



# Rutland County Council

Catmose, Oakham, Rutland, LE15 6HP.

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DX28340 Oakham

Ladies and Gentlemen,

A meeting of the **AUDIT AND RISK COMMITTEE** will be held in the Council Chamber, Catmose, Oakham on **Tuesday 30 October 2018** commencing at 7.00 pm when it is hoped you will be able to attend.

Yours faithfully

Helen Briggs  
**Chief Executive**

Recording of Council Meetings: Any member of the public may film, audio-record, take photographs and use social media to report the proceedings of any meeting that is open to the public. A protocol on this facility is available at [www.rutland.gov.uk/haveyoursay](http://www.rutland.gov.uk/haveyoursay)

## **A G E N D A**

**1) APOLOGIES FOR ABSENCE**

**2) MINUTES**

To confirm the minutes of the Audit and Risk Committee held on 11 September 2018.

**3) MATTERS ARISING**

**4) DECLARATIONS OF INTEREST**

In accordance with the Regulations, Members are invited to declare any disclosable interests under the Code of Conduct and the nature of those interests in respect of items on this Agenda and/or indicate if Section 106 of the Local Government Finance Act 1992 applies to them.

**5) PETITIONS, DEPUTATIONS AND QUESTIONS**

To receive any petitions, deputations and questions received from Members of the Public in accordance with the provisions of Procedure Rule 217.

The total time allowed for this item shall be 30 minutes. Petitions, declarations and questions shall be dealt with in the order in which they are received.

Questions may also be submitted at short notice by giving a written copy to the Committee Administrator 15 minutes before the start of the meeting.

The total time allowed for questions at short notice is 15 minutes out of the total time of 30 minutes. Any petitions, deputations and questions that have been submitted with prior formal notice will take precedence over questions submitted at short notice. Any questions that are not considered within the time limit shall receive a written response after the meeting and be the subject of a report to the next meeting.

**6) QUESTIONS FROM MEMBERS**

To consider any questions received from Members of the Council in accordance with the provisions of Procedure Rule 95.

**7) NOTICES OF MOTION**

To consider any Notices of Motion from Members submitted under Procedure Rule 97.

**8) SHARED OWNERSHIP**

To receive a verbal update from the Strategic Director for Places.

**9) EXTERNAL AUDITORS PROGRESS UPDATE**

To receive Report No. 196/2018 from the Director for Resources.  
(Pages 5 - 20)

**10) INTERNAL AUDIT UPDATE**

To receive Report No. 198/2018 from the Head of Internal Audit.  
(Pages 21 - 38)

**11) RISK MANAGEMENT POLICY**

To receive Report No. 180/2018 from the Director for Resources.  
(Pages 39 - 60)

**12) COMPLIMENTS COMMENTS AND COMPLAINTS ANNUAL REPORT**

To receive Report No. 147/2018 from the Director for Resources.  
(Pages 61 - 72)

**13) REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) UPDATE**

To receive a verbal update from the Director for Resources.

**14) ANY OTHER URGENT BUSINESS**

To receive items of urgent business which have previously been notified to the person presiding.

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**DISTRIBUTION**

**MEMBERS OF THE AUDIT AND RISK COMMITTEE:**

Miss G Waller (Chairman)

Mr J Lammie (Vice-Chair)

Mr I Arnold

Ms R Burkitt

Mr G Conde

Mrs J Fox

Mr A Lowe

**OTHER MEMBERS FOR INFORMATION**

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## AUDIT AND RISK COMMITTEE

30th October 2018

### EXTERNAL AUDITORS PROGRESS UPDATE

Report of the Director for Resources

Strategic Aim:	All	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources	01572 758159 sdrocca@rutland.gov.uk
	Andrew Merry, Finance Manager	01572 758152 amerry@rutland.gov.uk
Ward Councillors	Not Applicable	

#### DECISION RECOMMENDATIONS

That the Audit and Risk Committee receive the External Auditors Progress Report and Sector Update

#### **1 PURPOSE OF THE REPORT**

- 1.1 The new external auditors, Grant Thornton, will be undertaking the audit of the financial statements and the value for money assessment for 2018/19. The attached reports gives a brief progress update.

#### **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 The new external auditors, Grant Thornton, will be undertaking the audit of the financial statements and the value for money assessment for 2018/19.
- 2.2 The audit plan for the year will be produced in January 2019.
- 2.3 The attached report gives details of the audit timetable and gives various sector updates which the Committee may find of interest.

#### **3 CONSULTATION**

- 3.1 None required.

#### **4 ALTERNATIVE OPTIONS**

- 4.1 The Audit and Risk committee is responsible for overseeing external audit matters

so there are no alternative options.

## **5 FINANCIAL IMPLICATIONS**

5.1 None.

## **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 Section 3 of Part 3 of the Councils Constitution state that it is the responsibility of the Audit and Risk Committee to receive reports from the external auditors.

## **7 DATA PROTECTION IMPLICATIONS**

7.1 A data protection impact assessment has not been completed as there are no data protection implications.

## **8 EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

## **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications.

## **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

## **11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

11.1 This report presents the opinion from the external auditors and provides details of the audit timetable along with various sector updates, and asks the Audit and Risk Committee to note the report in line with their constitutional responsibility.

## **12 BACKGROUND PAPERS**

12.1 There are no additional background papers to the report.

## **13 APPENDICES**

13.1 Appendix A – Audit Progress Report and Sector Update

**A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577**

# Audit Progress Report and Sector Update

Rutland County Council  
Year ending 31 March 2019

October 2018



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# Introduction

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**John Gregory**

**Engagement Lead**

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This paper provides the Audit and Risk Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)



**Paul Harvey**

**Engagement Manager**

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E [paul.m.harvey@uk.gt.com](mailto:paul.m.harvey@uk.gt.com)

Members of the Audit and Risk Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk).

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

# Progress at October

## Transition

Our transition is on track. We have had an initial meeting with KPMG, your previous external auditors and will arrange a formal handover meeting shortly.

We have met with your Strategic Director of Resources to obtain further background information about the issues facing the Council.

## 2018/19 Audit

We have begun our planning processes for the 2018/19 financial year audit.

Our detailed work and audit visits will begin later in the year and we will discuss the timing of these visits with management. In the meantime we will:

- continue to hold regular discussions with management to inform our risk assessment for the 2018/19 financial statements and value for money audits;
- review minutes and papers from key meetings; and
- continue to review relevant sector updates to ensure that we capture any emerging issues and consider these as part of audit plans.

## Other areas

### Events

We will be holding chief accountant workshops for our clients at our Birmingham Office in January / February 2019. Our workshop has been designed and will be delivered by our highly experienced public sector assurance team and will help officers prepare for your financial statements audit by highlighting potential risk areas and giving an opportunity for discussion and questions.

We will be sending out invites to these workshops shortly.

# Audit Deliverables

2018/19 Deliverables	Planned Date	Status
<b>Fee Letter</b> Confirming audit fee for 2018/19.	April 2018	Complete
<b>Accounts Audit Plan</b> We are required to issue a detailed accounts audit plan to the Audit and Risk Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	January 2019	Not yet due
<b>Interim Audit Findings</b> We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	March 2019	Not yet due
→ <b>Audit Findings Report</b> The Audit Findings Report will be reported to the July Audit & Risk Committee.	July 2019	Not yet due
<b>Auditor's Report</b> This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
<b>Annual Audit Letter</b> This letter communicates the key issues arising from our work.	August 2019	Not yet due
<b>Annual Certification Letter</b> This letter reports any matters arising from our certification work carried out under the PSAA contract.	December 2019	Not yet due

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# Sector Update

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Local government finances are at a tipping point. Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website

# CIPFA consultation – Financial Resilience Index

The Chartered Institute of Public Finance and Accountancy (CIPFA) has consulted on its plans to provide an authoritative measure of local authority financial resilience via a new index. The index, based on publically available information, will provide an assessment of the relative financial health of each English council.

CIPFA has designed the index to provide reassurance to councils who are financially stable and prompt challenge where it may be needed. To understand the sector's views, CIPFA invited all interested parties to respond to questions it has put forward in the consultation by the 24 August.

The decision to develop an index is driven by CIPFA's desire to support the local government sector as it faces a continued financial challenge. The index will not be a predictive model but a diagnostic tool – designed to identify those councils displaying consistent and comparable features that will highlight good practice, but crucially, also point to areas which are associated with financial failure. The information for each council will show their relative position to other councils of the same type. Use of the index will support councils in identifying areas of weakness and enable them to take action to reduce the risk of financial failure. The index will also provide a transparent and independent analysis based on a sound evidence base.

