

Combined Assurance Status Report

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What we do best...

Innovative assurance services

Specialists at internal audit

Comprehensive risk management

Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers

Existing strong regional public sector partnership

Auditors with the knowledge and expertise to get the job done

Already working extensively with the not-for-profit and third sector



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Combined Assurance Status Report

Introduction

This is the fifth combined assurance report for Finance & Public Protection within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and ‘protect the business’ – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance ‘unknowns or gaps’.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.
- **Key partnerships** – partnerships that play a key role in successful delivery of services



Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

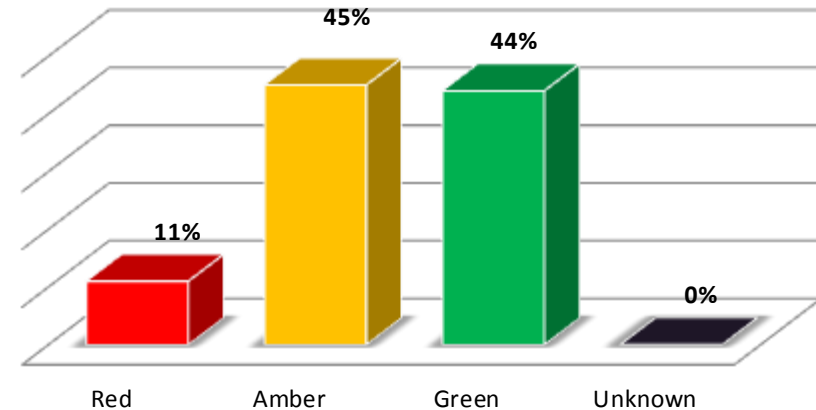
The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



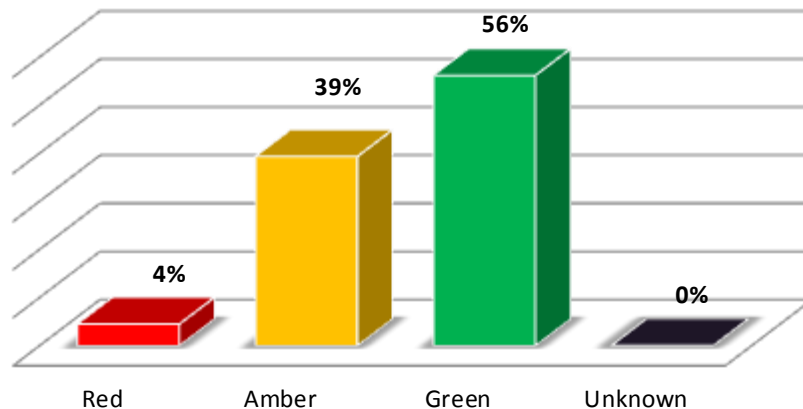
Key Messages

The Directorate follows the Council's corporate approach to combined assurance on services and managing key risks. Service management provide an overview and control checks on key services and processes and a further layers of assurance are provided through corporate checks, the Council's Internal Audit unit and third party checks, including by the Council's External Auditors, KPMG. Over the last 12 months there have continued to be improvements to the levels of assurance with only 4% of activity now rated as 'red' compared with 11% a year earlier.

Overall Assurance Status 2015/16



Overall Assurance Status 2016/17



Suggested next steps.....

The principal outstanding areas requiring further work and testing over the next few months relate to some outstanding Agresso Payroll issues (including postings to the general ledger), the upgrade to the MIMS (Insurance) system and finalisation of plans to deliver savings targets in business support in 2017/18.

As previously mentioned at Audit Committee, the continued reduction in management and staffing capacity as a result of Government funding and budget reductions means that, in some areas, less robust systems of control and different levels of risk management may be necessary in the future.

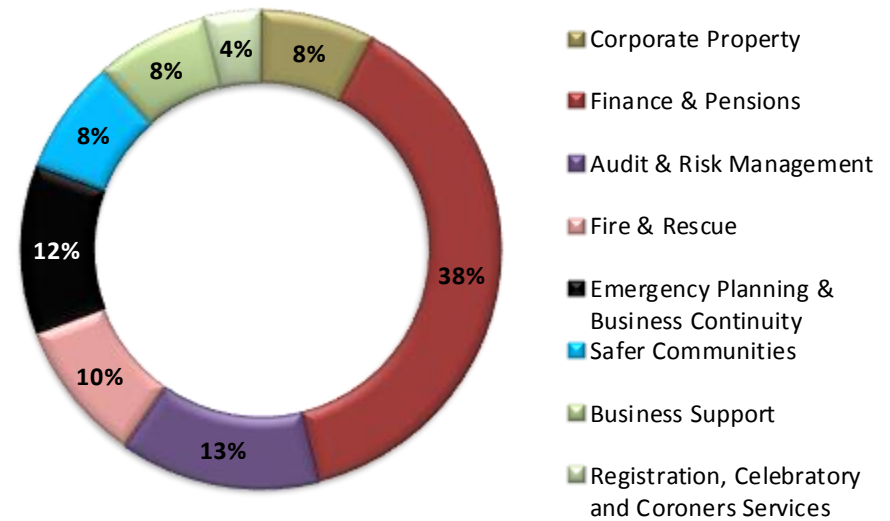


Critical Systems

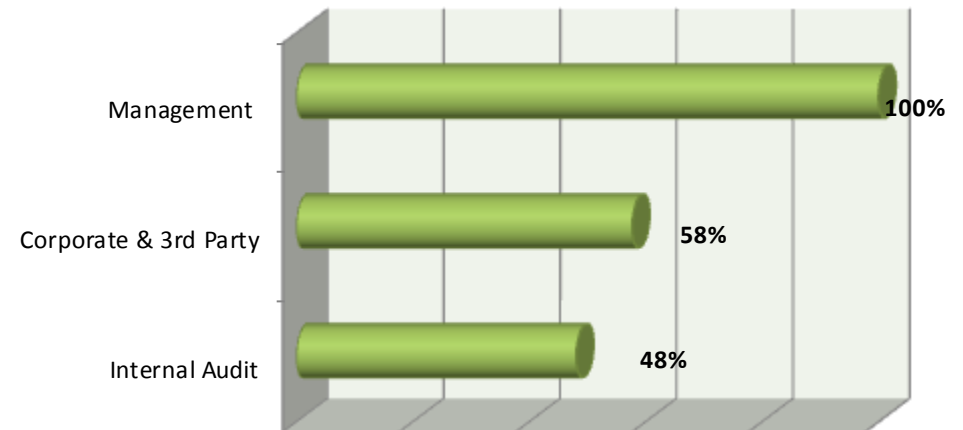
The sections below show improving assurance in Finance & Public Protection, particularly in Finance where 35% of activities are now assessed as Red or Amber in contrast to 85% with this level of assurance in 2015/16. This reflects the work done to date to improve and develop Agresso and supporting business processes.

