

**To the Chair and Members of the  
AUDIT COMMITTEE**

**DONCASTER COUNCIL GOVERNANCE PLAN**

**EXECUTIVE SUMMARY**

1. In the interests of good council management a specific Governance Plan has been produced. The Governance Plan combines the various actions and initiatives that are being undertaken to improve the Council and increase its ability to meet the specific and varied challenges.
2. The Governance Plan has been incorporated into the Council's Corporate Plan 'Our Council Plan' in order to improve the efficiency and effectiveness of managing performance and assessing progress. It is reported on a quarterly basis in line with other corporate priorities.
3. Significant progress was made in implementing the recommendations contained within the Governance Plan 2013. With only one exception, we achieved everything we set out to do within the timescales. A report submitted to Audit Committee on 22 November 2013 confirmed that of the 30 recommendations contained within the Governance Plan 2013, 23 had been completed. This compares favourably with 2012 performance when, of the 73 recommendations, 27 remained outstanding and had to be carried forward into the new plan.
4. Since the last Audit Committee meeting the following recommendation(s) has been implemented:

<b>R4</b>	<b>Governance Strategy Action Plan (R5)</b>	<b>Jill Parker</b>
<b>R4.1</b>	<b>Improving compliance with the governance arrangements and the general standards of behaviour across the Council by:</b>	
	R4.11 Including manager responsibilities in manager job descriptions and the Manager's Handbook (R5.23)	

**Governance Plan 2014**

5. The Governance Plan for 2014 includes:
  - a) 2013 Governance Plan activities, shown at paragraph 17 of the report, that are causing particular concern;
  - b) 2013 Governance Plan incomplete activities contained within Appendix 1 of the report;
  - c) The four recommendations arising from the Annual Audit Letter 2012/13:
    - i. The authority should commission a full independent review of the Digital Region project to identify the lessons that should be learned.

The review should be carried out as soon as possible and jointly with other stakeholders;

- ii. The authority should ensure it has appropriate arrangements in place to manage the closure of Digital Region Limited and to minimize the financial impact on the authority;
  - iii. The authority should ensure that it develops savings plans to meet the full budget gap of £109m identified for financial years up to 2016/17; and
  - iv. Ensure that quality assurance procedures linked to the production of the financial statements are sufficiently resourced to enable timely delivery; and
- d) Any relevant updates on the Governance Strategy Action Plan.
6. In accordance with the request from Audit Committee on 28 September 2012, the Governance Group will continue to receive an update on all Governance Plan activities, and the Audit Committee will receive an update on an exception basis of those recommendations not yet completed. At its meeting held on 22 November 2013, the Audit Committee requested that future iterations of the Governance Plan include additional section information highlighting the risks involved.
7. Paragraph 17 below provides an update on the activities that are causing particular concern. **Appendix 1** includes an update on the Governance Plan activities that are not yet completed. An update on the external recommendations that need to be monitored corporately will be provided separately by Internal Audit.

## RECOMMENDATION

8. **Members are asked to note and comment on the progress made in relation to the activities and progress in taking forward the Governance Plan for 2014.**

## BACKGROUND

### The Corporate Plan

9. The Corporate Plan combines and co-ordinates all the objectives and outcomes the Council needs to deliver during the year. This includes the activities undertaken by Directorates that contribute to the Borough Strategy, including the Partnership Stock Take outcomes, and deliver The Mayor's priorities; together with actions required to ensure that the Council improves and is governed effectively. 'Our Council Plan' – A Revised Corporate Plan was agreed at Full Council on 21 February 2013.
10. The draft Corporate Plan for 2014/15 is currently being developed with Directorate Management Teams. It is proposed that the Council makes a number of pledges to the people of Doncaster grouped into themes – People, Place and Purpose. Full Council will be asked to approve the Corporate Plan for 2014/15.

## **The Governance Group**

11. The Governance Group was established by the Director of Corporate Services and Finance to promote and ensure good Governance practices across the Council.

