

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
	GTVFM0001 Risk Owner: Sheila Collins Next Risk Review Date: 28/06/2019	Risk Description: 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. Suggest review for completion when next VFM assessment is undertaken, even if further improvements are to be made. Cause: Consequence:		<ul style="list-style-type: none"> Review and improve further our Budget Monitoring reports and how they link back to our budget setting documentation. 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 (90% complete)</i> 	Sheila Collins 28/06/2019 31/07/2019	Likelihood : Impact : 0	Likelihood : Impact : 	22/02/2019 Format of monitoring has been reviewed and increased transparency has been welcomed by members. Further work being considered by new Director of Finance on how performance can be more closely aligned with finance in this reporting. May be appropriate to close this action and create a new one in due course.
	GTVFM0002 Risk Owner: Sheila Collins Next Risk Review Date: 20/04/2019	Risk Description: External Audit - VFM: The council should consider what is a realistic and achievable base budget for each service area, having regard to the previous year's performance. As part of this process, consideration should be given, to what level of contingency, if any, should be set aside for unexpected pressures versus direct service line allocation. Consideration should be given to closing this action when the outcome of the GT VFM assessment is known.		<ul style="list-style-type: none"> Financial Imperative programme to turn around current in-year overspends with budget reductions 31/10/2018: In-year savings proposals were presented to, and agreed by, the Cabinet on 12 Sept 2018. These proposals have now been applied to the budgets and are reported in the month's 6 monitor to Cabinet in November. Rigorous controls are in place to ensure that the savings are delivered according to plan reducing the overspend to £3m. <i>In Progress (95% complete)</i> 	Sheila Collins 11/04/2019 12/04/2019	Likelihood : Impact : 0	Likelihood : Impact : 	20/3/2019: Month 10 budget monitoring report to Cabinet showed a forecast and in year underspend of £1.3m, which included delivery or on track to deliver savings. the final end of year position will be reported to Cabinet in June 2019

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		<p>Cause:</p> <p>Consequence:</p>						
	<p>GTVFM0003</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 31/05/2019</p>	<p>Risk Description: 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>It is suggested that this action is closed when the outcome of the next GT VFM assessment is known.</p> <p>Cause:</p> <p>Consequence:</p>				<p>Likelihood : Impact :</p> <p>0</p>	<p>Likelihood : Impact :</p>	<p>22/02/2019 Good progress has been made in the detail and quality of the monitoring reports and they appear to have been well received. More improvements can be made, but this action could be closed when the outcome of the next GT VFM assessment is known.</p>

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	<p>GTVFM0004</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 18/04/2019</p>	<p>Risk Description: 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>Cause:</p> <p>Consequence:</p>				<p>Likelihood : Impact :</p> <p>0</p>	<p>Likelihood : Impact :</p>	<p>18/03/2019 Democratic services now record challenges and actions in minutes and follow up at next meeting.</p>

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	GTVFM0005 Risk Owner: Sheila Collins Next Risk Review Date: 18/04/2019	Risk Description: 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. Cause: Consequence:		<ul style="list-style-type: none"> ◦ Review and improve further our Budget Monitoring reports, making them more transparent and understandable 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 and a fuller disclosure of the transformation projects that are being considered for funding through this mechanism. Q3 budget monitoring report included line charts (in total and for each core service) to show the budget variances month by month to enable an easy overview of the trend across the year. <i>In Progress (90% complete)</i> 	Sheila Collins 01/05/2019 31/07/2019	Likelihood : Impact : 0	Likelihood : Impact :	18/03/2019 Line charts showing budget variance trends across the whole financial years have been added to Qtr3 monitoring report. Well received by Members at Cabinet and Place Scrutiny meetings.
	GTVFM0006 Risk Owner: Sheila Collins Next Risk Review Date: 18/04/2019	Risk Description: 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 Cause:		<ul style="list-style-type: none"> ◦ Review and improve our reporting of the use of Capital Receipt Flexibilities Business cases for CRF use are being reviewed ahead of the next financial year. <i>In Progress (70% complete)</i> 	Sheila Collins 26/04/2019 30/06/2019	Likelihood : Impact : 0	Likelihood : Impact :	18/03/2019 Note added to up-date that business cases for CRF use are being reviewed before start of next financial years

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	GTVFM0007 Risk Owner: Sheila Collins Next Risk Review Date: 20/04/2019	Risk Description: 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. Cause: Consequence:				Likelihood : Impact : 0	Likelihood : Impact :	20/03/2019 A review of reserves, including the negative earmarked reserves, to identify movements in 2018/2019 and projections for future years has been undertaken. Opportunities are being sought in both 2018/19 and in 2019/20 to replenish the General Fund and reduce or eliminate the negative earmarked reserves. Details were described in the budget report to Cabinet and Council in February 2019.

Report Selection Criteria

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