audits of the Council's payroll system take place to ensure all payments and allowances have been applied in accordance with the Collective Agreement.</p>	<p>Councils job evaluation scheme.</p> <p>Internal audit report provides satisfactory assurance.</p> <p>External audit to review job evaluation scheme and process.</p> <p>External legal advice.</p> <p>Pay Strategy Board approvals of job evaluation and ensuring the integrity of job evaluation.</p> <p>Union involvement in job evaluation.</p>

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						The Council therefore concludes that it is structurally sound in relation to the equal pay risk based on the information before it.	
21.	<p>Health & Safety of Council Employees</p> <p>There is a risk of serious injury, or death, to an employee of the Council where health and safety legislative requirements have not been implemented or followed.</p> <p>Risk Owner: David Pattison Cabinet Member: Cllr P Brookfield</p>	Our Council	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact: 4</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p>	N/A New Risk	<p>Rationale for target risk score: The Council believes it has a sound and detailed set of procedures/policies in place to manage health and safety but recognises that whilst structurally there is a sound system there will at times be the risk that this does not lead into practice in certain instances and the key is ensuring that the practice reflects the policies and structures agreed.</p> <p>Update position and further actions to mitigate risks: City of Wolverhampton Council has its general legal responsibilities outlined in Health and Safety at Work etc. Act 1974.</p> <p>City of Wolverhampton Council has a Corporate Health and Safety Policy which outlines its aim to achieve so far as is reasonably practicable the health, safety and wellbeing of employees (Statement of Intent) The Policy also describes responsibilities for implementing the Councils health and safety arrangements (Organisational Responsibilities). Finally, the Policy describes the arrangements for ensuring communication and implementation of its Policy (Organisational Arrangements). The policy is signed by the Chief Executive and Leader of the Council.</p> <p>City of Wolverhampton Council has a dedicated health and safety team who report to the Chief Operating Officer. The team provide support to all services (including schools) on the implementation of effective health and safety policy and arrangements. The team which has been invested in the previous 3 years and which has expanded in numbers, is made up of qualified health and safety professionals with appropriate skills, knowledge, and experience to deliver to the needs of the organisation.</p> <p>Health and safety arrangements include 6 operational health and safety groups which all services are represented at, and which are chaired by a Head of Service with appropriate decision-making authority. These groups form a key element of health and safety communication, both up and down the organisation.</p> <p>These operational groups all report into the Strategic Health Safety and Wellbeing Board chaired by the Chief Operating Officer on behalf of the Chief Executive.</p>	<p>Director with nominated responsibility for health and safety ensuring visibility of health and safety management at SEB (Chief Operating Officer)</p> <p>Quarterly health and safety reports to Cabinet Member and Chief Executive</p> <p>Annual health and safety report to Cabinet</p> <p>Review of reported health and safety data including incident reports at Strategic Health Safety and Wellbeing Board</p>
	<p>Reinforced Autoclaved Aerated Concrete (RAAC)</p> <p>There is risk that Council owned buildings may have to closed where the use of RAAC has been identified, which potentially has an impact on service delivery.</p> <p>Risk Owner: Julia Nock Cabinet Member: Cllr P Brookfield</p>	Our Council	N/A New Risk	<p>Current score:</p> <p>L'hood: 3 Impact: 5</p> <p>15 Red</p> <p>Target score:</p> <p>L'hood: 1 Impact: 4</p> <p>4 Amber</p>	N/A New Risk	<p>Rationale for target risk score: City Assets Service are reviewing all Council owned buildings (excluding Schools and Housing) within a short timescale utilising a methodical process. This will ascertain whether any buildings contain RAAC, and if any is identified action will be taken to address. A realistic target score to manage this risk would be a low likelihood score, however if RAAC was identified in any of the Council's assets the impact would be high in terms of disruption in delivering Council services.</p> <p>Update position and further actions to mitigate risks:</p> <p>School position now understood.</p> <p>Non- school buildings – work has begun to identify potential locations using DFE methodology:</p> <ol style="list-style-type: none"> 1. Desk top exercise 2. Initial site visit assessments 3. Where potential RAAC is identified get specialist to review and provide a mitigation solution 4. Implement mitigation and monitoring scheme. <p>Currently at stage 1 – 300 sites to review for desktop work.</p> <p>This work will de-risk significantly as we will understand far better the estate for RAAC and will be able to implement good systems of practice to manage.</p>	<p>Using established DFE process for RAAC identification.</p> <p>Large range of experienced staff who have good knowledge of the estate over a large number of years.</p>
23.	<p>High Unemployment</p> <p>There is a risk that historic levels of high unemployment will remain in the city without a systemic shift by a range of partners, as articulated in the city Education, Skills and Employment Strategy.</p> <p>Risk Owner: Charlotte Johns Cabinet Member: Cllr J Coogan</p>	<p>Thriving Economy in all parts of the city</p> <p>More local people into good jobs and training</p>	16 Red	<p>Current Score:</p> <p>L'hood: 4 Impact: 4</p> <p>16 Red</p> <p>Target score:</p> <p>L'hood: 4 Impact: 3</p> <p>12 Amber</p>	↔	<p>Rationale for target risk score: Claimant count has been historically high within Wolverhampton, and remains so, representing a whole city systemic challenge, which results in a likelihood score of 4.</p> <p>In September 2023 Full Council approved the Education, Skills and Employment Strategy which sets out a whole life approach to learning and work which support children, young people and adults to thrive. This has led to a target impact score of 3.</p> <p>Update position and further actions to mitigate risks: Delivery of the Education, Skills and Employment Strategy will require a whole system, whole city approach to support children, young people and adults to thrive. Delivery will be driven through robust partnership mechanisms.</p>	<p>In September 2023 Full Council approved the Education, Skills and Employment Strategy which sets out a whole life approach to learning and work which support children, young people, and adults to thrive. This is supported by a performance management framework and will be delivered through an action plan and specific change projects governed via the Wolves@Work Programme Board.</p> <p>There is a pipeline of planned activity with a focus on partnership collaboration and actively engaging with those directly impacted. This is all regularly reported to SEB, the Leader, and the Cabinet Member. There are also key partnership groups to oversee progress including the Education Skills and Employment Board, and specific partnerships with key partners such as DWP.</p> <p>The performance framework is supplemented by detailed monthly analysis of the unemployment data in the city and have provided comprehensive analysis of the historical picture and present trends. A performance framework for the Education.</p>

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24.	<p>Business Support</p> <p>There is a risk that economic challenges impact negatively on local businesses and they cannot access appropriate support to thrive.</p> <p>Risk Owner: Charlotte Johns Cabinet Member: Cllr S Simkins</p>	Thriving economy in all parts of the city	8 Amber	<p>Current Score:</p> <p>L'hood: 4 Impact: 2</p> <p>8 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 2</p> <p>6 Amber</p>	↔	<p>Rationale for target risk score:</p> <p>The regional and local business support landscape has changed. There are key issues such as low carbon, shifting government policy and reduced funding envelope. On 1 April 2023 Local Enterprise Partnership (LEP) functions integrated into the West Midlands Combined Authority. The regional Business Growth West Midlands was launched in September 2023. Alongside this the council has been exploring what a Council business support offer looks like in this new context.</p> <p>Establishing a coherent business support offer for the city which reduces fragmentation and delivers Our City: Our Plan is a priority to reduce the risk that local businesses cannot access the appropriate support to survive. This leads to us targeting to reduce the likelihood score to 3.</p> <p>Update position and further actions to mitigate risks:</p> <p>The business growth offer, funded via UKSPF, includes advisor support and grants to local businesses including low carbon support. Furthermore, as part of the business support offer, the council continues to work in partnership with the University of Wolverhampton and the Black County Chamber of Commerce to offer support to new and young businesses at Ignite. This is a free to use business and enterprise hub which offers professional environment and business advice and guidance working with partners and private sector.</p>	<p>Qualitative and quantitative economic data including business intelligence is used at a regional and local level to ensure that the business support ecosystem is appropriately responding to need.</p> <p>Project governance established with regular reporting to SEB and Cabinet Member.</p>
25.	<p>Reputation / Loss of Public Trust</p> <p>There is a risk that the Council loses public trust and confidence by:</p> <ul style="list-style-type: none"> failing to respond to the needs of local people, especially those most vulnerable. failure to inform the public about delivery of key City priorities. <p>Risk Owner: Ian Fegan Cabinet Member: Cllr S Simkins</p>	Our Council	10 Amber	<p>Current Score:</p> <p>L'hood: 2 Impact: 5</p> <p>10 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 5</p> <p>10 Amber</p>	↔	<p>Rationale for target risk score:</p> <p>Reputational issues have the potential to carry significant risk which is recognised by the high impact level. The council is not currently facing significant issues around key reputational issues (e.g., cost of living / financial position) so the likelihood is low at present.</p> <p>Update position and further actions to mitigate risks:</p> <p>Maintaining public trust and confidence is essential to the effective and efficient operation of public services. The way in which the Council delivers upon local people's priorities and how it deals with old, new and emerging challenges e.g., council finances, the pandemic, cost of living crisis, helps determine levels of trust and confidence which are essential to measuring reputation. The Council is delivering several key city priorities that need to be delivered efficiently and effectively including delivering opportunities for young people, regeneration and investment projects, a high-quality events programme and tackling health inequalities.</p> <p>SEB and Cabinet are aware of the issues and challenges facing local people and developed Our City: Our Plan – the Council plan, which was launched last year and provides a framework on how we will deliver our objectives to ensure Wulfrunians live longer, healthier lives.</p> <p>The plan aims to demonstrate that we are dealing with the things that matter to local residents and businesses. Keeping stakeholders informed through proactive and sustained communication will help to demonstrate that we are dealing with the things that matter, thereby building trust and confidence in, as well as support for the Council's work.</p> <p>The corporate communications team will continue to support service leads to provide timely, relevant, and accurate information on council services in order to build and maintain public trust and confidence in the council.</p> <p>The council has prioritised connecting residents with support to help tackle the cost-of-living crisis. Following the launch of the Council's Financial Wellbeing Strategy last year, a bespoke communications strategy and plan was developed and is being delivered. All other interventions for those in need, including financial support, is included in the plan.</p> <p>A Cost-of-Living public information campaign was launched early this year to ensure residents are aware of what support is available and how to access it.</p>	<p>Data provided by Insight and Performance team relating to key city challenges.</p> <p>Monitoring of local media.</p> <p>Monitoring of social media channels.</p> <p>Monitoring of external stakeholder environment.</p> <p>Data via the Customer Relationship Management (CRM) system on customer calls and issues logged.</p> <p>Councillor Enquiry Unit data issues logged.</p> <p>Engagement with residents to shape services e.g., Lifestyle Survey and LGBT+ consultation. Reviewing data for those accessing Cost of Living (COL) support</p> <p>The support content is currently under review and will be updated as appropriate.</p>

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26.	<p>City Centres – Council Led Development Projects</p> <p>There is a potential impact on the City if the Council does not take effective action to regenerate and repurpose. In addition, there are risks to ongoing Council managed and operated capital projects and programmes in terms of costs, timings and ensuring that original business cases continue to align with the Council's strategic aims.</p> <p>Risk Owner: Richard Lawrence Cabinet Member: Cllr S Simkins</p>	<p>Thriving economy in all parts of the city</p> <p>Good homes in well-connected neighbourhoods</p>	12 Amber	<p>Current Score:</p> <p>L'hood: 3 Impact:4</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p>	↔	<p>Rationale for target risk score:</p> <p>It may be difficult to reduce the potential impact of this risk occurring owing to the potential impact on the city of key capital schemes not being delivered and therefore not delivering outputs and outcomes. There is therefore a focus on minimising the likelihood of the risk (to a score of 2) resulting in an overall target score of 8.</p> <p>Update position and further actions to mitigate risks:</p> <p>The Levelling Up Board continues to monitor the City-wide regeneration and Levelling Up agenda to Our City Our Plan objectives as part continuous engagement with DLUHC, Homes England and West Midlands Combined Authority.</p> <p>The Regeneration Capital Projects Board ensure that the mandates for projects are fulfilled with cross directorate decision making forum aligning with the corporate assurance decision making processes. This will provide continued assurance and escalation processes for key capital programmes.</p> <p>Further actions to mitigate risk include the following:</p> <ul style="list-style-type: none"> A resource plan is being developed to review externally funded programmes over the next 18-24 months of programme. The Council continues to work with partners and stakeholders to mitigate risk and continue operations in accordance with Government guidelines. Engagement and the progress of grant funding request to deliver programmes continue with WMCA, Homes England and DLUHC. Inflationary pressures provide an increase in project risk and viability by both the Public and Private Sector on the delivery of Capital Programmes and the Council ensure sufficient contingency budgets are in place (both inflation and construction related) and a review of output realisation are regularly reviewed considering these pressures. 	<p>The Regeneration Capital Projects Board is supported by the Regeneration Capital Project Board Advisors Group made up of key officers in their areas of specialism to undertake robust assurance and due diligence of recommendations submitted to Board. Decisions will be subject to audit and provide clear visibility and scrutiny.</p> <p>Internal audit review planned for key capital schemes (CLQ) and funding bids (Levelling Up Round 2 bid process).</p> <p>Investment and Economy Matrix Board provides an additional level of assurance in the conception and development of significant, cross service themes, projects, and programmes, and also ensures oversight from senior officers who provide direction and challenge to secure delivery of mandated schemes.</p>
27.	<p>Financial wellbeing and resilience</p> <p>Risk that without the council's plan to coordinate the partnership support across the city, residents will not receive support to mitigate the impact of the cost-of-living crisis.</p> <p>Risk owner: Alison Hinds Cabinet members: Cllr S Simkins</p>	<p>Strong families where children grow up well and achieve their full potential.</p> <p>Healthy, inclusive communities.</p>	9 Amber	<p>Current Score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p> <p>Target score:</p> <p>L'hood: 3 Impact: 3</p> <p>9 Amber</p>	↔	<p>Rationale for target risk score:</p> <p>The joint delivery with partnership agencies across the city is integral to supporting the financial wellbeing of our residents, particularly during the current cost of living crisis.</p> <p>We currently have good partnership arrangements with over 75 statutory and voluntary faith and community agencies across the city co delivering this support.</p> <p>Whilst we have robust mitigation measures in place, we believe that the target score should remain at 9, due to the scale of influence we have and the level of resources available.</p> <p>Update position and further actions to mitigate risks:</p> <p>The Council's Financial Wellbeing Strategy was approved by Cabinet in March 2022.</p> <p>The strategy details our partnership approach to tackling the cost-of-living crisis in the city through our graduated response offering essential support when required, responding to emerging need and offering an early intervention approach to support resilience in the city.</p> <p>Further actions to mitigate risk include the following:</p> <p>Partnership approach to support coordinated by the council through the Financial Wellbeing Strategy.</p> <p>Additional City of Wolverhampton Council investment.</p> <p>Developing financial resilience in communities by promoting and supporting the development of sustainable models.</p> <p>Utilisation of tools and data to support the partnership to understand and proactively respond to emerging need at a local level.</p>	<p>Strong governance arrangements, with Health and Wellbeing Board being responsible for the implementation of the strategy, monitoring the progress of the partnership cost of living action plan.</p> <p>Robust implementation plan with clear impact measures.</p> <p>Ongoing consultation and engagement with residents and the wider partnership to ensure the cost-of-living plan continues to address local and emerging issues.</p> <p>Regular reviews presented to Families Leadership team, SEB, and the Leader of the Council.</p> <p>Risk reviewed by Audit Committee.</p>
28.	<p>City Learning Quarter</p> <p>There is risk that the City Learning Quarter is not delivered as planned resulting in adverse impacts on life chances for young people, and learning for people of all ages, potentially resulting in difficulty for local employers to grow their businesses and for all to contribute to local economic growth.</p> <p>Risk Owner: Richard Lawrence Cabinet Member: Cllr S Simkins</p>	<p>More local people into good jobs and training</p> <p>Strong families where children grow up well and achieve their full potential.</p> <p>Thriving economy in all parts of the city</p>	N/A New Risk	<p>Current Score:</p> <p>L'hood: 3 Impact: 4</p> <p>12 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact: 3</p> <p>6 Amber</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>Reducing both the likelihood and impact of the City Learning Quarter not being realised is a priority for the Council. A reduction of both scores from 3 and 4 respectively is a core aim of the Programme Board.</p> <p>Update position and further actions to mitigate risks:</p> <p>Phase 1 (Advanced Technology and Automotive Centre)</p> <ul style="list-style-type: none"> Contract let and building being constructed (industry standard building contract; external project managers; reputable principal contractor and designers) Funding secured. Ongoing monitoring and reporting to the Programme Board supported by Council officers. <p>Phase 2 (College)</p> <ul style="list-style-type: none"> Contract award imminent (industry standard building contract; external project managers; reputable principal contractor and designers) 	<ul style="list-style-type: none"> City Learning Quarter Programme Board meets monthly with Board Members including Director of City Development (SRO), Director of Finance, and College representatives. Board is supported by the Programme Director and Programme Team (including City Assets, Legal, Procurement, Finance, Audit and Assurance, Communications) Additional presentation/ assurance to SEB/ I&E Matrix Board as required to ensure linkage and alignment with other Council strategies

Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
						<ul style="list-style-type: none"> Ongoing monitoring and reporting to the Programme Board supported by Council officers. Funding agreed through Cabinet (6 September 2023) with dependencies on Government/ external funding being actively managed by the Programme Team (including legal, finance, procurement) Ongoing monitoring and reporting to the Programme Board supported by Council officers. <p>Phase 2 (External Library Façade and Works to Library to accommodate Adult Education)</p> <ul style="list-style-type: none"> Proposal for single tender covering both elements. Use of accessible construction framework (supported by Procurement) Funding agreed through Cabinet (6 September 2023) being actively managed by the Programme Team (including legal, finance, procurement) Ongoing monitoring and reporting to the Programme Board supported by Council officers. 	
29.	<p>Medium Term Financial Strategy</p> <p>There remains significant uncertainty in relation to demand for services, inflation and levels of government funding. This uncertainty creates a risk that we cannot set a robust medium term financial strategy.</p> <p>Risk Owner: Claire Nye Cabinet Member: Cllr L Miles</p>	Our Council	20 Red	<p>Current Score:</p> <p>L'hood: 4 Impact: 5</p> <p>20 Red</p> <p>Target score:</p> <p>L'hood: 3 Impact:5</p> <p>15 Red</p>	↔	<p>Rationale for target risk score:</p> <p>The factors leading to this risk are largely outside of the Council's control and therefore at best the likelihood can be categorised as 3. The impact of changes in demand, inflation and funding are always likely to be significant which has led to a score of 5. The target score also reflects the uncertainties around a general election next year.</p> <p>Update position and further actions to mitigate risks:</p> <p>At the time of writing the financial settlement for 2024-2025 and future years is unknown. The level of uncertainty regarding funding and economic factors results in the level of risk associated with the MTFS remaining as red despite the strong financial management within the council.</p> <p>Despite the cause of this risk being outside of the control of the Council, work can be undertaken to mitigate the impact. Scenario modelling, having appropriate contingencies and a strategic reserves strategy are important mitigations.</p> <p>In October Cabinet received an update on the budget and MTFS and it was forecast that the budget deficit is £2.6 million for 2024-2025, rising to over £20 million in 2025-2026 and that work will continue to be undertaken to bring forward proposals to set a balanced budget for 2024-2025 and deliver a sustainable medium term financial strategy whilst seeking to maintain our ambition for the City in line with Our City: Our Plan</p> <p>Further actions to mitigate risk include the following:</p> <p>The assumptions underpinning the MTFS will continue to be reviewed throughout 2023-2024 and updates will be reported to Cabinet.</p> <p>Benchmarking is used to validate assumptions.</p> <p>External advice will be sought where appropriate to support financial modelling as an when further information is available on a 2-year settlement and or fair funding review.</p>	<p>Regular budget monitoring at all levels.</p> <p>A local more detailed risk register is maintained within Finance.</p> <p>The budget and MTFS will be considered by scrutiny panels during November and December 2023 and Scrutiny Board in February 2024</p> <p>Recent and upcoming meetings:</p> <p>External Audit Annual Report – Full Council here</p> <p>Performance and Budget Outturn 2022-2023, Cabinet July 2023 here</p> <p>Reserves and Provisions, Cabinet July 2023 here</p> <p>Budget and MTFS, Cabinet October 2023 here</p>
30.	<p>Financial Management</p> <p>If the Council does not have strong financial management there is a risk that the expenditure will exceed the budget, leading to a call on reserves.</p> <p>Risk Owner: Claire Nye Cabinet Member: Cllr L Miles</p>	Our Council	N/A New Risk	<p>Current:</p> <p>L'hood: 2 Impact: 4</p> <p>8 Amber</p> <p>Target score:</p> <p>L'hood: 2 Impact:4</p> <p>8 Amber</p>	N/A New Risk	<p>Rational for Target Risk Score:</p> <p>Robust financial management is essential to protecting the financial position of the council. A weakness in financial management can have a significant impact and results in an impact target of 4.</p> <p>The Council has robust financial management and therefore both the target and current likelihood scores are at 2.</p> <p>Update position and further actions to mitigate risks:</p> <p>The Council continues to have strong financial management and mitigates this risk.</p>	<p>Training for all budget managers, contract managers, Agresso users (determined by role and access)</p> <p>Regular budget monitoring at all levels.</p> <p>Regular monitoring of the delivery of MTFS programmes is undertaken and reported to Strategic Executive Board</p> <p>Quarterly joint performance, budget and risk reports to Cabinet and Scrutiny Board.</p> <p>Budget and MTFS, Cabinet October 2023 here</p> <p>Review of the CIPFA Financial Management Code as part of the Annual Governance Statement</p> <p>Internal audit of Key financial controls.</p> <p>External audit of the Statement of Accounts and Value for Money Annual Report.</p>