The proposed approach draws on CIPFA's evidence of the factors associated with financial stress, including:

- running down reserves
- failure to plan and deliver savings in service provision
- shortening medium-term financial planning horizons.
- gaps in saving plans
- departments having unplanned overspends and/or undelivered savings.

Conversations with senior practitioners and sector experts have elicited a number of additional potential factors, including:

- the dependency on external central financing
- the proportion of non-discretionary spending – e.g. social care and capital financing - as a proportion of total expenditure
- an adverse (inadequate) judgement by Ofsted on Children's services
- changes in accounting policies (including a change by the council of their minimum revenue provision)
- poor returns on investments
- low level of confidence in financial management.

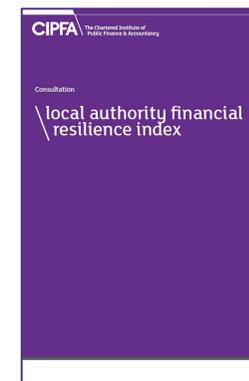
The consultation document proposed scoring six key indicators:

1. The level of total reserves excluding schools and public health as a proportion of net revenue expenditure.
2. The percentage change in reserves, excluding schools and public health, over the past three years.
3. The ratio of government grants to net revenue expenditure.
4. Proportion of net revenue expenditure accounted for by children's social care, adult social care and debt interest payments.
5. Ofsted overall rating for children's social care.
6. Auditor's VFM judgement.

## CIPFA Consultation

### Challenge question:

Has your Head of Finance briefed members on the Council's response to the Financial Resilience Index consultation?



# MHCLG – Social Housing Green Paper

The Ministry of Housing, Communities and Local Government (MHCLG) published the Social Housing Green Paper, which seeks views on government's new vision for social housing providing safe, secure homes that help people get on with their lives.

With 4 million households living in social housing and projections for this to rise annually, it is crucial that MHCLG tackle the issues facing both residents and landlords in social housing.

The Green Paper aims to rebalance the relationship between residents and landlords, tackle stigma and ensure that social housing can be both a stable base that supports people when they need it and also support social mobility. The paper proposes fundamental reform to ensure social homes provide an essential, safe, well managed service for all those who need it.

To shape this Green Paper, residents across the country were asked for their views on social housing. Almost 1,000 tenants shared their views with ministers at 14 events across the country, and over 7,000 people contributed their opinions, issues and concerns online; sharing their thoughts and ideas about social housing,

The Green Paper outlines five principles which will underpin a new, fairer deal for social housing residents:

- Tackling stigma and celebrating thriving communities
- Expanding supply and supporting home ownership
- Effective resolution of complaints
- Empowering residents and strengthening the regulator
- Ensuring homes are safe and decent

Consultation on the Green Paper is now underway, which seeks to provide everyone with an opportunity to submit views on proposals for the future of social housing and will run until 6 November 2018.

The Green Paper presents the opportunity to look afresh at the regulatory framework (which was last reviewed nearly eight years ago). Alongside this, MHCLG have published a Call for Evidence which seeks views on how the current regulatory framework is operating and will inform what regulatory changes are required to deliver regulation that is fit for purpose.

The Green Paper acknowledges that to deliver the social homes required, local authorities will need support to build by:

- allowing them to borrow
- exploring new flexibilities over how to spend Right to Buy receipts
- not requiring them to make a payment in respect of their vacant higher value council homes

As a result of concerns raised by residents, MHCLG has decided not to implement at this time the provisions in the Housing and Planning Act to make fixed term tenancies mandatory for local authority tenants.

The Green Paper is available on the MHCLG's website at:

<https://www.gov.uk/government/consultations/a-new-deal-for-social-housing>

## Social Housing Green Paper Consultation



### Challenge question:

What does the Social Housing Green Paper mean for your local authority?



# Institute of Fiscal Studies: Impact of ‘Fair Funding Review’

The IFS has published a paper that focuses on the issues arising in assessing the spending needs of different councils. The government’s ‘Fair Funding Review’ is aimed at designing a new system for allocating funding between councils. It will update and improve methods for estimating councils’ differing abilities to raise revenues and their differing spending needs. The government is looking for the new system to be simple and transparent, but at the same time robust and evidence based.

## Accounting for councils’ spending needs

The IFS note that the Review is seeking a less subjective and more transparent approach which is focused on the relationship between spending and needs indicators. However, like any funding system, there will be limitations, for example, any attempt to assess needs will be affected by the MHCLG’s funding policies adopted in the year of data used to estimate the spending needs formula. A key consideration will be the inherently subjective nature of ‘spending needs’ and ‘needs indicators’, and how this will be dealt with under any new funding approach. Whilst no assessment of spending needs can be truly objective, the IFS state it can and should be evidence based.

The IFS also note that transparency will be critical, particularly in relation to the impact that different choices will have for different councils, such as the year of data used and the needs indicators selected. These differentiating factors and their consequences will need to be understood and debated.

## Accounting for councils’ revenues

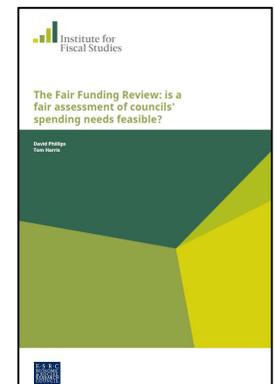
The biggest source of locally-raised revenue for councils is and will continue to be council tax. However, there is significant variation between councils in the amount of council tax raised per person. The IFS identify that a key decision for the Fair Funding Review is the extent to which tax bases or actual revenues should be used for determining funding levels going forward.

Councils also raise significant sums of money from levying fees and charges, although this varies dramatically across the country. The IFS note that it is difficult to take account of these differences in a new funding system as there is no well-defined measure of revenue raising capacity from sales, fees and charges, unlike council tax where the tax base can be used.

## The overall system: redistribution, incentives and transparency

The IFS also identify that an important policy decision for the new system is the extent to which it prioritises redistribution between councils, compared to financial incentives for councils to improve their own socio-economic lot. A system that fully and immediately equalises for differences in assessed spending needs and revenue-raising capacity will help ensure different councils can provide similar standards of public services. However, it would provide little financial incentive for councils to tackle the drivers of spending needs and boost local economics and tax bases.

Further detail on the impact of the fair funding review can be found in the full report <https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>.



# National Audit Office – The health and social care interface

The NAO has published its latest ‘think piece on the barriers that prevent health and social care services working together effectively, examples of joint working in a ‘whole system’ sense and the move towards services centred on the needs of the individual. The report aims to inform the ongoing debate about the future of health and social care in England. It anticipates the upcoming green paper on the future funding of adult social care, and the planned 2019 Spending Review, which will set out the funding needs of both local government and the NHS.

The report discusses 16 challenges to improved joint working. It also highlights some of the work being carried out nationally and locally to overcome these challenges and the progress that has been made. The NAO draw out the risks presented by inherent differences between the health and social care systems and how national and local bodies are managing these.

**Financial challenges** – include financial pressures, future funding uncertainties, focus on short-term funding issues in the acute sector, the accountability of individual organisations to balance the books, and differing eligibility criteria for access to health and social care services.

**Culture and structure** – include organisational boundaries impacting on service management and regulation, poor understanding between the NHS and local government of their respective decision-making frameworks, complex governance arrangements hindering decision-making, problems with local leadership holding back improvements or de-stabilising joint working, a lack of co-terminus geographic areas over which health and local government services are planned and delivered, problems with sharing data across health and social care, and difficulties developing person-centred care.

**Strategic issues** – include differences in national influence and status contributing to social care not being as well represented as the NHS, strategic misalignment of organisations across local systems inhibiting joint local planning, and central government’s unrealistic expectations of the pace at which the required change in working practices can progress..

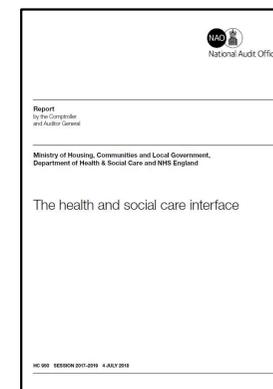
This ‘think piece’ draws on the NAO’s past work and draws on recent research and reviews by other organisations, most notably the Care Quality Commission’s review of health and social care systems in 20 local authority areas, which it carried out between August 2017 and May 2018. The NAO note that there is a lot of good work being done nationally and locally to overcome the barriers to joint working, but often this is not happening at the scale and pace needed.