More than half of the critical activities identified continue to be supported by corporate or third party assurance. In many cases this is provided through regular reports submitted to Overview and Scrutiny Committees

Assurance is also provided through reviews conducted by Corporate Audit and Risk Management. This provides independent oversight and added value through recommendations made for improvement. Management actions are monitored to ensure implementation with progress reported to the Audit Committee.



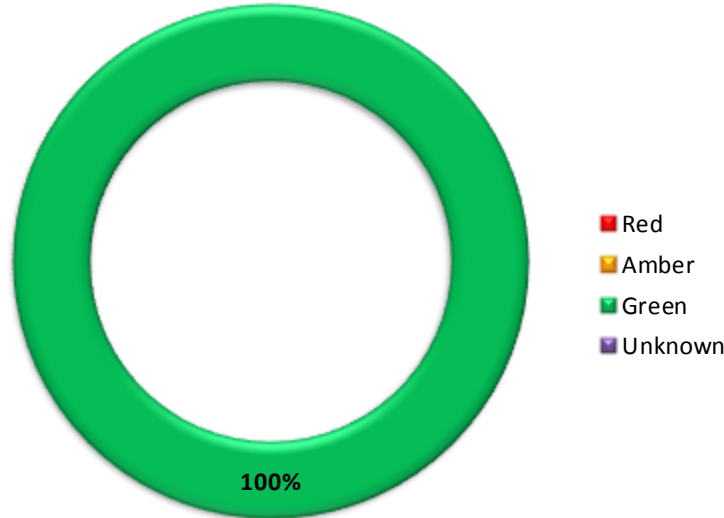
Who Provides Your Assurance





Combined Assurance Status Report

Corporate Property



Overall Assurances

Green
Property Management
Property Strategy
County Farms
Contract Management

Amber

Red

Overall Comments

The overall assurance for property activity is good with property contracts for VINCI mouchel and Savills performing well. The VINCI mouchel contract includes a continuous improvement programme which identifies items on a continual basis for improvement and using the Lean Six Sigma methodology if required; continuous improvement areas have also been identified from the team and from peer review. Property Governance includes a monthly Property Board attended by the Portfolio Holder and Executive Director where all key property matters are discussed and decisions taken by the Executive Member or Director. The VINCI mouchel contract is governed by an Executive Board and Management Board attended by VINCI mouchel and LCC

Management of Risk

Corporate Property maintains a strategic risk register and the VINCI mouchel contract management also includes a risk register. Individual property project and programmes have risk registers and key risks are escalated to the strategic risk register if necessary

Lower Assurances

Two areas with an amber assurance include the new Blue Light campus project and the Concerto asset database. The Blue light campus project is rated amber as the project is at an early stage and details of the brief, cost and timescales are



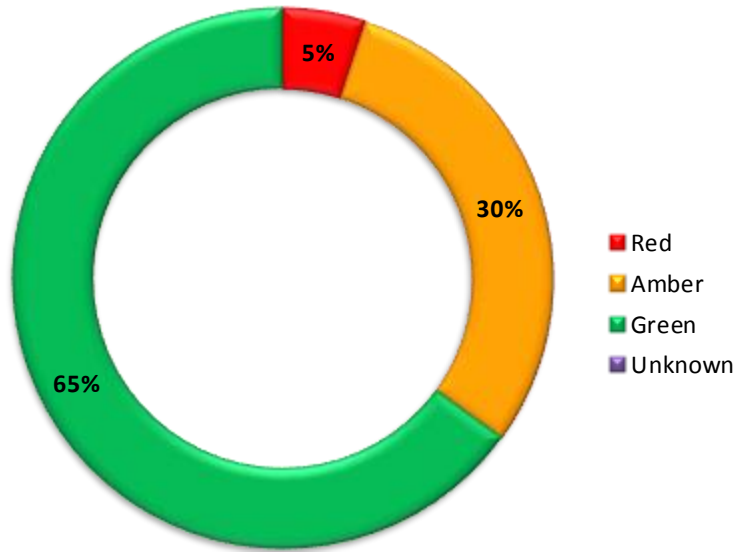
Combined Assurance Status Report

still emerging, these are being developed through a collaborative contract which manages out risk. The audit of the Concerto database identified some minor compliance issues and these will be resolved shortly



Combined Assurance Status Report

Finance and Pensions



Green

- Grant Income / Claims
- General Ledger
- Accountancy
- Contract Management
- Pension Fund
- Pension Administration

Amber

Red

Overall Comments

The assurance regime has improved materially over the year from the low base position exhibited a year ago. On balance it still has scope for further improvement with the majority of the weaknesses linked directly to the Agresso implementation and associated changes to business processes. This is certainly the case in respect of all activities assessed as either red or amber within the finance and pensions service area.

Considerable activity has, and will continue, to be undertaken to reinstate the assurance regime to an appropriate standard. It is likely to take into the forthcoming financial year to achieve that objective.

Management of Risk

The key resources of the service are its skilled workforce and the IT systems used in delivery of the services. In terms of the workforce, well developed training plans are in place and a hierarchy of appraisals, appraisal reviews and one to one meetings are in place. These form part of the service plan for

Overall Assurances

Green

- Financial Strategy
- Budget Setting
- Creditor Payments
- Debtors
- Income

Bank Reconciliation

Treasury Management

Amber

- Budget Management
- VAT
- Capital Programme
- Tax Compliance
- Accountancy
- Closedown
- Agresso Systems
- Support

Red

Payroll



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the function which includes activity related to succession planning. The service has business continuity plans in place for both its human and system related dependencies.