Risk Ref	Risk title and description	Alignment to the Our City, Our Plan	Previous Risk Score	Current Risk and Target Score	Direction of Travel	Rationale for target score and update position/further actions to mitigate risks	Sources of Assurance
31.	<p>Related Parties The Council has a number of bodies that it either owns or has a potential liability for. There is a risk that poor performance of these bodies could adversely impact on the Council both financially and reputationally.</p> <p>Risk Owner: Claire Nye Cabinet Member: Cllr L Miles</p>	Our Council	12 Amber	<p>Current Score: L'hood: 3 Impact:4 12 Amber</p> <p>Target score: L'hood: 2 Impact: 4 8 Amber</p>		<p>Rationale for target risk score:</p> <p>The impact of poor performance in our related parties is likely to be large and has led to the impact score of 4.</p> <p>The council can influence the probability of this risk occurring through robust governance and monitoring. It is the aim to continue the work that is in place to continually reduce the likelihood and therefore the target score is 2.</p> <p>Update position and further actions to mitigate risks:</p> <p>Each of the Council's companies have filed audited Statement of Accounts with Companies House, each with an unqualified opinion for the year ended 31 March 2022.</p> <p>As part of the Value for Money review, the External Auditor undertook a detailed review of the governance arrangements of group companies and reported that they did not find any significant issues. They also concluded that there are appropriate agreements in place and coinciding monitoring arrangements for all group entities.</p> <p>A detailed financial review of each company was undertaken as part of the budget process and was detailed in the Final Budget Report to Cabinet on 22 February 2023. Regular monitoring is undertaken and there are no areas of concern.</p> <p>The Council is currently undertaking a review of Yoo Recruit Ltd which will in turn inform a refreshed business plan being prepared by the Company. The review was considered by the Resources and Equalities Scrutiny Panel in March. Further updates will be presented to the Scrutiny Panel in due course.</p> <p>In April 2023 Cabinet approved a refresh to the WV Living business plan.</p> <p>Wolverhampton Homes is drafting an updated Delivery Plan which was presented to Cabinet and Full Council and approved in March 2023. The Delivery Plan for 2024-25 will be presented to Council in February 2024.</p> <p>The Housing Revenue Account Business Plan, including the management fee for Wolverhampton Homes, will be presented to Council in January 2024.</p> <p>The Director of Finance has undertaken a year-end review of the companies, considering the most recent business plan information and draft outturn positions. In each case it has been concluded that the companies can each be considered a going concern and in the case of WV Living there is no impairment to the Council's equity investment. This review feeds into the Council's Statement of Accounts for 2022-2023 which will be presented to the Audit and Risk Committee and subject to external audit.</p> <p>Further actions to mitigate risk include the following:</p> <p>Regular monitoring of the related parties is undertaken, and monthly reports are provided to the Executive Team.</p> <p>Financial implications of our related parties will continue to be considered in budget reports.</p>	<p>The Annual Governance Statement incorporates related parties.</p> <p>External audit of each related party.</p> <p>Scrutiny Review of governance arrangements in place to monitor linked bodies by Resources and Equality Scrutiny Panel: here</p> <p>The External Auditor's Annual Report presented to Full Council in January 2023 can be found here</p> <p>Annual audited accounts:</p> <ul style="list-style-type: none"> Yoo Recruit Ltd here WV Living – City of Wolverhampton Housing Company Ltd here Wolverhampton Homes Ltd here <p>Yoo Recruit Review, Resources and Equalities Scrutiny Panel March 2023 here</p> <p>Updated plans:</p> <ul style="list-style-type: none"> Wolverhampton Homes Delivery Plan, Full Council April 2023 here WVL Business Plan, Cabinet April 2023 here
32.	<p>Impact of statutory legislation and guidance on the Council</p> <p>There is a risk of pressures on the Council's resources (including financial) as a result of the urgent requirement to implement new statutory legislation or guidance.</p> <p>Risk Owner: Claire Nye Cabinet Member: Cllr L Miles</p>	Our Council	N/A New Risk	<p>Current score: L'hood: 4 Impact: 4 16 Red</p> <p>Target score: L'hood: 4 Impact: 4 16 Red</p>	N/A New Risk	<p>Rationale for target risk score:</p> <p>The factors leading to this risk are largely outside of the Council's control and experience indicates that this is likely to occur, therefore at best the likelihood can be categorised as 4. The impact of changes in legislation can be significant which has led to a score of 4. Also, the impact of emerging case law has an impact. For example, recent cases in terms of equal pay and term time only workers.</p> <p>Update position and further actions to mitigate risks:</p> <p>Measures in place to manage unforeseen events such as contingency budgets and reserves are the best mitigation for the financial impact of this risk.</p> <p>Horizon scanning and sharing of knowledge and information with other authorities, professional bodies and central government helps to inform of potential changes at the earliest opportunity. The Council regularly lobbies through bodies such as the LGA to ensure that the Government follows the new burden principles that additional funding is provided where legislation/guidance changes the costs to authorities.</p> <p>A good example of the challenges that changes in guidance can cause is that given at the Council's Scrutiny Board on 23.10.23 in relation to the changes consulted on by Government to the Planning Regime and specifically the proposed changes to Green Belt Policy in the National Planning Policy Framework (NPPF) in December 2022. Since that date the Council has, along with many other authorities, been awaiting the release of the new NPPF before it takes the next formal steps in the Local Plan process.</p>	<p>Recent and upcoming meetings:</p> <p>External Audit Annual Report – Full Council here</p> <p>Performance and Budget Outturn 2022-2023, Cabinet July 2023 here</p> <p>Reserves and Provisions, Cabinet July 2023 here</p> <p>Budget and MTFs, Cabinet October 2023 here</p> <p>Consideration of the impact of new legislation/guidance in relevant reports including through the financial and legal coding and reference to engagement with other authorities and through bodies such as the LGA</p>

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City of Wolverhampton Council Risk Management Framework



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Introduction

Risk Management is the process of identifying risks which impact on the achievement of the Council's objectives, evaluating their likelihood and potential consequences / impacts and determining the most effective methods of controlling or responding to them.

As a Council, we are committed to actively managing risk, this framework sets out the Council's approach to risk management and aims to help us achieve the objectives outlined within the Our City, Our Plan Vision 2030. The framework will be reviewed on an annual basis to take into account environmental changes, changes in the Council's risk appetite and to ensure compliance with best practise.

Aims and Objectives

This strategy sets out how the Council plan to manage risk and demonstrates our commitment to making risk management an essential part of our daily work. It aims to explain what risk management is and what members and employees at all levels are expected to do. Risk Management does not seek to prevent the Council from developing new ideas and different ways of working which make services more effective, it aims to help us achieve this in a more considered way.

Risk Management is all about:

- Helping protect our assets and resources.
- Helping us to be more confident so that we can achieve our aims and objectives.
- Helping us to make informed decisions about opportunities.
- Boosts the confidence our communities have in what we can do.

This framework aims to:

- Encourage us to maintain a system to identify, assess, prioritise and manage risks facing the council (at all levels – from strategic to operational, including our work with partners and on individual projects).
- Eliminate or reduce risk to an acceptable level.
- Demonstrate how well we are managing our risks through the maintenance and communication of risk registers.
- Make sure we consider and record risks whenever we make decisions.
- Identify who does what to manage risks.
- Promote good running of the council and therefore contribute to our Annual Governance Statement (included within our Annual Statement of Accounts).

Risk Appetite

The amount of risk we take as a Council to achieve our objectives is known as our risk appetite. Defining our risk appetite gives us overall guidance when we make decisions. As a council, we seek to deliver better outcomes for residents and businesses in the City of Wolverhampton by producing solid and sustainable plans that can be held accountable for delivering. We challenge ourselves to evaluate the level of risk within these plans and only go ahead with them after doing so.

This means we look at our risk appetite for each decision. In some areas we may take more risk in order to support new ways of working, in others we may take less risk (to make sure we comply with the law or maintain public confidence).

In all circumstances, though:

- We would never do anything to financially threaten our ability to continue as a going concern.
- We would always act within the law.

Despite this, there may be times when we are forced to take risks we wouldn't otherwise tolerate in order to follow Government directions or satisfy public expectations of better services. Our risk appetite is monitored by the Senior Executive Board.

The Risk Management Process

We use a series of logical steps to manage risks.

The diagram below represents the cyclical nature of managing risk:

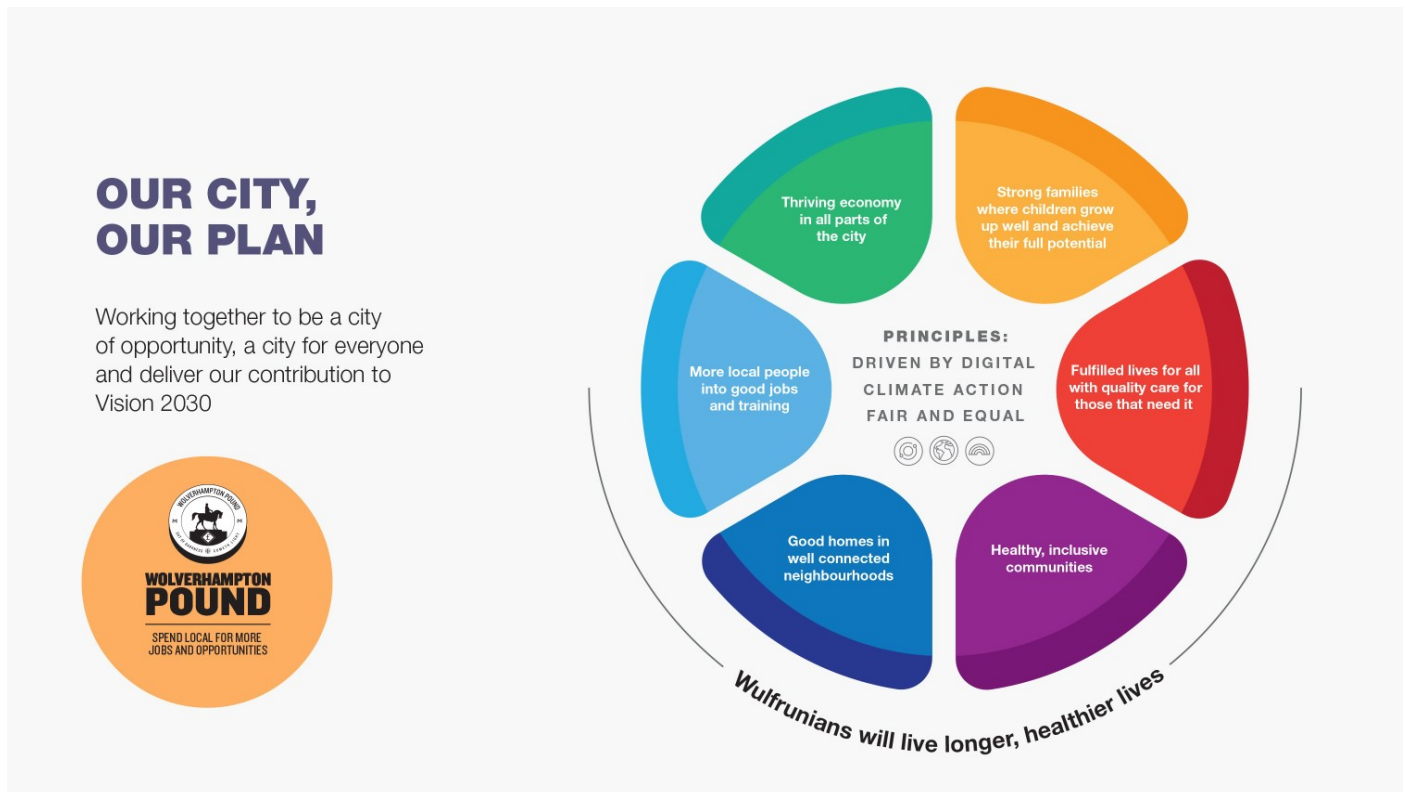


Each of these steps is explained in more detail on the following pages;

Identification of risks impacting on the achievement of our objectives

At the Council we use a number of methods for identifying risks, these include; holding risk workshops, horizon scanning and through the work of our internal auditors. Risks are also highlighted by Senior Managers and the Senior Executive Board.

We identify the core objectives for the Council and the risks associated with the achievement of these objectives. At the time this framework was prepared the Council had identified 6 strategic outcomes as part of it's Our City, Our Plan Vision for 2030 which is outlined in the diagram below.



The risks on the Council's strategic risk register have been linked to the Council's six strategic priorities to show where they will impact if appropriate actions are not put in place to mitigate those risks.

Risk analysis and scoring

Once risks have been identified, they need to be rated to establish which risks pose the greatest threat. This is done by assessing both the likelihood, of the risk occurring and its potential impact. At Wolverhampton we have adopted a '5 by 5' risk matrix approach, rating the likelihood and impact of each risk from 1 – 5 using the criteria set out below:

Risk Scoring - Impact

Impact	Score	Descriptor
Low	1	Minimal loss, delay inconvenience or interruption. Can be easily and quickly remedied
Low / Medium	2	Minor loss, delay, inconvenience or interruption. Short to medium term effect.
Medium	3	Significant waste of time and resources. Impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover.
Medium / High	4	Major impact on costs and objectives. Serious impact on output / or quality. Medium to long-term effect and expensive to recover.
High	5	Critical impact on the achievement of objectives and overall performance. Critical impact on costs and / or reputation. Very difficult and possibly long-term to recover.

Risk Scoring – Likelihood

Impact	Score	Descriptor	
Low	1	Rare (0-5%)	This risk will only materialise in exceptional circumstances.
Low / Medium	2	Unlikely (5-25%)	The risk will probably not materialise.
Medium	3	Possible (25-60%)	The risk may materialise at some point.
Medium / High	4	Likely (60-80%)	The risk will probably materialise.
High	5	Almost certain (80%+)	The risk will materialise in most circumstances.

The Risk Matrix

The two ratings are then multiplied to give a final score for each risk. Scores can be plotted onto the risk matrix below to identify whether risks are Red, Amber or Green.

Likelihood	5	10	15	20	25
	4	8	12	16	20
	3	6	9	12	15
	2	4	6	8	10
	1	2	3	4	5
Impact					

Risk control / assurance

This is where we analyse the risks to identify gaps/weaknesses in controls, we would expect to find gaps in red and amber risks. Then we can choose to manage the risk in one of the following ways:

- Stop the activity (**Terminate**) – sometimes this is the only way to cut risk to acceptable levels.
- Put more controls/ actions in place to reduce risk (**Treat**). We'll manage many risks in this way, identifying who's responsible for doing what and when they should do it by.
- Accept the risk and monitor it (**Tolerate**) - exposure to it may be acceptable without doing anything else. Even if this isn't the case, we may not be able to do much about some risks – or the costs of doing something may not be worth the potential benefit.
- Pass the risk to someone else (**Transfer**) – for example, to an insurer, contractor, or partner. Some risks aren't (fully) transferable – things we must do by law or things which harm our reputation even if we've put a service out to a contractor.

Our tolerance of risk and the resources available to us will determine which of these options we take.

Risk reporting / monitoring

We use risk registers to monitor risks, these exist at different levels i.e. strategic, departmental and project (see the Risk Management Hierarchy below for more details). The format of risk registers can vary provided they record all necessary information i.e. (risk description, risk score, risk owner(s), controls / gaps in control).

We aim to review all risks regularly (at least quarterly in line with Audit and Risk Committee meetings). Risks can change over time and need to be monitored closely to make sure proper controls remain in place. The Senior Executive Board and the Audit and Risk Committee receive quarterly reports on the strategic risk register. This gives them assurance that we're reviewing

risks and doing something to reduce them. Such reporting also provides a chance to identify and discuss new and developing areas of risk.

Directorate Leadership Teams should also discuss significant risks with relevant cabinet members and Heads of Service. Leadership Teams should make risk monitoring a regular part of their management meetings and integrate it into the way they manage.

Establishment and Review Registers of Risk

Risk registers are a vital tool to help us manage risk. Completing one is not in itself evidence that risks are being managed, but a register aims to:

- Help identify risks and evidence how we’re dealing with them to cut the likelihood of loss and its impact if things go wrong.
- Show clear links between our priorities and the risks affecting them.
- Give us confidence because we know that procedures to deal with any risks that may arise are in place.
- Enable us to share information on risks.

We should continually review registers to make sure that people are doing what they are supposed to do within agreed timescales. Reviews will also show when risks are no longer relevant and, more importantly identify and assess any new risks.

The Assurance Map

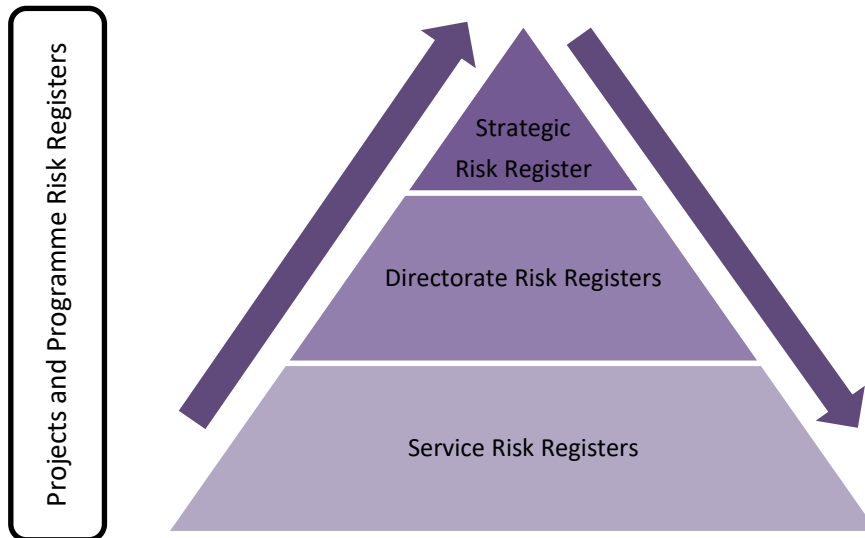
The Council also maintains a strategic assurance map in respect of risks on the strategic risk register. The assurance map follows the three lines of defence model (shown below), and details where the Council can gain assurance against its strategic risks. This too is a live document and is updated alongside the monitoring and reviewing of the strategic risk register.

The three lines of defence model:

First line	Second line	Third line
The first level of the control environment is the business operations which perform day to day risk management activity	Oversight functions such as Finance, HR and Risk Management set directions, define policy and provide assurance	Internal and external audit are the third line of defence, offering independent challenge to the levels of assurance provided by business operations and oversight functions

Risk Management Hierarchy

The diagram below shows how risk registers at various levels across the Council link to each other (so that risks can be cascaded down to lower levels and, more importantly, escalated up to higher levels);



Projects and Programme risks can apply at any level across the organisation, hence why the diagram shows these as relevant at each level.

Below are more details on the risk registers at each level:

- **Strategic** – Includes the most significant risks that could potentially impact on the achievement of the Council’s corporate priorities. The Strategic risk register is maintained by Audit Services who liaise with risk owners to review and update risks. Details of the strategic risk register are reported to the Corporate Leadership Team and the Audit and Risk Committee on a quarterly basis.
- **Directorate** – Includes risks that could potentially impact on the achievement of directorate priorities. Directorate registers are maintained by each directorate in liaison with Audit Services and should be reviewed by Leadership Teams on at least a quarterly basis. Where necessary directorate risks can be escalated to the Strategic risk register.
- **Service** – Service risk registers may not be appropriate in all circumstances; risks can be included on directorate registers. Where they are maintained, they are the responsibility of individual service areas and should be reviewed on at least a quarterly basis. Risks from service risk registers can be escalated to either directorate or the strategic risk register.
- **Projects / Programme** – include risks that could impact on the delivery of programme/project objectives. Project risks are maintained in Verto, the Council’s project management system, risks are the responsibility of the project team and should be reviewed on a regular basis. Project and programme risks can apply at any level across the Council and where necessary should be included on the strategic risk register.

Roles and Responsibilities

A variety of teams and individuals within the Council have specific roles and responsibilities to make sure that risks are managed properly. These are detailed in the table below:

Role	Responsibility
Audit and Risk Committee	<ul style="list-style-type: none"> Reviews the strategic risk register and assurance map quarterly. Seeks assurance that we are managing our risks in line with this framework. Ensures the Annual Governance Statement properly reflects the risks we face.
Senior Executive Board	<ul style="list-style-type: none"> Help to identify and manage our biggest risks which impact on our strategic and directorate objectives. Reviews the strategic risk register and assurance map quarterly. Challenges (and holds accountable) specific officers responsible for taking action to manage risks.
Departmental Leadership Teams	<ul style="list-style-type: none"> Help identify and manage risks which impact on our strategic and directorate objectives. Reviews departmental risk registers on a quarterly basis and identifies risks that should be escalated to the Strategic Risk Register. Challenges (and holds accountable) specific officers responsible for taking action to manage risks.
Project and Programme Boards / Teams	<ul style="list-style-type: none"> Helps identify and manage the biggest risks to the programme/ project's objectives. Obtains assurances that these risks are managed.
Audit Services (Risk Officer)	<ul style="list-style-type: none"> Responsible for monitoring, updating and reporting on the Strategic Risk Register and assurance map. Reports on risk to senior officers and members. Helps identify risks.
Audit Services	<ul style="list-style-type: none"> Provides independent assurance on the adequacy and effectiveness on the controls in place to manage risks.
Counter Fraud Officer	<ul style="list-style-type: none"> Helps identify fraud related risk areas. Co-ordinates and reports on our anti-fraud activities including investigation of suspected fraud and corruption.
All Employees	<ul style="list-style-type: none"> Identify and manage risk in their job and report risks to their manager.

Further information and advice

For further information and advice on Risk Management and this risk management framework please contact.

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Report title **Strategic Risk Register – Employee Recruitment and Retention Risk**

Presented by **Laura Phillips, People & Change**
Suky Mattu, Head of People Services

1. Introduction

- 1.1 Due to local and national recruitment and retention challenges there is a risk that this could impact our ability to deliver services for our city, in particular a risk that hard to fill vacancies across City of Wolverhampton Council may not be filled without focused action to mitigate the risk.
- 1.2 This risk could impact our ability to deliver Our City, Our plan as our people are our most important asset – it is essential we are able to retain and recruit talent to deliver for our city.

Across the council, this risk could impact on the following:

- Health and wellbeing of employees that take on additional responsibilities/duties to fill the gap whilst vacancies are filled.
- Increased use and cost of agency members of staff to fill vacancy gaps.
- Skill/knowledge or expertise to fulfil statutory and non-statutory obligations.
- Potential of burnout amongst employees that take on additional work.
- Turnover of employees due to high workload pressures whilst filling vacancies
- Increase in sickness absence due to workload pressures.
- Having a competitive ‘offer’ that attracts and retains talent.

2. Context:

- 2.1 The [LGA Workforce Survey 2022](#) provides information on key elements of the workforce within local authorities in England. All Heads of Human Resources in England were asked to complete a survey online between March and May 2022. 119 councils responded including 5 from the West Midlands. In relation to Recruitment and Retention:
- 62% said they were considering increasing apprentices in 2022/23
 - 94% said they were experiencing recruitment and retention difficulties.
 - Hard to fill areas included Planning Officer (over 50%), Childrens Social Workers (72%), Environmental Health Officers (45%)
 - 81% of all councils said they provided market forces supplements for some posts.
- 1.3 The following points evidence the impact of the recruitment and retention difficulties at the City of Wolverhampton Council:

- Turnover has increased from 10.4% in 2021/22 to 10.7% in 2022/23
- On average the council has 250 recruitment campaigns open at any given time which are at varying stages of the recruitment process
- CWC positions that are hard to fill include roles within Social Care, Digital and IT, Procurement, Finance, Building Control, and People Services (previously referred to as HR)
- In 2023 our top 5 service areas for in-house recruitment were City Environment, Childrens Services, West Midlands Pension Fund, Public Health and Regeneration
- In 2021/22 Mental Health sickness absence became the most common reason for sickness absence. This has continued into 2022/23 with 24.83% of all days lost. Whilst these include absence related to mental health (anxiety and stress) accounted for 66.75% of these absences, bereavement accounted for 20.24% of this absence and work-related stress accounted for 13.01% of mental health absence. This is not uncommon and follows a national trend – the Office for National Statistics reports mental health conditions as the third highest reason for sickness absence nationally in 2022. It should be noted that there will be differences in the way organisations record mental health absence and therefore like for like comparisons may not be reliable. However, the British Medical Association (2023) states; ‘the number of people in contact with adult Mental Health services in England reached 101 million in November 2022’ and ‘Mental Health services in England received a record 4.6 million referrals during 2022 – up from 22% from 2019’
- City Housing and Environment and Childrens and Adults Services combined reported 55.56% of the total number of days lost to mental health issues. These are three of the 4 largest directorates that together make up 47.03% of the workforce.

What are other Local Authorities doing?

- 1.4 Benchmarking has been undertaken at four other local authorities – Shropshire Council, Herefordshire, Solihull and Staffordshire Council. Several initiatives including rebranding, creation of new values and behaviours, review of CV/advert, refresh of recruitment information on internet pages, working with colleges, exit interviews and a review of the market forces supplement policy are being implemented to mitigate associated risks.
- 1.5 The CIPD report ([Labour Market Outlook – Views from Employers, Summer 2023](#)) states private sector employers are responding by upskilling existing staff, increase wages, increase duties of current staff. In contrast, public sector organisations are increasing the duties of existing staff at a significantly higher rate than the private sector, but also not increasing wages. Some public sector organisations are also considering automation of recruitment related processes.

Current activity we are taking to mitigate the risk:

- 1.6 The new starter survey outcome in 2019 recommended the council provide more information to new starters to enable them to make an informed decision on whether to apply for a role at the council. In response, WVJobs was launched and includes information to candidates on benefits of working for the council, provides key HR policy

information, staff equality forum details, careers available at the council, candidate information to help support interview preparation and more.

