

## Risk Report - GT VFM Tracker

	Risk Ref	Risk	Uncontrolled Risk	Action Required (In progress Only)	Control Owner Review Date Target Date	Current Risk Score	Controlled Risk Assessment for Financial Year	Comments
	<p><b>GTVFM0001</b></p> <p><b>Risk Owner:</b> Peter J Lewis</p> <p><b>Next Risk Review Date:</b> 10/12/2018</p>	<p><b>Risk Description:</b> External Audit - VFM: The council should review the format of its budget setting, monitoring and outturn reports to ensure they maximise the ability of both officers and members to understand and challenge delivery against budget. As part of this process, members should be consulted with to determine what they would like to see and, in particular, how risks to non-delivery will be flagged.</p> <p><b>Cause:</b></p> <p><b>Consequence:</b></p>		<p>◦ <b>Review and improve further our Budget Monitoring reports and how they link back to our budget setting documentation.</b> Budget Monitoring reports to include favourable and adverse variances separately in Quarter 1 (September) and more explanations of the reasons behind such variances. Use of reserves and capital receipts flexibilities to be shown as separate values. Interim, briefer reports now prepared on a monthly basis with more detailed reports on a quarterly basis. Month 6 report explains the budget movements caused by the cabinet decisions in Sept 2018. Risk Management report to Audit Committee (September and onwards) to include update on this Action Plan. <i>In Progress (50% complete)</i></p>	<p><b>Peter J Lewis</b> <b>07/01/2019</b> <b>29/03/2019</b></p>	<p>Likelihood : Impact :  0</p>	<p>Likelihood : Impact :</p>	<p>13/11/2018: A further refinement of the budget monitoring reports will be made for the Quarter 2 report due in November. This will include increased tracking of delivery of the new in-year savings proposals approved by Cabinet in September. Members feedback on the new format will be sought.</p> <p>31/10/2018: improvement already made &amp; further changes to be made in future months."</p>



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				<ul style="list-style-type: none"> <li>◦ <b>Establish a revised Financial Strategy</b>                      Establish this Autumn a revised Financial Strategy that is based upon a clear and better understanding of                     <ul style="list-style-type: none"> <li>• Our future cost drivers (demographic growth, national cost benchmarking, output of the Peopletoo work to establish a meaningful base budget for Childrens Services)</li> <li>• Our future income opportunities (council tax and business rates, national initiatives such as business rate retention pilots, local opportunities through planning gain, other options including commercial and investment opportunities)</li> <li>• Rightsizing the Council's budget and further adjusting our service delivery accordingly, potentially cutting non-essential and critical services – informed by the Financial Imperative Programme.</li> </ul>                     In Progress (40% complete)                 </li> </ul>	Peter J Lewis 10/12/2018 04/03/2019			the February 2019 Cabinet and Council meetings." "

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	<b>GTVFM0003</b>	<p><b>Risk Description:</b> External Audit - VFM: The council should ensure that there is consistency of reporting between budget setting and monitoring with a clear approach to how savings are identified, quantified financially and monitored. If annual savings are to be identified on a thematic basis, they should also be monitored on a thematic basis. Where savings are built into service line budgets, a full reconciliation should be provided to show how these impact on thematic savings targets</p> <p><b>Cause:</b></p> <p><b>Consequence:</b></p>		<p>◦ <b>Review &amp; improve budget monitoring reports &amp; their links back to budget setting documentation</b> 31/10/2018: Monitoring reports have been revised and improved to ensure that financial information is conveyed to Members &amp; the public more clearly. Further improvements to be made in coming months <i>In Progress (20% complete)</i></p>	<b>Peter J Lewis</b> 07/01/2019 30/11/2018	Likelihood : Impact :  0	Likelihood : Impact :	<p>07/11/2018: Future Budget Monitoring will include an update of progress against all MTFP savings, in particular those agreed by Cabinet in September 2018. Although the new savings proposals have again been grouped into themes, detailed savings supporting this work have been proposed at service area level (SAP node) and will be monitored at this level.</p> <p>31/10/2018: Some improvement made to report and more to be done</p>
	<b>GTVFM0004</b>	<p><b>Risk Description:</b> External Audit - VFM: Committees and meetings responsible for monitoring financial delivery should explicitly minute the challenge and actions taken, where necessary, in response to in year overspends. These should be followed-up at the next meeting to ensure the proposed action is having the desired effect and to inform what further action, if any, is needed.</p> <p><b>Cause:</b></p> <p><b>Consequence:</b></p>		<p>◦ <b>Discuss with Democratic Services to ensure challenges &amp; actions are expressly minuted.</b> Discussions with Democratic Services have lead to increased detail in the minutes of the meeting. Officers &amp; Members are also more conscious of provoking and inquisitive debate. There is also an audio recording of every public meeting that is available. <i>In Progress (10% complete)</i></p>	<b>Peter J Lewis</b> 07/01/2019	Likelihood : Impact :  0	Likelihood : Impact :	<p>07/11/2018: Some improvements made and further review to be undertaken. It is SCC policy that audio recordings are deleted after minutes of meetings are approved.</p> <p>12/11/2018: This policy was confirmed at Council in May 2018 following the Constitution &amp; Standards Committee in March 2018. See Constitution paragraphs 8.63.7 &amp; 8.6.38</p>