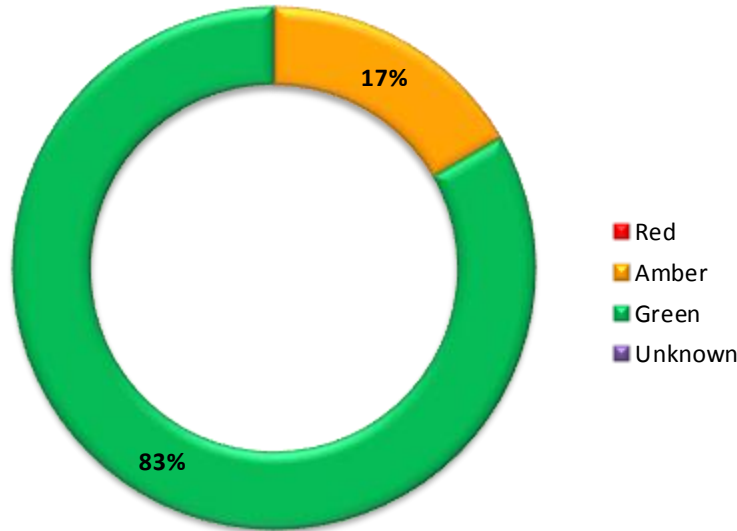
Lower Assurances

The sole area of red assurance relates to payroll. Delivery of this service is by Serco and People Management is the client for their activity. The aspect resulting in red assurance is the feeding of accurate and timely general ledger accountancy allocations from Agresso payroll into the accounts of the authority. This has improved greatly over the past year and plans are in place to rectify the remaining issues (e.g. split coding for schools) within the current year. All amber areas are also as a result of Agresso related issues and a range of activity is underway to deliver the improvements necessary to allow conversion of these issues to a green status. A risk remains that recent system issues will prompt intervention and review by external agencies such as HMRC in relation to tax and VAT matters.



Combined Assurance Status Report

Audit & Risk Management



Overall Assurances

Green
 Risk Management
 Health & Safety
 Counter Fraud
 Conduct Investigations
 Whistleblowing
 Internal Audit

Amber
 Insurance

Red

Overall Comments

The Audit and Risk Service continues to provide effective support and assurance to the Council.

Both the Risk and Audit service have had external quality reviews – we are pleased to report that these showed that both were delivering excellent services to the Council and conforming to best practice / professional standards. Feedback from management showed how we continue to provide insight and added value. There were, however, a number of suggested actions where our audit practice and the Council's risk management arrangements could be improved – namely:

- Improving audit client relationships with the IMT service
- Providing further guidance and support to the Council around partnership risk management

Action plans have been put in place – with oversight through the County Finance Officer and the Audit Committee.

During 2015/16 the service was restructured – it has taken some time recruit and stabilise the workforce. We are now adequately resourced as at September 2016. During this time all staff have shown a high level of commitment and hard work to continue to deliver their work plans effectively - introducing new ways of working with the co-operation of



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Service Areas. This has particularly impacted the Health and Safety Team – who moved to risk based plans.

We delivered the £100,000 savings target and operate within our approved budget.

The Public Sector insurance market remains volatile. The Council's claims experience is challenging, with a number of high value claims (both historic and current). That said we have strong arrangements in place to handle and defend claims. We also had a successful procurement of the Insurance portfolio in 2016 – which saved £60,000 per annum in our total premiums. This will be passed onto front line services and illustrates the benefits of good risk management.

The insurance fund remains in a healthy position and is solvent.

Management of Risk

We regularly review our risk register and work within the Council's risk appetite of 'creative and aware'. We have no high red risks.

Our key issues that impact the management of our risks and the successful achievement of our business plan objectives are:

- **People** - ability to recruit suitably qualified and experienced staff. We will be seeking to 'grow our own talent' through apprenticeships and career grades.
- **Money** - the ability to deliver growth / income generation targets whilst operating within existing resources. We will continue to seek opportunities for growth – agreeing short term adjustments to work plans with the Executive Director(s) whilst recruiting appropriately skilled people – balancing our success with our ability to deliver.
- **IT** - poor quality of IT infrastructure and support. We have contingency arrangements in place but this issue continues to impact on staff morale, performance and their ability to deliver.

Lower Assurances

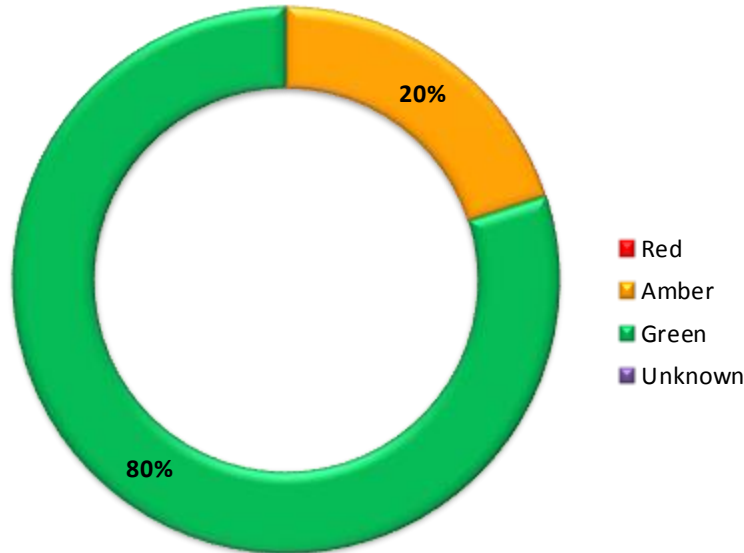
The area we have assessed as 'amber' is Insurance. We have made significant progress in implementing the insurance improvement plan actions and our working practices but there remains some way to go. The key areas are:

- Implement a fit for purpose claims handling IT system
- Review and improve as necessary our performance and quality assurance processes
- Recruit a Principal Insurance Officer (currently temporary arrangements in place).