## **Annual Governance Report**

12. The Director of Finance and Corporate Services in his role as the Council's responsible financial officer approves the draft Statement of Accounts. The Accounts are presented to the Audit Committee.
13. Following approval of the Statement of Accounts an audit commences that includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes and assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

## **Value for Money Conclusion**

14. Our external auditor, KPMG, has to reach a conclusion on the arrangements the Council has put in place to secure economy, efficiency and effectiveness in its use of resources. This is known as the 'value for money conclusion'. The report considers the arrangements that have been put in place to secure economy, efficiency and effectiveness in the way resources are used.
15. The Value for Money Conclusion 2012/13 concluded that the Council had reached the necessary standards for the KPMG to issue an "unqualified value for money conclusion".

## **Annual Audit Letter**

16. The Annual Audit Letter 2012/13 provides a summary of the key findings from KPMG's 2012/13 audit of the authority. It covers the audit of the authority's 2012/13 financial statements and the 2012/13 Value for Money Conclusion.

## **EXCEPTION REPORT FOR ACTIVITIES THAT ARE A CAUSE FOR CONCERN**

17. The Governance Group has noted that the following activities are currently causing particular concern: None

### **IMPACT ON THE COUNCIL'S KEY PRIORITIES**

18. The delivery of activities contained within the Governance Plan 2014 will help to ensure local people get value for money from council services and contribute to achieving the Council's internal transformation objectives contained within 'Our Council Plan' priority outcome 6 – 'The Council is operating effectively with change embedded and sustained with robust plans in place to operate within future resource allocations'.

### **RISKS AND ASSUMPTIONS**

19. The most significant risk is that the current improvement is not sustained and the performance of the Council deteriorates as a result, causing further reputation damage. The impact of this is assessed as critical, but at this stage it is unlikely to happen. Nevertheless, the risk must be robustly managed.

### **LEGAL IMPLICATIONS**

20. Any specific implications will be reported separately and in the context of any initiative proposed to be taken.

### **FINANCIAL IMPLICATIONS**

21. There are no specific financial implications arising from this report; however, any costs incurred in the delivery of the Governance Plan must be contained within approved revenue and capital budgets. Where specific initiatives arise in response to the contents of the report, which necessitate the incurring costs, these will be reported separately.

### **CONSULTATION**

22. Consultation has taken place with the Chief Executive, Directorate Management Teams, Recovery Board, Overview and Scrutiny Management Committee, The Mayor and Cabinet during the development of the Corporate Plan 2014. The Governance Plan 2014 has been developed in consultation with the Governance Group.

This report has significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

## **BACKGROUND PAPERS**

Our Council Plan – A Revised Corporate Plan  
Annual Audit Letter 2012/13

## **REPORT AUTHOR & CONTRIBUTORS**

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## Doncaster Council Governance Plan 2014

### ACTIVITIES IN PROGRESS

R1	Strand	Responsible Assistant Director
R1.1	Proposed activity to deliver the recommendation (Original recommendation reference number)	Target Completion Date Completed (Date)
<b>R1</b>	<b>Partnership Risks Managed</b>	<b>Steve Mawson</b>
R1.1	<b>Improve partnership risk arrangements</b>	31/03/13
	<b>Update March 2013:</b> The Working in Partnership framework and the Risk Management Framework are being progressed and will be presented to the Governance Group on the 24 <sup>th</sup> June. The lead officers for all current partnerships are completing registration forms and self-assessments will be sent to all partners that are classed as a major significance. Results of the self-assessments will also be presented to the Governance Group on the 24 <sup>th</sup> June.	
	<b>Update June 2013:</b> The Working in Partnership Framework and the Risk Management Framework are being progressed. The Risk Management Framework will be presented to the Governance Group on the 24 <sup>th</sup> June 2013 and the Working in Partnership Framework will be presented to the following Governance Group meeting. The lead officers for all current partnerships are completing registration forms and self-assessments will be sent to all partners that are classed as a major significance. Results of the self-assessments will be presented to the Governance Group with the Working in Partnership Framework.	30/09/13
	<b>Update October 2013.</b> The Risk Management Framework is being presented to the Governance Group on November along with a timetable for the consultation and implementation. The Working in Partnership Framework is being progressed by the newly developed Partnership & Programmes Team and a briefing note will be presented to the next Governance Group.	January 2014
	<b>Update March 2014</b> A detailed report on the Partnership arrangements/ developments is to be presented to the Governance Board on the 4 <sup>th</sup> March 2014, and Executive Board on the 5 <sup>th</sup>	<b>March 2014</b>