The report is available to download from the NAO’s website at:  
<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

## The health and social care interface

### Challenge question:

Has the Audit and Risk Committee considered the 16 challenges to joint working and what can be done to mitigate these?



# Care Homes for the Elderly – Where are we now?

It is a pivotal moment for the UK care homes market. In the next few months the government is to reveal the contents of its much-vaunted plans for the long-term funding of care for older people.

Our latest Grant Thornton report draws together the most recent and relevant research, including our own sizeable market knowledge and expertise, to determine where the sector is now and understand where it is heading in the future. We have spoken to investors, providers and market consultants to showcase the diversity and innovation that care homes can offer.

Flourishing communities are not a 'nice to have' but an essential part of our purpose of shaping a vibrant economy. Growth simply cannot happen sustainably if business is disconnected from society. That is why social care needs a positive growth framing. Far from being a burden, the sector employs more people than the NHS, is a crucible for technological innovation, and is a vital connector in community life. We need to think about social care as an asset and invest and nurture it accordingly.

There are opportunities to further invest to create innovative solutions that deliver improved tailored care packages to meet the needs of our ageing population.

The report considers a number of aspects in the social care agenda

- market structure, sustainability, quality and evolution
- future funding changes and the political agenda
- the investment, capital and financing landscape
- new funds and methods of finance
- future outlook.

The decline in the number of public-sector focused care home beds is a trend that looks set to continue in the medium-term. However, it cannot continue indefinitely as Grant Thornton's research points to a significant rise in demand for elderly care beds over the coming decade and beyond.

A strategic approach will also be needed to recruit and retain the large number of workers needed to care for the ageing population in the future. Efforts have already begun through education programmes such as Skills for Care's 'Care Ambassadors' to promote social care as an attractive profession. But with the number of nurses falling across the NHS as well, the Government will need to address the current crisis.

But the most important conversation that needs to be had is with the public around what kind of care services they would like to have and, crucially, how much they would be prepared to pay for them. Most solutions for sustainable funding for social care point towards increased taxation, which will generate significant political and public debate. With Brexit dominating the political agenda, and the government holding a precarious position in Parliament, shorter-term funding interventions by government over the medium-term look more likely than a root-and-branch reform of the current system. The sector, however, needs to know what choices politicians, and society as a whole, are prepared to make in order to plan for the future.

Copies of our report can be requested on our website



Grant Thornton

Challenge question:

How effective is the Council's engagement with the social care sector?



# The Vibrant Economy Index

## a new way to measure success

Our Vibrant Economy Index uses data to provide a robust, independent framework to help everyone understand the challenges and opportunities in their local areas. We want to start a debate about what type of economy we want to build in the UK and spark collaboration between citizens, businesses and place-shapers to make their places thrive.

Places are complex and have an intrinsic impact on the people and businesses within them. Economic growth doesn't influence all of the elements that are important to people's lives – so we shouldn't use GDP to measure success. We set out to create another measure for understanding what makes a place successful.

In total, we look at 324 English local authority areas, taking into account not only economic prosperity but health and happiness, inclusion and equality, environmental resilience, community and dynamism and opportunity. Highlights of the index include:

- Traditional measures of success – gross value added (GVA), average workplace earning and employment do not correlate in any significant way with the other baskets. This is particularly apparent in cities, which despite significant economic strengths are often characterised by substantial deprivation and low aspiration, high numbers of long-term unemployment and high numbers of benefit claimants
- The importance of the relationships between different places and the subsequent role of infrastructure in connecting places and facilitating choice. The reality is that patterns of travel for work, study and leisure don't reflect administrative boundaries. Patterns emerge where prosperous and dynamic areas are surrounded by more inclusive and healthy and happy places, as people choose where they live and travel to work in prosperous areas.
- The challenges facing leaders across the public, private and third sector in how to support those places that perform less well. No one organisation can address this on their own. Collaboration is key.

Visit our website ([www.granthornton.co.uk](http://www.granthornton.co.uk)) to explore the interactive map, read case studies and opinion pieces, and download our report **Vibrant Economy Index: Building a better economy**.

### Vibrant Economy app

To support local collaboration, we have also developed a Vibrant Economy app. It's been designed to help broaden understanding of the elements of a vibrant economy and encourage the sharing of new ideas for – and existing stories of – local vibrancy.

We've developed the app to help people and organisations:

- see how their place performs against the index and the views of others through an interactive quiz
- post ideas and share examples of local activities that make places more vibrant
- access insights from Grant Thornton on a vibrant economy.

We're inviting councils to share it with their employees and the wider community to download. We can provide supporting collateral for internal communications on launch and anonymised reporting of your employees' views to contribute to your thinking and response.

To download the app visit your app store and search 'Vibrant Economy'

- Fill in your details to sign up, and wait for the verification email (check your spam folder if you don't see it)
- Explore the app and take the quiz
- Go to the Vibrant Ideas section to share your picture and story or idea



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# Links

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## Grant Thornton website links

<https://www.grantthornton.co.uk/>

<http://www.grantthornton.co.uk/industries/publicsector>

<https://www.grantthornton.co.uk/en/insights/care-homes-where-are-we-now/>

## National Audit Office link

<https://www.nao.org.uk/report/the-health-and-social-care-interface/>

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## Ministry of Housing, Communities and Local Government links

<https://www.gov.uk/government/news/social-housing-green-paper-a-new-deal-for-social-housing>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/728722/BRR\\_Pilots\\_19-20\\_Prospectus.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf)

## Institute for Fiscal Studies

<https://www.ifs.org.uk/uploads/publications/comms/R148.pdf>



## AUDIT AND RISK COMMITTEE

30<sup>th</sup> October 2018

### INTERNAL AUDIT UPDATE

Report of the Head of Internal Audit

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr G Brown, Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance.	
Contact Officer(s):	Rachel Ashley-Caunt, Head of Internal Audit	Tel: 07824 537900 <a href="mailto:rashley-caunt@rutland.gcsx.gov.uk">rashley-caunt@rutland.gcsx.gov.uk</a>
Ward Councillors	N/A	

#### DECISION RECOMMENDATIONS

That Members note the Internal Audit update report (Appendix A).

#### 1 PURPOSE OF THE REPORT

- 1.1 To update Members on the progress made in delivering the 2018/19 Annual Audit Plan and outcomes from audit assignments completed since the last Committee meeting.

#### 2 BACKGROUND AND MAIN CONSIDERATIONS

##### Update on Delivery of Internal Audit Plan

- 2.1 The progress made to date in delivering the 2018/19 audit plan is set out in Appendix A. At the time of reporting, 58% of the audit plan is either in progress or complete.

##### Implementation of Recommendations

- 2.2 Internal Audit request that officers provide updates on all open audit actions on a monthly basis. Since the last Committee meeting, six recommendations have been confirmed as implemented.
- 2.3 There are currently six actions rated as 'Medium' priority which are more than three months overdue for implementation but have not yet been fully implemented. Internal Audit has been provided with assurance that progress is being made in

these areas and to manage the risks associated.

### **3 CONSULTATION**

3.1 No formal consultation is required.

### **4 ALTERNATIVE OPTIONS**

4.1 The Committee is asked to note the report but may wish to receive an earlier update on any limited assurance reports.

### **5 FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report.

### **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 The Audit and Risk Committee is responsible for oversight of the work of Internal Audit including approving the annual report and satisfying itself that the conclusions reached are reasonable in light of the work undertaken. It is also responsible for gaining assurance that internal audit is complying with internal audit standards.

6.2 There are no legal implications arising from this report.

### **7 DATA PROTECTION IMPLICATIONS**

7.1 A data protection impact assessment has not been completed as there are no data protection implications.

### **8 EQUALITY IMPACT ASSESSMENT**

8.1 There are no equality implications.

### **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications.

### **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

### **11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

11.1 The latest update report, provided in Appendix A, details the findings of recent Internal Audit work and any weaknesses in the control environment highlighted by these reviews, and provides an overview of the performance of the Internal Audit team and the implementation of actions by management. The Committee plays an important role in the oversight of Internal Audit work.