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Fire & Rescue



Overall Assurances

Green
Planning
Response
Prevention
Protection

Amber
Resourcing

Red

Overall Comments

Lincolnshire Fire and Rescue’s mission is ‘to make our communities safer, healthier and more resilient’ in order to improve wellbeing. It does this through a framework of 5 key strategies covering: planning, prevention, protection, response and resourcing. All are assessed as green, apart from resourcing, which is assessed as amber. Notwithstanding these ratings, each area has been impacted by the significant savings that have had to be made over the last 6 years resulting in minimum capacity and resilience levels across the Service. Within this context, the impact of the ongoing Home Office fire reform programme and the planned changes as part of the Blue Light Collaboration project will need careful management.

Management of Risk

The Service’s Integrated Risk Management Planning (IRMP) process is the method by which it undertakes risk analysis, develops strategies and delivery mechanisms and provides assurance of activities in support of its mission. Two key planning documents form part of the IRMP process: the IRMP Baseline Document and the annual Service Plan. The former is a strategic document covering a period of at least 3 years. It identifies key community and corporate risks and outlines the strategies, as described above, for mitigating those risks. The Service Plan provides detail on how the Service delivers these strategies. A number of objectives are described within



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the Service Plan, as are the subordinate tasks and activities which the Service is required to undertake. Progress against each of the objectives is reported on a quarterly basis to the Performance Management Board.

Additional management assurance is conducted through a monthly Service Management Board meeting. This focuses on strategic direction, implementation of policy and Service change and management of organisational performance.

The Service has an integrated Quality Assurance framework which provides a continual, systematic review of operational response capability. All fire stations are inspected annually as part of the Chief Fire Officer's inspection programme. Performance at incidents is regularly reviewed with key findings and learning points fed back to inform training and development priorities.

In accordance with the Fire and Rescue National Framework for England the Service produces an annual Statement of Assurance covering financial, governance and operational matters. The Statement of Assurance 2015-16 was published in November 2016 following submission to the Community and Public Safety Scrutiny Committee.

Third party assurance is drawn from a range of sources including:

- the Local Government Association and Chief Fire Officers Association Peer Challenge. The last Peer Challenge was conducted in October 2012; the next one is scheduled for June 2017.
- assessment of the Service's national resilience capabilities including reclassification of the UK International Search and Rescue team in May 16 and assurance of our Urban Search and Rescue team in October 2016.
- accreditation of the Service's quality assurance framework by Skills for Justice Awards. The Service received re-accreditation of its training and development Quality Assurance Framework in March 2016.

Lower Assurances

Areas of risk within our resourcing strategy include the impact of Agresso; reduced capacity from both the centre and within the Service; the potential for further budget reductions and the development of Information Communications Technology to meet the needs of the Service.



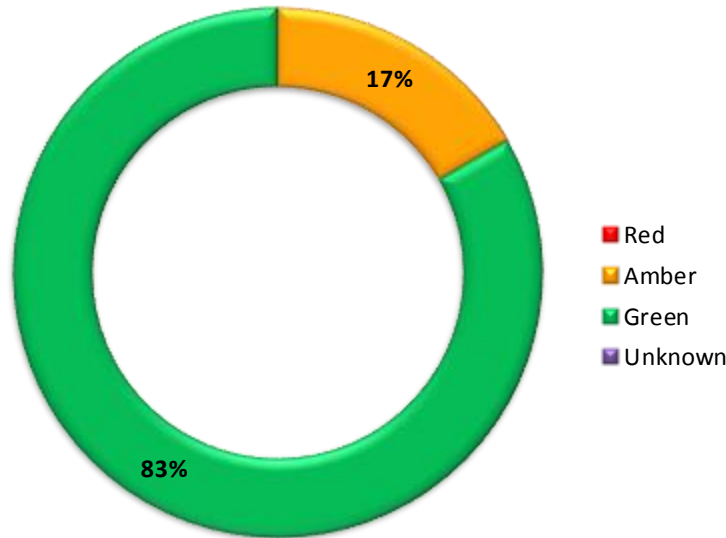
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Emergency Planning & Business Continuity

Green
Lincolnshire Resilience Forum
Business Continuity promotion
to voluntary sector & SME's

Amber

Red



Overall Comments

The service went through a restructuring process during 2016 which resulted in the disestablishment of the Head of Service and Business Continuity Manager positions. The Emergency Planning Manager now has responsibility for both the Emergency Planning and Business Continuity functions of the council and as such the service has been renamed the Emergency Planning & Business Continuity Service which reflects this new role.

The County Council must be able to maintain its own critical functions during any disruption to business, and has a number of lead roles and responsibilities in any civil emergency. These include the welfare of victims and evacuees, provision of emergency shelter, coordination of the voluntary sector and also a community leadership role. The council would also lead on all recovery efforts. We must also have plans in place to restore impacted critical services in the event of disruptive or emergency events.

The council continues to build resilience and capacity to meet its duties, including arrangements for mutual aid from neighbouring counties and district & borough authorities, and

Overall Assurances

Green
Emergency Response

Duties Relating to Civil Contingencies Act
Emergency Planning & Business Continuity provision to districts

Amber
Business Continuity

Red



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further strengthening of our command, control and coordination', especially at the tactical (Silver) and Operational (Bronze) levels. We have continued to work with both the organised voluntary sector and communities to strengthen local responses that can complement the council's roles and responsibilities which has resulted in an MOU and Capabilities document and protocol being produced.

We continue to be a key contributor to the design and delivery of multi-agency training & exercising in the county, which is essential to testing plans, rehearsing people in key roles and enhancing arrangements for multi-agency coordination in the county. The service is currently part of a multi-agency team reviewing all areas of LRF Command and Control training packages. The service continues to have an influence on national resilience planning and policy. This includes its ongoing work with lead Government departments, flood risk agencies and other coastal counties to coordinate responses to Tidal Surge, and develop good practice in relation to the coordination of the voluntary sector (including 'spontaneous volunteers') on behalf of all partners.