	<p>March 2014, both reports detail a catalyst of improvements made and still required to improve the Governance, Communication, and accountability of our Partnerships within Doncaster. Actions and recommendations proposed by both Boards will then form part of the agreed Partnership Action plan.</p>		
<b>Risks</b>			
<p><b>DMBC policies and procedures are not robust enough to protect individuals from exposing the Council to risk at a partnership meeting?</b>  <b>Risk Profile: 9x3=27</b> - DMBC Partnership Team, Legal and Finance Officers continually review the effectiveness of our policies ensuring the Authority is protected in the unlikely event a policy is breached.</p> <p><b>The Council fails to maintain an accurate and reflective list of both Officers and Members who sit on Partnerships/ Boards.</b>  <b>Risk Profile 3x1=3</b> - The Partnership team maintains an accurate record of members and officers currently in situ on Partnerships and Boards, this will be routinely monitored and communicated via the implementation of new communication medias to be rolled out during April 2014.</p>			

<b>R2</b>	<b>Internal Audit Issues Addressed</b>		<b>Colin Earl</b>
R2.1	<b>Performance manage critical audit actions</b>		
	% of critical, major and significant audit recommendations agreed by management		Completed 31/03/12
	% of agreed critical, major and significant audit recommendations implemented on time <b>Update March 2013:</b> Directorates have completed all critical, major and significant action due in quarter 3 within timescale	31/03/13	
	<b>Update June 2013:</b> 16 out of 23 recommendations due to be implemented by 29 March 2013 have been implemented (70%). The 7 outstanding recommendations relate to Payroll reconciliations (x2), managing attendance processes (x3), budget monitoring and commissioning of voluntary services. Reasonable revised implementation dates have been agreed for each outstanding recommendation, taking into account system changes and external factors not directly in the Services' control.		Completed 31/03/13

	<p><b>Update October 2013.</b> Of the 35 critical/major recommendations due for completion in Q2 18 (51%) have been achieved. The 17 outstanding relate to CVS (x2), Central Control of Procurement Contract (x1), Payroll Processing (x7), IT Governance (x1), Safeguarding Adults Personal Assets (x5) and Gypsy &amp; Traveller Rent Follow Up (x1). There will be a concerted effort to complete this next quarter.</p>	<p><b>On-going</b></p>	
	<p><b>Update April 2014</b> Eight items were outstanding (i.e. late) at 31 December 2013. Of these, 7 have now been cleared and only 1 remains outstanding; this is in relation to establishing arrangements for confirming the accuracy of charges made by external home care providers. There is more work and complexity associated with the implementation of this recommendation than originally thought, resulting in a revised implementation date of 31 October 2014 (original date 30 June 2013).</p> <p>There were 14 major audit recommendations due to be completed in Q4, 2013/14. Of these, 3 have been implemented and 11 require more time, including: 4 relating to the updating of payroll procedures and protocols (various original dates - revised date 31 May 2014), reconciliation of payments due to home care services providers (original date 31 March 2014, revised 31 May 2014), establishing a commissioning process for home care services (original 31 March 2014, revised 30 Nov 2014), and 5 recommendations relating to data sharing arrangements with external parties (all expected to be completed in Q1, 2014/15, original date 31 Jan 2014).</p> <p>While the picture could have been better, this is not an altogether discouraging position. Older items have been substantially cleared, many newer items require a short time longer to implement (often due to resource pressures), and others are more complex than originally anticipated and, therefore, require more time. We are satisfied attention is being given by management to the implementation of major audit recommendations.</p>		
<p><b>Risks</b></p>			
<p><b>If the required recommendation are not delivered within the agreed timescale there is a risk that there may be a negative impact on service delivery which may impact on the Council reputation.</b></p> <p><b>Risk Profile 4x3=12</b> - The reviewing and monitoring of all critical and major audit recommendations is embedded into the Corporate Performance Management Framework. There is a corporate governance indicator assigned to each Directorate that highlights compliance to all critical and major audit recommendations, and these are challenge as part of the quarterly challenge process.</p>			