- 1.7 Targeted advertisement of senior vacancies – including in specialist publications, improved adverts, removing artificial barriers from job descriptions, microsites, collaborative working with community leaders and partners to encourage applications from diverse communities etc.
- 1.8 The advertisement template for council jobs has also been reviewed – these now include a diversity commitment statement on recruitment of ex-offenders, workshops delivered by Organisational Development, support for candidates, confirmation of work style (fixed, field or flex), salary information and a link to WVJobs.
- 1.9 Diverse recruitment panels and a trained diverse pool of employees supports the upskilling of employees from ethnic minority groups in gaining interview experience from an interviewer perspective. A review of the diverse panel process showed employees that have been trained in interviewing have gone on to secure promotions within the council. In addition, by having diverse panels, it demonstrates the council's commitment to diversity to all candidates going through a selection process.
- 1.10 Revised recruitment and selection training for panel members, the review included benchmarking to ensure council recruitment and selection practices are current, fair and transparent.
- 1.11 Market forces supplement policy has been considered – to ensure justification for enhancing pay for hard to fill vacancies (to mitigate risk against equal pay claims). The Pay Strategy Board oversees this process to govern the integrity of requests and monitor consistency in approvals.
- 1.12 Job descriptions and Person Specifications are reviewed before advertising to remove artificial barriers to entry to the council. It is hoped that this will support the activity of recruiting a workforce that reflects the communities represented in our city and ensures the council hires employees that are skilled and experienced as well as qualified where necessary.
- 1.13 Step up to Social Work campaign – this is a 14 month training programme for employees that want to re-train and change their career to become a social worker. This not only allows to remain true to our commitment to growing our own but also helps us to fill vacancies in an area that is notoriously hard to fill.
- 1.14 Reimbursement of social worker registration fees (Social Work England) – introduced this year to assist the attraction and retention of social workers at a time where experienced social workers are increasingly hard to find. In addition to this there is a council wide review underway of all professional fees paid by council employees.
- 1.15 A new and fresh People Services (formerly known as Human Resources) operating model has been created – with a dedicated Recruitment and Retention Lead and consultancy team to support managers to recruit the best talent and further drive our

commitment to growing our own and increasing opportunities for apprenticeships and graduate placements/roles. The lead will horizon scan and benchmark across the region and sectors to find new recruitment and retention ideas and initiatives. The team has historically been transactional only - by introducing a consultancy service managers and candidates will be better supported to ensure their vacancies are filled with the right people with the right skills at the right time.

- 1.16 The team will also support managers to proactively succession plan their recruitment needs to further embed growing our own opportunities and identify positions that may be difficult to fill early on and consider innovative methods to train or recruit candidates into post.
- 1.17 The People Services team are also working in conjunction with the Wolves at Work team – supporting 18-24's into work. The recruitment and retention lead has established regular meetings with members of the Wolves at work team to align all activities to the council plan in addition to ensuring Yoo Recruit as our agency partner is also aligned to support candidates in Wolverhampton within this age group to fill our vacancies.
- 1.18 A new employee benefits portal has also been launched, with regular communication to all employees scheduled throughout the year enhancing our Employee Value Proposition. The benefits portal is used to ensure employees receive more than a salary in return for the skills, capabilities and experience they bring to the council. This should in turn support employee retention.
- 1.19 A new exit questionnaire has been implemented, allowing data to easily be gathered and reviewed helping us understand why people choose to leave the council. This feedback will inform evidence-based actions needed to be taken in addressing any issues raised and taking preventative measures where required.
- 1.20 Care leavers are also offered priority interviews for apprenticeship posts – before this change apprenticeship recruitment campaigns were placed externally meaning any interested care leavers would compete against a larger applicant pool. This change means the council can support our care leavers to be one of the first groups to be considered for our apprenticeship posts and in addition, the council upholds its commitment to corporate parenting.
- 1.21 We have a strong and robust wellbeing offer – Health and Wellbeing is a priority for the Council and we have a dedicated Wellbeing Advisor in Organisational Development to ensure employee health and wellbeing is proactively supported. This role coordinates initiatives by working in partnership with People Services and public health colleagues. So far, People Services and Organisational Development have supported many well-being initiatives such as menopause chatty cafés, menopause panel events, a women's health survey, promotion of the employee assistance programme, mental health campaigns (lets talk stress, anxiety, men's mental health and wellbeing), suicide prevention workshops etc

- 1.22 We have a national and local Graduate programme which has an established recruitment and training programme in place. This is to ensure the council recruits high calibre candidates into our roles, ensuring we recruit local people into local jobs and remaining true to our commitment of growing our own.
- 1.23 We have a range of secondments and work experience opportunities throughout the council and are revising our secondment policy to allow secondments for up to a maximum of two years (currently capped at 1 year) to allow employees to apply for development opportunities within the council.
- 1.24 We utilise apprenticeships to upskill current employees and/or recruit new apprentices to the Council. The council supports a range of apprenticeship packages starting at level 2 (equivalent to GCSE) to level 7 (Masters level degree) in a range of subject areas including Business Administration, Customer Services, ICT and more.
- 1.25 Commitment to growing our own and strong focus on development embedded into council culture using acting ups, honoraria, secondment opportunities, recruitment practices to advertise vacancies internal to the council prior to external etc.
- 1.26 Coaching/shadowing/mentoring schemes have also been introduced for employees within the council – to further support and embed employee continuous professional development.
- 1.27 Wrap Around Support is available to internal employees who have been unsuccessful at interview but are trying to secure a new role within the council. This includes providing employees with training on interview and presentation skills. In addition, external candidates that attend interview and are unsuccessful are signposted to organisations that can provide application, CV writing or interview skills training.
- 1.28 Organisational Development provides face to face interview skills workshops to support colleagues to interview in safe, judgment free environment.
- 1.29 Employees can also access the external coaching and mentoring pool through West Midlands Employers. This is specifically for employees looking to develop and gain one on one support from a dedicated mentor external to City of Wolverhampton Council.
- 1.30 There is also a Leadership and management suite of training to support current employees – this will be enhanced through the People Services Transformation programme. The current learning offer will be reviewed with key stakeholders and new learning and development opportunities to support development of our employees and growing our own.

3. Key Outcomes:

- 3.1 The revised recruitment and selection training is ensuring recruiting managers are confident to carry out hiring manager recruitment activities.

- 1.31 A review of the diverse panels process has demonstrated that employees that have participated as a diverse panel member have benefited from the learning of interviewing other candidates. Some of which confirmed they have gone on to secure promotions because of improving their own interview skills.
- 1.32 Our wellbeing offer is constantly under review by Organisational development, People services and Public health. The offer now includes the introduction of 'Lets talk mental wellbeing' and a new Stress group who are discussing absence data to analyse the impact on council employees and services; A wellbeing working group with representatives from OD, Equality Diversity and Inclusion and People services; suicide prevention training; substance misuse insight training and Cost of living – financial wellbeing workshops.
- 1.33 The councils first international employee requiring a Home Office certificate of sponsorship has started work in Childrens Services. Previously a student who had completed their placement with the council and now moving into a newly qualified social worker role. (note: This option can only be considered for select hard to fill roles that are pre-determined by the UK Home Office).
- 1.34 The hiring success rate for candidates from ethnic minority groups has increased from 3.7% (2020-2021) to 6.7% (2021-2022).
- 1.35 In line with growing our own, the largest increase in the proportion of employees from ethnic minority groups was in the upper middle pay quartile (grade 5 to 7 with an 8.1 percentage point increase).
- 1.36 42.1% of apprentices in 2021-2022 were from ethnic minority groups, making them a higher proportion than of the workforce as a whole (31.8%). This success can be attributed to recent change initiatives such as the introduction of diverse panels in recruitment and the removal of artificial barriers in job roles.
- 1.37 The number of employees from black or Asian ethnic groups holding positions at pay grades GR09-GR17 has doubled since 2018/2019, with a 100% and 106.3% increase, respectively.
- 1.38 The diversity of the workforce ethnicity profile has gradually increased in recent years, with a 3.4 percentage point increase in the proportion of employees from ethnic minority groups since 2019-2020.
- 1.39 Since 2017 the Council have enrolled 155 apprentices, with an increase each year – currently we have 43 currently on the scheme.
- 1.40 We have a variety of targeted programmes to attract and retain talent and promote growing our own – these are specifically aimed at addressing or ensuring employee recruitment and growth is accessible across demographic groups e.g. Brilliant Leaders / Breaking Through – to support colleagues into more senior roles. From the 12 delegates from the 2020 cohort, 5 (41.6%) are now in higher grade roles.

- 1.41 Several areas within the Council will have occupational specific development - e.g. Social Work with Assisted & Supported Year of Employment (ASYE), Best Interest Assessor (BIA), Advance Mental Health Practitioner (AMHP) – these pathways can lead to alternative roles and next level grading.
- 1.42 The council currently has 29 graduates working across the council and a further 20 who have secured permanent positions since completing the National Graduate Development Programme.
- 1.43 Of the 24 employees who completed cohorts 1 or 2 of the Aspire into Management Programme, 14 are now in higher graded roles or secondments (58.3%).

Future planned activity:

- 1.44 The council is committed to ensuring fairness and equality in recruitment practices to ensure we continue to attract diverse candidates into the council to support and serve our diverse city. We continue to consider new and improved methods to increase awareness within the candidate market of our status as an employer of choice and are working closely with West Midlands Employers to review our recruitment processes through an inclusion lens. Work has commenced on this and we look forward to receiving the independent outcome of our recruitment practices. This will enable us to challenge our recruitment processes, isolate unwanted recruiting behaviours and avoid recruitment assumptions. The review will include everything from job design, marketing and recruitment through to selection, induction and onboarding.
- 1.45 Career pathways are in place in social care and are being further developed by Organisational Development and People Services for other service areas. This would potentially create recruitment pathways for employees to continue to support our commitment to growing our own and retaining our existing employees.
- 1.46 We will continue to promote our strong Organisational Development offer for employees ensuring no employee is left behind and that our offer is having an impact on developing and retaining our talent.
- 1.47 We will continue to offer a variety of formal qualification pathways – often utilising the apprenticeship levy as a funding source.
- 1.48 We will also continue to promote our Apprenticeship scheme and encourage managers to consider apprentices as a priority.
- 1.49 Discussions are taking place with Heads of Service for future service area workforce plans – these will identify future development requirements for role or business need, including service apprenticeship requirements to ensure we benefit from the apprenticeship levy.
- 1.50 National Graduate Development Programme – continue to introduce talented graduates into the organisation (including local young people).

- 1.51 We will be rolling out the next Cohort for the Aspire into Management (AIM) Programme – to provide an entry point for employees who aspire into an initial supervisory or management role and are not eligible for levy funded or other routes.
- 1.52 We are also considering alternative selection processes such as sharing interview subject themes prior to the interview to promote a change towards having discussions with candidates. The selection process should be a reciprocal process for the candidate to learn about the council and the post they have applied for and for managers to assess the suitability of the candidate for the post.
- 1.53 We will continue to work with local universities, colleges and schools, with a commitment for People Services to attend Careers fairs with Wolves at Work and the possibility of holding career discussions with school leavers to promote jobs, careers and apprenticeships within the council to attract local people into jobs.
- 1.54 The new recruitment consultant roles in People Services will head hunt and consider an incentivisation scheme for friends/family recommendations to work at the council.
- 1.55 We are aiming to roll out a second new starter survey to understand what else that council could do differently from a candidate perspective - also understand barriers in the recruitment process.
- 1.56 We are introducing a survey to candidates that have been shortlisted for interview but were unsuccessful to learn from our recruitment processes and how these can be enhanced.
- 1.57 A review of the professional development process will also take place as part of the People Transformation programme, ensuring managers continue to discuss career progression and development with employees on a regular basis, liaising with Organisational Development where required.
- 1.58 An ongoing review of the data from the exit questionnaire process will take place to understand why employees leave the council and make evidence based decisions to influence employee retention.
- 1.59 Further consideration for supported Internships is taking place, working with the supported employment team to develop a process to suit individual's needs (job carving) specifically for disabled candidates.
- 1.60 We are improving the promotion of cost reimbursement for candidates attending an interview if traveling by public transport to encourage candidates to participate within the selection process and prevent withdrawal.
- 1.61 The newly appointed Recruitment and Retention Lead will continue to attend regional strategic resourcing board meetings to ensure the council is informed of recruitment and selection activities at neighboring councils and upcoming trends.
- 1.62 The newly created Recruitment and Retention team within People Services will create a recruitment and retention strategy – the team will work with Heads of Service/Deputy

Directors to agree service specific strategies by understanding the individual service requirements, planning actions to support the retention of existing employees along with identifying the most suitable recruitment activities.

4. Next Steps

- 4.1 To continue to monitor our recruitment activity, retention rates and the impact of the activity taken to date to proactively respond to this risk and implement the planned future activity.
- 4.2 The strategic risk register will be updated as required and presented at approximately quarterly intervals to the Committee. The strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the corporate priorities. As stated above, other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.

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CITY OF WOLVERHAMPTON COUNCIL	Audit and Risk Committee 27 November 2023
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Report title Internal Audit Update

Accountable director Claire Nye, Finance

Accountable employee Ian Cotterill Head of Internal Audit
Tel 01902 554460
Email ian.cotterill@wolverhampton.gov.uk

Report to be/has been considered by Not applicable

Recommendations for noting:

The Audit and Risk Committee is asked to note:

1. The contents of the latest internal audit update.

1.0 Purpose

- 1.1 The purpose of this report is to update the Committee on the progress made against the 2023-2024 internal audit plan and to provide information on recent work that has been completed.

2.0 Background

- 2.1 The internal audit update report contains details of the matters arising from audit work undertaken so far this year. The information included in the report will feed into, and inform, the overall opinion in our annual internal audit report issued at the year end. It also updates the Committee on various other activities associated with the internal audit service.

3.0 Progress, options, discussion, etc.

- 3.1 Quarterly internal audit update reports will continue to be presented to the Committee throughout the year.

4.0 Financial implications

- 4.1 There are no financial implications arising from the recommendation in this report. [CN/13112023/A]

5.0 Legal implications

- 5.1 There are no legal implications arising from the recommendation in this report. [TC/11112023/A]

6.0 Equalities implications

- 6.1 Where appropriate, any relevant equality issues will be considered as part of individual reviews, and a review of the corporate approach to equalities forms part of the Audit Universe and will be subject to a separate review within a three-year cycle.

7.0 All other implications

- 7.1 There are no other implications arising from the recommendations in this report.

8.0 Schedule of background papers

- 8.1 There is no schedule of background papers.

Appendix 1 - Internal Audit Update Report 2023-2024

[NOT PROTECTIVELY MARKED]



[NOT PROTECTIVELY MARKED]

1 Introduction

The purpose of this report is to bring the Audit and Risk Committee up to date with the progress made against the delivery of the 2023-2024 internal audit plan.

The Audit and Risk Committee has a responsibility to review the effectiveness of the system of internal controls and also to monitor arrangements in place relating to corporate governance and risk management arrangements. Internal audit is an assurance function which provides an independent and objective opinion to the organisation on the control environment, comprising risk management, control, and governance. This work update provides the committee with information on recent audit work that has been carried out to assist them in discharging their responsibility by giving the necessary assurances on the system of internal control.

The information included in this progress report will feed into, and inform, our overall opinion in our internal audit annual report issued at the year end. Where appropriate each report we issue during the year is given an overall opinion based on the following criteria:

No Assurance	Limited	Satisfactory	Substantial
Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

2 Summary of audit reviews completed

The following audit reviews were completed by the end of the second quarter of the current year.

Auditable area	AAN Rating	Recommendations					Level of assurance
		Red	Amber	Green	Total	Number accepted	
2022/23 Audits completed in quarter 1							
House of Multiple Occupations - Licensing	High	-	3	1	4	4	Satisfactory
Amazon Corporate Account	Medium	-	5	3	8	8	Satisfactory
Election Photo ID	Medium	-	-	4	4	4	Substantial
Wolves @ Work Programme	Medium	-	-	2	2	2	Substantial
Family Hubs Grant Certification	Medium	-	-	-	-	-	Not Applicable
Senior Officer Emoluments	Medium	-	-	-	-	-	Not Applicable
WMPF Contribution Statements	Medium	-	-	-	-	-	Substantial
Reported this quarter for the first time:							
Alternative & Out of City Provision	Medium	3	6	2	11	11	Limited
Asylum and Migration Review	Medium	-	1	3	4	4	Satisfactory
Information Governance - Records Management (Microsoft Teams Sites)	Medium	3	1	-	4	4	Limited
Management of Equal Pay Risks	High	-	3	6	9	9	Satisfactory
Art Gallery Catering Arrangements	Medium	-	-	-	-	-	Substantial
Health & Safety – Building Inspections	Medium	-	4	3	7	7	Satisfactory
Fixed Assets (2022-2023)	High	-	-	-	-	-	Substantial
Digital & IT – Return of Leaver’s Equipment	Medium	1	2	3	6	6	Limited
Blue Network – Programme Governance	High	-	1	5	6	6	Satisfactory

Auditable area	AAN Rating	Recommendations					Level of assurance
		Red	Amber	Green	Total	Number accepted	
Future High Street Fund – Programme Governance	High	-	6	5	11	11	Satisfactory
City Learning Quarter – Programme Governance	High	-	-	7	7	7	Satisfactory

Key: AAN Assessment of assurance need.

School Establishment Visits

Auditable area	AAN Rating	Recommendations					Level of assurance
		Red	Amber	Green	Total	Number accepted	
Bushbury Hill Primary School	Medium	-	-	7	7	7	Satisfactory
Eastfield Primary School	Medium	-	1	1	2	2	Substantial
St. Luke's Primary School	Medium	-	-	4	4	4	Substantial
Reported this quarter for the first time:							
Lanesfield Primary School	Medium	-	-	2	2	2	Substantial
Stow Heath Primary School	Medium	-	9	12	21	21	Limited
Loxdale Primary School	Medium	-	-	2	2	2	Substantial

3 On-going assurance where reports are not issued

It is a requirement of the Internal Audit Charter that Internal Audit will remain sufficiently independent of the activities that it audits to enable auditors to perform their duties in a manner which facilitates impartial and effective professional judgements and recommendations. Objectivity is presumed to be impaired when individual auditors review any activity in which they have previously had operational responsibility. If individual auditors are extensively consulted during system, policy or procedure development, and independence could be seen as being compromised, or if they have had previous operational roles, they will be precluded from reviewing and making comments during routine or future audits, for the remainder of that financial year and for the following financial year after their involvement. Therefore, should any reviews be conducted on the below, then they will be led by another member of the audit team where appropriate.

Project/Programme	Audit Service's Role
Pay Strategy	A member of the team sits on the Council's Pay Strategy Board. The purpose of the board is to ensure that all requests in respect pay and grading is approved in accordance with the Council's Collective Agreement for NJC employees.
Project Assurance Group	A member of the team is involved in this group. The purpose of the group is to ensure that all of the Council's projects and programmes, recorded through the Verto system, are reviewed and scrutinised.
City Learning Quarter Programme	Audit Services have been invited to provide an assurance role for the programme. This is a major capital investment project which has a reputational risk to the Council.
Agresso Board	A member of the team sits on this Board to oversee the on-going development of the Council's enterprise resource planning (ERP) solution.
Children's Transformation Board	A member of the team attends the Board and provides support and assurance on project management arrangements and specific audit issues. This also includes advice and support on the implementation of the new Eclipse management information system.
Transform Adult Social Care Programme	A member of the team attends the Board to provide support and assurance on project management arrangements and specific audit issues.
Strategic Transport Asset Group	A member of the team is involved in this group. The purpose of the group is to ensure that business cases submitted by business areas for vehicles and equipment replacement are reviewed and assessed prior to approval, as well as addressing future Council Fleet requirements and climate targets for a cleaner environment and reduction in carbon emissions, and future use of electric / hybrid vehicles.

Project/Programme	Audit Service's Role
Depot Relocation	A member of the team attends the Board to provide support and assurance on project management arrangements and specific audit issues.
Civic Halls Operational Board	A member of the team is a representative on this group. The purpose of the board is to oversee the operational delivery of the Civic Halls full refurbishment.
Adult Eclipse Project Board	A member of the team will attend the Board to provide support and assurance on project management arrangements for the new Eclipse management information system and any specific audit issues.
Business Improvement Programme Boards	The purpose of these boards is to drive through service improvements in selected areas of the Council. Audit's role on these boards is provide assurance around governance and risk, as well as addressing any particular audit issues.
Regularity Services Debt Recovery Project	A member of the team is engaged to provide advice and consultancy as the Project develops new arrangements for the recovery of outstanding debts.
Wolves At Work 18-24 Programme Board	The purpose of this board is to oversee and provide direction for the development and delivery of various Council initiatives, programmes and projects (in liaison with external partners) with the collective aim to improve employment opportunities in this age range. A member of the team is present on this board to provide support and assurance.
School Compliance Board	The Schools Compliance Board is responsible for providing assurance that all maintained schools in the city are meeting statutory requirements, and that the council is correctly discharging its responsibilities. Audit's role is to overview and challenge quality assurance aspects of the Board generally and to report issues to the Board arising from on-going audit assurance work which will be scheduled throughout the year.
Term Time Only Payments Working Group	A member of the team is engaged to provide advice and consultancy in terms of the calculation of over / under payments, as well as advising on the governance of the project.
Financial Well-Being Strategy Board	A member of the team is engaged to provide advice and consultancy in terms of the payment of support packages.
Fleet Management System Working Group	There is a member of the team on the working group to provide advice and support on the governance of the group and identify any procurement concerns around the acquiring of new fleet items.

4 *Counter Fraud Activities*

The Audit Service's team investigate all allegations of suspected fraudulent activity, during the year. Details of these will, where appropriate, be presented to the Audit and Risk Committee in a separate report, along with details of initiatives put in place in order to both raise awareness of, and tackle fraud across the Council.

5 *Audit reviews underway*

There are also a number of other audit reviews currently underway and these will be reported upon in future update reports.

6 *Summary of issues from our latest reviews*

Of the 15 audits reported during this quarter there were four limited assurance reports issued which may be of interest to members of the committee:

Alternative & Out of City Provision

This review was requested by the previous Executive Director for Families and the Director of Education due to concerns they had regarding the systems and process in respect of this area at that time.

This audit related to providing alternative education provision for pupils either subject to a permanent or fixed exclusion, and those pupils disengaging from education. This is a requirement under the Education Act 1996.

A limited assurance rating was given for this review because there has been a lack of clarity on which Alternative Provision providers should be used which has led to some cases where there was non-compliance with Contract Procedure Rules and the Public Contracts Regulations 2015. Record keeping for each child has been inconsistent and there was a lack of evidence that reviews are being carried out.

It should be noted that following receipt of this report the Inclusion and Attendance Service Manager has already acted upon the recommendations and is continuing to review processes and make improvements as required. An action plan has also been drawn up to address the report's recommendations which is to be approved and reviewed by the Education Leadership Team.

Information Governance – Record Management (Microsoft Teams Sites)

This review was requested by the Deputy Director for People and Change and the Head of Information Governance due to concerns they had regarding information governance implications of data being held on Council Microsoft Teams sites.

It is accepted that the use of Microsoft Teams was a solution to allow homeworking and communication during the COVID-19 pandemic. The audit review identified issues in respect of the governance arrangements for establishment of new Microsoft Teams Sites. Also, the appropriate use of Teams, including document storage and retention policies, at the time of this review were not in place. Whilst it is acknowledged that employees are required to complete mandatory information governance courses and the protection of data protection training, there is nothing specific around the use of Teams.

Following receipt of the report an action plan has jointly been developed by the Head of Information Governance and the Head of Digital & IT to implement the recommendations in the report.

Digital & IT – Return of Leaver’s Equipment

This audit was requested by the Director for Strategy following the review of IT Asset Management which undertaken as part of the 2022-2023 internal audit plan.

The audit aimed to provide assurance that there are effective systems and procedures in place to identify leavers who have Council IT assets and systems access. The review also aimed to provide assurance that there are appropriate arrangements in place to ensure assets are recovered and returned to stock, and system access is removed.

However, the review identified that no assurance could be given that assets were being returned or that Digital & IT team were notified of leavers in respect of employees and agency staff or consultants. Whilst the Digital & IT team have a process to manage the return of IT equipment, they are aware of, there are no policies which clearly articulate the action to be taken if equipment is not returned. This policy could include arranging a corporate courier service to collect the equipment or invoice the leaver or agency for the cost of the equipment.