The council remains the driving force behind the Local Resilience Forum (LRF), a partnership held in high regard nationally. This partnership continues to be well led by the Chief Constable assisted by Chief Fire Officer, Executive Director. There remains excellent commitment at senior and

political level (including scrutiny) within the council for the resilience agenda.

Lower Assurances

The malware attack on LCC earlier this year highlighted several new areas of both criticality and vulnerability. Many lessons were learned that required incorporation into future business continuity planning arrangements.

Recommendations from the resulting report are progressing well and most areas highlighted have been or are being addressed. The EP & BC Service have now completed further training aligned to ISO 22301 principles and a paper was taken to CMB in October which has resulted in the service beginning a fundamental review of the existing BCMS arrangements for the Council. Whilst the current provision remains fit for purpose, current documentation and practices are predominantly based upon the old BS25999 standard which was replaced by ISO 22301 in May 2012. The service has found that in most cases business impact assessment and risk assessment documentation was either out of date or in some cases did not exist. A bottom up approach will be adopted over the next two years to ensure that all BCMS documentation is up to date. As there is substantial work involved, Business Continuity has been labelled Amber.

Priorities going forward include:



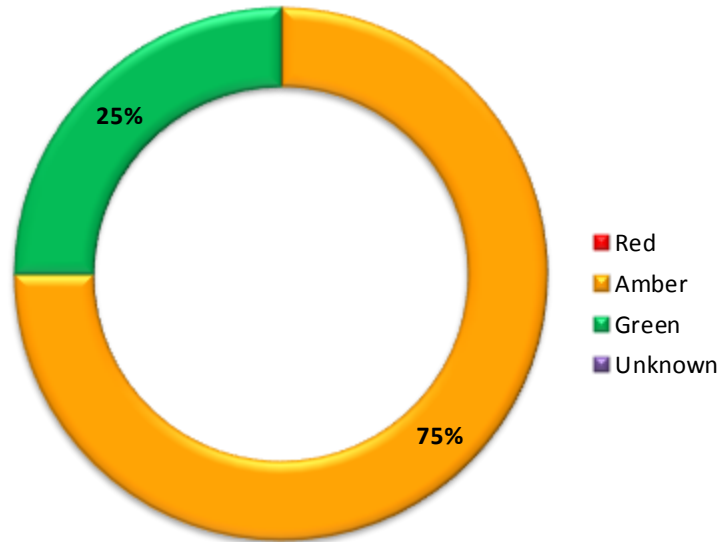
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- Strengthening the resilience and preparedness of the County Council.
- Determining roles and responsibilities for IT disaster recovery, and exercising those arrangements at an early opportunity
- Identification of further joint working and collaboration opportunities with partners within the county.
- Implement a new Business Continuity Management System for the County Council.
- Include all critical services and key critical contractors and suppliers in future Business Continuity Planning.
- Identify and map key departmental interdependencies through Business continuity planning.



Combined Assurance Status Report

Safer Communities



Overall Assurances

Green

Safeguarding & Partnerships

Amber

Commissioning & Contract Management
Trading Standards
Criminal Justice (including Police & Crime Commissioner)

Red

Overall Comments

The number of commissioned contracts has been reduced due to funding pressures however those that do remain still bear some risk due to interdependencies with other agencies such as the Police and Crime Commissioner (PCC) and the short term nature of the current financial planning cycle. Some of the risks around decommissioning of services supporting vulnerable client groups were raised during the Joint Thematic Area Inspection on Domestic Abuse in Nov 16. Whilst Trading Standards has adequate processes in place to prioritise work based on risk, the service remains stretched, with low resilience due to officer numbers.

Management of Risk

Work with other commissioners is ongoing to understand the risk associated with services aimed at supporting victims. A key partner in this work is the PCC, regular contact is made with the office of the PCC and some joint commissioning activity is planned. Across all Safer Communities work, analysis is used to identify priorities and drive an efficient and effective response within the available resource base. Join up of activity planning with both Lincolnshire Safeguarding boards has ensured risks are identified and activity coordinated to maximise impact and reduce the burden on partner organisations.



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Lower Assurances

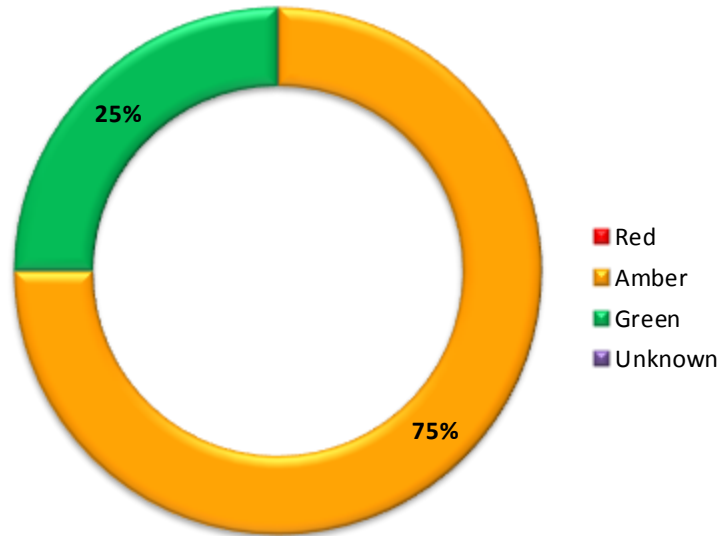
Work is ongoing with Public Health to identify needs around Domestic Abuses support services and alternative methods of provision across all partner organisations.

Following an internal audit of Trading Standards in Dec 2016 a number of actions have been agreed to increase assurance around managing effectively and prioritisation.



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Business Support



Overall Assurances

Green

Audit of Customer Finances

Amber

Purchasing & Requisitioning
Income Management
Child & Adult Safeguarding conferences

Red

Overall Comments

Business Support provides a multi-disciplinary support services providing both front line customer facing services as well as back office activities. The support is provided across the majority of Council service areas. The service focuses on cross skilling staff to promote excellent service provision whilst building resilience and improving processes to develop a more efficient authority.