R3	Data Protection Incidents Minimised	Simon Wiles	
R3.1	<b>Improved data protection arrangements</b>	Ongoing	
	<p><b>Update March 2013:</b> The ICO completed the consensual audit 4-6th December in Adult Safeguarding, HR and Revs &amp; Bens focusing on data sharing, records management, data protection training and awareness. We have now received the outcome of 'Limited Assurance' and have a 34 point action plan that we are currently working towards as well as continuing to work through our action plan for the whole organisation and implement the new Data Retention and Disposal Policy focusing on paper first followed by electronic records. We have also had the outcome of 2 open ICO investigations into data breaches within Children's Services and Legal. These did not include penalties mostly due to the fact we agreed to the audit and the ICO are aware of the rapid progress being made. All progress is being monitored very closely by the Council's SIRO (Senior Information Risk Owner) Simon Wiles, the AD responsible and the Data Protection Officer. The Audit Team and Lead Data Protection Officers and Information Asset Owners across the Council are also assisting wherever required</p>		
	<p><b>Update June 2013:</b> Much progress has been made with the action plans, and the development of the Information Governance Strategy is influencing the implementation of the required information policies and procedures. Progress continues to be monitored by the SIRO (Senior Information Risk Owner).The Data Retention and Disposal Policy is being rolled out across the whole authority and the records management storage facility is now in use. The SIRO is in the process of reviewing the Information Asset Owners nominations in order to continue the progression of the action plans. There have been no further breaches reported to the ICO and we are awaiting the result of one ICO investigation following a data breach within Legal Services. The Audit Team and the Lead Data Protection Officers continue to assist wherever required.</p>		
	<p><b>Update October 2013.</b> Of the 34 recommendations made in the ICO Action Plan, currently 26 have been completed and all of the remaining actions are in progress, some of which are not targeted to be complete until the next financial year, or are ongoing. Progress continues to be monitored by the SIRO and SIRO Board, and the final response to the consensual audit is due to be issued to the ICO on the 08/11/13.The Information Asset Owners nominations have been revised and the newly nominated officers are now known across the organisation, have had their responsibilities communicated and the required Information Governance training is being scheduled and delivered. There have been no further breaches reported to the ICO and we are still awaiting the result of one ICO investigation following a data breach within Legal Services. The Audit Team and the Lead Data Protection Officers continue to assist whenever required.</p>		
	<p><b>Update March 2014</b> Following the progress made as a result of the ICO Audit in December</p>		

	<p>2012, the Council received the final follow-up report in December 2013, whereby a final decision on the assurance the Council gives to data protection raised from 'limited' to 'reasonable'. The ICO investigation has also been completed into the breach from Legal and no further action was to be taken, however, the ICO were advised of a further breach from Inpress due to a burglary. This investigation has also been completed and, again, the ICO are not taking this any further. All but 2 Information Asset Owners have been trained and these will be picked up at desk side. The following actions are planned over the next few months:</p> <ul style="list-style-type: none"> <li>• The Data Protection Officer is developing a Terms of Reference for a Data Protection Lead Officer role – this will probably be the current Information Asset Owners Administrators.</li> <li>• Set up 6 weekly Directorate Lead Officer meetings.</li> <li>• The development of an Information Governance web page on the external website and intranet that links with the Governance Web Page.</li> </ul> <p>SIRO Board meetings are now held every 6 weeks and the Audit Team and the Data Protection Lead Officers continue to assist wherever required.</p>	<p>April 2014</p> <p>April 2014</p> <p>May 2014</p>	
	<p><b>Update April 2014</b> All of the actions from the ICO audit that can at this time be completed, have been completed and the remaining actions are in progress and are on-going actions. An Information Governance structure has been implemented with all relevant officers aware of their roles and responsibilities to protect the Councils information security. The Council has now adopted a formal investigating and reporting process to assess all breaches and inform reporting to the ICO. The ICO performed the audit on 3 specific areas, Data Protection Training, Data Sharing and Records Management.</p> <p><u>Data Protection Training</u> all of the 5 recommendations have been completed.</p> <p><u>Data Sharing</u> of the 8 recommendations, 7 have been completed and 1 is on-going.</p> <p><u>Records Management</u> of the 20 recommendations, 15 have been completed and 5 are on-going.</p> <p>Data Protection training has been revisited with the introduction of 5 new modules targeted at specific roles in the organisation and completion of the training is now reported to the SIRO board and all Information Asset Owners.</p> <p>Information Asset Owners have all received training in their role as Information Asset Owners by the Information Management Officer and the majority have had external training provided by Dylis Jones Associates, the knowledge leader in Information Governance.</p>		