The recommendations from this report have been discussed and agreed with the Head of Digital & IT and assurances have been given that an action plan will be put in place to address the recommendations in the report. Audit Services will continue to monitor the implementation of recommendations via our follow up programme.

Stow Heath Primary School

The local authority is responsible for all maintained schools and therefore this report has been presented to inform the Audit & Risk Committee of the review’s findings.

The school were given a limited assurance rating due to the number of recommendations relating to the governance arrangements at the school, which included the accuracy of the minutes for the governing body and the various sub-committees. In addition, there were issues relating to controls over expenditure and a lack of audit trails for governing body approvals, where appropriate.

It should be noted that the Schools Business Manager is relatively new to their post and has recently taken responsibility for the financial management arrangements at the school when the contract with the external providers of this service ended in March 2023.

We are confident that the agreed recommendations will have been implemented when we carry out the follow up review in April 2024.

7 *Follow-up of previous recommendations*

We continue to monitor the implementation of previous key recommendations, and any major issues of concern relating to their non-implementation, will be reported back to the Audit and Risk Committee.

We carried out a follow-up to the report issued on 20 January 2023, which looked at SEND and Post 16 Provision in Schools, to seek assurance that all post 16 pupils with an Education Health Care Plan (EHCP) are given the appropriate support and advice to prepare them for independence. The original audit report was given a limited assurance rating.

We are pleased to report that the majority of recommendations made in the original audit report have been implemented with one recommendation still in progress. This recommendation related to incomplete and unsigned individual placement agreements (IPAs)

based on a sample tested.

Over the past two years changes to the SENSTART (Special Educational Needs Statutory Assessment and Review) Team has resulted in improvements to their processes and the quality and timeliness of Educational Health Care Plans (EHCPs). The team were one of 15 teams from councils and children's trusts across the region to be recognised at the West Midlands ADCS (Association for Directors of Children's Services) Network's West Midlands Team Excellence Awards 2023. This was a significant achievement.

8 *Changes to the Audit Plan during the year*

Currently there are no changes to the 2023 – 2024 internal audit plan that was approved by the Audit and Risk Committee on 6 March 2023.

9 *Payment Transparency*

The latest position on the Council's payment transparency activity is as follows:

- The Council publishes its own spend data which is available on the Council's internet site under Transparency and Accountability (payments to suppliers) and is updated monthly.
- In addition, to the spend to date, the site also includes spend for each financial year.
- Since last reported to the Audit and Risk Committee, there have been no requests for information from the public (as an 'armchair auditor').

We will continue to report back to the Audit and Risk Committee on the details of any 'armchair auditor' requests the Council receives.

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CITY OF WOLVERHAMPTON COUNCIL	Audit and Risk Committee 27 November 2023
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Report title	Annual Governance Statement 2022-23 – Mid-term report	
Accountable director	Tim Johnson, Chief Executive	
Originating service	Strategic Finance	
Accountable employee	David Pattison	Chief Operating Officer
	Tel	01902 553840
	Email	David.Pattison@wolverhampton.gov.uk
Report has been considered by	Not applicable	

Recommendations for noting

The Audit and Risk Committee is asked to:

1. Review and comment upon the contents of the mid-year update regarding the Council's Annual Governance Statement for 2022-23 and in particular the information provided about actions and improvements made so far during 2023.

1.1 Purpose

- 1.1 That Councillors review and comment upon the content of the mid-year Annual Governance Statement (AGS) for the year 2022-23 and in particular the information provided about actions and improvements made so far during 2023.
- 1.2 The Council is required under Regulation 6 of the Accounts and Audit Regulations 2015, to produce an Annual Governance Statement to be included in the annual statement of accounts, which is signed by the Leader of the Council and the Chief Executive. Mid-year reports are produced in order to give assurance to Councillors on the direction of travel.
- 1.3 This report is intended to provide an update on the progress of the issues raised in the AGS for 2022-23, and any other significant matters that may have arisen.

2.0 Background

- 2.1 The AGS draws upon the management and internal control framework of the Council, especially the work of internal and external audit and the Council's risk management arrangements. In compiling the AGS assurance is obtained from a range of sources in order that the signatories to the statement can assure themselves that it reflects the governance arrangements for which they are responsible.
- 2.2 The update below identifies a significant amount of work that has and continues to take place, and which contributes to the Monitoring Officer's confidence that the Council is operating good governance arrangements. Since the last AGS was approved by the Committee in July 2023 external auditors have also concluded their work in relation to the audit for 2021-2022 and produced an unqualified opinion.
- 2.3 The AGS identified the following areas which required additional measures to be started or continued, over and above the Council's usual governance framework, for effectiveness to be assured – set out below is the headline area and then the update:

- **MTFS** – Cabinet in October 2023 received the proposed approach to the MTFS and budget for 2024-25. It was reported that the updated projected budget deficit for 2024-2025 was £2.6 million rising to over £20 million in 2025-2026 and that work would continue to identify proposals to enable the council to set a balanced budget for 2024-2025 and deliver a sustainable medium term financial strategy.

It is important to note that Cabinet continue to take regular budget/performance and risk reports on a quarterly basis, with the latest being report at Cabinet on 15 November 2023 and that they in turn then get considered by Scrutiny Board with each of the Scrutiny Panels looking in detail at future budget requirements in advance of budget setting in February 2024.

- **Procurement and Contact Monitoring** – The number of incidents of non-compliance are steadily reducing, primarily due to the Procurement team now taking ownership for obtaining quotes on behalf of service areas where the anticipated value of the contract is between £10k and £75k.

The Audit and Procurement teams continue to support leadership teams in complying with procurement processes and learning lessons from flagged non-compliance.

In relation to the roll-out of new procurement regime, the Procurement Act 2023 received Royal Assent on 26 October 2023 and updated training and guidance is expected to be released by Government once secondary legislation is enacted in October 2024.

Procurement officers are beginning to develop a training programme for roll out to relevant teams during this transition period, and a new Project team will be reporting into Project Assurance Group at key milestones. Arrangements are expected to be in place before September 2024.

- **Civic Halls/other capital programmes** – The Council has implemented a self-assessment tool for all major capital projects or programmes which addresses the key areas arising from the Civic Halls lesson learnt review.

The tool poses a number of questions which are intended to expose arrangements for such matters as contingency plans, cost options appraisals, change management processes, project plans, arrangements for site surveys, and repairs and maintenance programmes. Other questions are designed to ensure there is input by key personnel such as procurement and project management, Senior Responsible Officers and Programme Directors, and to ensure there is a method for centralising documents, reporting and updating at key points.

The self-assessment questions have recently been utilised successfully in relation to City Learning Quarter (CLQ) and are detailed in the project's Internal Audit Report 2023-2024. The self-assessment in that case was completed by the Programme Director and independently reviewed by Audit Services. It is important to note that this report provided satisfactory assurance in relation to that project.

Further, Council agreed on 8 November 2023 to amend the remit of Scrutiny Board within the Constitution to require that they now "Co-ordinate the Scrutiny Work Programme Major infrastructure projects that crosscut Scrutiny Panels". This is intended to ensure that detailed updates are brought to Scrutiny to provide more regular oversight and transparency on key capital projects.

A report on the CLQ project will be coming forwards to Scrutiny Board shortly and will be regularly reported to Scrutiny Board in line with the above change to the scope of Scrutiny Board.

- **Climate change** – In relation to its critical work on Climate Action the following have either been implemented or are in progress:
 - Establishment of a Climate Action Programme Board with agreed Terms of Reference.
 - Appointment of a new Senior Responsible Officer, namely the Chief Operating Officer.
 - Climate Change Advisory Group information is now made public.
 - Staff appointed to address the lack of sufficient resources within the Green City and Circular Economy Service Area, including operating team. Three permanent employees are currently in post with plans for additional staff to be taken on over coming months.
 - Work on the focused risk register is being progressed.
 - Benchmarking of key actions is underway.
 - The Climate Emergency Working group has been restructured into a 2028 Action Plan Working Group (include relevant Service Managers/deputies with on-going monitoring and risk management).
 - Head of Service and Service Manager have addressed Leadership Forum and Operational Managers Network, respectively.
 - Report presented on 19 October 2023 to Climate Change, Housing and Communities Panel which sets out the current Action Plan setting out options for achieving net zero at the Council by the end of 2028.
 - Production of a 2023-2024 annual report is underway and is expected to go to Cabinet for consideration in September 2024.
 - 2041 Net Zero Strategy for the City is in development.

The detailed report setting out the progress on the 2028 commitment that went to Climate Change, Housing and Communities Scrutiny Panel in October 2023 providing will become an annual report and a further detailed report on the proposed 2041 Net Zero Strategy will go before the Scrutiny Panel early in 2024.

- **Improving recruitment and retention** – The risks to the council of not having sufficiently robust recruitment and retention initiatives include increased staff turnover, over-use of agency workers, developing skills gaps, and poor mental health and sickness of workforce.

Current activities aimed to mitigate these risks comprise:

- Targeted advertisement of senior vacancies.
- Improved new starter on-boarding.
- Improved job adverts.
- Mandatory diverse recruitment panels and other measures to support the upskilling of ethnic minority groups.
- Supporting managers with succession planning.
- Revised recruitment and selection training for panels.
- Market supplements are being investigated.

- Review of Job Descriptions and Person Specifications.
- Focused support of 18-24s in to work.
- Reimbursement of social work registration fees.
- Continuing to deliver a strong wellbeing offer.
- Creating opportunities for apprentices, and local and national graduates.
- Coaching, shadowing, and secondment opportunities for staff.

Key outcomes so far can be measured by:

- An increase in hiring success for candidates from ethnic minority groups from 3.7% to 6.7%, in both higher grades and as apprentices.
- Diversity across the workforce has increased by 3.4% since 2019-2020.
- Revised recruitment and selection training to managers resulting in managers more confident undertaking recruitment activities.
- A review of the diverse panels process which has proved beneficial to staff taking on the role of panel member.
- Review of the Wellbeing offer to expand the services to cover wider mental health and stress support, as well as a new stress group and wellbeing group focusing on identification of issues and solutions.

Future plans include:

- Exploration of methods to increase awareness of the Council as a good employer within the candidate market.
- Further development of career pathways within social care, with opportunities to expand this to other services.
- Promotion of a strong development offer to help grow and retain employees, including offering formal development pathways.
- Workforce planning discussions with Heads of Service to identify need and potential solutions as early as possible.
- Continuing the successful Apprenticeship and graduate schemes and Aspire to Management (AIM) Programme.
- Consideration of alternative selection processes.
- More use of new starter and shortlisted candidate surveys to better understand what else the Council can do differently.
- Gaining further insight from monitoring recruitment trends and evidence-based data.

A new operating model for People Services (formerly known as Human Resources) has been developed to help implementation of these activities, which includes a new Recruitment and Retention Lead who will take on a strategic role, and a consultancy team who will support managers and drive growth of opportunities. The team will work with Heads of Service to create a recruitment and retention strategy.

Recruitment and retention is included in the Strategic Risk Register and a separate report will be presented to Audit and Risk Committee on 27 November 2023 addressing the national position as well as providing more detail on local solutions.

2.4 The following updates are also provided in relation to other matters of significance which have arisen during this interim period:

- **Equal Pay** – in the light of challenges taking place in other places the Council has carried out significant work to ensure that there is confidence that the Council does not face the same challenges that are taking place in other authorities. This includes an internal audit report that gives satisfactory assurance on management of equal pay risks and essentially concludes that the Council is structurally sound.

Additional work is now taking place to implement the limited number of recommendations made.

- **Changes to the Constitution** – A detailed review of the Constitution has taken place which has led to a number of changes to the constitution following detailed discussion at the Council's Governance and Ethics committee and also the Scrutiny Board these included:

- Scrutiny Board and Call-in (including new form) – including strengthening the powers of call-in*
- Electronic sealing and signing*
- Health and Wellbeing Together Board Terms of Reference*
- Full Council meeting procedure rules (including draft informal protocol for member behaviour)*
- IEDNs (including draft guidance for members and officers) and Call-in.*
- Miscellaneous – Disclosure and Barring Scheme (including new policy), Councillor Allowance Service, Planning Committee decisions. Officer delegations in progress.*

As the Committee will be aware a significant amount of other work is also underway but the two items above are the ones that it is important the Committee is updated on.

3.0 Progress, options, discussion

3.1 Progress on the implementation of the actions required in the key areas will be monitored and reported to the Audit and Risk Committee, where appropriate, during the year.

4.0 Financial implications

4.1 There are no financial implications arising from the recommendation in this report. [SR/17112023/A]

5.0 Legal implications

5.1 There are no legal implications arising from the recommendation in this report. [MR/15112023/1]

6.0 Equalities implications

6.1 Whilst there are no direct equalities implications arising from the recommendation in this report there are a number of equalities issues that are addressed in the relevant reports for each of the activities taking place.

7.0 All other implications

7.1 There are no other implications arising from the recommendation in this report.

8.0 Schedule of background papers

8.1 Appendix 1 - Annual Governance Statement 2022-23.

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Scope of Responsibility

The City of Wolverhampton Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has a Local Code of Corporate Governance which was updated in November 2022 in line with the latest principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The latest principles have been adopted in this statement.

The Council is also responsible for the strategic management and administration of the *West Midlands Pension Fund* with the Council's Chief Executive, Monitoring Officer and Section 151 Officer holding specific responsibilities for supporting both the members of the Pensions Committee and the Local Pension Board in their role.

The Council has a number of bodies that it either owns or has a potential liability for. This statement also covers the approach taken in relation to these and specifically covers how the Council ensures that there is good governance in respect of these other bodies – the most relevant bodies are listed below:

- *Wolverhampton Homes* – this is the Council's Arm's Length (Housing) Management Organisation (ALMO) and is a company wholly owned by the Council. The control of the ALMO is through the Board which has representatives drawn from 1/3 council, 1/3 tenants and 1/3 independent. There is a Management Agreement between the Council and Wolverhampton Homes which sets out the contractual and governance arrangements between the parties, performance of the agreement with Wolverhampton Homes is regularly monitored. The arrangement with Wolverhampton Homes is due to expire in 2028 and the governing agreement and compliance with it has been subject to a detailed review by the Council during 2023 to ensure that it remains fit for purpose. The review has been informed by expert advice, and the results including the proposed changes in arrangements as a result of it, are being taken to Cabinet and the relevant scrutiny panel shortly.

- *City of Wolverhampton Housing Company Limited (“WV Living”)* – this is a wholly owned trading company set up under the powers in the Local Government Act 2003 and is focused on developing properties within the City to meet the Council’s aspirations in terms of available housing. There is a shareholder agreement in place between the Council and WV Living with WV Living’s Business Plan having to be approved by the Council and compliance with that business plan being monitored by the Council. The approach to WV Living was reviewed in 2020 and changes made as a result, the effectiveness of the governance arrangements continues to be closely monitored by the Council.
- *Yoo Recruit Limited* – this is a wholly owned trading company set up under the powers in the Local Government Act 2003 and provides staffing to the Council and other bodies. There is a shareholder agreement in place between the Council and Yoo Recruit and the Business Plan has to be approved by the Council and compliance with that business plan being monitored by the Council. As detailed below the future delivery options of Yoo Recruit services is being reviewed and a report will be brought to the relevant Committees in Autumn 2023.
- *Help 2 Own* – this is a limited liability partnership that was jointly established with the West Midlands Combined Authority in 2021 to pilot an affordable housing product that helps to address the issue that many potential buyers who are in work have in raising the deposit to secure a mortgage. This is the subject of a number of legal agreements which sets up the contractual and governance arrangements between the relevant parties.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievements of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Risk management and internal control are a significant part of the governance framework and are designed to manage risk to a reasonable level. These measures cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The systems of risk management and internal control are based on an on-going process designed to identify and prioritise the risks to the achievement of the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2023 and up to the date of approval of the annual report and statement of accounts.

Our City Our Plan

The Council's Our City Our Plan is structured around six priorities which are supported by three cross cutting principles as follows:

OUR CITY: OUR PLAN

Working together to be a city of opportunity, a city for everyone and deliver our contribution to Vision 2030



These priorities and principles are underpinned by the governance environment. This environment is consistent with the core principles of the latest CIPFA/ SOLACE framework. In reviewing the Council's priorities and the implications for its governance arrangements, the Council carries out an annual review of the elements that make up the governance framework to ensure it remains effective.

The key elements of the systems and processes that comprise the Council's governance framework, and where assurance against these is required, are described below.

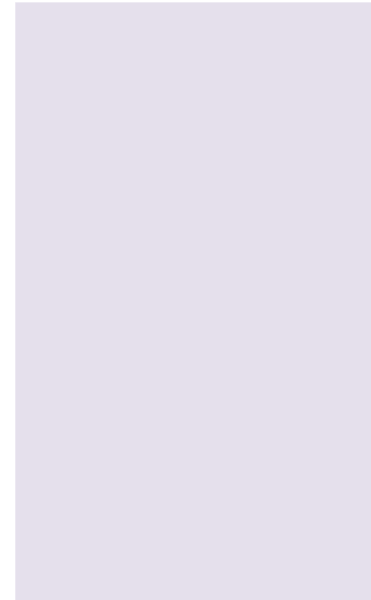
It is important to note that the Council has in place a strong culture of reporting with key performance indicators (including outcomes) included in the Our City Our Plan refreshed each year – these performance indicators are reported to Cabinet quarterly and also to Scrutiny Board, along with the relevant budget position and the Council’s strategic Risk Register ensuring that performance budget and risk are looked at together and issues are able to be addressed in the round. Each of the 6 scrutiny panels, which are focused on key aspects of Our City, Our Plan, then looks at performance, budget and risk within their specific areas and is able to carry out additional reviews to drive forwards performance.

Core principles of the CIPFA/ SOLACE framework	Assurances required	Governance framework providing assurance	Review of Effectiveness	Issues identified
<p>• Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.</p> <p>• Ensuring openness and comprehensive stakeholder engagement.</p> <p>• Defining outcomes in terms of sustainable economic, social, and environmental benefits.</p> <p>• Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <p>• Developing the entity’s capacity, including the capability of its leadership and the individuals within it.</p> <p>• Managing risks and performance through robust internal control and strong public financial management.</p> <p>• Implementing good practices in transparency, reporting,</p>	<p>• Delivery and communication of an agreed corporate plan</p> <p>• Quality services are delivered efficiently and effectively</p> <p>• Clearly defined roles and functions</p> <p>• Management of risk</p> <p>• Effectiveness of internal controls</p> <p>• Compliance with laws, regulation, internal policies and procedures</p> <p>• Value for money and efficient management of resources</p> <p>• High standards of conduct and behaviour</p> <p>• Public accountability</p> <p>• Published information is accurate and reliable</p>	<p>• The Constitution</p> <p>• Statutory Chief Officers (Head of Paid Service, Chief Financial Officer and Monitoring Officer)</p> <p>• Council, Cabinet and Committees</p> <p>• Audit and Risk Committee</p> <p>• Scrutiny function including use of Select Committee where appropriate for a detailed look at an area of importance</p> <p>• Governance and Ethics Committee</p> <p>• Internal and External Audit</p> <p>• Strategic Executive Board</p> <p>• Directors Assurance Statements</p> <p>• Corporate and Business plans</p> <p>• Medium Term Financial Strategy</p> <p>• Strategic Risk Register</p> <p>• Codes of Conduct</p> <p>• Whistleblowing and other anti-fraud related policies</p> <p>• Financial and Contract Procedure Rules</p>	<p>• External Audit Report to Those Charged with Governance (ISA 260) Report – unqualified opinion</p> <p>• Annual Internal Audit Report - unqualified opinion</p> <p>• Annual Audit and Risk Committee Report to Council</p> <p>• Annual Statement of Accounts</p> <p>• Local Government Ombudsman Report</p> <p>• Scrutiny reviews</p> <p>• Annual Governance Statement – including the follow up of previous year issues</p> <p>• Reports from regulatory bodies including Ofsted</p>	<p>• Procurement Compliance/Contract Management – Compliance with Contract Procedure Rules. Increased number of incidents of non-compliance with Contract Procedure Rules, most of which are minor but some have resulted in the need to re-tender. The need to re-tender has arisen within a service area that has significant staff shortages. This is being tackled within each service area by, where necessary, putting measures in place to support officers’ understanding of the rules, and delivering training. The non-compliance</p>

and audit to deliver effective accountability.

- Implementation of previous governance issues

- Our People Strategy
- HR policies and procedures
- modern.gov (the council's committee management information system)



- process is always followed.
- MTFs [see section below]
 - Civic Halls [see section below]
 - Climate Change [see section below]
 - **Improving recruitment and retention** - Local and national recruitment & retention challenges, ensuring we have a proactive response to this challenge to ensure we have sufficient resources to deliver for our city.

The Financial Management Code

The Council continues to self-assess itself against the Financial Management Code, which includes the following core principles by which local authorities should be guided in managing their finances:

- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
- **Accountability** – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
- Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
- Adherence to professional **standards** is promoted by the leadership team and is evidenced.
- Sources of **assurance** are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit and inspection.

- The long term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.

The self-assessment found the Council to be in compliance with the Code. However, there were a limited number of matters where areas for improvement were identified. As a result of this, an action plan has been prepared and its implementation is being monitored. The results of this ongoing exercise continue to be reported to the Audit and Risk Committee as appropriate.

The Review of Effectiveness

The Council has a responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of councillors and senior officers within the Council who have responsibility for the development and maintenance of the governance framework including Internal Audit's annual report, the Scrutiny function and also by reports made by the Council's external auditors and other review agencies and inspectorates. The above table helps illustrate this framework, where assurance is provided and the processes through which the effectiveness of these arrangements are reviewed.

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The review of effectiveness has found the arrangements for the governance framework to be fit for purpose.

A key component of the review of effectiveness is through the work of the Council's Audit and Risk Committee and during the year the Committee continued helping to ensure that the Council had a modern, effective and risk focussed Committee. During the year they:

- Maintained the focus of the Committee on the Council's risk management arrangements, gaining an increased assurance that the Council was managing its risks well.
- Maintained a strong working relationship, through regular progress meetings, with the Council's External Auditors Grant Thornton, the Internal Auditors and Senior Officers. There was also further engagement with Grant Thornton, through regular consideration of their informative Audit Committee Update publications at Committee meetings.

Internal Audit

Internal Audit has reviewed itself against the governance arrangements set out in the CIPFA Statement on the Role of Head of Internal Audit and the Council is able to confirm that the arrangements conform to these requirements. The Council is also able to confirm compliance with the Public Sector Internal Audit Standards.

Internal Audit has concluded that based on the work undertaken during the year on areas of key risk, including the implementation by management of the recommendations made and the assurance made available to the Council by other providers as well as directly by Internal Audit, it can provide reasonable assurance that the Council has adequate and effective governance, risk management and internal control processes.

Managing the risk of Fraud and Corruption

With regards to the latest CIPFA Code of practice on managing the risk of fraud and corruption - having considered all the principles, the Council is satisfied that it has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. The activities undertaken in this area were primarily led during the year by the Audit and Risk Committee.

Opportunities for concerns to be raised

The Council is committed to upholding the highest standards of conduct and ethics, alongside its own Whistleblowing Policy, it has entered into the following arrangements in order to help enhance the opportunities available for anyone wishing to raise any concerns with the Council:

• A safe space run by SeeHearSpeakUp who provide an external and independent confidential reporting service for employees to report any serious concerns about any aspects of the Council's work. The site can be accessed at any time via a link on the City People homepage. Employees who have serious concerns about any aspect of the Council's work, can choose to come forward and voice those concerns in a safe and secure environment, in the knowledge that they will be taken seriously, and concerns will be investigated appropriately. Senior council officers who have been trained by SeeHearSpeakUp consider the concerns and identify any potential investigation and provide governance and assurance on all safe space matters disclosed with a view to safeguarding, consistency, equality and fairness.