Management of Risk

There are no high risk (Red) areas across Business Support.

Support provision to Child Protection and Adult Safeguarding is a core function of Business Support. Extensive work has been completed with both Adult Care and Children's Services with a critical specialist team in place to support regulated conferences and meetings to ensure core performance targets are achieved. Workflow is regularly monitored and reported on to service to provide third party assurance. Improvements are continuously made to ensure production of quality case reports and to improve statutory reporting. A comprehensive training programme operates across Business Support to ensure appropriate skills are in place.

Agresso has significantly changed the way Business Support provides local financial support functions including requisitioning, recoding of invoices and payment requests. All



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staff undertake specific training prior to access being granted within the system. A Business Support Finance team provide regular reports to Team Leaders and Strategic Business Managers, highlighting where peaks in transactions remain within the system, or where transactions are outside of LCC performance timescales. Strategic Managers use these reports to address performance, compliance issues or to instigate reallocation of tasks in order to meet the deadlines.

In terms of Imprest and cash handling, all staff have undertaken extensive training to ensure they are fully compliant with the Agresso processes. Senior management team have been working closely with audit to ensure that this area is compliant. Income audits are undertaken by managers and reported. In addition, the Business Support Finance team provide regular reports on where Imprest accounts are not reconciled in line with the protocols outlined.

The Business Support Customer Finance Team focuses on the audit and verification of financial assessments, personal budgets and direct payments in recovering overpaid or unused monies from service users. The team has been strengthened through increased resource. Through ongoing skills development and management of performance this team now consistently exceeds critical performance indicators. Key indicator achievements are reported quarterly.

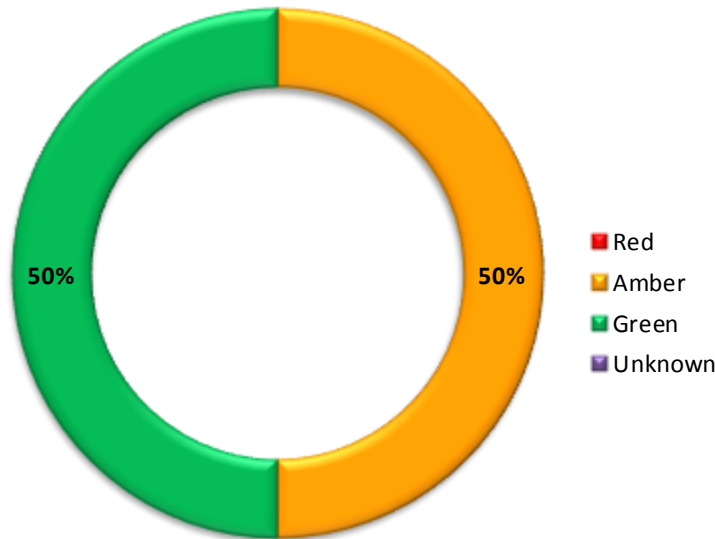
Lower Assurances

The impact of the Fundamental Budget Review and the requirement to make further significant savings to the service is an ongoing risk. Further reductions are likely to cause significant disruption through impacts on staff morale during a period of intense change at a time when workloads continue to increase. This will lead to higher levels of absence and turnover, increased errors rates in work, reduced flexibility to meet service needs and inability to achieve core service indicators due to the destabilising of Business Support services. This is being managed by close working with service areas to understand and redefine their future support needs and continuing our strategy to become a commissioned provider of Business Support services across the authority, and with potential partners. These changes are intrinsically linked with the corporate property strategy in leading the Councils property review which supports rationalisation of sites and opportunities to co-locate support staff to enable efficiencies to be realised.



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Registrars, Celebratory & Coroner's Services



Overall Assurances

Green
Registration & Celebratory Services

Amber
Coroners' Service

Red

Overall Comments

Customer satisfaction within the Registration Service continues to be very high as highlighted in the annual customer survey with the responses rated as Excellent, Very Good and Satisfactory at 100%. In addition the service attained the Government's standards in Customer Service Excellence with 100% compliance again for the seventh year running. The service has met its statutory responsibilities evidenced by the submission of the Annual Performance Report to the General Register Office.

The Coroner's Service continues to progress through a transformational phase with significant developments anticipated in 2017. 2015 and 2016 have seen a significantly higher caseload than 2014 and this provides some challenges in terms of capacity and financial resources for a demand led service.

Management of Risk

A comprehensive Risk Register and Business Continuity Plan is maintained for both service areas. Individual risk registers are prepared for new projects. Within the Coroners Service changes to process and procedure continue to be adopted to try and improve timescales for bereaved families. However this is influenced and on occasions hampered by the tri-partite arrangement involving the Coroner as an independent judicial officer and Coroners' Officers being employed by Lincolnshire



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Police. This has on numerous occurrences limited the scope for fundamental service redesign.

The increasing complexity of the law in relation to interpretation of existing historic legislation to meet the needs of an ever diverse society will continue to provide potential challenge to both the Registration Service and Coroners.

Effective and comprehensive training for all involved in the service will be essential.

Lower Assurances

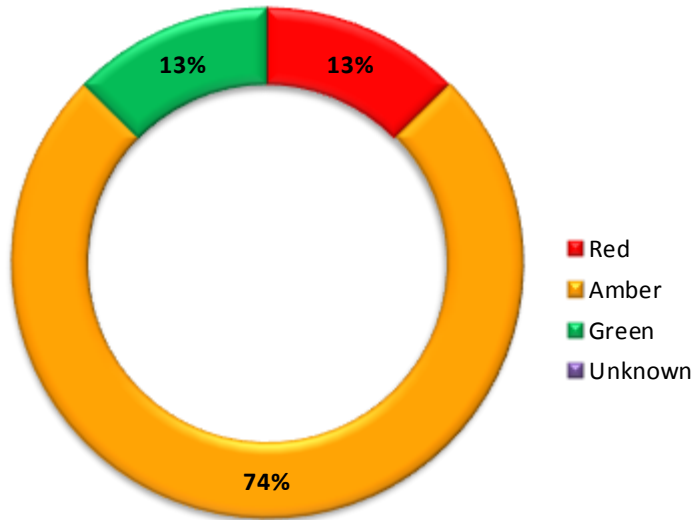
Coroner's Service - In 2017 a proposal to merge the two existing Coroner Areas into one combined area should provide greater opportunities to improve service provision, streamline processes and reduce costs. This will be monitored continually to evidence and document improvements and financial savings.