	<p>The PSN is a secure extranet that connects various public sector organisations in an assured manner. PSN compliance is required from June 2014 therefore much work has been undertaken by ICT to ensure that the Council meet its obligations. Without the PSN connection Revs &amp; Bens would not get access to DWP information to allow them to process claims, YOT would not get access to the Courts Libra system to deal with their caseload and the Council would not be able to communicate securely with its partners such as the Police or NHS. Over the coming months further work is required to ensure compliance and Technical Specialists have been assigned to this at the required times, to complete the task allocated to them.</p> <p>All of the work undertaken by the Customer Information Team and ICT has improved the Councils position in respect of minimising Data Protection risks; the risk profile has been reduced.</p>		
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**Risks**

**Breaches in Data Protection**

**Risk Profile 3 x 3 = 9** - Many measures taken by the Customer Information Team and ICT council-wide to minimise incidents including, training, continuous engagement, reports of breaches to the SIRO Board, Information Governance Board and the Council, identifying hotspots for increased engagement, using other departments to identify areas of concern.

R5	Annual Governance Report Recommendations Implemented (R6-7)	Jill Parker
R5	<p><b>The Council should vigorously pursue recovery of payroll overpayments wherever possible, and should write-off amounts where recovery is not possible (R6)</b></p> <p><b>Update March 2013:</b> A report to the Audit Committee on overpayments has been put back to June/July so that we can include year-end figures</p>	On-going
	<p><b>Update June 2013</b> A report will be presented to Audit Committee on 18 July 2013 which details the position as at the end of the 2012/13 financial year. The overall balance of overpayments has been reduced by £180,005.64, an overall reduction of 28.23% and a total of £8,011.38 has been written off during 2012/13. Although a further 248 overpayments have occurred during 2012/13 the number of occurrences and monetary values has reduced and should improve further as the new self-service HR/payroll system becomes further embedded.</p>	July 2013
	<p><b>Update October 2013</b> In preparation for Audit Committee in July 2013 a significant piece of work has been undertaken to update the position in relation to each overpayment. As a result the majority of queries have been resolved and a number of write offs have been identified. Outstanding accounts where no payments have been made are being actively pursued by the Revenues team or colleagues at Rotherham in relation to current employees. This will be reported back to Audit Committee in April 2014.</p>	On-going

	<b>Update March 2014.</b> Work is continuing to resolve and mitigate the occurrence of overpayments. All cases held 'in query' have been resolved. However, work is still outstanding on confirming the number and amount of write-offs that can be sanctioned within this financial year. Work is also yet to be completed by the Revenues Team to ensure all outstanding accounts have actions assigned to resolve. A revised procedure is also being drafted to ensure the Council has a clear procedure in place for the efficient recovery of overpayments. A definitive position will be reached by 31 March 2014 and reported to the Audit Committee in April 2014.	
	<b>Risks</b>	