### **12 BACKGROUND PAPERS**

12.1 There are no additional background papers to the report

### **13 APPENDICES**

- 13.1 Appendix A: Internal Audit Update Report
- 13.2 Appendix B: Implementation of Audit Recommendations
- 13.3 Appendix C: 'High' and 'Medium' Priority actions overdue for more than three months
- 13.4 Appendix D: Customer Satisfaction Statistics
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**RUTLAND COUNTY COUNCIL**  
**INTERNAL AUDIT UPDATE**  
**OCTOBER 2018**

**Date:** 30<sup>th</sup> October 2018

## ***Introduction***

- 1.1 LGSS provides the internal audit service for Rutland County Council and has been commissioned to provide 370 audit days to deliver the 2018/19 annual audit plan and undertake other work commissioned by the client.
- 1.2 The Public Sector Internal Audit Standards (the Standards) require the Audit and Risk Committee to scrutinise the performance of the internal audit team and – of equal significance – to satisfy itself that it is receiving appropriate assurance about the controls put in place by management to address identified risks to the Council. This report aims to provide the committee with the information, on progress in delivering planned work and on performance of the Internal Audit service, which it requires to engage in effective scrutiny.

## ***Performance***

### **2.1 Will the Internal Audit Plan for 2018/19 be delivered?**

LGSS is set the objective of delivering at least 90% of the Internal Audit plans to draft report stage by the end of March 2019.

At the time of reporting, 58% of the audit plan is either complete or in progress. This demonstrates that delivery is on track.

### **2.2 Are audits being delivered to budget?**

Internal Audit is on target to deliver the Audit Plan within the 370 days budget. Any overruns on individual assignments are managed within the overall budget.

### **2.3 Is the Internal Audit team achieving the expected level of productivity?**

The most recent information available (week 28) shows that the Internal Audit team are spending 96% of time on chargeable activities against a target of 90%.

### **2.4 Are clients satisfied with the quality of the Internal Audit assignments?**

Customer satisfaction questionnaires are issued on completion of audits. At the time of reporting, six questionnaires had been returned with scores of 'Good' or 'Outstanding'. See Appendix D for further details.

### **2.5 Based upon recent Internal Audit work, are there any emerging issues that impact on the Internal Audit opinion of the Council's Control Framework?**

Since the start of the last committee meeting, one audit assurance report (**Key Supplier Failure**) has been finalised and no significant areas of weakness have been identified which would impact upon the Internal Audit opinion. The status of each assignment is provided in Table 1.

In addition, during the last quarter, the latest Troubled Families submission and a number of grants have been subject to audit review.

**2.6 Are clients progressing audit recommendations with appropriate urgency?**

Outstanding audit recommendations form part of the Quarterly Performance Report considered by Cabinet. Since the last Committee meeting, 6 actions arising from audit reports have been implemented.

At the date of reporting, there are 22 open audit actions which are overdue for implementation. Of these, 6 actions were due for implementation over three months ago and were categorised as 'Medium Priority'. See Appendix C for further details.

**2.7 Further updates**

Internal Audit has been informed of a cash theft from a Council parking machine which occurred in September 2018. The controls in place for the security of these monies have been initially reviewed by management and it has been agreed that this will be an area to be reviewed in further detail in the annual Fraud Risk review conducted by Internal Audit.

**Table 1: Progressing the annual audit plan**

**KEY**

Current status of assignments is shown by 

Assignment	Budget	Actual	Not Started	Planning	Field Work Underway	Field Work Complete	Draft Report	Final Report	Control Environment	Compliance	Org Impact	Comment
<b>Key Corporate Controls and Policies</b>												
Creditors	15	-	●									
Debtors	14	2		●								
Payroll	15	-	●									
Main Accounting	12	-	●									
Local Taxation	15	-	●									
Benefits	17	-	●									
Contract Procedure Rules Compliance	10	-	●									
Procurement Cards	8	-		●								
Debt Recovery (consultancy)	7	7.5						●	N/A - Consultancy			
<b>Corporate Governance and Counter Fraud</b>												
Fraud Risk Register	15	-	●									
GDPR	15	6.1			●							
Project Governance & Risk Management (consultancy)	14	5.1			●							

Assignment	Budget	Actual	Not Started	Planning	Field Work Underway	Field Work Complete	Draft Report	Final Report	Control Environment	Compliance	Org Impact	Comment
Corporate Objective: Sustainable growth												
Highways Winter Maintenance	15	14.6					●					
Green Waste Charging	10	4.9			●							
Use of Specialist Resources in planning	10	0.4	●									
Corporate Objective: Safeguarding and Health and Wellbeing												
External Placements	15	-	●									
Public Health Contract Management	15	-	●									
Safeguarding in Schools	14	1.4			●							
Playground Inspections	10	9.5						●	Good ●	Satisfactory ●	Minor ●	
Community Safety	-	0.9										Cancelled
Corporate Objective: Sound financial and workforce planning												
Key Supplier Failure	12	11						●	Good ●	Good ●	Minor ●	
Delegated Services	17	4.7			●							
Financial risks in social care	12	8.6			●							
Corporate Objective: Reaching our potential												

Assignment	Budget	Actual	Not Started	Planning	Field Work Underway	Field Work Complete	Draft Report	Final Report	Control Environment	Compliance	Org Impact	Comment
King Centre	12	3.5			●							
Other Assurances												
Grant Claims	5	5			●							
Client Support (Committee support, training, client liaison, advice/assistance)	33	12										
Internal Audit Management & Development	33	7.8										
<b>TOTAL</b>	<b>370</b>	<b>105</b>										

## Notes

At the completion of each assignment the Auditor will report on the level of assurance that can be taken from the work undertaken and the findings of that work. The table below provides an explanation of the various assurance statements that Members might expect to receive.

Compliance Assurances		
Level	Control environment assurance	Compliance assurance
<b>Substantial</b> ●	There are minimal control weaknesses that present very low risk to the control environment.	The control environment has substantially operated as intended and no, or only minor, errors have been detected.
<b>Good</b> ●	There are minor control weaknesses that present low risk to the control environment.	The control environment has largely operated as intended although some errors have been detected.
<b>Satisfactory</b> ●	There are some control weaknesses that present a medium risk to the control environment.	The control environment has mainly operated as intended although errors have been detected.
<b>Limited</b> ●	There are significant control weaknesses that present a high risk to the control environment.	The control environment has not operated as intended. Significant errors have been detected.
<b>No</b> ●	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.	The control environment has fundamentally broken down and is open to significant error or abuse.

## Organisational Impact

Level		Definition
<b>Major</b>		The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
<b>Moderate</b>		The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
<b>Minor</b>		The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.

### Category of Recommendations

The Auditor prioritises recommendations to give management an indication of their importance and how urgent it is that they be implemented. By implementing recommendations made managers can mitigate risks to the achievement of service objectives for the area(s) covered by the assignment.

Priority		Impact & Timescale
<b>High</b>		Action is imperative to ensure that the objectives for the area under review are met.
<b>Medium</b>		Requires actions to avoid exposure to significant risks in achieving objectives for the area.
<b>Low</b>		Action recommended to enhance control or improve operational efficiency.

**Appendix B: Implementation of Audit Recommendations**

	High priority recommendations		Medium priority recommendations		Low priority recommendations		Total	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
Actions due and <b>implemented</b> since last Committee meeting	-	-	3	19%	3	27%	6	<b>21%</b>
Actions due within last 3 months, but <b><u>not implemented</u></b>	1	100%	7	44%	2	18%	10	<b>36%</b>
Actions due <b><u>over 3 months</u></b> ago, but <b><u>not implemented</u></b>	-	-	6	37%	6	55%	12	<b>43%</b>
Totals	1	100%	16	100%	11	100%	28	100%

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**Appendix C: 'High' and 'Medium' Priority actions overdue for more than three months**

Audit Title and Year	Service Area	Outstanding Action	Status Update	Officer Responsible	Original Date	Revised Date (if provided)
<b>Medium Priority</b>						
Debtors 2016-17	Resources	Resolve the credit payments highlighted in the report	September 18 - In discussions with the CCG about refunding this payment.	Finance Manager	31/05/2017	
Waste Contract 2017 -18	Places	Obtain evidence of the required bond or parent company guarantee	October 18 – On hold pending ongoing discussions with the supplier.	Places Director	08/12/2017	31/12/2018
Waste Contract 2017 -18	Places	Review performance measures and monitoring	September 18 - Drafting a revised set of KPIs is in progress with Biffa, although this is tied into not only the revised monthly contract report but also a deed of variation for the contract. The complexity of these actions, the inter-dependency between them and the resources required to deliver these changes, along with some recent resource issues, mean that this will now be delivered by the end of December 2018.	Places Director	30/06/2018	31/12/2018
Waste Contract 2017 -18	Places	Develop formal routine inspection regimes for refuse collection and street cleaning.	October 18 – first refuse inspection carried out w/c 15 <sup>th</sup> October 2018. Inspections on green waste and street cleaning to commence in late October 2018.	Places Director	30/06/2018	31/10/2018
Waste Contract 2017 -18	Places	Compile comprehensive contract file	September 18 - A comprehensive contract file was to consist of a complete revised contract document. This is however, proving to be too resource intensive and, given the remaining contract term, not a valuable use of resources. Instead, this will be addressed via the deed of variation that will also resolve the changes to the performance measures and monitoring. Deadline end of December 2018.	Places Director	30/06/2018	31/12/2018
Waste Contract 2017 -18	Places	Document and improve invoice checking procedures	October 18 - This process is now delivered by the Business Support team. Improvements have already been made with an associated	Places Director	30/06/2018	31/10/2018

Audit Title and Year	Service Area	Outstanding Action	Status Update	Officer Responsible	Original Date	Revised Date (if provided)
			procedure to be drafted by the Business Support team.			

