

* The council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigning ownership for each risk.	Yes Yes	* The members with specific responsibility for risk management have received risk management awareness training.	*B Yes	All members have received risk management awareness training.	N/a Yes <i>(responsibility of Districts)</i>
* There is a member committee with specific responsibility included in its terms of reference to consider corporate risk management.	*B Yes	* The member committee with responsibility for risk management receives reports at least quarterly and takes appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council at least annually.	*B Yes	The council considers positive risks (opportunities) as well as negative risks (threats).	Yes Yes
* Reports to support strategic policy decisions, and project initiation documents, include a risk assessment.	Yes Yes				

***B**

At its June meeting the PTA are proposing a Members Working Group be set up to deal with risk, audit and governance issues – the above criteria will be addressed via this mechanism. PTA risks are already formally monitored and reviewed by the PTE Risk Management Group and audit matters by the Audit Committee.

Evidence: Risk register, RMG minutes, Board minutes, internal audit risk workshops, workshops with Audit Commission

4. INTERNAL CONTROL

How well does the council's internal control environment enable it to manage its significant business risks?

Key line of enquiry

4.2 The council has arrangements in place to maintain a sound system of internal control

Audit Focus

Evidence that:

- the council reviews and reports on its system of internal control
- the council has an audit committee or equivalent and an internal audit function

Criteria for Judgement

Level 2	PTA PTE	Level 3	PTA PTE	Level 4	PTA PTE
* An appropriate member group has responsibility for review and approval of the SIC and considers it separately from the accounts.	*C Yes	* The council has put in place an assurance framework that maps the council's strategic objectives to risks, controls and assurances.	Yes Yes	The assurance framework is fully embedded in the council's business processes.	Yes Yes
* The council has conducted an annual review of the effectiveness of the system of internal control and reported on this in the SIC.	*C Yes	* The assurance framework provides members with information to support the SIC.	*C Yes	The council can demonstrate corporate involvement in/ownership of the process for preparing the SIC.	*C Yes
* The sources of assurance to support the SIC have been identified and are reviewed by senior officers and members.	*C Yes	There is a specific member group (such as an audit sub-committee or member panel) which has audit and governance issues as the principal responsibility in its terms of reference.	*C Yes	There is an audit committee which is constituted as a full committee of the council and is independent of both the Executive and Scrutiny functions.	Yes Yes <i>(PTE functions on behalf of PTA also)</i>
* There are action plans in place to address any significant internal control issues reported in the SIC.	Yes Yes	The member group provides effective leadership on audit and governance issues. It is proactive and has a forward looking programme of meetings and agenda items to ensure comprehensive coverage of all responsibilities in relation to the internal control environment.	*C Yes	The council has taken steps to ensure that the audit committee chair either has previous knowledge of, or has received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime.	Yes Yes
* There is no audit committee but the core functions of an audit committee have been identified and are being undertaken by a member group.	Yes N/a <i>(PTE Audit Committee)</i>				
* The council has an internal audit function that operates in accordance with the CIPFA code of practice for internal audit in local government.	Yes Yes	The procedure notes/manuals for those systems identified by the council as being business-critical are reviewed and updated at least annually.	Yes Yes	Audit committee members are provided with specific training relevant to their responsibilities.	Yes Yes
* There are procedure notes/manuals in place for those systems identified by the council as being business-critical.	Yes Yes	The standing orders, standing financial instructions and scheme of delegation are reviewed at least annually.	Yes Yes	The audit committee has terms of reference which are reviewed on an annual basis, taking into account relevant governance developments and how it integrates with other committees within the council.	Yes Yes

* There are standing orders, standing financial instructions and a scheme of delegation in place.	Yes	Yes	* Compliance with standing orders, standing financial Instructions and the scheme of delegation is monitored by management, and any breaches identified and appropriate action taken.	Yes	Yes	The standing orders, standing financial instructions and scheme of delegation make specific reference to partnerships.	Yes	Yes
* The council has arrangements in place to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.	Yes	Yes				Partnership agreements are subject to regular review and updating.	Yes	Yes
* All reports to members have been formally considered for legal issues before presentation.	Yes	Yes						
There are partnership agreements in place for all the council's significant partnership arrangements.	Yes	Yes						

***C**

The PTA is in the process of approving a Member Working Group to have responsibility for these issues, as set out above. The PTE Audit Committee review work taking place on the PTA in the interim.