- The Council also has a support arrangement with Protect (formerly Public Concern at Work), the whistleblowing charity and leading authority on whistleblowing in the UK. This arrangement gives access to Protect's Whistleblowing regular updates and benchmark and diagnostic tools across key areas in.

CIPFA's Statement on the Role of the Chief Financial Officer in Local Government

The role of the Council's Section 151 Officer has been assessed against the CIPFA Statement and found to be compliant.

West Midlands Pension Fund

The West Midlands Pension Fund has completed its own “Assurance Framework – Supporting the Annual Governance Statement” which identified that there had been no adverse matters arising from the work behind their assurance framework.

Linked bodies

- *Wolverhampton Homes*

The Council’s internal auditors provide the internal audit service for Wolverhampton Homes. They were able to provide reasonable assurance that the Company had adequate and effective governance, risk management and internal control processes, and this was reported through their Audit and Business Assurance Committee. Management consultants Campbell Tickell were also appointed to undertake a Strategic Housing Review and in 2023 reported that they consider arrangements between the Council and the company to be operating effectively, a detailed report will be brought to the relevant scrutiny panel shortly with a view to making minor changes to the current arrangements to improve the working arrangements.

- *WV Living*

WV Living’s accounts are audited separately by external auditors and an unqualified opinion was provided on the accounts for 2021-2022, a copy of which will be published on the Council’s website. .

Following on from the review of WV Living in 2020-2021 a number of changes were made to the way in which the Council and WV Living interacted following careful consideration by the Council. The changes included:

- The appointment of non-executive director to the board of WV Living with considerable Housing experience
- Production and approval of a new business plan for WV Living and regular reviews and reports on the compliance with that business plan taken both to the Council’s political and officer leadership and also to the Council’s Shareholder Board for WV Living
- Strengthening of the Council’s Shareholder board –ensuring that clear objective advice is provided to the Shareholder Board by Council officers including the S.151 officer and the Monitoring Officer

It is the Council’s clear view that there is an appropriate level of oversight on WV Living and the Council notes that it remains a going concern and the substantial reduction in the level of borrowing that WV Living has with the Council, which at the time of the writing was zero. It is recognised that the business plan for WV Living anticipates that it may require a limited amount of borrowing from the Council in order to fund

the development of certain schemes, importantly the level of assets that WV Living holds are substantially in excess of any borrowing liability to the Council.

- *Yoo Recruit*

Yoo Recruit's accounts are audited separately by external auditors and an unqualified opinion was provided on the accounts for 2021-2022, a copy of which will be published on the Council's website .

An internal review of the Council's approach and need for Yoo Recruit has been carried out and will be reported to Cabinet and the relevant Scrutiny Panel, namely Resources and Equalities Panel, in 2023, Subject to the decisions made by Councillors Yoo Recruit will update their business plan and additional formal governance measures will be agreed with the company's current delivery partner. Currently Yoo Recruit's performance is reviewed by officers and reported to cabinet members and the leader of the opposition through the regular monitoring of linked bodies.

- *Help 2 Own*

Help 2 Own was only established in 2021. The Council and the WMCA instructed and obtained detailed external advice in order to ensure that the arrangements are fit for purpose and will protect the interests of each body and deliver the proposed outcomes. The partnership is subject to external audit. This will provide assurance that the partnership has adequate and effective governance, risk management and internal control processes. A review of the way governance works for all linked bodies including Help 2 Own will be carried out in 2023 and will be reported to the relevant Committees including Audit and Risk Committee. The operation and governance of Help 2 Own continues to be reported on regularly to Cabinet members and the Leader of the Opposition.

Key changes to the governance framework during the year

A further review has been carried out of the Council's constitution and decision making in the Council. As a result a number of changes have been made and further changes will be coming forwards shortly in the next few months.

Throughout the year further work has been undertaken to update and improve understanding and develop skills, and to create related documents which aim to provide further clarity to Councillors and officers. This includes the following changes adopted by Council:

- Revising the Code of Corporate Governance which was updated in November 2022 in line with the latest principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

- Amendments to the Full Council Procedure Rules on debate etc in response to rising issues, and work to continue on that in line with best practice. (July, Nov)
- Introduction of Arrangements for Dealing with Code of Conduct Complaints (July)
- Linked Bodies – changes to member role on board, CWC Code of Practice – Governance of Council Interests in Companies introduced (Nov)
- Additional councillor training put in place including on the Council’s Code of Conduct and the relevant rules of debate
- Additional (mandatory) officer training to understand the way in which the governance of the authority works including topics such as pre-election period
- Wider councillor training (induction) programme – to reflect the fact that the May 2023 election was an “all-out” election, this was designed by Councillors for Councillors, with appropriate officer input

Further changes continue to be worked on as the constitution is a living document and should be changed whenever necessary this includes an updated scheme of officer delegation that will be brought forward shortly, these updates will be proposed to the Council in Autumn 2023..

Work continues in relation to supporting Councillors through to the Councillor Induction and Development programme (introduced last year) which has been updated and expanded to include additional support on key issues affecting the Councillor role, as well as guidance on leading within the rules and clarification around expected standards of behaviour.

Regular briefings continue to take place of all cabinet members, opposition leader/deputy leader, chairs of panels and all councillors ensuring that there is proactive information provided and discussion on key issues, risks and matters. As part of this regular programme briefings are given on the risks and issues in relation to the Council owned bodies and the steps taken to address any risks. .

Progress on the Governance Issues from 2021-2022

The table below describes the governance issues identified during 2021-2022 and the progress made against these during 2022-2023.

2021-2022 - Key areas and actions for implementation	Mid-year update to Audit and Risk Committee @ January 2023	Latest update as at May 2023
MTFS – In March 2022 the Council approved a balanced budget for 2022-2023 without the use of general reserves. The report to Council noted that the Council is now faced with finding further projected budget reductions estimated at £12.6	Cabinet in October 2022 received the proposed approach to the MTFS and budget for 2023-24, it is anticipated that the Council will be able to set a balanced budget for 2023-24. Work continues towards ensuring that the Council	On 1 March 2023, the Council approved a balanced budget for 2023-2024 without the use of general reserve.

million in 2023-2024, rising to £25.8 million over the medium-term period to 2025-2026.

The level of uncertainty over future funding levels continues to be a significant risk. A prudent approach has been taken to forecasting resources over the MTF period and all assumptions were detailed in the report to Council. There are also a number of significant risks and uncertainties in relation to the cost of services including rising inflation, the impact of the cost of living on residents and adult social care reform.

Work to develop budget reduction and income generation proposals for 2023-2024 onwards in line with the Five Year Financial Strategy has started with an updates on progress will be brought to Cabinet throughout the year. Work will also be undertaken to update the Council's Capital strategy including our proposed approach to the use of capital resources and other financial solutions and a framework of delivery models that the Council will consider/favour.

addresses the budget deficit over the medium term.

The report noted that the Council is now faced with finding further projected budget reductions estimated at £16.4 million in 2024-2025, rising to £23.1 million by 2025-2026.

The outturn position for 2022-2023 has been published and was reported to Cabinet on 12 July 2023 and is being taken to Scrutiny Board on 20 July 2023.

The Council reported that once again it has managed its money well and despite hugely challenging circumstances has delivered within budget after meeting the net costs of redundancy and contributions to essential earmarked reserves. The Council's net revenue budget for 2022-2023 was £267.2 million.

Work is ongoing to address set a balance budget for 2024-2025, however, the Council is faced with significant uncertainties and risks over the medium term, such as:

- Rising inflation
- Pay award(s)
- Demographic growth and increasing demand for services
- Funding levels

<p>Procurement and Contract Monitoring</p> <p>The Select Committee on Wolverhampton Pound made a number of recommendations these will be considered by Council in July 2022 and will need to be implemented by Council.</p> <p>The new Procurement Bill is currently going through the House of Lords. We understand that it could become law in early 2023. There could be significant changes for the authority and we will continue to prepare in order that we can have a smooth transition.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 88</p>	<p>In July 2022 Council endorsed the report and Action Plan prepared by the Wolverhampton Pound Select Committee. The Action Plan sets out 20 recommendations to ensure inclusivity, equality and value for money, and to make sure that all contracts reflect the Council's values in areas such as climate change, diversity, and retaining and growing local wealth.</p> <p>In relation to the Procurement Bill specifically mentioned in the AGS, this is currently going through Parliament but is not yet in its final stages. Government has advised that it will give a minimum of 6 months' notice before "go live" which will give the Council time to respond to the changes necessary to its rules and procedure. A detailed report on the improvements taking place on contract management and procurement was taken to the Council's Resources and Equality Scrutiny Panel on 13 October 2022.</p> <p>The Council has had a peer review exercise to assess the level of readiness for the changes, in which the Council scored the highest among the cohort for the Pipeline work being undertaken. The presentation given also updated on the training of staff in contract management and developing a streamlined contract process.</p>	<p>The Procurement Bill is now awaiting Royal assent which is expected in the autumn. Secondary legislation will still need to make its way through Parliament during the course of the autumn once Royal assent is obtained for the Procurement Bill. It is envisaged that the new legislation will come into force following a 6 month transition period, by October 2024.</p> <p>The Council has now completed the initial Commercial Continuous Improvement Assessment Framework review and has moved on to the continuous improvement work which looks to strengthen our processes and procedures based on Government best practice. Wolverhampton was in the first cohort of local authorities to undertake this work.</p> <p>Procurement now include a number of equality questions within its tender processes. The EDI team are commenting at pre procurement stage on all tender processes to allow clients to ensure equalities are considered at the start of any process.</p>
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		<p>A number of actions have now been completed from the recommendations from the Select Committee including:</p> <ul style="list-style-type: none"> • Co-ordinating with the University of Wolverhampton to advertise new roles within Procurement. • Appointment of the Strategic Lead for Wolverhampton Pound <p>The new contract management system tender is in the final stages of the process with an award to be made shortly. Ongoing training is being offered to internal teams and budget managers and a number of colleagues have completed the contract manager practitioner level qualification offered via the Government Commercial College.</p>
<p>Adult services - A planned redesign of Adult Services is underway and the vision and direction has been agreed and incorporates the legislative change outlined in the Health and Social Care White Paper which requires the local authority to broker all care for those with an assessed need if requested i.e. any self funders who want the LA to source their care at the fair cost of care rate. A new operating model and improved methods for managing demand and front door contact will be implemented.</p>	<p>The Council agreed with the Department of Health to be one of a handful of early adopters of legislative reforms which would require Councils to broker all care for those with an assessed need if requested.</p> <p>Funding was considered and approved by Council in May 2022 for the new operating model including methods of managing demand which was due to start in 2022. The Government subsequently delayed reforms to October 2025 “to allow local authorities to provide more care packages”, so the proposed changes are on hold.</p>	<p>The test and learn approach to the redesign of Adult Services is well underway with the impact of the first changes already presented to Strategic Executive Board, considerable effort has been put into managing first contact at the “frontdoor” resulting in teams being able to connect to people who are contacting us for support in a more timely way.</p> <p>Waiting lists are reducing due to the focus on keeping people safe. Work on</p>

		the test and learn sites will continue until 2024.
<p>Review of Linked Bodies Governance – we will review the Council’s governance of all linked bodies and report back on this to the relevant committees to ensure that we continue to have good governance in place.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 20</p>	<p>Significant work continues to take place on a regular basis, as set out in the AGS, to provide assurance on the work and performance of bodies the Council owns or has potential liability for and to ensure that there is good governance in respect of these other bodies – the most relevant bodies are listed in the AGS.</p> <p>A review is currently being undertaken of these CWC linked bodies to ensure they align with the Council’s new Code of Practice on Governance of Council involvement in linked bodies approved by the Governance and Ethics Committee in November 2022. This and other regular monitoring of these bodies gives no cause for concern, indeed it indicates that there is good governance in place for each of these bodies.</p>	<p>The new Code on governance of linked bodies is in place, confirming that there is a review each year of each of the linked bodies and reported to the relevant scrutiny panel in addition to theregular reporting to the Cabinet and the Leader of the Opposition of the current position of each body.</p> <p>Detailed reviews are underway for both Yoo Recruit and Wolverhampton Homes and will report shortly to the relevant scrutiny panels.</p> <p>The regular monitoring indicates no causes for concern with any of the linked bodies.</p>
<p>Civic Halls - Delivery of the Civic Halls in accordance with any set budget and in line with the set timeline will continue to be closely monitored by the Council throughout, and the Council will ensure that the contracts in place are complied with.</p>	<p>Since the AGS in July 2022 the Civic Halls project has been the subject of a number of further reports and meetings including a report to Cabinet in September 2022, a report to Scrutiny Board in October 2022 and a detailed report on the project to the Audit and Risk Committee in November 2022.</p> <p>In addition, external auditors have concluded their work on the project and have concluded that whilst it has been a challenging project there have been no failings by the Council which have led to</p>	<p>The Civic Halls opened in May 2023 and the opening season of the Halls reopened on 26 May with a sell-out Blur concert.</p> <p>25 shows between 26 May and 13 July 2023 with 48,000 visitors of those:</p> <ul style="list-style-type: none"> • 20% of ticket sales within WV postcodes • 60% of sales from wider midlands region

the delay/budget increase which have taken place.

Critically the Civic Halls have now been handed over to the operator, AEG, and a series of opening events have been scheduled for the formal opening in June.

AEG are currently working on their arrangements for the opening of the venue including recruitment of staff and the fitting out of the bars

- 20% from wider UK and international visitors

It appears that there has been a positive impact on city centre economy and positive feedback from local business – work is now underway to assess the actual impact of the opening of the halls and this will in turn be reported to the relevant scrutiny panel.

Now in festival season / planning phase for Autumn/Winter – next show is 1 September. Bookings for Autumn 2023 and 2024 extremely positive with excellent feedback from artists, managers, agents, promoters and ticket holders.

Work continues to protect the Council's legal position – critically the adjudication that took place earlier in 2023 found in the Council's favour on the key issues – the Council continues to review its position with expert advice and ensure that its financial position is adequately protected.

Compliance with Information Governance/Transparency requirements – ensuring that all relevant staff complete information governance/governance training to provide

The Individual Executive Decision Notice process has been updated and shared with relevant officers, and an internal audit review of the

This work is in place with regular reports brought to Governance and Ethcis Committee on compliance with Governance/Transparency

<p>confidence that the Council will meet all of its legal duties.</p>	<p>process has now taken place and found substantial assurance.</p>	<p>Requirements – we have confidence that the Council is meeting its legal duties.</p>
<p>SEND – implementation of written statement of actions following on from SEND inspection by Ofsted, detailed in the Ofsted report from November 2021</p>	<p>This is being tackled through additional ring-fenced funding approved by Council in early 2022, and the Written Statement of Actions (WSOA) and proposals for implementation are being monitored by a newly formed Cross Party Scrutiny Review Group which sits under the Children and young People Scrutiny Panel. The Panel held its first meeting in September 2022 and second in November 2022. Since the WSoA there have been two monitoring visits by DfE, the last in November 2022, and on both occasions the Council was found to have in place effective strategic leadership, partnership working and co-production to support the actions.</p>	<p>The Written Statement of Action is monitored every 12–15 weeks by the DfE and NHS England with consistently good progress reported following these monitoring visits. Four out of the six key issues have been fully addressed, one remains at Amber with the responsibility for completion resting with Health partners. The final key issue, still RAG rated RED is Joint commissioning which has been slow to progress but as the only key priority remaining it is expected that this will gain rapid traction over coming weeks.</p> <p>One further (the final) DfE/NHS England monitoring visit is scheduled for early November and it is expected that at this meeting the action plan will be agreed as completed.</p> <p>The SEND Partnership Board has requested ongoing monitoring by the DfE/NHS England to ensure continuing improvement and embedding of the actions which will provide reassurance to stakeholders that the SEND Partnership Board is committed to sustained improvements and better</p>

		experiences for families, children and young people with SEND. Political oversight will be maintained through regular CYP Scrutiny Panel reports.
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Action Plan for the Significant Governance Issues identified during 2022-2023 which will need addressing in 2023-2024

Based on the Council's established risk management approach, the following issues have been assessed as being key for the purpose of the 2022-2023 annual governance statement. Over the coming year appropriate actions to address these matters and further enhance governance arrangements will be taken.

2022-2023 Key areas and actions for implementation during 2023-2024	Responsibility and expected implementation date
<p>MTFS – In March 2023 the Council approved a balanced budget for 2023-2024 without the use of general reserves.</p> <p>The report to Council noted that the Council is now faced with further projected budget reductions estimated at £16.4 million in 2024-2025, rising to £23.1 million by 2025-2026.</p> <p>The level of uncertainty over future funding levels continues to be a significant risk. A prudent approach has been taken to forecasting resources over the MTFS period and all assumptions were detailed in the report to Council.</p> <p>There remains a significant risks and uncertainties in relation to the cost of services, including rising inflation, the impact of the cost of living on residents, and increased demand and rising costs of services such as social care.</p> <p>Work to develop budget reduction and income generation proposals for 2024-2025 onwards in line with the Council's Financial Strategy has started with updates on progress will be brought to Cabinet throughout the year.</p> <p>Work will also be undertaken to update the Council's Capital Strategy including our proposed approach to the use of capital resources and other financial solutions and a framework of delivery models that the Council will consider.</p>	<p>March 2024 – Director of Finance.</p>

<p>Procurement Compliance/Contract Monitoring – Contract Procedure Rules breaches. Amber reports have been received from a number of Directors in relation to non-compliance within their areas, and there have been an increase in the overall number of incidents where the Contract Procedure Rules have not been followed. Most non-compliances have been minor, but a small number within a service area experiencing significant staffing issues have resulted in the need to re-tender. This is currently being tackled by, where necessary, putting measures in place to support officers’ understanding of the rules, delivering training, and recruiting to vacant positions. It will further be helped by preparing updated guidance for officers following imminent updates to the relevant procurement laws (currently set out in the Procurement Bill) and expected guidance. At that point it is expected that changes to the Constitution will be needed to ensure it remains up to date.</p>	<p>March 2024 – Director of Finance.</p>
<p>Civic Halls/other capital programmes - Ensuring that the lessons learned from Civic Halls are implemented on other programmes work is in progress to ensure that the lessons learned from the Civic Halls project are implemented and crucially with regular reporting to councillors on these projects.</p> <p>The remit of Scrutiny Board is being amended so detailed updates are brought to Scrutiny to provide more regular oversight and transparency on key capital projects.</p>	<p>March 2024 – Chief Operating Officer</p>
<p>Climate Change – the recent internal audit report has recognised that there was a need for additional resource and reporting mechanisms in relation to the Council’s climate change commitments, as a result additional resources, a detailed internal programme board and additional reporting through to the relevant scrutiny panel have been put in place to ensure that there is delivery and transparency on that delivery.</p>	<p>March 2024 – Chief Operating Officer</p>
<p>Improving recruitment and retention - Recruitment and Retention is not only a local but national issue that we will continue to monitor and respond to - it is important we have robust recruitment and retention initiatives to enable the council to have resources to deliver our services. We continue to monitor our employee turnover rate and respond in a proactive way to this challenge. Recruitment and retention is monitored on our Strategic Risk register and a number of actions have and will continue to be taken, such as:</p> <ul style="list-style-type: none"> • Creation of ‘WV Job’ site supporting us to be an Employer of Choice, showcasing the benefits, careers and culture of our council. • Review of our employee benefits • Independent review of our pay structure 	<p>Laura Phillips – March 2024</p>

- The creation of a dedicated Recruitment & Retention team in People Services

Future Assurance

Where appropriate, a progress report on the implementation of the above actions from the key areas will be reported to the Audit and Risk Committee during 2023-2024.

Certification

To the best of our knowledge, the governance arrangements, as outlined above have been effectively operating during the year with the exception of those areas identified as requiring improvement. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified during the review of effectiveness and will monitor their implementation and operation as part of our annual review.



Stephen Simkins, Acting Leader of the Council

Date:



Tim Johnson, Chief Executive

Date:

City of Wolverhampton Council audit plan

Year ending 31 March 2023

November 2023

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

Key matters



National context

For the general population, rising inflation rates, in particular for critical commodities such as energy, food and fuel, is pushing many households into poverty and financial hardship, including those in employment. At a national government level, recent political changes have seen an emphasis on controls on spending, which in turn is placing pressure on public services to manage within limited budgets.

Local government funding continues to be stretched with increasing cost pressures due to the cost of living crisis, including higher energy costs, increasing pay demands, higher agency costs and increases in supplies and services. Local authority front-line services play a vital role in protecting residents from rising costs; preventing the most vulnerable from falling into destitution and helping to build households long-term financial resilience. At a local level, councils are also essential in driving strong and inclusive local economies, through their economic development functions and measures like increasing the supply of affordable housing, integrating skills and employment provision, and prioritising vulnerable households to benefit from energy saving initiatives. Access to these services remains a key priority across the country, but there are also pressures on the quality of services. These could include further unplanned reductions to services and the cancellation or delays to major construction projects such as new roads, amenities and infrastructure upgrades to schools, as well as pothole filling.

Our recent Value for Money work has highlighted a number of governance and financial stability issues at a national level, which is a further indication of the mounting pressure on audited bodies to keep delivering services, whilst also managing transformation and making savings at the same time.

In planning our audit, we will take account of this context in designing a local audit programme which is tailored to your risks and circumstances.

Audit Reporting Delays

In a report published in January 2023 the NAO has highlighted that since 2017-18 there has been a significant decline in the number of local government body accounts including an audit opinion published by the deadlines set by government. The NAO outlines a number of reasons for this and proposed actions. In our view, it is critical to early sign off that draft local authority accounts are prepared to a high standard and supported by strong working papers.

Key matters



Our Responses

- As a firm, we are absolutely committed to audit quality and financial reporting in the local government sector. Our proposed work and fee, as set out further in our Audit Plan, will be discussed with the Director of Finance.
- We will consider your arrangements for managing and reporting your financial resources as part of our audit in completing our Value for Money work.
- Our Value for Money work will also consider your arrangements relating to governance and improving economy, efficiency and effectiveness.
- We will continue to provide you and your Audit and Risk Committee with sector updates providing our insight on issues from a range of sources and other sector commentators via our Audit Committee updates.
- We hold annual financial reporting workshops for our audited bodies to access the latest technical guidance and interpretation, discuss issues with our experts and create networking links with other audited bodies to support consistent and accurate financial reporting across the sector.
- We have identified an increased incentive and opportunity for organisations in the public sector to manipulate their financial statements due to increasing financial pressures. We have identified a significant risk in regards to management override of controls – refer to page 8.

Introduction and headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of City of Wolverhampton Council ('the Council') for those charged with governance.

Respective responsibilities

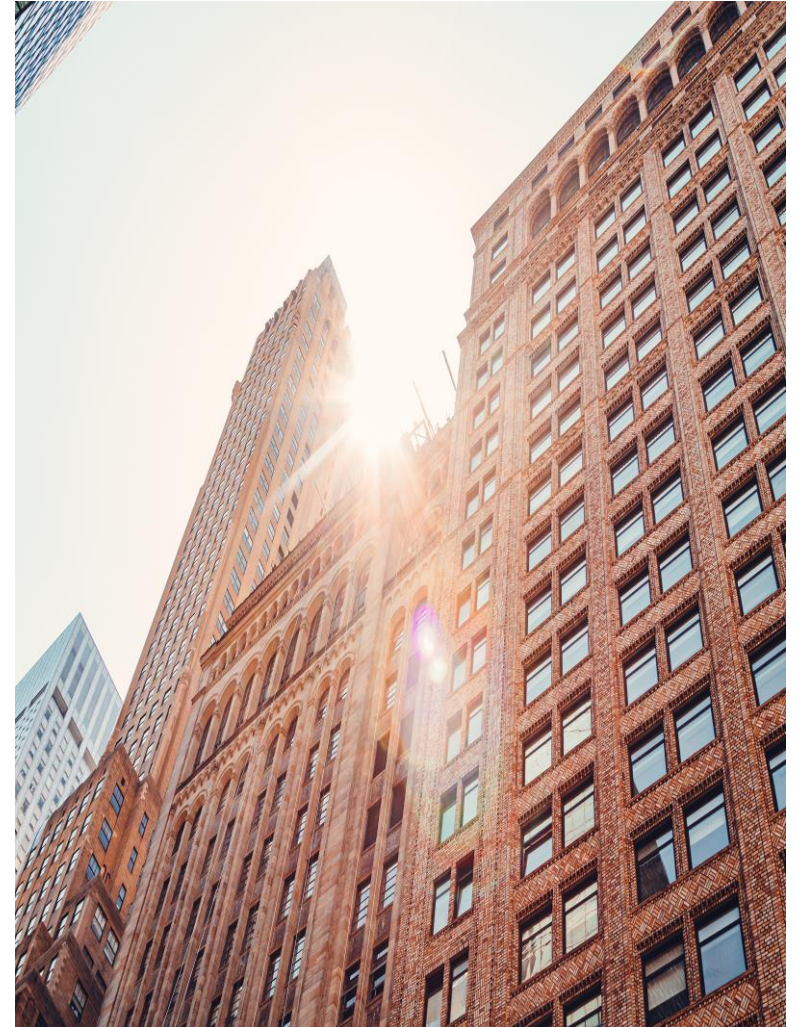
The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). This summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set out in the agreed in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of City of Wolverhampton Council. We draw your attention to both of these documents.