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***Appendix D: Customer Satisfaction***

At the completion of each assignment, the Auditor issues a Customer Satisfaction Questionnaire to each client with whom there was a significant engagement during the assignment. The Head of Service and the Line Manager receive a CSQ for all assignments within their areas of responsibility. The standard CSQ asks for the client's opinion of four key aspects of the assignment. The five responses received in the year to date are set out below.

<b>Aspects of Audit Assignments</b>	<b>N/A</b>	<b>Outstanding</b>	<b>Good</b>	<b>Satisfactory</b>	<b>Poor</b>
Design of Assignment	0	2	4	0	0
Communication during Assignments	0	3	3	0	0
Quality of Reporting	0	3	3	0	0
Quality of Recommendations	1	2	3	0	0
<b>Total</b>	<b>1</b>	<b>10</b>	<b>13</b>	<b>0</b>	<b>0</b>

## ***Appendix E: Limitations and responsibilities***

### ***Limitations inherent to the internal auditor's work***

Internal Audit undertakes a programme of work agreed by the Council's senior managers and approved by the Audit & Risk Committee subject to the limitations outlined below.

#### ***Opinion***

Each audit assignment undertaken addresses the control objectives agreed with the relevant, responsible managers. There might be weaknesses in the system of internal control that Internal Audit are not aware of because they did not form part of the programme of work; were excluded from the scope of individual internal assignments; or were not brought to the consortium's attention. As a consequence, the Audit & Risk Committee should be aware that the audit opinion for each assignment might have differed if the scope of individual assignments was extended or other relevant matters were brought to Internal Audit's attention.

#### ***Internal control***

Internal control systems identified during audit assignments, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision making; human error; control processes being deliberately circumvented by employees and others; management overriding controls; and unforeseeable circumstances.

#### ***Future periods***

The assessment of each audit area is relevant to the time that the audit was completed in. In other words, it is a snapshot of the control environment at that time. This evaluation of effectiveness may not be relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulatory requirements or other factors; or
- the degree of compliance with policies and procedures may deteriorate.

#### ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management; internal control and governance; and for the prevention or detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

Internal Audit endeavours to plan its work so that there is a reasonable expectation that significant control weaknesses will be detected. If weaknesses are detected additional work is undertaken to identify any consequent fraud or irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected, and its work should not be relied upon to disclose all fraud or other irregularities that might exist.

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## AUDIT AND RISK COMMITTEE

30 October 2018

## RISK MANAGEMENT POLICY

**Report of the Director for Resources**

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications)	
Contact Officer(s):	Saverio Della Rocca, Director for Resources	01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	N/A	

### DECISION RECOMMENDATIONS

That the Committee comments on the Risk Management Policy which will be reviewed in 2019

#### 1 PURPOSE OF THE REPORT

1.1 To present the current Risk Management Policy for comment following discussions at the last Committee.

#### 2 BACKGROUND

2.1 The Committee asked to see the Risk Management Policy which is attached at **Appendix A**.

2.2 At the last Audit Committee in September, the Committee received the latest version of the risk register. Various comments were made which are being considered by SMT.

2.3 One of the areas that the Committee highlighted at the September meeting was the appropriateness of the financial impact measures set out in Appendix C of the Policy. It is the Directors' view that for the purposes of assessing corporate risks the measures remain adequate. However, clarification may be needed to ensure that readers understand that whilst Council treats financial loss below £500k as

low risk for strategic analysis purposes, this does not reflect the Council's attitude to managing financial loss below this level. The Committee will be aware, through the work of internal audit, that the Council has a control framework in place in all areas (payroll, benefits etc) to prevent loss at any financial level.

2.4 One other area of focus was risk appetite. It is important that this is articulated however complex it may be. The current definition is set out in Section 5 of the Policy.

2.5 The Policy will be reviewed again next year and the Director would welcome any comments to feed into that work.

### **3 CONSULTATION**

3.1 No formal external consultation is necessary; the purpose of the report is to consult with this Committee.

### **4 ALTERNATIVE OPTIONS**

4.1 This report provides an opportunity for the Audit and Risk Committee to review the Policy therefore there are no alternative options.

### **5 FINANCIAL IMPLICATIONS**

5.1 There are no direct financial implications arising from this report but the Committee should note that the failure to manage risks effectively could have a financial impact on the Council.

### **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 As set out in the terms of reference within the constitution, this Committee has responsibility to provide assurance of the adequacy of the Risk Management framework and control environment. Approval of the Policy sits with Cabinet.

6.2 There are no legal implications arising from this report.

### **7 DATA PROTECTION IMPLICATIONS**

7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no service, policy or organisational changes being proposed.

### **8 EQUALITY IMPACT ASSESSMENT**

8.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

### **9 COMMUNITY SAFETY IMPLICATIONS**

9.1 There are no community safety implications.

### **10 HEALTH AND WELLBEING IMPLICATIONS**

10.1 There are no health and wellbeing implications.

### **11 CONCLUSION AND SUMMARY OF REASONS FOR THE**

## **RECOMMENDATIONS**

- 11.1 The Committee's role is to monitor the effective development and operation of risk management and corporate governance. The Risk Management Policy sets out the framework.

## **12 BACKGROUND PAPERS**

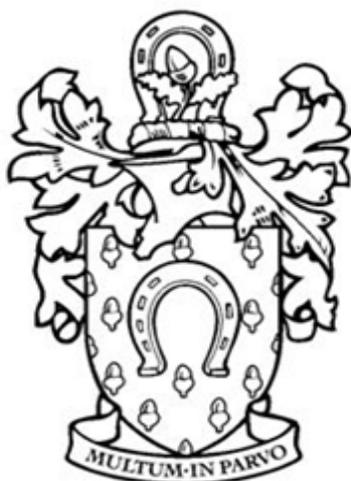
- 12.1 There are no additional background papers.

## **13 APPENDICES**

- 13.1 Appendix A: Risk Management Policy

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# Rutland County Council

## Risk Management Policy and Framework

Version & Policy Number	Version 1.0
Guardian	Director of Resources
Date Produced	1 April 2016
Next Review Date	1 April 2019

Approved by Cabinet	19 July 2016
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## **Summary of document**

This document sets out the Council's policy and approach in relation to risk management. It is intended to demonstrate the commitment to good practice in this important area of governance and provides managers with the tools, techniques and understanding necessary to deliver effective risk management outcomes.

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## **1.0 FOREWORD FROM THE DIRECTOR FOR RESOURCES**

- 1.1 As a Unitary Council, Rutland County Council provides a wide range of services that combine to make a real difference to residents' lives on a daily basis. The Council is operating within a challenging economic climate; our funding from central government has reduced but we are facing increased demands for services. The Council remains focussed on delivering value for money and endeavours to protect front line services. As such, we need to be innovative in the way we deliver services to ensure we achieve the most for every Rutland pound spent.
- 1.2 Changes in our approach to delivering services will create opportunities but will also create risks and uncertainty. It is essential that we manage the risks and opportunities associated with the delivery of our outcomes, by adopting good risk management principles. Effective risk management will enable us to have the right level of control in place to prevent identified risks from occurring or to contain the impact if they do.
- 1.3 This policy defines the minimum requirements in relation to risk management and provides guidance on the principles, tools, techniques and support which will enable us to manage the business more effectively and meet the increasing challenges we will face. It is incumbent on all of us to identify and raise concerns that might impact our ability to deliver our intended outcomes and I would encourage regular risk conversations as part of team meetings.