<b>R6</b>	<b>The Council should closely monitor progress in making the required improvements in Children's Services and Housing Services (R14)</b>	<b>Mark Gurrey/Tracey Harwood</b>	
<b>Housing Services</b>			
R6.1	<b>Identify any major internal governance risks or capacity to deliver issues with regard to delivery of the improvements and the service in general as part of the Council's quarterly performance management framework (R14.2)</b>	Review quarterly during 2012/13	
	<b>Update March 2013</b> Through robust management a number of issues have come to light. This is having an effect on the capacity to deliver. To ensure we can provide a service resources are been used from other service areas. All issues are been addressed through using the appropriate policies and procedures. We continue to monitor delivery against the Joint CYPS/Housing Strategy Group Action Plan which enables alignment of key CYPS / Housing priorities (as an on-going joint commitment by CYPS / Housing to rectify the issues identified by the 2011 AC review).	March 2013 ongoing	
	<b>Update June 2013</b> Through robust management a number of issues have come to light. This is having an effect on the capacity to deliver. To ensure we can provide a service resources are been used from other service areas. All issues are been addressed through using the appropriate policies and procedures. We continue to monitor delivery against the Joint CYPS/Housing Strategy Group Action Plan which enables alignment of key CYPS / Housing priorities (as an on-going joint commitment by CYPS / Housing to rectify the issues identified by the 2011 AC review).		

	<b>Update October 2013</b> Issues identified at present in terms of the delivery of the priorities and engagement. A meeting is scheduled to relook at the delivery plan and identify away forward for the two Services. Issues highlighted currently are in relation to the joint working protocol in respect of 16/17 year olds. Focus groups, training and a joint assessment process are been developed to overcome the issues around this.		
	<b>Update March 2014:</b> On-going work across the two services continues. A meeting to look specifically at the joint working protocol is scheduled in for early March. This will be to specifically look at the Local Government Ombudsman's final decision our 'Joint Protocol for Young People Aged 16 – 17 Years in Housing Need'. We are currently reviewing the terms and condition of the joint CYPS and strategy group and are working on anew action plan to reflect the changes across services.	Ongoing	
<b>Risks</b>			
<b>Impact on service delivery across the two services areas</b>			
<b>Risk Profile 3 x 3 = 9</b> - To ensure that the two services continue to develop an action plan that responds to the future development of the service			
<b>Children's Services</b>			
R6.2	<b>New CYPS Improvement Plan 2012-13 to be agreed at the Doncaster Children's Board scheduled for 30 March 2012 (R28.5)</b>  iMPOWER, the Council's external improvement partner has prepared the latest Improvement Plan and this will be monitored via the Children and Families Strategic Partnership Board.	1 April 2012 - 30 March 2013  On-going	
	<b>Update March 2014:</b> The Improvement Plan is co-ordinated between DMBC and iMPOWER. The Plan is monitored via the Children and Families Strategic Partnership Board and now in addition some aspects of it will be scrutinised by the Doncaster Safeguarding Children Board. iMPOWER, together with colleagues from DMBC, is constructing a risk matrix for the plan that will be captured and monitored via Covalent.		
<b>Risks</b>			
<b>Failure to safeguard vulnerable children and to ensure sustainable children's services</b>			
<b>Risk Profile 5 x 3 = 15</b> - Considerable resource has been committed to improving front-line responses, management oversight is more robust. All the performance data indicates improved risk management and more consistent conversion rates throughout the system. There is a refreshed improvement plan in place being delivered in partnership with the Council's Improvement Partner.			

<b>R7-10</b>	<b>Annual Audit Letter 2012/13 Recommendations</b>	<b>Jo Miller</b>	
R7	<b>Digital Region Limited. The Authority should commission a full independent review of the Digital Region project to identify the lessons that should be learned. The review should be carried out as soon as possible and jointly with other stakeholders (New)</b>		
	<b>Update March 2014</b> A review has been jointly commissioned from KPMG by the 4 South.Yorkshire authorities. KPMGs report is expected imminently		
<b>Risks</b>			
Whilst there are no key risks associated with commissioning the report itself, it is important that that the key lessons identified with in the report are considered and that any lessons are learnt to ensure that a similar set of circumstances do not arise in the future			