Financial risk management in relation to Long Inquest payments continues to be a challenge and will be alleviated if the Business Case for Merger proceeds.



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Key Projects



Green

Amber

Future Control Project
Blue Light Collaboration
Review of Community
Safety Partnership
arrangements

Red

Overall Comments

These are the key projects within Finance & Public Protection that support the delivery of corporate objectives and priorities. Service management have a medium level of confidence around the majority of our projects reflecting, predominantly, the challenges in resourcing (both internal and external) and future funding.

Management of Risk

Senior officers are closely involved to manage the risks to successful and timely delivery. For example, the Pension Fund Manager is seconded for 3 days a week to the Border to Coast Pension Partnership to support delivery of this high profile project.

To provide some independent assurance, Corporate Audit is proposing inclusion of reviews of the Asset Pooling and Blue Light Collaboration projects in the 2017/18 audit plan.

Overall Assurances

Green

Introduction of
Medical
Examiners

Amber

Asset Pooling & Border to
Coast Pension Partnership

Trading Standards Scams
Project
Recommissioning of
Domestic Abuse support
service to standard &
medium risk victims

Red

Upgrade to
MIMS
system



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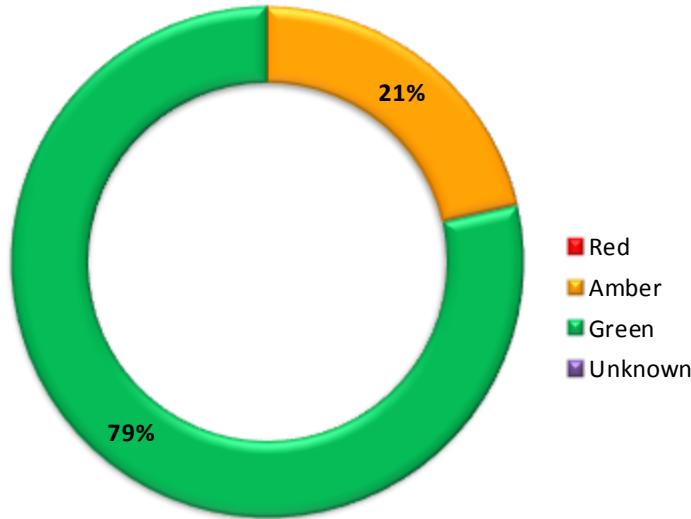
Lower Assurances

The MIMS insurance system has been used for a number of years. Greater functionality is required to improve claims handling and provide better management information around both Insurance and Health and Safety incidents. A new system will be procured and implemented during 2017/18.



Combined Assurance Status Report

Key Partnerships



- | Green | Amber | Red |
|--|-------|-----|
| Lincolnshire Road Safety Partnership | | |
| Arson Task Force Primary Authority Schemes | | |
| Lincolnshire Community Safety Partnership | | |
| Lincolnshire District Councils | | |
| Lincolnshire Police GRO | | |

Overall Comments

The high level of positive assurance reported here shows management confidence in partnership working and the key services partners help to deliver.

Lower Assurances

The Amber ratings for the South Park Blue Light Campus and Border to Coast Pension Partnership reflect the assurance around the projects underway in these areas (see page 22 above).

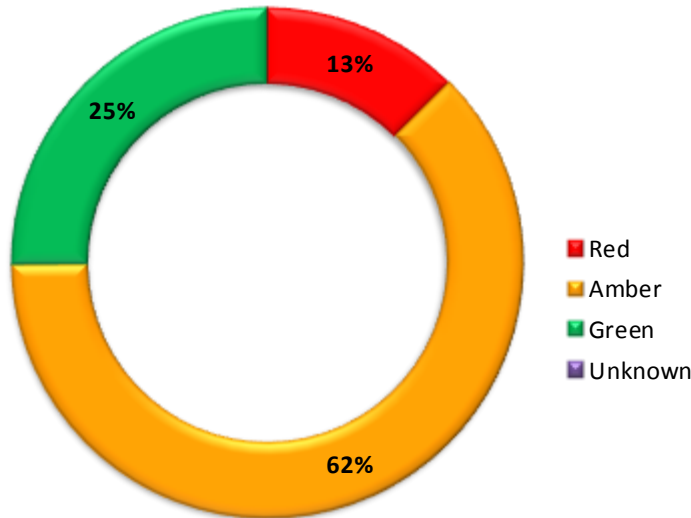
The Audit Committee will be aware of the significant funding pressures on Trading Standards across the country. Trading Standards East Midlands provides a point of escalation and resource to pursue large investigations. Any reduction in their availability will increase pressure on local resources.

Overall Assurances

- | Green | Amber | Red |
|---|---|-----|
| Greater Lincolnshire One Public Estate Assurance Lincolnshire | South Park Blue Light Campus Border to Coast Pension Partnership | |
| Lincolnshire Resilience Forum | Trading Standards East Midlands | |
| Co-Responders / Joint Ambulance Conveyance | | |



Key Risks



Budget - LCC

Governance

Resilience (Business Continuity): Over the next 12 months the Emergency Planning / Business Continuity unit will be working closely with Directorates to ensure that their business continuity plans (for any key service disruption) are up to date and are held in a corporate, accessible database.

Budget: In September 2016 the Council accepted the Government's four year offer in terms of indicative grant funding over the medium term and this has been incorporated into a medium term financial plan. However, the Council will be agreeing and publishing just a one year budget covering 2017/18, in order that the new Council elected in May 2017 can determine its budget priorities going forward. The 2017/18 budget will incorporate approximately £30m of further savings and £20m of reserves to provide a balanced budget. After 2017/18 it is estimated the Council will still need to identify

Strategic Risks

Council's highest rated Strategic Risks for this area of the business

Resilience (Business Continuity)



Combined Assurance Status Report

further savings of approximately £30m, so that will remain a key risk.