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	<p><b>GTVFM0005</b></p> <p><b>Risk Owner:</b> Peter J Lewis</p> <p><b>Next Risk Review Date:</b> 07/01/2019</p>	<p><b>Risk Description:</b> External Audit - VFM: Reporting of financial performance to members should be transparent and understandable and include greater analysis of areas such as use of reserves or grants and application and achievement of transformational projects through the use of capital flexibilities.</p> <p><b>Cause:</b></p> <p><b>Consequence:</b></p>		<p>◦ <b>Review and improve further our Budget Monitoring reports, making them more transparent and understandable</b> We will review and improve further our Budget Monitoring reports and how they link back to our budget setting documentation. It is noted that our current format has previously served us well but given our current financial context we will seek to make them more transparent for all members to see our progress and recommendations. This will include a statement on the use of the Capital Receipts Flexibilities directive and a fuller disclosure of the transformation projects that are being considered for funding through this mechanism. <i>In Progress (60% complete)</i></p>	<p><b>Peter J Lewis</b> <b>07/01/2019</b></p>	<p>Likelihood : Impact :  0</p>	<p>Likelihood : Impact :</p>	<p>02/11/2018 - There have been improvements to the clarity of the budget monitoring reports since month 4, but there are further improvements that can be made. Month 4 report contained a large amount of detail about the proposals for change and exposed to scrutiny items that were of a more technical nature so that members had the best information available. The month 5 and month 6 reports contain detail about the budget adjustments that have been made subsequent to Cabinet decisions. Improved detail on use of capital receipts flexibilities to be in future quarterly reports.</p>
	<p><b>GTVFM0006</b></p> <p><b>Risk Owner:</b> Peter J Lewis</p> <p><b>Next Risk Review Date:</b> 07/01/2019</p>	<p><b>Risk Description:</b> External Audit - VFM: Capital flexibilities should be reported and monitored in line with Central Government guidelines. All identified projects should be included in the budget process and approved prior to the financial year along with achievement against prior year projects. In-year reporting should update for any changes including newly identified projects or those projects that are delayed or unlikely to deliver</p> <p><b>Cause:</b></p> <p><b>Consequence:</b></p>		<p>◦ <b>Review and improve our reporting of the use of Capital Receipt Flexibilities</b> There is improved reporting of the use of capital receipts in the monitoring reports. but there is more detail that can be supplied in future, especially around the impact of the transformational spending. A clear marker has been put down about reviewing all uses of CRF for the next financial year. <i>In Progress (40% complete)</i></p>	<p><b>Peter J Lewis</b> <b>07/01/2019</b></p>	<p>Likelihood : Impact :  0</p>	<p>Likelihood : Impact :</p>	<p>07/11/2018: Work has already taken place through the Financial Imperative work to review all uses of CRF proposed this year to ensure that they are compliant with the guidelines and that they are affordable within the predicted capital receipts, and will deliver the necessary transformational results. 02/11/2018: Improvements continue.</p>

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	<p><b>GTVFM0007</b></p> <p><b>Risk Owner:</b> Peter J Lewis</p> <p><b>Next Risk Review Date:</b> 07/01/2019</p>	<p><b>Risk Description:</b> External Audit - VFM: The S151 officer in his/her annual reporting under Section 25 of the LG Act 2003 on the adequacy of reserves should clearly articulate their view on the adequacy of both general fund and other reserves (including earmarked reserves) along with any proposed actions to strengthen these going forward. As part of this process, consideration should be given, to the appropriateness of holding negative earmarked reserves.</p> <p><b>Cause:</b></p> <p><b>Consequence:</b></p>		<p>◦ <b>Refreshing our 2019/20 Medium Term Financial Plan - Development and Approach</b> The Cabinet received a report on refreshing the MTFP at its meeting in October; this report revealed a £19m gap between anticipated spend and the level of budget provision. Work is now well advanced to identify proposals for change that, if agreed, will bridge the funding gap. Additional money has been granted to local government by the Government in the Autumn Statement; the precise impact of that is awaited at the time of this update. <i>In Progress (30% complete)</i></p>	<p><b>Peter J Lewis</b> <a href="#">10/12/2018</a></p>	<p>Likelihood : Impact :  0</p>	<p>Likelihood : Impact :</p>	<p>13/11/2018: Ongoing work as described in the action column. The Cabinet received a report on refreshing the MTFP at its meeting in October; this report revealed a £19m gap between anticipated spend and the level of budget provision. Work is now well advanced to identify proposals for change that, if agreed, will bridge the funding gap. Additional money has been granted to local government by the Government in the Autumn Statement; the precise impact of that is awaited at the time of this update.</p> <p>10/09/2018: The Interim Director of Finance has already undertaken a review of all reserves, both General and Earmarked, as part of his overall analysis of the financial situation. Immediate findings are in the September Cabinet report The report to the September Cabinet meeting refers to reserves and the General Fund, including plans to restore the latter to a more acceptable level. The inter-relationship to the revenue budget is also explained as are the risks of the low level of reserves. Annual reporting will take place in February 2019.</p>

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Report Selection Criteria

Status Flag=ACTIVE - Business Unit Code=GTVFM - ISNULL(Project Code)