R8	<b>Digital Region Limited. The Authority should ensure it has appropriate arrangements in place to manage the closure of Digital Region Limited and to minimise the financial impact on the Authority (New)</b>		<b>Steve Mawson</b> Andy Townsend
	<b>Update March 2014</b> The Authority has Board level representation through the Director of Regeneration and Environment and legal and finance officers meet regularly with counterparts from the other South Yorkshire Councils to review and challenge information, progress and updates. Advice and guidance is provided at those meetings and feedback provided internally to the Director of Finance and Corporate Services, the Chief Executive and Mayor. A provision is included in the accounts for the estimated costs of closure and current estimates are that the costs will not exceed the provision. However, the provision cannot be reduced at present as some of the costs remain estimates and are subject to negotiation and clarification. Officers review the cost estimates provided by DRL and the Board has appointed PriceWaterhouseCoopers to provide an extra layer of scrutiny of the estimates. The DRL network will be closed in August 2014 and at that point the majority of the costs should be confirmed and a view taken on the level of the Council's funding requirement.	August 2014	
<b>Risks</b>			
<b>Digital Region Limited costs of closure exceed the provision</b>			
<b>Risk Profile 4 x 2 = 8</b> - The original total cost of closure estimate was £87.6m, of which the Council is legally obliged to provide 8.57% or £7.6m. A provision was included in the accounts for that amount. The current estimated cost of closure is around £76.8m of which DMBC's share is an estimated £6.6m, giving headroom of £1m for the Council. The original estimated included contingencies and these areas are being clarified and the general direction of travel is for reduced costs. However, it should be noted that there are areas of cost			

that are still to be confirmed and so costs could increase from the current estimate, The Council's finance lead for DRL meets counterparts from the other partners to review financial information provided by DRL to review and challenge the estimated provided by DRL. The information issued to the Board is also reviewed and queries sought at Board level. The Board has appointed PriceWaterhouseCoopers to review the information provided by DRL as an extra layer of scrutiny.

R9	<b>Medium term financial planning. The Authority should ensure that it develops savings plans to meet the full budget gap of £109m identified for financial years up to 2016/17 (New)</b>		<b>Steve Mawson</b> Dave Hill
	<b>Update March 2014</b> Savings proposals have been identified to meet the budget gap of £109m, which have been reviewed over many months; involving detailed discussions between both officers and members. The budget is balanced for 2014/15; although considerable proposals have been identified for future years a gap remains in 2015/16 of £12.0m and 2016/17 £4.2m. The savings will be delivered through a combination of major projects, minor projects, additional items and budget proposals already decided in the 2013/14 budget	September 2014	
<b>Risks</b>			
<b>Failure to meet the budget gap of £109m.</b>			
<b>Risk Profile 3x3=9</b> - An Improvement team will be focussed on managing the projects to deliver the identified savings. Over the summer a review will be carried out of the budget gap followed by a report to Council.			

R10	<b>Preparation of the financial statements. Ensure that quality assurance procedures linked to the production of the financial statements are sufficiently resourced to enable timely delivery (New)</b>		<b>Steve Mawson</b> Dave Hill
R10.1			
	<b>Update March 2014</b> Following the closedown of the 2012/13 Accounts, a Final Accounts Review Group was established with the aim of improving the closedown process. Part of the remit of this group was to improve the standard of the Quality Assurance process and develop the timetable to allow more time for the Quality Assurance checking. It was decided to limit the Quality Assurance checking to a specific group of finance staff who had the necessary attributes and skills. This should ensure a consistent approach.		

**Risks**

**The Accounts are not prepared and signed off by the relevant date.**

**Risk Profile 3x2=6** - Good management of the closedown and preparation of the Final Accounts Statements and associated working papers

**The Auditors are unable to get sufficient assurance that the accounts represent a true and fair view of the Council's and consequently qualify the Accounts.**

**Risk Profile 3x2=6** - Work closely with the auditors and ensure the working papers are complete and accurate.