Evidence:

Board minutes, Audit Committee papers and minutes, SOFR, annual audit plan, departmental procedure notes, RMG minutes/papers, risk registers

4. INTERNAL CONTROL

How well does the council's internal control environment enable it to manage its significant business risks?

Key line of enquiry

4.3 The council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business

Audit Focus

Evidence that:

- the council has adopted codes of conduct and monitors compliance

- the council's arrangements to prevent and detect fraud and corruption are effective

Criteria for Judgement

Level 2	PTA PTE	Level 3	PTA PTE	Level 4	PTA PTE
* The council has formally adopted a code of conduct for members that includes the mandatory provisions of the statutory Model Code of Conduct.	Yes N/a	The council is proactive in raising the standards of ethical conduct amongst members and staff, including the provision of ethics training.	Yes Yes	The council can demonstrate that its members and staff exhibit high standards of personal conduct.	Yes Yes
* All elected and co-opted members have signed up to the code of conduct.	Yes N/a	* The council has undertaken an assessment of standards of conduct, including how effectively members are complying with the code of conduct, the number and types of complaints received, and takes action as appropriate.	Yes N/a	The council can demonstrate a strong counter fraud culture across all departments. Staff have clearly acknowledged and accepted their responsibility to prevent and detect fraud and corruption.	Yes Yes
* The council has adopted a code of conduct for staff.	Yes Yes			The risk of fraud and corruption is specifically considered in the council's overall risk management process.	Yes Yes
* The council has put in place arrangements for monitoring compliance with standards of conduct across the council including: <ul style="list-style-type: none"> register of interests register of gifts and hospitality complaints procedure 	Yes N/a	* Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and pecuniary interests. There is evidence that members and staff are making appropriate disclosures in the registers and that they are regularly reviewed.	Yes Yes	Successful cases of proven fraud/corruption are routinely publicised to all staff.	Yes N/a
* The standards committee's membership and functions are in accordance with the requirements of the Local Government Act 2000.	Yes N/a	* A strong counter fraud culture is supported and promoted by members and senior officers.	Yes Yes	The council has a track record for effective action in response to whistleblowing disclosures. There are periodic reviews of the effectiveness of the whistleblowing arrangements, and there are effective arrangements for receiving and acting upon disclosures from members of the public.	N/a – none received
* There is a counter fraud and corruption policy applying to all aspects of the council's business which has been communicated throughout the council.	Yes Yes	* The council undertakes proactive counter fraud and corruption work which is determined by a formal risk assessment.	Yes Yes		

<p>throughout the council.</p> <p>* The council has arrangements in place to receive and investigate allegations of breaches of proper standards of financial conduct, and of fraud and corruption.</p> <p>* There is a whistleblowing policy which has been communicated to staff and those parties contracting with the council.</p> <p>* The council has provided the required data for the National Fraud Initiative (NFI), has notified data subjects of this use of data, and has established a process to follow-up NFI data matches.</p>	<p>Yes Yes</p> <p>Yes Yes</p> <p>Yes Yes</p>	<p>The council can demonstrate that counter fraud and corruption work is adequately resourced.</p> <p>* Investigations into allegations of fraud and corruption are conducted in accordance with statutory requirements, e.g. Police and Criminal Evidence Act, Regulation of Investigatory Powers Act, Data Protection Act, by appropriately trained staff.</p> <p>The council ensures that financial redress is sought in appropriate cases of proven fraud/corruption, in accordance with legal advice and the results of a cost/benefit analysis.</p> <p>* The whistleblowing policy is publicised within the council and demonstrates the council's commitment to providing support to whistleblowers.</p> <p>The council has effectively identified the key NFI data matches for review from all levels of reports (high, medium and low).</p> <p>The council works with other bodies such as DWP when following-up data matches from NFI. Risks are followed-up promptly to prevent prolonged exposure.</p>	<p>Yes Yes</p> <p>Yes Yes</p> <p>Yes N/a</p> <p>Yes Yes</p> <p>None identified</p> <p>Yes Yes</p>	<p>The council can demonstrate that effective action has been taken to maximise the potential savings available through NFI.</p> <p>Weaknesses revealed by instances of proven fraud and corruption, including NFI data matches, are reviewed to ensure that appropriate action is taken to strengthen internal control arrangements.</p>	<p>N/a – none identified</p> <p>N/a – none identified</p>
<p>Evidence: Staff handbook, SOFR, code of conduct, NFI submissions, whistleblowing policy, audit reports re fraud and resulting action plans, risk register</p>					