## 2.0 POLICY STATEMENT

- 2.1 This policy statement formally recognises the Council's responsibility and commitment to manage the strategic and operational risks that it faces in order to meet its intended outcomes. This includes protecting the health, safety and welfare of its employees and the people it serves, protecting its property, assets and other resources and maintaining its reputation and good standing in the community.
- 2.2 Risk is unavoidable. It is an important part of life that allows us all to move forward and develop. As an organisation it can impact in many ways, whether financially, politically, on our reputation, environmentally or to our service delivery. Effective risk management optimises the balance between risk and control, providing sufficient protection from harm, without stifling our development. As an organisation, with a range of different stakeholders, each with differing needs and expectations, this can be a challenge. We must ensure that the decisions we take as a Council reflect a consideration of the potential implications for all our stakeholders. We must decide whether the benefits of taking our actions outweigh the risks.
- 2.3 The Council's overriding attitude to risk is to operate in a culture of creativity and innovation, in which risks are identified in all areas of the business, are understood and proactively managed, rather than avoided. Risk management therefore needs to be taken into the heart of the Council and our key partners. We need to have the structures and processes in place to ensure the risks and opportunities of daily Council activities are identified, assessed and addressed in a standard way. This will allow us not only to meet the needs of the community today, but also be prepared to meet future challenges.
- 2.4 The Council's main aims in relation to risk management are to:
- i. Ensure that appropriate systems are in place to help identify, evaluate and make a conscious choice about how to deal with the risks that it faces
  - ii. Ensure that mechanisms exist to track and report business risks on an ongoing basis
  - iii. Embed risk management into the culture of the organisation in terms of how it operates and makes decisions
  - iv. Adopt a systematic approach to risk management as an integral element of business planning and performance management
  - v. Raise awareness of the need for risk management by all those connected with delivery of the Council's services (including partners and contractors)

## 3.0 INTRODUCTION

- 3.1 The effective management of risk is a central part of any organisation's strategic management and an integral part of corporate governance.
- 3.2 The focus of good risk management is the identification, assessment and response to key risks that may impact upon the achievement of the Council's stated aims and objectives. It also seeks to maximise the rewards that can be gained through managing risk effectively.
- 3.3 The Council requires all senior managers to make an annual assurance statement on the effectiveness of risk management and control within their respective areas. These statements form the basis of an Annual Governance Statement made by the Leader of the Council and the Chief Executive.
- 3.4 Overall responsibility for ensuring that the Council has the appropriate systems in place to manage business risk at a strategic level lies with the Strategic Management Team (SMT) and the Director of Resources will champion the process on their behalf. At an operational level, individual Directors supported by Heads of Service will have responsibility for managing risks.
- 3.5 For the purpose of this document, risks are split into two levels. Directorate risks are those which may prevent individual service or directorate aims and objectives being met. Strategic Risks are those which:
  - i. Relate to the achievement of the long term purpose, priorities and plans of the Council
  - ii. Impact more than one directorate or which require a response to be co-ordinated across multiple directorates
  - iii. Directorate risks which, if they materialised, would have the potential to impact significantly on service delivery and the reputation of the Council
- 3.6 Risk management is both a 'top down' and a 'bottom up' process. The top down enables the identification and control of strategic risks while the bottom up process enables operational concerns to be escalated through the organisation as appropriate. The bottom up approach also enables the effect of similar concerns across directorates to be aggregated.
- 3.7 The benefits of an effective risk management strategy are as follows:
  - i. To ensure increased knowledge and understanding of exposure to risk and its importance in front line service delivery. This in turn

allows an early and proportionate response, which should mean fewer incidents and other control failures.

- ii. Where issues do arise, investigating what went wrong and taking appropriate remedial action creates a learning culture and an environment in which issues do not recur.
  - iii. It provides assurance to members and management on the adequacy of arrangements for the conduct of business and the use of resources.
  - iv. This in turn protects the reputation of the Council which could otherwise be impacted by service disruptions and litigation.
- 3.8 The strategy will be subject to annual review to ensure that it remains up-to-date and continues to reflect the Council's approach to risk management.

## 4.0 DEFINITIONS AND SCOPE

- 4.1 **Risk** can be defined as the effect of uncertainty on objectives. An effect may be positive, negative or a deviation from the expected. Risk is often described by an event, a change in circumstances or a consequence.
- 4.2 **Risk management** is a process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of success and reducing the likelihood of failure.
- 4.3 **Controls** are systematic measures implemented to mitigate risks and help an organisation achieve its objectives. Preventive controls are mechanisms established to discourage errors or irregularities from occurring while detective controls are designed to identify errors or irregularities that may have occurred.
- 4.4 This strategy is intended to reaffirm and improve effective risk management in the Council, comply with good practice and, in doing so, effectively manage potential opportunities and threats to the organisation achieving its objectives.
- 4.5 Ensuring that there is an understanding of 'risk' and that the Council adopts a consistent approach to identifying, prioritising and reporting risks should lead to conscious choices over the most appropriate method for dealing with each risk ie. tolerating, transferring or treating the risk or terminating the activity which gives rise to it.

## **5.0 RISK APPETITE**

- 5.1 An organisation's risk appetite is the amount of risk it is prepared to accept, tolerate or be exposed to in order to achieve its objectives. This is factored into planning, decision making and delivery
- 5.2 It is important for the risk appetite to be understood within the organisation so that the appropriate response is made to identified risks. If managers are running the business without sufficient guidance on the amount of risk it is acceptable for them to take, or not seizing important opportunities because of a belief that taking on additional risk is discouraged, performance will not be maximised.
- 5.3 As a local authority, the Council not only has significant statutory responsibilities, but it is also responsible for being a catalyst for change in its local area – place shaping, stimulating the economy and facilitating growth. To be successful in delivering its aims and objectives with finite resources, the Council cannot eliminate risk entirely; rather it sometimes has to take calculated risks. The Council has a difficult balancing act. The Council therefore has a variable risk appetite. When it comes to issues of safeguarding and the welfare of staff and public, it has a low risk appetite which means as far as possible it will try to reduce risks as far as possible. In relation to other duties, the Council accepts and is willing to take more risk taking into account potential gains, stakeholder expectations, available resources and the organisation's capacity to deliver.

## **6.0 APPROACH**

- 6.1 We will meet our risk management objectives by undertaking the following actions:
  - i. Providing and using a robust and systematic framework for identifying, managing and responding to strategic and operational risks in line with external benchmarks of good practice (see section 9.0)
  - ii. Establishing clear roles, responsibilities and reporting lines for risk management
  - iii. Demonstrating a commitment to risk management and assurance through the actions and behaviours of the SMT in their decision making. We will also understand our risk appetite and the level of risk we are prepared to accept in different activities and service areas
  - iv. Reinforcing the value of risk management by integrating it within the Council's (and partnerships') project management, performance management and procurement processes

- v. Establishing effective processes for oversight of the Council's risk exposure and monitoring both internal controls and external influences to understand changes in that exposure
- vi. Increasing understanding and expertise in risk management through targeted training and sharing of good practice

6.2 As evidence of the effectiveness of the approach we will expect to see the following:

- i. The corporate risk register is reviewed and discussed at the appropriate forum of SMT and Members on a quarterly basis
- ii. Directorate risk registers are formally reviewed and discussed in Directorate Team meetings on a quarterly basis
- iii. Project/programme and partnership risk registers are reviewed by management on a monthly basis
- iv. Internal Audit undertake a periodic review of risk management within the Council to determine the extent to which the framework is being deployed

## 7.0 ROLES AND RESPONSIBILITIES

7.1 In order to ensure the successful implementation of the strategy, the following roles exist

Group/ Individuals	Role/ Responsibilities
Audit & Risk Committee	<ul style="list-style-type: none"> <li>• To provide independent assurance to the Council and the Cabinet of the adequacy of the overall corporate governance and internal control environments including the associated approach to risk management</li> <li>• To review the content of the strategic risk register and the adequacy of associated risk management arrangements</li> </ul>
Senior Management Team (SMT)	<ul style="list-style-type: none"> <li>• Identify, manage and monitor strategic risks</li> <li>• Ensure that reports to support strategic and/or policy decisions include a risk assessment</li> </ul>
Deputy Leader	<ul style="list-style-type: none"> <li>• The Cabinet Member with specific responsibility for promoting awareness and understanding of risk management</li> </ul>
Director for Resources	<ul style="list-style-type: none"> <li>• The SMT member with specific responsibility for promoting awareness and understanding of risk management and championing the benefits amongst colleagues</li> </ul>
Chief Executive	<ul style="list-style-type: none"> <li>• Leads on the wider corporate governance agenda of which risk management is a part</li> <li>• Receives assurance statements on internal control from senior managers and signs off the Annual Governance Statement along with the Leader of the Council</li> </ul>
Directors	<ul style="list-style-type: none"> <li>• Making arrangements to embed risk management throughout their areas of responsibility</li> <li>• Reporting their directorate risks on a regular basis</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Review and report on the risk management process</li> <li>• Feed into the annual assurance statements and provide an opinion based on audit work carried out through the year</li> </ul>
All Members and Officers	<ul style="list-style-type: none"> <li>• Understand and act upon key risks that could significantly impact the achievement of service, team or project objectives</li> </ul>

## 8.0 RISK MANAGEMENT PROCESS

- 8.1 The risk management cycle applies to all types of risk and involves a number of key stages which are outlined below.