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on the Council and group's financial statements that have been prepared by management with the oversight of those charged with governance (the Audit and Risk Committee); and we consider whether there are sufficient arrangements in place at the Council and group for securing economy, efficiency and effectiveness in your use of resources. Value for money relates to ensuring that resources are used efficiently in order to maximise the outcomes that can be achieved.

The audit of the financial statements does not relieve management or the Audit and Risk Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.



Introduction and headlines

Significant risks

Those risks requiring special audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of controls
- Valuation of land and buildings
- Valuation of council dwellings
- Valuation of investment property
- Valuation of the net pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Group audit

The Council is required to prepare group financial statements that consolidate the financial information of Wolverhampton Homes Limited and City of Wolverhampton Housing Company Limited (trading as WV Living).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money has not identified any risks of significant weakness. We will continue to update our risk assessment until we issue our Auditor's Annual Report.

Materiality

We have determined planning materiality to be £12.8m (PY £11.0m) for the group and £12.1m (PY £10.9m) for the Council, which equates to approx. 1.5% of your prior year gross operating costs. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. As part of our risk assessment, we have considered the impact of the 4 unadjusted prior period errors reported in our prior year Audit Findings Report. While the total value of these errors exceeds 50% of our materiality threshold, the majority of these errors related to PPE and investment property revaluations, which are already identified significant risks. We have not identified any additional risks and therefore have not reduced our materiality thresholds.

Clearly trivial has been set at £0.6m (PY £0.5m).

New Auditing Standards

There are two auditing standards which have been significantly updated this year. These are ISA 315 (identifying and assessing the risks of material misstatement) and ISA 240 (the auditor's responsibilities relating to fraud in an audit of financial statements). We provide more detail on the work required later in this plan.

Audit logistics

Our planning visit took place in April 2023 and our final visit will take place from October. Our key deliverables are this Audit Plan, our Audit Findings Report and our Auditor's Annual Report.

Our proposed fee for the audit will be £218,673 (PY £235,173) for the Council, subject to the Council delivering a good set of financial statements and working papers.

We have complied with the Financial Reporting Council's Ethical Standard (revised 2019) and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements.

Significant risks identified

Significant risks are defined by ISAs (UK) as risks that, in the judgement of the auditor, require special audit consideration. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood. Significant risks are those risks that have a higher risk of material misstatement.

Risk	Risk relates to	Reason for risk identification
Presumed risk of fraud in revenue recognition (rebutted) ISA (UK) 240	Council and Group	<p>Under ISA (UK) 240 there is a rebuttable presumed risk of material misstatement due to the improper recognition of revenue. This presumption can be rebutted if the auditor concludes that there is no risk of material misstatement due to fraud related to revenue recognition.</p> <p>Having considered the risk factors set out in ISA (UK) 240, and the nature of the revenue streams at the Council, we have determined that the presumed risk of material misstatement due to the improper recognition of revenue can be rebutted, because:</p> <ul style="list-style-type: none"> • there is little incentive to manipulate revenue recognition; • opportunities to manipulate revenue recognition are very limited; and • the culture and ethical frameworks of public sector bodies, including this Council, mean that all forms of fraud are seen as unacceptable. <p>Therefore we do not consider this to be a significant risk for the Council or for the Group, where a significant proportion of group revenue is generated by the Council.</p>
Risk of fraud related to expenditure recognition PAF Practice Note 10	Council and Group	<p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must also consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by bringing forward expenditure into an earlier period). As most public bodies are net spending bodies, then the risk of material misstatements due to fraud related to expenditure recognition may in some cases be greater than the risk of material misstatements due to fraud related to revenue recognition.</p> <p>Having considered the nature of the expenditure streams of this Council, and on the same basis as that set out above for revenue, we have determined that there is no significant risk of material misstatement arising from improper expenditure recognition for either the Council or for the Group.</p>

‘Significant risks often relate to significant non-routine transactions and judgmental matters. Non-routine transactions are transactions that are unusual, due to either size or nature, and that therefore occur infrequently. Judgmental matters may include the development of accounting estimates for which there is significant measurement uncertainty.’ (ISA (UK) 315)

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Management override of controls	Council and Group	<p>Under ISA (UK) 240 there is a non-rebuttable presumption that the risk of management override of controls is present in all entities.</p> <p>The Council faces external scrutiny of its spending and this could potentially place management under undue pressure in terms of how they report performance.</p> <p>We therefore identified management override of controls, and in particular journals, management estimates, and transactions outside the normal course of business, as a significant risk.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the design effectiveness of management controls over journals; • analyse the journals listing and determine the criteria for selecting high risk unusual journals; • test unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • gain an understanding of the accounting estimates and critical judgements applied by management and consider their reasonableness with regard to corroborative evidence; and • evaluate the rationale for any changes in accounting policies, estimates or significant unusual transactions.

Management should expect engagement teams to challenge management in areas that are complex, significant or highly judgmental which may be the case for accounting estimates and similar areas. Management should also expect to provide to engagement teams with sufficient evidence to support their judgments and the approach they have adopted for key accounting policies referenced to accounting standards or changes thereto.

Where estimates are used in the preparation of the financial statements management should expect teams to challenge management's assumptions and request evidence to support those assumptions.

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of land and buildings	Council and Group	<p>The Council revalues its land and buildings assets on a rolling basis.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£510.9m in the Council's Balance Sheet at 31 March 2022) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management will need to ensure that the carrying value in the Council's financial statements is not materially different from the current value at the financial statements date.</p> <p>We therefore identified valuation of land and buildings as a significant risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> engage an auditor's valuation expert; evaluate management's processes and assumptions for the calculation of the estimates, the instructions issued to the valuation experts, and the scope of their work; evaluate the competence, capabilities and objectivity of the valuation experts; write to the valuers to confirm the basis on which the valuations were carried out to ensure that the requirements of the Code are met;
Valuation of council dwellings	Council and Group	<p>The Council revalues its council dwellings on an annual basis.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£885.9m in the Council's Balance Sheet at 31 March 2022) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management will need to ensure that the carrying value in the Council's financial statements is not materially different from the current value at the financial statements date.</p> <p>We therefore identified valuation of council dwellings as a significant risk of material misstatement.</p>	<ul style="list-style-type: none"> challenge the information and assumptions used by the valuers to assess the completeness and consistency with our understanding; assess the instructions issued by the Council to its valuers, the scope of the Council's valuers' work, the Council's valuers' reports and the assumptions that underpin the valuations; test revaluations made during the year to see if they had been input correctly into the Council's asset register; and evaluate the assumptions made by management for those land and building assets not revalued during the year or assets revalued during the year at a date other than the Balance Sheet date, and how management has satisfied themselves that these are not materially different from current value at year end.
Valuation of investment property	Council and Group	<p>The Council revalues its investment property on an annual basis.</p> <p>This valuation represents a significant estimate by management in the financial statements due to the size of the numbers involved (£24.3m in the Council's Balance Sheet at 31 March 2022) and the sensitivity of this estimate to changes in key assumptions.</p> <p>Management will need to ensure that the carrying value in the Council's financial statements is not materially different from the fair value at the financial statements date.</p> <p>We therefore identified valuation of investment property as a significant risk of material misstatement.</p>	

Significant risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of net pension liability	Council and Group	<p>The net pension liability, as reflected in the Balance Sheet, represents a significant estimate in the financial statements.</p> <p>The net pension liability is considered a significant estimate due to the size of the numbers involved (£579.6m in the Council's Balance Sheet and £626.3m in the Group's Balance Sheet at 31 March 2022) and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified the valuation of the net pension liability as a significant risk for the Council and for the Group.</p>	<p>We will:</p> <ul style="list-style-type: none"> • update our understanding of the processes and controls put in place by management to ensure that the net pension liability is not materially misstated and evaluate the design of the associated controls; • evaluate the instructions issued by management to their management expert (the actuary) for this estimate and the scope of the actuary's work; • assess the competence, capabilities and objectivity of the actuary who carried out the pension fund valuation; • assess the accuracy and completeness of the information provided by the Council to the actuary to estimate the liabilities; • test the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial reports from the actuary; • undertake procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within the report; and • obtain assurances from the auditor of the West Midlands Pension Fund as to the controls surrounding the validity and accuracy of membership data; contributions data and benefits data sent to the actuary by the pension fund; and the fund assets valuation in the pension fund's financial statements.

'In respect of some risks, the auditor may judge that it is not possible or practicable to obtain sufficient appropriate audit evidence only from substantive procedures. Such risks may relate to the inaccurate or incomplete recording of routine and significant classes of transactions or account balances, the characteristics of which often permit highly automated processing with little or no manual intervention. In such cases, the entity's controls over such risks are relevant to the audit and the auditor shall obtain an understanding of them.' (ISA (UK) 315)

Other risks identified

Risk	Risk relates to	Reason for risk identification	Key aspects of our proposed response to the risk
Completeness of non-pay operating expenditure	Council and Group	<p>Non-pay expenditure on other goods and services represents a significant percentage of the Council's operating expenses.</p> <p>In line with the Public Audit Forum Practice Note 10, in the public sector, auditors must consider the risk that material misstatements due to fraudulent financial reporting may arise from the manipulation of expenditure recognition (for instance by deferring expenditure to a later period). Management also uses judgement to estimate accruals of uninvoiced costs as at the Balance Sheet date.</p> <p>We therefore identified completeness of non-pay operating expenditure as a risk requiring particular audit attention.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate the Council's accounting policies for recognition of non-pay expenditure streams for appropriateness; • gain an understanding of the Council's system for accounting for non-pay expenditure; • test a sample of cash payments immediately prior to and following the year-end to ensure that the expenditure has been recognised in the correct financial period; and • test a sample of invoices received immediately prior to and following the year-end to ensure that the expenditure has been recognised in the correct financial period.
Valuation of investment in Birmingham Airport Holdings Limited	Council and Group	<p>The Council holds a material investment in Birmingham Airport Holdings Ltd (BAHL). This is a level 3 investment is held at fair value.</p> <p>Management commissions a review to ascertain the valuation of the Council's investment at the Balance Sheet date using an earnings-based approach. Earnings multiples are based on an average of the lower-quartile earnings and transaction multiples for the industry, in this case, airports.</p> <p>The valuation of this investment is subject to a high degree of judgement and as such the valuation of this investment is considered to be a significant estimate by management in the financial statements.</p> <p>We therefore identified the valuation of investment in BAHL held at fair value as a risk requiring particular audit attention.</p>	<p>We will:</p> <ul style="list-style-type: none"> • evaluate management's process in determining the fair value through use of an expert; • appoint our own internal expert to review the valuation and appropriateness of the methodology applied; • consider the reasonableness of the estimate; and • review the adequacy of the disclosures of the estimate in the financial statements.

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings Report.

Group audit scope and risk assessment

In accordance with ISA (UK) 600, as group auditor we are required to obtain sufficient appropriate audit evidence regarding the financial information of the components and the consolidation process to express an opinion on whether the group financial statements are prepared, in all material respects, in accordance with the applicable financial reporting framework.

Component	Individually Significant?	Level of response required under ISA (UK) 600	Risks identified	Planned audit approach
City of Wolverhampton Council	Yes	Audit of the financial information of the component using component materiality	Council risks identified on pages 7 to 11. Given the significance of the Council to the Group, all significant risks identified for the Council are identified as significant risks for the Group.	Full scope audit performed by Grant Thornton UK LLP
Wolverhampton Homes Limited	Yes	Audit of one more classes of transactions, account balances or disclosures relating to significant risks of material misstatement of the group financial statements	Group risks identified on pages 7 to 11. The net pension asset of the entity has been identified as a significant risk for the Group given the size of the balances involved (£213m gross assets and £258m gross liabilities at 31 March 2022) and the associated complex accounting treatment. Therefore we will bring this balance into scope for the Group audit.	Specific scope procedures on the entity's net pension asset to be performed by component auditor Grant Thornton UK LLP. The nature, time and extent of our involvement in the work of the separate Grant Thornton UK LLP team will begin with a discussion on risks, guidance on designing procedures, participation in meetings, followed by the review of relevant aspects of audit documentation and meeting with appropriate members of management.
City of Wolverhampton Housing Company Limited (trading as WV Living)	No	Analytical procedures at group level	Group risks identified on pages 7 to 11 – no specific risks identified for the Group arising from this consolidated entity.	Analytical procedures performed by the group auditor

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We read your Narrative Report, Annual Governance Statement, and any other information published alongside your financial statements to check that they are consistent with the financial statements on which we give an opinion and our knowledge of the Council.

We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with requirements set by CIPFA.

We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.

We consider our other duties under legislation and the Code, as and when required, including:

- giving electors the opportunity to raise questions about your 2022/23 financial statements, considering and deciding upon any objections received in relation to the 2022/23 financial statements;
 - issuing a report in the public interest or written recommendations to the Council under section 24 of the Local Audit and Accountability Act 2014 (the Act);
 - application to the court for a declaration that an item of account is contrary to law under section 28 or a judicial review under section 31 of the Act; and
 - issuing an advisory notice under section 29 of the Act.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, 'irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure'. All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Our approach to materiality

The concept of materiality is fundamental to the preparation of the financial statements and the audit process and applies not only to the monetary misstatements but also to disclosure requirements and adherence to acceptable accounting practice and applicable law.

Description	Planned audit procedures
<p>Determination</p> <p>We have determined financial statement materiality based on a proportion of the gross expenditure of the Group and Council for the financial year. Materiality at the planning stage of our audit is £12.8m for the Group and £12.1m for the Council, which equates to approx. 0.5% of your prior year gross expenditure.</p>	<p>We determine planning materiality in order to:</p> <ul style="list-style-type: none"> – establish what level of misstatement could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements; – assist in establishing the scope of our audit engagement and audit tests; – determine sample sizes; and – assist in evaluating the effect of known and likely misstatements in the financial statements
<p>Other factors</p> <p>An item does not necessarily have to be large to be considered to have a material effect on the financial statements.</p>	<p>An item may be considered to be material by nature where it may affect instances when greater precision is required.</p> <p>We have not identified any balances within the financial statements where we will apply a lower materiality level.</p>
<p>Reassessment of materiality</p> <p>Our assessment of materiality is kept under review throughout the audit process.</p>	<p>We reconsider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.</p>

Our approach to materiality

Description

Other communications relating to materiality we will report to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit and Risk Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work. Under ISA 260 (UK) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

Planned audit procedures

We report to the Audit and Risk Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

In the context of the Group and Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.6m (PY £0.5m). If management has corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Risk Committee to assist it in fulfilling its governance responsibilities.

	Group amount	Council amount	Qualitative factors considered
Materiality for the financial statements	£12.8m	£12.1m	As the Council is a net spending body, the users of the financial statements are more likely to be interested in how the Council is spending its resources. Therefore we determine our materiality threshold based on the benchmark of the Council's gross operating expenditure.

IT audit strategy

In accordance with ISA (UK) 315 Revised, we are required to obtain an understanding of the relevant IT and technical infrastructure and details of the processes that operate within the IT environment. We are also required to consider the information captured to identify any audit relevant risks and design appropriate audit procedures in response. As part of this we obtain an understanding of the controls operating over relevant Information Technology (IT) systems i.e., IT general controls (ITGCs). Our audit will include completing an assessment of the design and implementation of relevant ITGCs. We say more about ISA 315 Revised on page 19.

The following IT systems have been judged to be in scope for our audit and based on the planned financial statement audit approach we will perform the indicated level of assessment:

IT system	Audit area	Income	Planned level IT audit assessment
Unit4 Agresso	Financial reporting	£838m	Design and implementation of the ITGCs
Northgate	Council Tax, Business Rates, and Housing Benefits	£233m	High-level understanding of the system

Value for Money arrangements

Approach to Value for Money work for the period ended 31 March 2023

The National Audit Office issued its latest Value for Money guidance to auditors in January 2023. The Code expects auditors to consider whether a body has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors are expected to report any significant weaknesses in the body's arrangements, should they come to their attention. In undertaking their work, auditors are expected to have regard to three specified reporting criteria. These are as set out below:

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Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services.



Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services.



Governance

How the body ensures that it makes informed decisions and properly manages its risks.

We have not identified any risks of significant weaknesses from our initial planning work. We will continue our review of your arrangements, including reviewing your Annual Governance Statement, before we issue our Auditor's Annual Report.

Audit logistics and team



Page 11



Jon Roberts, Key Audit Partner

Jon will be the main point of contact for officers and committee members. He will share his wealth of knowledge and experience across the sector providing challenge and sharing good practice, ensuring that our audit is tailored specifically to the Council. Jon is responsible for the overall quality of our audit work, and will sign your audit opinion.



Kirsty Lees, Manager

Kirsty will work with senior members of the finance team, ensuring that any issues that arise are addressed on a timely basis. She will attend Audit and Risk Committee and liaison meetings with Jon, undertake reviews of the team's work and ensure that our reports are clear, concise and understandable.

Daniel Fisher, Assistant Manager

Dan will work directly with the finance team and manage the day-to-day work of the more junior members of our audit team. He will complete work on the more complex areas of the audit, and will provide support to Kirsty as necessary.

Audited body responsibilities

Where audited bodies do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other audits. Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit to the agreed timescales. In addition, delayed audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit, you need to ensure that you:

- produce draft financial statements of good quality by the agreed timetable you have agreed with us, including all notes, the Narrative Report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of items for testing
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

Audit fees and updated Auditing Standards including ISA 315 Revised

In 2017, PSAA awarded a contract of audit for City of Wolverhampton Council to begin with effect from 2018/19. The fee agreed in the contract was £145,860. Since that time, there have been a number of developments, particularly in relation to the revised Code and ISAs which are relevant for the 2022/23 audit. For details of the changes which impacted on years up to 2021/22 please see our prior year Audit Plans.

The major change impacting on our audit for 2022/23 is the introduction of ISA (UK) 315 (Revised) - Identifying and assessing the risks of material misstatement ('ISA 315'). There are a number of significant changes that will impact the nature and extent of our risk assessment procedures and the work we perform to respond to these identified risks. Key changes include:

- Enhanced requirements around understanding the Council's IT infrastructure and IT environment. From this we will then identify any risks arising from the use of IT. We are then required to identify the IT General Controls ('ITGCs') that address those risks and test the design and implementation of ITGCs that address the risks arising from the use of IT.
- Additional documentation of our understanding of the Council's business model, which may result in us needing to perform additional inquiries to understand the Council's end-to-end processes over more classes of transactions, balances and disclosures.
- We are required to identify controls within a business process and identify which of those controls are controls relevant to the audit. These include, but are not limited to, controls over significant risks and journal entries. We will need to identify the risks arising from the use of IT and the general IT controls (ITGCs) as part of obtaining an understanding of relevant controls.
- Where we do not test the operating effectiveness of controls, the assessment of risk will be the inherent risk, this means that our sample sizes may be larger than in previous years.

These are significant changes which will require us to increase the scope, nature and extent of our audit documentation, particularly in respect of your business processes, and your IT controls. We will be unable to determine the full fee impact until we have undertaken further work in respect of the above areas. However, for an authority of your size, we estimate an initial increase of £5,000. We will let you know if our work in respect of business processes and IT controls identifies any issues requiring further audit testing. There is likely to be an ongoing requirement for a fee increase in future years, although we are unable yet to quantify that.

The other major change to Auditing Standards in 2022/23 is in respect of ISA 240 which deals with the auditor's responsibilities relating to fraud in an audit of financial statements. This Standard gives more prominence to the risk of fraud in the audit planning process. We will let you know during the course of the audit should we be required to undertake any additional work in this area which will impact on your fee.

Taking into account the above, our proposed work and fee for 2022/23, as set out below, is detailed overleaf and will be discussed with the Director of Finance.

Audit fees

	Actual fee 2020/21	Estimated fee 2021/22	Proposed fee 2022/23
City of Wolverhampton Council audit	£215,710	£235,173	£218,673
Audit of Wolverhampton Homes Limited	£28,285	£30,900	£36,900
Audit of City of Wolverhampton Housing Company Limited (trading as WV Living)	£24,000	£26,750	£28,500
Audit of Yoo Recruit Ltd	£15,000	N/A	N/A
Total audit fees (excluding VAT)	£282,995	£292,823	£284,073

Assumptions

In setting the above fees, we have assumed that the Council will:

- prepare a good quality set of accounts, supported by comprehensive and well-presented working papers which are ready at the start of the audit
- provide appropriate analysis, support and evidence to support all critical judgements and significant judgements made during the course of preparing the financial statements
- provide early notice of proposed complex or unusual transactions which could have a material impact on the financial statements.

Relevant professional standards

In preparing our fee estimate, we have had regard to all relevant professional standards, including paragraphs 4.1 and 4.2 of the FRC's [Ethical Standard \(revised 2019\)](#) which stipulate that the Engagement Lead (Key Audit Partner) must set a fee sufficient to enable the resourcing of the audit with partners and staff with appropriate time and skill to deliver an audit to the required professional and Ethical standards.

Audit fees – detailed analysis

Total audit fees 2021/22 (excluding VAT)	£235,173
<i>New issues for 2022/23</i>	
Enhanced audit procedures for Payroll – change of circumstances	£500
Enhanced audit procedures for Collection Fund - reliefs testing	£750
Increased audit requirements of revised ISAs 315 and 240	£5,000
Further reduction on prior year's increases	(£18,250)
Total proposed audit fees 2022/23 (excluding VAT)	£218,673

All variations to the scale fee will need to be approved by PSAA

Audit fees – reconciliation

Proposed fee for 2022/23 breakdown

PSAA scale fee for 2022/23	£161,923
Audit of Group Accounts (not included in the Scale Fee)	£3,750
Enhanced procedures as a result of lower materiality	£3,750
PE Valuation - appointment of auditor's expert	£5,000
Additional work on Value for Money (VfM) under new NAO Code	£20,000
Impact of ISA 540	£6,000
Enhanced procedures on journals in response to regulatory requirements	£3,000
Additional procedures to address other local risk factors – hybrid remote and on-site working	£5,000
Infrastructure	£2,500
Increased reviews in response to regulatory requirements	£1,500
Enhanced audit procedures for Payroll – change of circumstances	£500
Enhanced audit procedures for Collection Fund – reliefs testing	£750
Increased audit requirements of revised ISAs 315 and 240	£5,000
Total proposed audit fees 2022/23 (excluding VAT)	£218,673

All variations to the scale fee will need to be approved by PSAA.

Independence and non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons, relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in May 2020 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Group and Council.

Other services

The other services provided by Grant Thornton have been identified on the following page.

