

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	<p>Risk Description:</p> <p>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>Suggest review for completion when next VFM assessment is undertaken, even if further improvements are to be made.</p> <p>Cause:</p> <p>Consequence:</p>		<ul style="list-style-type: none"> Review and improve further our Budget Monitoring reports and how they link back to our budget setting documentation. <p>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.</p> <p>Risk Management report to Audit Committee (September and onwards) to include update on this Action Plan.</p> <p><i>In Progress (90% complete)</i></p>	Sheila Collins 28/06/2019 31/07/2019	Likelihood: Impact : 0	Likelihood: Impact :	11/06/2019 Improved budget monitoring reporting frequency and level of detail adopted in 2018/19 will be sustained into 2019/20. This reporting is to Cabinet and to relevant Scrutiny meetings. Reports highlight progress on delivery of savings, service variances (adverse and favourable) and seeks approval for allocations to or from reserves - ensuring full visibility.
GTVFM0002	<p>Risk Description:</p> <p>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.</p> <p>Consideration should be given to closing this action when the outcome of the GT VFM assessment is known.</p> <p>Cause:</p> <p>Consequence:</p>		<ul style="list-style-type: none"> Financial Imperative programme to turn around current in-year overspends with budget reductions <p>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.</p> <p>11/6/2019: rigorous controls on savings delivery have been in place since Sept 2018 and the Outturn report reported delivery of 98% MTFP 2 savings (those agreed in Sept 2018) and 72% of MTFP 1 savings (those agreed in Feb 2018). The same rigour will apply throughout 2019/20 financial year.</p> <p><i>In Progress (95% complete)</i></p>	Sheila Collins 11/07/2019 31/07/2019	Likelihood: Impact : 0	Likelihood: Impact :	11/06/2019 Budgets for services were rebased in September 2018, Children's in particular. subsequent budget monitoring reporting against these rebased budgets continued monthly until the end of the year. The Outturn report showed relatively small end of year service variations from forecasts. Full details were included in the Outturn report to Cabinet on 10 June 2019.

<p>GTVM0003</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 11/07/2019</p>	<p>Risk Description:</p> <p>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>11/06/2019 The rigorous savings tracking framework established in September 2018 was continued throughout 2018/19 and will roll forward into also tracking savings in 2019/20 with the same rigour. The successful delivery of savings was reported to Cabinet on 10 June 2019 in the Outturn report - showing 98% delivery of savings identified in Sept 2018 and 72% delivery of savings agreed in Feb 2018.</p>
<p>GTVM0004</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 11/07/2019</p>	<p>Risk Description:</p> <p>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>11/06/2019 Increased reporting to SLT on savings tracking established in 2018 has been sustained until the year end and continues into 2019/20. Action log (included owner and due date) is reviewed at each SLT meeting to track progress on agreed actions.</p> <p>Each formal monthly monitoring report includes savings updates along with explanations of other variations. Minutes of meetings available at next meeting.</p>

<p>GTVFM0005</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 11/07/2019</p>	<p>Risk Description:</p> <p>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>Cause:</p> <p>Consequence:</p>		<p>Review and improve further our Budget Monitoring reports, making them more transparent and understandable</p> <p>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.</p> <p>Month 10 and the Outturn report for 2018/19 continued the increased transparency of reporting. The Outturn report, presented to Cabinet on 10 June 2019, included the full year line chart. The summary in the Outturn report brought together a summary of the councils financial journey throughout 2018/19 to ensure the public were fully sighted in a single report.</p> <p>The approach to monthly reporting will continue in 2019/20 with incremental further improvements as relevant that link financial reporting and service performance.</p> <p><i>In Progress</i></p>	<p>Sheila Collins 11/07/2019 31/07/2019</p>	<p>Likelihood: Impact :</p> <p>0</p>	<p>Likelihood: Impact :</p>	<p>11/06/2019 Financial Reporting to Members increased in frequency and transparency since September 2018: monthly revenue reporting to Cabinet and Scrutiny meetings. Increased reporting will be sustained into 2019/20. Outturn report included specific annexes detailing: carry forward requests; capital receipts flexibilities business cases and movements in reserves.</p>
<p>GTVFM0006</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 11/07/2019</p>	<p>Risk Description:</p> <p>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>Cause:</p> <p>Consequence:</p>				<p>Likelihood: Impact :</p> <p>0</p>	<p>Likelihood: Impact :</p>	<p>11/06/2019 Business cases for CRF use have been developed and reviewed by an officer panel (Chaired by a member of SLT) in March 2019 for 2017/18 to 2019/20 inclusive and CRF use confirmed in the Outturn report to Cabinet on 10 June 2019 for 2018/19. For future years business cases will be reviewed as part of the MTFP process although the Cabinet and SLT intention is to reduce the reliance on CRF use.</p>

<p>GTVFM0007</p> <p>Risk Owner: Sheila Collins</p> <p>Next Risk Review Date: 11/07/2019</p>	<p>Risk Description:</p> <p>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>Cause:</p> <p>Consequence:</p>				<p>Likelihood: Impact :</p> <p>0</p>	<p>Likelihood: Impact :</p>	<p>11/06/2019 MTFP (2019-22) Budget report to Full Council in February 2019 included the S151 Officers S25 report and which commented on the adequacy of reserves in the council. This stressed the need for the council to replenish reserves (especially the negative reserves) in order to improve the councils financial resilience. The report included an up-date on the planned repayment of these negative reserves in 2018/19 and 2019/20 for most of the reserves, and plans to develop a recovery plan for the Dillington deficit. The Outturn report taken to Cabinet on 10 June 2019 has since confirmed the early repayment of the negative reserves planned to be repaid in 2019/20 have in fact been repaid in 2018/19.</p>
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Report Selection Criteria

Status Flag=ACTIVE - Ref like GTVFM*