Strategic Risk Register as at January 2017

Strategic Risk Register

Version: 1.4

Reviewed: September 2016 to January 2017 (links to Commissioning Strategies January 2015)

Owner: Tony McArdle: Chief Executive

Commissioning Strategy - Our communities are safe and protected from harm

| No of Risk | Risk Owner | Risk description | Risk Appetite (How much risk are we prepared to take & the total impact of risk we are prepared to accept) | | Current risk score | Target risk score | Assurance Status (Full, Substantial, Limited, No) | Direction of Travel (Improving, Static, Declining) | Actions |
|------------|------------|---|---|---|--------------------|-------------------|--|---|--|
| 3 | Pete Moore | Resilience (Business Continuity) Capacity and resilience to respond to, and recover from, wider area and prolonged emergencies and business disruption (e.g. coastal flooding / pandemic flu) impacting on public safety, continuity of critical functions and normal service delivery. | Hungry (Projects & major change - need to be innovative and take higher risks for greater reward - higher levels of devolved authority) | Open & Aware (Partnerships - Recognised that we work differently with different partners) | | | Limited | Improving | Existing controls <ul style="list-style-type: none"> Investing in protection and vulnerability reduction (e.g. Boston Barrier) - this refers to the flooding part of the risk Commissioning through effective partnership working (e.g. LRF, LHRP and FR & DM) Flood risk drainage management strategy - this refers to the flooding part of the risk Implementation of Senior Management Command arrangements Retaining sufficient capacity to meet our duties (and fulfil our local authority / FRS roles and responsibilities) as a category 1 responder (under the Civil Contingencies Act) Maintaining organisational / operational competencies (training & exercising) in key roles and functions of command outside our control, multi-agency co-ordination and business recover Training and exercise of people in roles of command, business recovery and multi-agency co-ordination including Cygnus Reviewing our preparedness in the event of an emergency, working with partners - looking at joint arrangements with the districts for the LRF and looking at a deal about mutual aid around the region. New / Developing Control <ul style="list-style-type: none"> Redesigning 3 year programme - reflect and review impacts of organisational change Ensure plans are in place and audited Review outstanding issues from recent audit report New Comms plan - in progress |

Commissioning Strategy - We effectively target our resources so that individuals and communities experience the desired benefits and results

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|------------|------------|---|--|--|--------------------|-------------------|--|---|---|
| 6 | Pete Moore | Budget - LCC Funding and maintaining financial resilience | Open & Aware (Finance & money - No surprises - prepared to invest for reward and minimise the possibility of financial loss by well measured risk taking - allocating resources in order to capitalise on potential opportunities) | | | | Substantial | Static | Existing controls <ul style="list-style-type: none"> Sound process on trying to protect where funding is going supported by Medium Term Financial Strategy Efficiency and Savings Agenda Good financial management with monitoring arrangements in place Accountability framework Work to meet future budget targets through Fundamental Budget Review and Financial Challenge work. Council Priority Activities agreed & delivery of major projects managed / monitored. Close working with DC's on funding arrangements Medium term financial plan for next 3 years updated as part of budget process Further medium term budget planning being undertaken in 2016 and four year efficiency plan agreed by Council in September 2016 and approved by DCLG in November 2016. Use of reserves to balance the budget in 2015/16 Reviewed Financial Strategy Quality impact assessment on Council Tax increase New / Developing controls <ul style="list-style-type: none"> Use of reserves to balance the budget in 16/17 & 17/18 Building flexibility to deal with in-year changes Capital Programme/Asset Sales Review Closed sessions of scrutiny workshops in the Autumn in looking at savings options for the next year. Use of capital receipts to part fund revenue budget |



Combined Assurance Status Report

| Commissioning Strategy - We effectively target our resources so that individuals and communities experience the desired benefits and results | | | | | | | | |
|--|--|---|---|--------------------------|--------------------------|--|---|---|
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| 7 | Pete Moore | Governance Maintenance of effective governance arrangements including the way we implement transformational change and decisions affecting service delivery | Hungry (Reputation & Public confidence - Comfortable with taking decisions that are likely to bring scrutiny of the Council but where potential benefits outweigh the risks. Recognise that highly devolved decisions making will mean that not all risks known - take action when uncertain of results or with uncertain info - willing to accept significant loss for potential higher rewards) | Likelihood Impact | Likelihood Impact | Substantial | Improving | Existing controls <ul style="list-style-type: none"> Local Code of Conduct based on LGA been adopted Governance Arrangements take account of CIPFA guidance Progressed the review of scrutiny arrangements and reported it to full Council - December 2016. Implementation of Combined Assurance Model Annual Governance Report from Monitoring Officer, Common Code of Conduct and Register of Interests Scheme of delegation Learning outcome from the libraries judicial review Maintain opportunistic approach as to up date constitution New / Developing controls <ul style="list-style-type: none"> Governance Framework needs modifying to adapt to changing organisational environment - less prescriptive in style, with balancing of risk & accountability - needs a formal plan. Monitoring and implementation of the Members code of conduct |
| 10 | Pete Moore / Fiona Thompson (HR element) | Governance Effective implementation of the Agresso system to ensure good governance in respect of key Financial and HR systems. | Open & Aware (Reputation & organisational/service user confidence - This is a time limited risk that needs managing to ensure effective implementation and sound governance systems) | Likelihood Impact | Likelihood Impact | Limited | Improving | Existing controls <ul style="list-style-type: none"> Agresso Board to identify problems, solutions and monitor progress. Serco and Unit 4 provision of additional resources for programme management problem solving and customer liaison. Recovery Group including VFM & Audit Committee inputs Updating of programme & resources plan Council provision of additional staffing resources to respond & resolve problems. Contract Management. New/Developing controls <ul style="list-style-type: none"> Plans for upgrades of system |

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