The amounts detailed are fees agreed to date for audit related and non-audit related services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Group and Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings Report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Independence and non-audit services

Service	Fees £	Threats	Safeguards
Audit related			
Certification of Housing Benefits Subsidy Claim 21-22	19,000	Self-interest (because these are recurring fees)	The level of these recurring fees taken on their own is not considered a significant threat to independence as the fees for these pieces of work in comparison to the total fee for the audit of £218,673 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, they are fixed fees and there is no contingent element to them. These factors all mitigate the perceived self-interest threat to an acceptable level.
Certification of Housing Benefits Subsidy Claim 22-23	20,000		
Certification of Teachers Pensions EOYC 21-22	7,500		
Certification of Teachers Pensions EOYC 22-23	10,000		
Certification of Pooling of Housing Capital Receipts 21-22	7,500		
Certification of Pooling of Housing Capital Receipts 22-23	TBC		

Communication of audit matters with those charged with governance

Our communication plan	Audit Plan	Audit Findings	
Respective responsibilities of auditor and management/those charged with governance	•		ISA (UK) 260, as well as other ISAs (UK), prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table here.
Overview of the planned scope and timing of the audit, form, timing and expected general content of communications including significant risks and Key Audit Matters	•		
Confirmation of independence and objectivity of the firm, the engagement team members and all other indirectly covered persons	•	•	This document, the Audit Plan, outlines our audit strategy and plan to deliver the audit, while the Audit Findings will be issued prior to approval of the financial statements and will present key issues, findings and other matters arising from the audit, together with an explanation as to how these have been resolved.
A statement that we have complied with relevant ethical requirements regarding independence. Relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged. Details of safeguards applied to threats to independence	•	•	
Significant matters in relation to going concern	•	•	We will communicate any adverse or unexpected findings affecting the audit on a timely basis, either informally or via an audit progress memorandum.
Matters in relation to the group audit, including: Scope of work on components, involvement of group auditors in component audits, concerns over quality of component auditors' work, limitations of scope on the group audit, fraud or suspected fraud	•	•	
Views about the qualitative aspects of the Group's accounting and financial reporting practices including accounting policies, accounting estimates and financial statement disclosures		n/a	Respective responsibilities As auditor we are responsible for performing the audit in accordance with ISAs (UK), which is directed towards forming and expressing an opinion on the financial statements that have been prepared by management with the oversight of those charged with governance.
Significant findings from the audit		•	
Significant matters and issue arising during the audit and written representations that have been sought		•	The audit of the financial statements does not relieve management or those charged with governance of their responsibilities.
Significant difficulties encountered during the audit		•	
Significant deficiencies in internal control identified during the audit		•	
Significant matters arising in connection with related parties		•	
Identification or suspicion of fraud (deliberate manipulation) involving management and/or which results in material misstatement of the financial statements (not typically council tax fraud)		•	
Non-compliance with laws and regulations		•	
Unadjusted misstatements and material disclosure omissions		•	
Expected modifications to the auditor's report, or emphasis of matter		•	

Report title	CIPFA Audit Committee Updates	
Accountable director	Claire Nye, Director of Finance	
Originating service	Audit	
Accountable employee	Ian Cotterill Tel Email	Head of Internal Audit 01902 554475 ian.cotterill@wolverhampton.gov.uk
Report to be/has been considered by	Not applicable	

Recommendations for noting:

The Audit and Risk Committee is asked to note:

1. The contents of the latest CIPFA Audit Committee Updates which has a focus on new CIPFA Guidance on Audit Committees and Internal Audit.

1.0 Purpose

- 1.1 The Chartered Institute for Public Finance and Accountancy (CIPFA) issue regular briefings for audit committee members in public sector bodies. Their aim is to provide members of audit committees with direct access to relevant and topical information that will support them in their role.

2.0 Background

- 2.1 The latest edition of these briefings has a focus on new CIPFA Guidance on Audit Committees and Internal Audit, and a regular briefing on current issues.

3.0 Progress, options, discussion

- 3.1 The following updates have been issued since the Audit and Risk Committee received issue 36 at the September 2022 meeting:

3.2 Issue 37 – Review audit committee effectiveness (issued January 2023)

This publication concentrates on the annual review of the committee's effectiveness. All committees in local authorities and police are encouraged to review the new CIPFA guidance and ensure their audit committee is following it, but effectiveness should also consider the impact of the committee. The committee should be assured that they are meeting the latest guidance in that it meets at least four times a year, has independent members, and produces an annual report of the committee's activities to Full Council each year.

3.3 Issue 38 – Financial risk and the audit committee, and the audit committee's role in internal audit standards (issued July 2023)

This publication considers how the audit committees can ensure their organisation's governance and financial management arrangements are robust. With recent examples of failure and ongoing concerns about financial resilience, this is a key area of concern for audit committees. It is also an area where an effective audit committee can make a significant difference.

- 3.4 Further CIPFA updates will be brought before the Audit and Risk Committee, as and when they are published.

4.0 Financial implications

- 4.1 There are no financial implications arising from the recommendation in this report. [CN/13112023/B]

5.0 Legal implications

- 5.1 There are no legal implications arising from the recommendation in this report.

[TC/11112023/B]

6.0 Equalities implications

6.1 Equalities issues are implicit within the work of the Audit and Risk Committee throughout the year. Specific equality issues may also be addressed within individual activities undertaken by both the internal and external auditors, and where appropriate will be reported back to the committee.

7.0 All other implications

7.1 There are no other implications arising from the recommendations in this report.

8.0 Schedule of background papers

8.1 These documents contain some information which is copyrighted and cannot be made readily available. However, to comply with the spirit of the Freedom of Information Act, should you require details of the report it may be possible to give you access to certain information. If you wish to do that, please contact the accountable employee as detailed above.

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Audit and Risk Committee

27 November 2023

Report Title	Audit Services – Counter Fraud Update	
Accountable Director	Claire Nye, Director of Finance	
Originating service	Audit	
Accountable employee	Ian Cotterill	Head of Internal Audit
	Tel	01902 554475
	Email	ian.cotterill@wolverhampton.gov.uk
Report to be/has been considered by	Not applicable	

Recommendation for noting:

The Audit and Risk Committee is asked to note:

1. The contents of the latest Audit Services Counter Fraud Update.

1.0 Purpose

- 1.1 The purpose of this report is to provide Members with an update on current counter fraud activities undertaken by Audit Services.

2.0 Background

- 2.1 The Counter Fraud Unit was set up within Audit Services, in response to the increased emphasis being placed upon both fraud prevention and detection by Central Government.

3.0 Progress, options, discussion, etc.

- 3.1 At the meeting of the Audit and Risk Committee in July 2023, it was agreed that regular updates on the progress the Council was making in tackling fraud would continue to be brought before the Committee.

4.0 Financial implications

- 4.1 There are no financial implications arising from the recommendation in this report.
[CN/13112023/C]

5.0 Legal implications

- 5.1 Investigations by the Counter Fraud Unit may have legal implications depending upon what action is taken or decided against in respect of those investigations.
[TC/11112023/C]

7.0 All other implications

- 7.1 There are no other implications arising from the recommendations in this report.

8.0 Schedule of background papers

- 8.1 There are no background papers.



Audit Services Counter Fraud Report @ November 2023

1 *Introduction*

The counter fraud agenda is one that continues to hold significant prominence from Central Government who are promoting a wide range of counter fraud activities. The purpose of this report is to bring the Audit and Risk Committee up to date on the counter-fraud activities undertaken by the Counter Fraud Unit within Audit Services.

The Council is committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated. This message is made clear within the Authority's Anti-Fraud and Corruption Policy, which states: "The Council operates a zero tolerance on fraud, corruption and bribery whereby all instances will be investigated, and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies stolen from the Council."

2 *The Counter Fraud Team*

The Counter Fraud Team, which sits within Audit Services, is continuing to develop and lead in raising fraud awareness across the Council and in promoting an anti-fraud culture. The team carries out investigations into areas of suspected or reported fraudulent activity and organises a series of Council wide pro-active fraud activities, including the targeted testing of areas open to the potential of fraudulent activity. The team maintains the Council's fraud risk register, implements the counter fraud plan and leads on the Cabinet Office's National Fraud Initiative (NFI) exercise.

The team also provide a tenancy fraud investigation service to Wolverhampton Homes under a service level agreement.

3 *Counter Fraud Update*

Counter Fraud Plan

The latest status of progress against the counter fraud plan is shown at Appendix 1

Fraud Risk Register

The Counter Fraud Team maintains the Council's fraud risk register. The register is used to help identify areas for testing and to inform future audit assurance plans by focusing on the areas with the 'highest' risk of fraud. The latest fraud risk register is included at Appendix 2.

National Fraud Initiative Exercise 2022/23

The Counter Fraud Unit co-ordinates the investigation of matches identified by the Cabinet Office's National Fraud Initiative (NFI) data matching exercises. Where matches are identified, the ensuing investigations may detect instances of fraud, over or underpayments, and other errors. A match does not automatically mean there is a fraud. Often there is another explanation for a data match that prompts bodies to update their records and to improve their systems. The NFI exercise also provides assurance to management those systems are working effectively where fraud and error is not present.

The latest NFI exercise commenced in January 2023 and a total of 8,213 matches have been released. The matches are graded with the highest quality matches prioritised for investigation. Work is progressing to investigate the various types of matches. As matches are processed details of the progress made will be brought before the Committee.

Description	*Current value (£)
Pensions and Pension Gratuities to DWP Deceased	18,677
Blue Badge Parking Permit to Blue Badge Parking Permit	1,300
Blue Badge Parking Permit to DWP Deceased	198,900
Total	218,877

*The savings figures are based on methodology and calculations produced by the Cabinet Office in support of the National Fraud Initiative. The figures include:

Blue Badge – Notional £650 per badge cancelled.

Pensions – action is being taken to recover the overpayments.

Counter Fraud Team - Tenancy Fraud

The Counter Fraud Teams Tenancy Fraud results from 01 April 2023 to 31 October 2023 are shown in the following table:

Recoveries	1 April 2023 to 31 October 2023	Value*
Investigation type	Number	£
Subletting	1	93,000
Succession / Assignment	0	0
Non-occupation	1	93,000
False Applications	3	9,720
Total nominal savings*	5	195,720

*The savings figures for tenancy fraud are based on methodology and calculations produced by the Cabinet Office in support of the National Fraud Initiative and include:

Social housing tenancy fraud - Notional £93,000 saving recognises the future losses prevented from recovering the property.

Social housing application fraud – Notional £3,240 (per case) saving recognises the future losses prevented by not letting the property to an ineligible individual and with the potential of having to place a genuine prospective tenant from the waiting list in expensive temporary accommodation. There is no allowance in this calculation for past value fraud and therefore the notional loss is less than that of social housing tenancy fraud.

National Anti-Fraud Network Intelligence Notifications

The National Anti-Fraud Network (NAFN) issues regular alerts which provide information on fraud attempts, trends and emerging threats. The information provided in the alerts has been notified to NAFN by other local authorities from across the country. These alerts are checked to the Council's systems to verify whether there have been any instances at Wolverhampton.

Alerts which either involve suppliers used by the Council or are applicable to all Councils, are notified to appropriate sections of the Council. The most common alerts relate to Bank Mandate fraud, Council Tax Refund fraud, cyber fraud including ransomware and email interception.

Midland Fraud Group

This group consists of fraud officers from across the Midland's local authorities. The purpose of the group is to identify and discuss the outcome of initiatives being used to tackle fraud. At the last meeting discussions were held on:

- Blue Badges.
- Money Laundering.
- Sanctions

Counter Fraud Plan Update

Issue	Action	Timescale
Raising counter fraud awareness across the Council	Develop and deliver Fraud Awareness seminars	Fraud based training to be planned
	Develop on-line fraud training for staff.	To be refreshed Winter 2023/24
	Work with Workforce Development to develop and promote fraud training.	New training package to be introduced Winter 2023/24
	Establish measures for assessing the level of employee fraud awareness.	Winter 2023/24
	Hold fraud surgeries to enable staff to report areas of suspected fraud.	Fraud surgeries planned for Winter 2023/24
	Use various forms of media to promote fraud awareness across the Council including City People, the intranet and the internet.	Fraud seminars and surgeries will be promoted through City People
	Work closely with Wolverhampton Homes and seek opportunities to promote joint fraud awareness.	On-going
Work with national, regional and local networks to identify current fraud risks and initiatives.	Maintain membership of the National Anti-Fraud Network (NAFN).	On-going
	Participate in the Cabinet Office's National Fraud Initiative (NFI) data matching exercises. Acting as key contact for the Council, the West Midlands Pension Scheme and Wolverhampton Homes.	On-going. Latest exercise commenced January 2023
	Complete the CIPFA fraud survey.	CIPFA Survey last required to be completed Aug 2020
	Investigate opportunities to develop the use of NFI real time and near real time data matching.	Ongoing
	Participate in CIPFA's technical information service.	On-going
	Maintain membership of the Midlands Fraud Group.	On-going –last meeting Autumn 2023
	Attend external fraud seminars and courses.	Counter Fraud and Forensic Accounting Conference June 2022, NAFN AGM and National Conference Nov 2023
Assess the counter fraud strategy against best practice	Complete national fraud self-assessments, for example:	
	<ul style="list-style-type: none"> CIPFA Code of Practice 	As and when next updated by CIPFA
	<ul style="list-style-type: none"> CIPFA Council Fraud Tracker Survey 	Annually

Issue	Action	Timescale
	<ul style="list-style-type: none"> The former Department for Communities and Local Government – ten actions to tackle fraud against the Council. 	On-going
	<ul style="list-style-type: none"> Consideration of fraud resilience toolkit 	On-going
Identify and rank the fraud risks facing the Council	Manage the Council's fraud risk register to ensure key risks are identified and prioritised.	Updated quarterly and presented to the Audit and Risk Committee
	Develop measures of potential fraud risk to help justify investment in counter fraud initiatives.	On-going
	Seek opportunities to integrate the fraud risk register with other corporate risk registers and also the Audit Services Audit Plan	On-going
Work with other fraud investigation teams at the Council	Develop good communication links between the Counter Fraud Unit, Wolverhampton Homes, and Audit Services.	The Council's Counter Fraud Team provide a tenancy fraud service to Wolverhampton Homes.
Work with external organisations to share knowledge about frauds?	Establish formal joint working relationships with external bodies, for example Police, Health Service and Immigration Enforcement.	On-going
Participate in external initiatives and address requests for information	Implement industry best practice as identified in reports produced by external bodies, for example; CIPFA's Annual Fraud Tracker Survey and the National Fraud Initiative report.	Annual/on-going
	Encourage Service Areas to participate in initiatives to identify cases of fraud.	Liaise with other services where appropriate
	Look for opportunities to use analytical techniques such as data matching to identify frauds perpetrated across bodies, for example other Councils.	On-going
	Undertake a programme of proactive target testing.	On-going
	Respond to external requests for information or requests to take part in national initiatives.	On-going
All cases of reported fraud are identified, recorded and investigated in accordance with best practice and professional standards.	Work with Service Areas to develop methods of recognising, measuring and recording all forms of fraud.	Liaise with other services where appropriate
	Manage and co-ordinate fraud investigations across the Council.	As reported back to the Audit and Risk Committee on a quarterly basis
	Implement and update the Council's portfolio of fraud related policies in response to changes in legislation.	The latest policies are appended in a separate report being

Issue	Action	Timescale
		presented at this committee meeting
	Where appropriate take sanctions against the perpetrators of fraud either internally in conjunction with Human Resources and Legal Services or externally by the Police.	On-going
Ensure responsibility for counter fraud activities is included in Partnership agreements with external bodies.	Embed responsibility for counter fraud activities in partnership agreements with the Council's strategic partners.	On-going
	Partnership agreements to include the Council's rights of access to conduct fraud investigations.	On-going
Provide the opportunity for employees and members of the public to report suspected fraud.	Manage and promote the Whistleblowing Hotline and record all reported allegations of fraud.	City People article – planned for Winter 2023/24
	Promote and hold fraud surgeries that provide the opportunity for staff to discuss any potentially fraudulent activity at the Council.	Fraud surgeries planned for Winter 2023/24
	Seek other methods of engaging with employees and the public to report fraud.	On-going – for example through the Council's internet site
	Where appropriate ensure allegations are investigated and appropriate action taken.	On-going
	Work with and develop procedures for carrying out investigations with other service areas for example Human Resources, Legal Services and Wolverhampton Homes.	On-going
Inform members and senior officers of counter fraud activities.	Report quarterly to the Audit Committee on the implementation of Counter Fraud initiatives and the progress and outcome of fraud investigations.	On-going

Fraud Risk Register @ November 2023

Themes	Potential fraud type	Risk rating
Housing Tenancy	Subletting for profit, providing false information to gain a tenancy, wrongful tenancy assignment and succession, failing to use the property as the principle home, right to buy. This risk is managed by Wolverhampton Homes.	Red
Council Tax	Fraudulently claiming for discounts and exemptions such as the single person's discount and Local Council Tax Support Schemes.	Red
Personal Budgets	Falsely claiming that care is needed, carers using direct payments for personal gain, carers continuing to receive direct payments after a person dies, duplicate applications submitted to multiple Councils.	Red
Cyber Security	Using technology as a tool to commit acts of fraud – this currently has a very high profile and is an ever-increasing area susceptible to fraud	Red
Covid-19	The Council was open to fraud and misappropriation due to changes in legislation and the speed in which government support grants needed to be processed.	Amber
Welfare Assistance	Fraudulent claims.	Amber
Procurement	Collusion (employees and bidders), false invoices, overcharging, inferior goods and services, duplicate invoices.	Amber
Business Rates	Evading payment, falsely claiming mandatory and discretionary rate relief, empty property exemption, charity status.	Amber
Payroll	'ghost' employees, expenses, claims, recruitment.	Amber
Blue Badge	Fraudulent applications use by others and continuing use after a person dies.	Amber
Electoral	Postal voting, canvassing.	Amber
Schools	School accounts, expenses, procurement, finance leases.	Amber
Bank Mandate Fraud	Fraudulent request for change of bank details (increased following a recent case).	Amber
Theft	Theft of Council assets including cash (increased following a recent case).	Amber
Insurance	Fraudulent and exaggerated claims.	Green
Manipulation of data	Amending financial records and performance information.	Green
Grants	False grant applications, failure to use for its intended purpose.	Green

Bribery	Awarding of contracts, decision making.	Green
Money Laundering	Accepting payments from the proceeds of crime.	Green

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CITY OF WOLVERHAMPTON COUNCIL	Audit and Risk Committee 27 November 2023
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Report title	Review of Fraud Related Policies and Procedures	
Accountable director	Claire Nye, Director of Finance	
Originating Service	Audit	
Accountable employee	Ian Cotterill	Head of Internal Audit
	Tel	01902 554475
	Email	ian.cotterill@wolverhampton.gov.uk
Report to be/has been considered by	Not applicable	

Recommendation for decision:

The Audit and Risk Committee is recommended to:

1. Review and approve the following Council fraud related policies and procedures:
 - Anti-fraud and corruption policy and procedure
 - Whistleblowing policy and procedure
 - Raising fraud awareness guide
2. Delegate authority to the Head of Internal Audit to amend the policies in terms of changes to contact details.

1.0 Purpose

- 1.1 This report updates the Committee on the recent review of the Council's fraud related policies and procedures.

2.0 Background

- 2.1 The City of Wolverhampton Council is committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated. The Council operates a zero tolerance on fraud, corruption and bribery whereby all instances will be investigated, and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies stolen from the Council. Where appropriate arrangements will be made to ensure that such cases receive maximum publicity to deter potential fraudsters. The following fraud related policies and procedures support with the prevention and detection of fraud:

- Appendix 1 – Anti-fraud and corruption policy and procedure
- Appendix 2 – Whistleblowing policy and procedure
- Appendix 3 – Raising fraud awareness guide

It should be noted the above policies and procedures have been established using best practice guidance.

3.0 Progress, options, discussion, etc.

- 3.1 Since the policies and procedures were last approved the only changes made has been making reference to Ian Cotterill being named as the new Head of Internal Audit.
- 3.2 These policies and procedures will be continually reviewed based on feedback from Council employees, through awareness campaigns and training sessions. These policies and procedures will be presented annually to the Audit and Risk Committee for approval.

4.0 Financial implications

- 4.1 There are no financial implications arising from the recommendations in this report. The policies outlined in this report are essential to protecting the resources of the Council.
[CN/13112023/D]

5.0 Legal implications

- 5.1 There are no legal implications arising from the recommendations in this report.
[TC/11112023/D]

6.0 Equalities implications

- 6.1 There are no equalities implications arising from the recommendations in this report.

7.0 All other implications

7.1 There are no other implications arising from the recommendations in this report.

8.0 Appendices

8.1 Appendix 1 – Anti-fraud and corruption policy and procedure

8.2 Appendix 2 – Whistleblowing policy and procedure

8.3 Appendix 3 – Raising fraud awareness guide

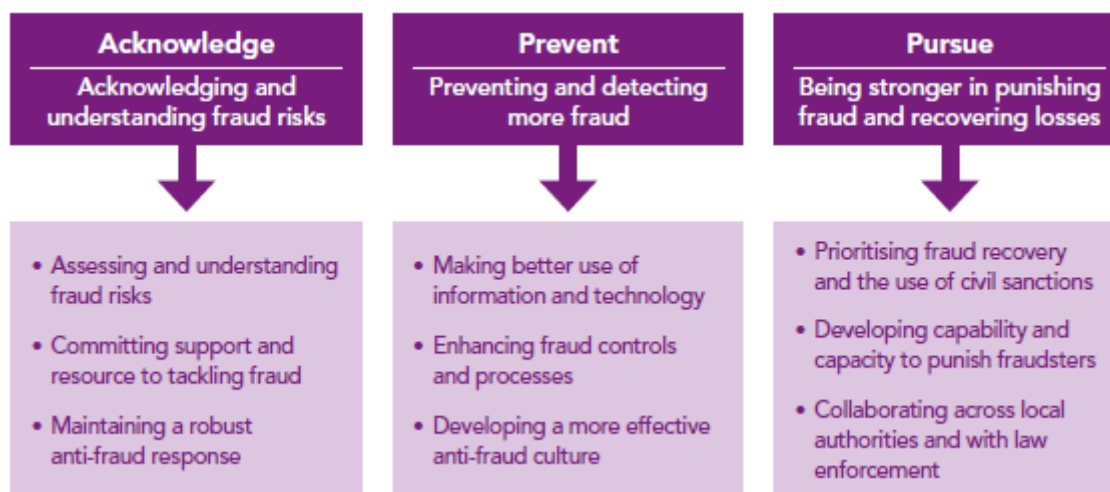
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Anti-Fraud and Corruption Policy and Procedure

Policy Statement

The City of Wolverhampton Council is committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated. The Council operates a zero tolerance on fraud, corruption and bribery whereby all instances will be investigated, and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies stolen from the Council. Where appropriate arrangements will be made to ensure that such cases receive maximum publicity to deter potential fraudsters.

In order to achieve the Council's aims and objectives it is important that a zero tolerance to fraud stance is taken, and the threat of fraud is acknowledged, any fraudulent practises are prevented, and where perpetrated are detected, investigated and wherever possible any loss of monies is recovered. These are the goals and intended outcomes of this Policy, and are based around those of what was the National Fraud Authority's 'Fighting Fraud Locally Strategy' of "Acknowledge", "Prevent" and "Pursue":



Introduction

The public are entitled to expect the Council to carry out its business with integrity, honesty and openness and to demand the highest standards of conduct from those working for it. This policy and procedure outlines the Council's commitment to creating an anti-fraud culture and maintaining high professional and ethical standards.

What is Fraud?

For the Council's purpose fraud can be defined as the intentional distortion of financial statements or other records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain (this covers theft, false accounting, bribery and corruption, deception, collusion, money laundering and identity theft). Examples of fraudulent activities include:

- The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers

- Destroying, defacing, concealing or falsifying any account, record or document required for an accounting purpose, with a view to personal gain or gain for another (including falsifying expenses claims and time records)
- Theft of cash and Council assets/property

Consequences of Fraud

Where there are any incidents of fraud within the Council, it carries several negative effects, not only for the Council, but also for the Council's partners, the public and Council employees. Negative effects include adverse publicity, loss of assets (anything from time to money), loss of morale, reduced performance and loss of trust.

Culture

The Council is committed to enhancing and actively promoting an anti-fraud and corruption culture where employees and the public can feel comfortable in voicing their concerns.

Responsibility

Who has responsibility for the detection of fraud, corruption and bribery within the Council?

Everyone has a responsibility for identifying and reporting any suspected instances of fraud, corruption and bribery to their line manager or, if required, direct to the Director of Finance (Section 151 Officer) or Audit Services.

Employees

Employees are often the first line of defence in preventing fraud and are an integral part in quickly identifying fraud, corruption and bribery. All employees of the Council should be aware of their role and responsibilities as well as the policies/rules that they need to comply with, and the Council encourages any employee who suspects any irregularity to report it initially to their line manager, the Director of Finance (Section 151 Officer) or the Head of Internal Audit as necessary.

Senior officers

It is the responsibility of each senior officer to establish the internal control regime for their service areas and to ensure that all activities carried out are efficient, effective and well ordered. The systems in place should ensure that if there is a breach it is promptly identified, and the necessary action taken to minimise any potential loss. Senior officers should also foster an environment where employees can feel able to approach them with any concerns regarding suspected irregularities. Any such suspected irregularities brought to their attention, should be reported to the Director of Finance or the Head of Internal Audit.

Director of Finance (Section 151 Officer)

The Director of Finance has a statutory responsibility under Section 151 of the local government act to ensure that proper arrangements are made for the Council's financial affairs. Therefore, all frauds must be reported to the S151 Officer, or their nominated officer (generally the Head of Internal Audit).

Head of Internal Audit

In accordance with the local government act the Council maintains an internal audit function, known as Audit Services. It is the responsibility of Audit Services to investigate any instances of possible fraud, corruption and bribery being perpetrated against the Council.

The Head of Internal Audit also has responsibility for administering the Council's whistleblowing policy and procedure. Therefore, all incidents of whistleblowing, including those made anonymously, shall be reported or passed on, to the Head of Internal Audit.

Councillors

Councillors have a responsibility as the duly elected representatives of Wolverhampton for ensuring that the assets and resources of the Council are protected from all forms of abuse (including fraud, corruption and bribery).

External audit

Independent external audit is an essential safeguard of the stewardship of public money. Part of the role of external audit is to appraise the arrangements made by the Council to prevent and detect fraud, corruption and bribery.

Suppliers, contractors and external organisations

The Council expects all its partners that it deals with to act with honesty and integrity. The Council will similarly act at all times on the same basis.

Other related documents

This document is not the Council's sole document in relation to fraud, corruption and bribery; as such the following documents/processes have also been introduced by the Council to promote an anti fraud and corruption culture:

- Fraud awareness guide
- Financial procedure rules
- Contracts procedure rules
- Whistleblowing policy and procedure
- Anti-money laundering policy
- Fraud awareness training
- Disciplinary procedures
- Code of conduct for Councillors
- Code of conduct for employees
- Clear and robust recruitment procedures
- Clear lines of responsibility and accountability

Council's Powers of Investigation

Who can investigate

Audit Services has responsibility to investigate any instances of possible fraud, corruption and bribery being perpetrated against the Council and its client base. This can involve the use of in-house staff and specialists from other Council teams, associated bodies, other Council's and external organisations, including law enforcement agencies such as the Police.

What can be investigated

The Counter Fraud Unit is a function of Audit Services and is responsible for the planning, preparation, and controlling of all fraud related activities, sensitive investigations and whistleblowing, across all areas of the Council and its client base. To include undertaking interviews under caution, interviews with suspects and witnesses, and attending court as a prosecution witness on behalf of the Council.

Surveillance

To oversee applications for surveillance under RIPA legislation, ensuring that prior to reference to the Magistrates Court, that all other lines of enquiry have been followed and that

the requested surveillance is proportionate and necessary in line with the Council's policy and national legislation. Also, to represent the Council at meetings with inspectors from the Office of Surveillance Commissioners.

Prosecutions and Cautions

Ensure that legal referrals are prepared to the highest standard when passed to Legal Services or the Crown Prosecution Service (CPS) as necessary. Undertake Caution interviews as necessary.

Recovery

Financial Investigators are used to investigate a person's financial matters. They can also investigate the finances of a business or a private limited company. Financial investigators determine where money comes from, how it is moved and how it is used. The information acquired is used to recover the proceeds of crime, including money owed to the Council and the public purse and the enforcement of confiscation orders.

Legal frameworks

The counter fraud unit operate within the following legal frameworks:

- **PACE (Police and Criminal Evidence Act 1984) code E** – used when conducting interviews under caution.
- **DPA (Data Protection Act 1998 sections 29 and 35)** – used to obtain information on each investigation from various government departments, companies etc.
- **CPIA (Criminal Procedure and Investigations Act 1996)** – adhered to when investigating. All documents are recorded, retained and revealed in investigations.
- **RIPA (Regulation of Investigatory Powers Act 2000, part II)** – Used when conducting surveillance.
- **HRA (Human Rights Act 1998)** – adhered to with each investigation.
- **POSHFA (Prevention of Social Housing Fraud Act 2013)** – Used to request information in tenancy fraud cases.
- **Council Tax Reduction Scheme (Default Scheme) (England) Regulations 2012** – Used for investigating Council Tax Reduction cases.
- **Housing Act 1985** – Used in cases relating to succession of housing.
- **Fraud Act 2006** – Used in general fraud cases.
- **Proceeds of Crime Act 2002** – used for investigations linked to prosecutions and enforcement of confiscation orders.

Local Government Act 1972

The counter fraud unit investigators are required to investigate in accordance with the Local Government Act 1972. The following sections from this Act are relevant:

- **Section 151** – Duty to protect public funds: Every Local Authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of the officers has responsibility for the administration of those affairs.
- **Section 222** – Right to prosecute and instigate civil proceedings to recover funds due: Where a local authority consider it expedient for the promotion or protection of the

interests of the inhabitants of their area they may prosecute, defend or appear in any legal proceedings and, in the case of any civil proceedings, may institute them in their own name.

- **Section 223** – Right to appear in court: Any member or officer of a local authority who is authorised by that authority to prosecute or defend on their behalf or to appear on their behalf in proceedings before magistrates' court shall be entitled to prosecute or appear in any such proceedings and to conduct any such proceedings.
- **Section 111** – Right to act: Without prejudice to any powers exercisable apart from this section but subject to the provisions of this Act and any other enactment passed before or after this Act, a local authority shall have power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.
- The right to question suspects and witnesses – Police and Criminal Evidence Act 1998 - PACE (Code C):

The above information is not exhaustive and includes other statute or statutory instruments relevant to fraud investigation. The above may also be amended or substituted and all relevant subordinate legislation is included.

The Bribery Act 2010

This defines bribery as “giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so”. There are four key offences under the act:

- the giving or offering of a bribe
- the request for, or acceptance of a bribe
- bribing a foreign public official
- a corporate offence of failing to prevent bribery.

The act supports the Council's principle of free and fair competition in contracting and procurement. Anyone who, in the course of Council business, becomes aware that a bribe has been requested, offered, given or accepted should report their suspicions promptly, in accordance with the processes set out in this document. Facilitation payments are considered bribes (payments to induce officials to perform routine functions they are otherwise obligated to perform). Genuine hospitality or similar business expenditure that is reasonable and proportionate is allowable by the act and the codes of conduct for Councillors and employees, details what is acceptable.

The penalties of committing an offence under the bribery act are up to 10 years imprisonment and an unlimited fine.

Training

The Council recognises that for a successful anti-fraud and corruption culture to be effective, suitable training should be available to all employees, and this will be provided through a variety of methods including seminars, on-line training and the production of helpful guides.

Investigations

Where someone knows, or suspects, that an irregularity or an instance of fraud, corruption or bribery is occurring, they should report it to their immediate line manager, or failing this the Director of Finance (Section 151 Officer), in effect this is passed on to the Head of Internal Audit Services shall, dependent upon the issue, prepare a response plan, carry out an investigation and report back appropriately.

Each allegation and their subsequent outcome shall also be reported by Audit Services to the Audit and Risk Committee. In the event that a member of the Audit and Risk Committee is dissatisfied with any aspect of how the concern has been dealt with, the matter will be referred to the Council's external auditors.

Referrals to the Police

Decisions to refer a fraud, corruption or irregularity matter to the police will normally be taken by the Director of Finance or their nominee. Notwithstanding any action taken by the Police, the Council is committed to recovering any losses incurred as a result of fraudulent activity wherever possible. This may include pursuing a civil action through the courts where this is deemed to be an appropriate course of action.

Conclusions

The Council maintains systems, procedures and guidelines that assist in the minimisation of fraud and corruption and will carry out a full investigation of any issues that arise. Such arrangements are regularly reviewed to ensure they are operating effectively and efficiently.

The Council, will wherever possible, publicise its continual commitment to establishing an anti-fraud and corruption culture.

This policy will be reviewed on an annual basis by the Head of Internal Audit and the Audit and Risk Committee to ensure that it remains up to date, fit for purpose and represents generally accepted good practice.

Useful contact details

Anyone who has any concerns regarding the possibility of fraud, corruption or bribery taking place can contact the following:



Fraud Hotline: (01902) 550550

(24 hours a day, 7 days a week, answerphone out of office hours)

Ian Cotterill - Head of Internal Audit

Tel: (01902) 554475

e-mail: ian.cotterill@wolverhampton.gov.uk

Claire Nye – Director of Finance (S151 Officer)

Tel: (01902) 550478
e-mail: claire.nye@wolverhampton.gov.uk

Tracey Christie – Head of Legal Services

Tel: (01902) 554925
e-mail: Tracey.Christie@wolverhampton.gov.uk

The Council's external auditors:

Grant Thornton UK LLP
Colmore Plaza
20 Colmore Circus
Birmingham
B4 6AT
(Tel: 0121 212 4000)

Protect

The Green House
244-254 Cambridge Heath Road
London
E2 9DA
(Tel: 020 3117 2520)
(Advice line: www.protect-advice.org.uk)

wolverhampton.gov.uk

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Policy statement

Every employer faces the risk that something will go badly wrong in their organisation and ought to welcome the opportunity to address it as early as possible. Whenever such a situation arises the first people to know of such a risk will usually be employees yet while these are the people best placed to speak up before damage is done, they often fear they have the most to lose if they do (otherwise known as “whistleblowing”). They may also feel that speaking up would be disloyal to their colleagues or to the Council and they may fear harassment or victimisation. In these circumstances it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice.

The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment we actively encourage employees, and others that we deal with, who have serious concerns about any aspect of the Council’s work to come forward and voice those concerns.

This document makes it clear that you can raise concerns without fear of victimisation, subsequent discrimination or disadvantage. This whistleblowing policy and procedure is intended to encourage and enable employees to raise serious concerns within the Council rather than overlooking a problem.

Whistleblowing is the popular term used when someone who works in an organisation raises a concern that could threaten customers, colleagues, the public or the organisation’s own reputation. As an early warning system, whistleblowing can help alert employers to risks such as:

- a danger in the workplace;
- fraud in, or by the organisation;
- offering, taking or soliciting bribes;
- damage to the environment;
- failure to comply with appropriate professional standards;
- gross waste or mismanagement of funds;
- serious misuse or abuse of authority;
- misreporting performance data; or
- neglect of people in care.

Whistleblowing concerns as distinct from grievances

Whistleblowing is where an employee has a concern about danger or illegality that has a public interest aspect to it. A grievance or private complaint is, by contrast, a dispute about the employee’s own employment position and has no additional public interest dimension.

Therefore, any issues surrounding an employees’ own contracts of employment, bullying or harassment, should be raised under the existing Council policies for these issues (copies of which can be obtained on the Council’s intranet site). Where issues involve potential cases of fraud, bribery or corruption, employees should also refer to the Council’s anti-fraud and corruption policy and procedure.

Aims of this policy and procedure

The aims of the whistleblowing policy and procedure are as follows:

- To encourage employees to feel confident about raising concerns and to question and act on those concerns.
- To provide ways for employees to receive feedback where appropriate on any action taken as a result.
- To reassure employees that if they raise concerns in the public interest and reasonably believe them to be true (*known as a public interest disclosure), the Council will not tolerate any reprisal against an employee because they have raised a concern under the policy and will treat any such reprisal as a disciplinary matter which might lead to dismissal. However, this assurance is not extended to those who maliciously raise a concern that they know is false, which is also considered a disciplinary matter.
- To ensure that employees are aware of the options available to them if they are dissatisfied with the Council's response.

* No agreement made before, during or after employment, between an employee and the Council will preclude that employee from making a public interest disclosure.

Who is covered by the policy and procedure?

The Council's whistleblowing policy and procedure applies equally to employees, Councillors, job applicants, volunteers, agency workers and Council contractors, suppliers and partners.

Raising a concern

While it is hoped this policy and procedure will reassure employees to raise concerns internally, the Council accepts that employees can safely contact an appropriate external body. Therefore, you may wish to, or benefit from, talking the matter through in confidence with such an external body. If so, independent and confidential advice is available through the organisation Protect, who can be contacted as follows:

Protect

The Green House
244-254 Cambridge Heath Road
London
E2 9DA
(Tel: 020 3117 2520)
(Advice line: www.protect-advice.org.uk)



Protect is a whistleblowing charity that aims to protect society by encouraging workplace whistleblowing. They operate a free, confidential advice line for workers with whistleblowing dilemmas.

If you decide to go ahead with raising a whistleblowing concern, the Council hopes that you will feel able to raise it with your line manager. Where you do not feel that is an option or a sensible course (for example because the issue may involve your manager), or if the concern has been raised locally but remains unaddressed, the concern can be safely raised at a higher level by using the Council's confidential whistleblowing hotline:



Whistleblowing hotline: (01902) 550550

(24 hours a day, 7 days a week, answerphone out of office hours)

Alternately, concerns can be raised directly with the following officers:

Ian Cotterill - Head of Internal Audit

Tel: (01902) 554475

e-mail: ian.cotterill@wolverhampton.gov.uk

Tracey Christie – Head of Legal Services

Tel: (01902) 554925

e-mail: Tracey.Christie@wolverhampton.gov.uk

This policy and procedure is intended to provide you with an avenue within the Council to raise concerns. The Council hopes you will be satisfied with any action taken. If you are not, and if you feel it is right to take the matter outside the Council, the following may be useful contact points:

Protect (contact details above)

The Council's external auditors:

Grant Thornton UK LLP

Colmore Plaza

20 Colmore Circus

Birmingham

B4 6AT

(Tel: 0121 212 4000)

Whilst anonymous allegations will be assessed, and action taken where appropriate, it is much more difficult to properly investigate matters raised anonymously. The whistleblowing policy and procedure is designed to protect anyone raising concerns and individuals utilising the provisions of the policy are encouraged to identify themselves. Obviously, feedback relating to any investigation which has been undertaken can only be provided where contact details are known.

How will the Council respond?

Where a concern is raised, whether formally under the policy or not, the manager will listen carefully, avoid pre-judging the issue and decide whether it should be dealt with under the whistleblowing policy.

Some concerns may be more suitable to be investigated and dealt with by managers through alternative Council procedures such as the disciplinary or grievance processes. Also, concerns or allegations which fall within the scope of other specific procedures (for example, child protection issues) will normally be referred for consideration under those procedures.

Where it is decided that it is a whistleblowing concern, and in all cases where a concern is raised formally (by invoking the policy), the manager should notify the Head of Internal Audit. A decision will then be taken between both parties, as to the most appropriate way in which the concern can be investigated, dependent upon how serious and urgent the risk is, for example

an Audit Services investigation, other internal investigation, referral to the police or other external organisation.

You will be told how and by whom your concern will be handled and be given an estimate of how long any investigation will take.

If you would like an update or feedback following the raising of your concern, you will be told, where appropriate the outcome of the investigation. However, due to the legal obligations of confidentiality the Council owes other employees, it might not be able to freely provide feedback on the outcome of any disciplinary action taken against another employee.

The Council will respect confidentiality and your identity will be kept confidential if you request, unless disclosure is required by law. However, the Council cannot guarantee that others may not try to deduce (correctly or otherwise) your identity. If you are wrongly identified as having raised a concern, the protection offered to whistleblowers within the policy, will also apply to you.

Reporting

The Head of Internal Audit will maintain a record of all key details of concerns raised under the whistleblowing policy and procedure and will report on whistleblowing concerns and their outcomes, as necessary to the Audit and Risk Committee in accordance with the principles on confidentiality.

In the event that a member of the Audit and Risk Committee is dissatisfied with any aspect of how the concern has been dealt with, the matter will be referred to the Council's external auditors.

An annual report summarising activity undertaken under the Council's whistleblowing policy and procedure will also be submitted to the Audit and Risk Committee. This report will include:

- a record of the number and types of concerns raised and the outcomes of investigations;
- feedback from individuals who have used the arrangements;
- any complaints of victimisation;
- any complaints of failures to maintain confidentiality;
- a review of other existing reporting mechanisms, such as fraud, incident reporting or health and safety;
- a review of other adverse incidents that could have been identified by staff (e.g. complaints, publicity or wrongdoing identified by third parties);
- a review of any relevant litigation; and
- a review of staff awareness, trust and confidence in the arrangements.

Review of the whistleblowing policy and procedure

The Council's whistleblowing policy and procedure will be reviewed on an annual basis by the Head of Internal Audit and the Audit and Risk Committee to ensure that it remains up to date, fit for purpose and represents generally accepted good practice.

Anti-Fraud and Corruption Policy Statement

The City of Wolverhampton Council is committed to creating and maintaining an environment where fraud, corruption and bribery will not be tolerated. The Council operates a zero tolerance on fraud, corruption and bribery whereby all instances will be investigated, and the perpetrator(s) will be dealt with in accordance with established policies. Action will be taken to recover all monies stolen from the Council. Where appropriate arrangements will be made to ensure that the case receives maximum publicity to deter potential fraudsters.

All public sector organisations are at risk of, or affected by, fraudulent or corrupt activity. Everyone has a key role to play in deterring and tackling such abuse, as this guide explains. Apart from costing all of us as taxpayers millions of pounds each year, the reasons you should not ignore fraud and corruption are that it:

- demoralises honest colleagues
- strengthens bullies and incompetents
- encourages others to behave in the same way
- diverts precious resources from those who need it
- undermines public and political confidence in public services
- makes your job harder

What is fraud?

For the Council's purpose fraud can be defined as the intentional distortion of financial statements or other records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain (this covers theft, false accounting, bribery and corruption, deception, collusion, money laundering and identity theft). Examples of fraudulent activities include:

- The offering, giving, soliciting or acceptance of an inducement or reward that may influence the actions taken by the authority, its members or officers
- Destroying, defacing, concealing or falsifying any account, record or document required for an accounting purpose, with a view to personal gain or gain for another (including falsifying expenses claims and time records)
- Theft of cash and Council assets/property

How fraud occurs

At least one of the four following basic elements, are usually found to be present when fraud occurs:

- people are involved - they may be people or groups working inside or outside the Council
- assets are at risk
- intent/motive to commit the fraud is present
- opportunity

Managers have a responsibility to ensure that the opportunities for fraud are minimised. While some people would never contemplate fraud, others may if they thought they could get away with it. A high chance of being caught will deter them. Opportunities to commit fraud will be

reduced by ensuring that a sound system of internal control has been established and that it is functioning as intended.

Example indicators of potential fraud in systems

To spot fraud indicators in individual areas or activities it is important that accepted practices have been established for the area or activity under review - the following are examples of possible fraud indicators in several areas:

- secretiveness or defensiveness
- when an employee is on leave, the work is left until they return
- annual leave not taken
- regular long hours working
- high staff turnover rates in key controlling functions
- understaffing in key control areas
- low staff morale/lack of career progression/weak management
- lack of rotation of duties
- inadequate or no segregation of duties
- an employee's lifestyle is more affluent than would be expected from their employment
- excessive variations to budgets or contracts
- bank and ledger reconciliations are not maintained or cannot be balanced
- excessive movements of cash or transactions between accounts
- numerous adjustments or exceptions
- key documents missing (e.g. invoices, contracts)
- absence of controls and audit trails
- inadequate monitoring to ensure that controls work as intended (periodic testing and evaluation)
- consistent failures to correct major weaknesses in internal control
- documentation that is photocopied or lacking essential information
- duplicate payments
- 'ghost' employees on the payroll
- large payments to individuals
- lack of senior management oversight
- PO boxes as shipping addresses
- defining needs in ways that can be met only by specific contractors

Some do's and dont's for managers who suspect fraud

do be open to staff concerns. We need to encourage staff to voice any genuine concerns. You should reassure staff that if they raise concerns with you that are in the public interest, they will be protected from victimisation or reprisal. If someone wishes to discuss a concern in confidence you should respect it but tell them that there may be circumstances (for instance, where their evidence is needed in court) where the matter cannot be resolved unless their identity is revealed.

do note details. Get as much information as possible from the employee. If he or she has made notes, ask for a copy of these. In addition, note any documentary evidence that may exist to support the concern, but do not interfere with this evidence in any way.

do evaluate the information objectively - Before you take the matter further, you need to determine whether any suspicions appear justified. Be objective when evaluating it. Consider the facts as they appear, based on the information you have to hand.

do deal with the matter promptly. The sooner the problem is detected the sooner any damage

caused can be repaired.

don't approach or accuse any individuals directly. If the concern seems credible, don't accidentally tip-off a fraudster in case incriminating evidence could be destroyed.

don't convey the concern to anyone other than someone with the proper authority. We have appointed and trained designated individuals able to deal with and help guide you on fraud matters.

don't try to investigate the matter yourself. If the concern seems credible don't rush into investigating the matter yourself. Pass it on or discuss it as soon as possible with the person or body who has been given that responsibility.

Some do's and don't's for employees who suspect fraud

do raise the matter. The sooner the problem is raised and looked into, the sooner any wrongdoing can be stopped and the sooner you, and others can be reassured things are in order.

do pass on any reasonable suspicion to someone in authority.

do remember key details. If possible, make a note of key details, such as what caused your suspicion, when things happened and who was involved.

don't ignore it. If you are worried that some wrongdoing is happening at work, please don't keep it to yourself.

don't investigate the matter. You may make matters worse if you do. It's your job to raise the concern, not to prove it.

don't report your suspicions to someone who doesn't have proper authority. There are special rules surrounding the gathering of evidence for use particularly in criminal cases. Attempts to gather evidence by people who are unfamiliar with these rules can inadvertently destroy the case.

don't delay. As you won't be asked to prove your concern, raise it when it's a concern. Don't wait for proof.

Investigating suspected fraud

Audit Services normally investigate cases of suspected fraud as investigations must be well managed and carried out by staff trained in handling fraud and corruption investigations to result in the right outcome. There are special rules surrounding the gathering of evidence for use in criminal cases and any attempt to gather evidence by people who are unfamiliar with these rules may adversely affect the outcome of the case.

Your primary responsibility is to report the issue and all associated facts promptly and accurately to an appropriate person. You should then be prepared to co-operate as guided in any subsequent investigation.

Useful contact details

Anyone who has any concerns regarding the possibility of fraud, corruption or bribery taking place can contact the following:



Fraud Hotline: (01902) 550550

(24 hours a day, 7 days a week, answerphone out of office hours)

Ian Cotterill - Head of Internal Audit

Tel: (01902) 554475

e-mail: ian.cotterill@wolverhampton.gov.uk

Claire Nye – Director of Finance (S151 Officer)

Tel: (01902) 550478

e-mail: claire.nye@wolverhampton.gov.uk

Tracey Christie – Head of Legal Services

Tel: (01902) 554925

e-mail: Tracey.Christie@wolverhampton.gov.uk

The Council's external auditors:

Grant Thornton UK LLP

Colmore Plaza

20 Colmore Circus

Birmingham

B4 6AT

Tel: 0121 212 4000

Protect

The Green House

244-254 Cambridge Heath Road

London

E2 9DA

(Tel: 020 3117 2520)

(Advice line: www.protect-advice.org.uk)

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