- 8.2 **Defining objectives** is a critical first step in the risk management cycle because risks should have a clear link to what it is that the organisation is trying to achieve.
- 8.3 **Risk identification** is the process of documenting the risks/ opportunities that could impact or prevent the achievement of a defined objective. It is the responsibility of all parties associated with an objective to help identify potential risks and report them to the manager responsible. The risk should be described clearly so that it is fully understood and to assist with determining the appropriate response. The risk register should therefore capture the risk together with causes and consequences. Potential risk sources are set out in Appendix A and a risk register format at Appendix B.
- 8.4 **Risk assessment** enables a score to be applied to both the likelihood of a risk materialising and the potential impact and ensures that resources are focused on the most significant concerns. The score for an individual risk is the product of impact and likelihood using the criteria set out in Appendix C. The Council uses a three stage risk assessment approach:
- i. Inherent Risk – the impact and likelihood of the risk without any controls in place – the inherent risk score if no action was taken
  - ii. Current Risk – the impact and likelihood of the risk considering the existing controls in place. Current controls should be evaluated and documented

- iii. Target Risk – the impact and likelihood desired by the Council. The risk response should reflect this level of target risk and take into account the cost of achieving the desired level of control

8.5 **Risk response** is about taking action which balances cost with the level of risk faced by the Council. Options for responding to the risk are as follows:

- i. Tolerate – this is a conscious decision to take no action either because the risk is within the stated appetite of the Council or because it is expected to be a very low occurrence. The risk should be monitored to ensure its potential does not change
- ii. Treat – procedures and controls are put in place to reduce the likelihood or frequency of a risk materialising or to reduce its impact
- iii. Transfer – the risk is transferred to a third party by mechanisms such as insurance or outsourcing
- iv. Terminate – the activity giving rise to the risk is stopped

8.6 **Risk review and reporting** is required because all risks can change over time and therefore need close monitoring to ensure that current controls remain in place and are effective, and that mitigating actions are achieved within the target timeframe. All changes should be recorded and reviewed in directorate meetings in accordance with the guidance in Appendix D. The strategic risk register is reviewed by SMT on a quarterly basis.

## APPENDIX A - SOURCES OF RISK

	Sources of Risk	Risk Considerations
<b>STRATEGIC</b>	Political	<ul style="list-style-type: none"> <li>• Changes in Government policy</li> <li>• National or local political pressures</li> </ul>
	Economic	<ul style="list-style-type: none"> <li>• Economic downturn – prosperity of local businesses/ local communities</li> <li>• Ability to deliver value for money</li> </ul>
	Social	<ul style="list-style-type: none"> <li>• Demographic changes</li> <li>• Crime and disorder, health inequalities, safeguarding issues</li> </ul>
	Technology	<ul style="list-style-type: none"> <li>• Ability to respond to changing demands</li> <li>• Obsolescence of existing technology</li> </ul>
	Legislation	<ul style="list-style-type: none"> <li>• Changes in UK or EU legislation</li> <li>• Legal challenges or judicial reviews</li> </ul>
	Environment	<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Recycling, green issues, energy efficiency, land use and green belt issues</li> </ul>

	Sources of Risk	Risk Examples
<b>OPERATIONAL</b>	Finance	<ul style="list-style-type: none"> <li>• Budgetary pressures</li> <li>• System/ procedure weaknesses</li> </ul>
	People	<ul style="list-style-type: none"> <li>• Loss of key staff, recruitment, retention &amp; development issues</li> <li>• Communication and consultation during transformation</li> </ul>
	Partnerships and Contracts	<ul style="list-style-type: none"> <li>• Delivery of services to agreed cost and specification</li> <li>• Clarity of roles and relationships</li> </ul>
	Physical Assets	<ul style="list-style-type: none"> <li>• Safety and security of land, buildings and equipment</li> <li>• Control of IT hardware</li> </ul>
	Process	<ul style="list-style-type: none"> <li>• Poor quality/ reduced service delivery</li> <li>• Confidentiality, integrity and availability of information</li> </ul>
	Resilience	<ul style="list-style-type: none"> <li>• Emergency preparedness/ business continuity</li> </ul>

**APPENDIX B - RISK REGISTER TEMPLATE**

Risk Ref.	Risk Description	Risk Owner	Current Controls	Current Risk Score			Actions Required	Target Timescale	Target Risk Score		
				Impact	Likelihood	Score			Impact	Likelihood	Score
	<p>A well-defined risk will have:</p> <ul style="list-style-type: none"> <li>• a cause - the situation or fact that gives rise to the unwanted event</li> <li>• an event - the unwanted event that could happen</li> <li>• an impact - the effect or result of the event happening.</li> </ul> <p>e.g. There is a risk that the council's information is lost, stolen or damaged (event) due to inadequate controls in place to identify and respond to cyber-attacks (cause) leading to a catastrophic impact on the council's ability to function, damage to reputation and public perception and possible breaches of laws and regulations with potential fines of up to £500,000 (impact)</p>										

## APPENDIX C - RISK ASSESSMENT CRITERIA

The following tables should be used to assess and prioritise risks to ensure that resources are focused accordingly.

### LIKELIHOOD MEASURES

	<b>Extremely Unlikely 1</b>	<b>Unlikely 2</b>	<b>Low 3</b>	<b>More Likely than Not 4</b>	<b>Very Likely 5</b>	<b>Extremely Likely 6</b>
<b>Probability</b>	Less than 10% chance of circumstances arising	11% to 30% chance of circumstances arising	31% to 50% chance of circumstances arising	51% to 70% chance of circumstances arising	71% to 90% chance of circumstances arising	More than 90% chance of circumstances arising
<b>Timescale</b>	It is <b>unlikely</b> to occur	Possible in the <b>next 5 years</b>	Possible in the <b>next 3-5 years</b>	Possible in the <b>next 1-2 years</b>	Likely to occur in the <b>next 6-12 months</b>	Occurred in the <b>past month</b> or is very likely to occur in the <b>next month</b>

### IMPACT MEASURES

	<b>Minor 1</b>	<b>Moderate 2</b>	<b>Major 3</b>	<b>Most Severe/Extreme 4</b>
<b>Financial</b>	Financial revenue loss up to £500k over MTFP	Financial loss £500k – 750k over MTFP	Financial loss £750k to £2m	Financial loss over £2m
<b>Reputation</b>	A few minor complaints and/or minimal local media attention	A number of complaints and adverse local media attention	Some national media attention and sustained local media attention	Ministerial intervention and/or public enquiry with sustained national media attention
<b>Service Delivery</b>	Limited disruption to services	Disruption to services that do not directly affect vulnerable groups	Significant disruption to services directly affecting vulnerable groups	Loss of services directly affecting vulnerable groups
<b>Health &amp; Safety</b>	Low level of foreseeable minor injuries	High level of foreseeable minor injuries/ low level of foreseeable serious injuries	High level of foreseeable serious injuries	Foreseeable long-term injury, illness or fatality

## APPENDIX D - RISK ESCALATION CRITERIA

The results of the assessment determine the escalation criteria and frequency of review as follows:

<b>IMPACT</b>	Most Severe 4	4	8	12	16	20	24
	Major 3	3	6	9	12	15	18
	Moderate 2	2	4	6	8	10	12
	Minor 1	1	2	3	4	5	6
		Extremely Unlikely 1	Unlikely 2	Low 3	More Likely than Not 4	Very Likely 5	Extremely Likely 6
<b>LIKELIHOOD</b>							

Current Risk Level & Score	Frequency and level of Risk Review
<b>High 15-24</b>	These are significant risks which may have a serious impact on the Council and its objectives if not managed. They should therefore be visible to Directors and <b>reviewed on at least a monthly basis</b> and considered for escalation to the strategic risk register.
<b>Medium 8-12</b>	These are risks which have the capability to cause some disruption to the Council if not managed appropriately. They should be visible to Directors and <b>reviewed on at least a quarterly basis.</b>
<b>Low 1-6</b>	These risks may not require further action at this point in time but need to be monitored to ensure that there are no changes in circumstances which would lead to the risk score changing. They should be visible to Directors and <b>reviewed on at least a 6-monthly basis.</b>

**A large print version of this document is available  
on request**



**Rutland**  
County Council

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**AUDIT & RISK COMMITTEE**

30 October 2018

**COMPLIMENTS, COMMENTS AND COMPLAINTS REPORT  
ANNUAL REPORT**

**Report of the Director for Resources**

Strategic Aim:	Sound Financial and Workforce Planning	
Exempt Information	No	
Cabinet Member(s) Responsible:	Mr O Hemsley, Leader and Portfolio Holder for Rutland One Public Estate & Growth, Tourism & Economic Development, Resources (other than Finance and Communications)	
Contact Officer(s):	Phil Horsfield, Monitoring Officer	01572 7588154 phorsfield@rutland.gov.uk
	Saverio Della Rocca, Director for Resources	01572 758159 sdrocca@rutland.gov.uk

**DECISION RECOMMENDATIONS**

That the Committee:

1. Endorses the content of the Annual Compliments, Comments and Complaints report.

**1 PURPOSE OF THE REPORT**

- 1.1. This annual report provides an overview of the numbers of Compliments, Comments and Complaints received by the Council over the last Financial Year from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.

**2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 The Council is committed to providing a high quality service to everyone we deal with. In order to do this we need individuals to give us any comments about our service, and to tell us when we get things right or wrong.
- 2.2 When individuals do complain or make comments then we take them seriously, deal with them as quickly as possible and learn from them so that we can continuously improve our service.
- 2.3 The Council's Compliments, Comments and Complaints Policy and Procedure remains unchanged. It was last updated in August 2014. Key points within the

policy are:

- Service Requests are identified and treated appropriately outside of the Policy (e.g. missed bin). A Service Request is defined as an issue that the Council has not have the opportunity to remedy. If the Council fails to solve the issue the matter would be treated as a complaint.
- All customers are encouraged to use the 'Let Us Know' email address to report all compliments, comments and complaints;
- Stage 1 complaints will be dealt with within the 10 working days target timescale;
- If the complaint escalates to Stage 2 (this can be requested by the complainant), stage 2 responses will be completed within a further 10 working days by a Director (or someone other than the individual responding to the Stage 1 complaint)

2.4 A review of the policy will take place by during 2019.

### 3 COMPLIMENTS

3.1 A compliment can be defined as customer feedback, which tells the Council that it has provided a service well, or how helpful a member of staff has been.

3.2 During 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 the Council registered 116 compliments from customers. This is a decrease of 6% of total compliments received compared to the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 where 123 compliments were received.

3.3 Below is an overview of how this is split into each Directorate.

	2016/17	2017/18	Diff(+/-)
Places	60	61	+1
Resources	25	17	-8
People	38	38	0
<b>Total</b>	<b>123</b>	<b>116</b>	<b>-7</b>

3.4 Across the Council most compliments were received for the Highways (winter weather) and Adult Social Care teams.

3.5 Examples of these compliments include:

#### *Places - Highways*

- "I just wanted to commend the council on the tremendous job that they have done keeping the roads free from snow and ice. I could not believe how clear the main roads were this morning. Fantastic service".
- "Just a big thank you for a snow plough in our little close, brilliant Rutland council, thank you again".
- "Please pass on our appreciation to the Highways and waste departments, for the excellent service their contractors and local farmers worked endlessly in keeping the roads and pavements of Rutland gritted and passable in the recent snowy weather".

### *People – Adults*

- “The Re-enablement team have been brilliant. All have been very helpful, kind and encouraging and have helped my mother regain her confidence and live independently in her own home again. We have been most impressed with a service we were unaware of until now”.
- “X has treated my sister with great respect and kindness and she has been an enormous support to me”.

### *People - Children*

- *"Thank you for all your help and support over the last year. We feel truly blessed to have X in our family and you have been a huge part of making that happen. Thank you for all your hard work".*
- *"X told me that the support and help that the school have had from Rutland County Council has far exceeded anything they have had from Leicestershire and she wanted to pass her thanks along. X has accepted my invitation to share resources that the school may be able to use with the children - this is the first time in 6 years that any teacher has taken me up on this offer".*

### *Resources - Burials*

- *"How absolutely marvellous. What a wonderful job you have done and I am so surprised to find so many of my family that I may be responsible for. At least I should have somewhere to lay my mother when the time comes".*

### *Resources - Revenues & Benefits*

- *"Please may we inform you of the tremendous appreciation we have from X the help given to us today. It was associated with the need we have to complete in applying for support, given my inability to continue teaching due to unexpected terminal cancer. X showed tremendous care and support, along with the ability to deal with 'Universal Credit' what is for us a very difficult and demanding computer account"*

## **4 COMMENTS**

4.1 A comment can be defined as an idea, suggestion or opinion on how the Council could improve its services.

4.2 From 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 the Council registered 18 Comments from customers; this is a decrease of 25% of the total comments received compared to the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 where 24 comments were received.

4.3 Below is an overview of how this is split into each Directorate.

	<b>2016/17</b>	<b>2017/18</b>	<b>Diff(+/-)</b>
Places	12	13	+1
Resources	11	4	-7
People	1	1	0
<b>Total</b>	<b>24</b>	<b>18</b>	<b>-6</b>

4.4 Analysis of comments show that there are no emerging themes with repeated issues. 11 teams received comments which were sent to Heads of Service for consideration.

## 5 COMPLAINTS

5.1 A complaint can be defined as dissatisfaction with any service provided by the Council.

### 5.2 Responding to complaints on time

5.2.1 During 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018 the Council registered 118 complaints from service users; this is a decrease of 16% of total complaints received compared to the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 with 140 complaints registered.

5.2.2 Of those 118 complaints registered, 97% service users were provided with a response within the 10 day target; This is an increase of 3% compared to the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 with 93% responded to within 10 working days.

	2016/17			2017/18			Diff (-/+)
	Received	Exceed 10 Day Target	% Answered within timescales	Received	Exceed 10 Day Target	% Answered within timescales	
Places	76	12	84%	64	2	97%	13%
Resources	29	0	100%	21	0	100%	0%
People	37	2	96%	33	2	94%	-3%
<b>Total</b>	<b>142</b>	<b>14</b>	<b>93%</b>	<b>118</b>	<b>4</b>	<b>97%</b>	<b>4%</b>

5.2.3 Of the 118 complaint registered 23 were escalated to stage 2 of the Policy. In all cases the relevant member of the Senior Management Team responded to the customer within the 10 day deadline or contacted the customer to agree an extension to this deadline to ensure that the stage 1 response was reviewed correctly.

### 5.3 Breakdown by Directorate

Places

	2016/17	2017/18	Diff (+/-)
Highways	21	11	-10
Planning	19	15	-4
Transport	14	7	-7
Street Scene & Waste	9	17	+8
Others	5	5	0
Grounds & Cemetery	5	2	-3
Environment, Licensing & Trading Standards	3	7	+4
<b>Total</b>	<b>76</b>	<b>64</b>	<b>-12</b>

## Resources

	<b>2016/17</b>	<b>2017/18</b>	<b>Diff (+/-)</b>
Revenues & Benefits	14	13	-1
Finance	5	0	-5
Elections	4	2	-2
Others	3	1	-2
Information Related	3	5	+2
<b>Total</b>	<b>29</b>	<b>21</b>	<b>-8</b>

## People

	<b>2016/17</b>	<b>2017/18</b>	<b>Diff (+/-)</b>
Adult Social Care	6	7	-1
Children Social Care	31	26	-5
<b>Total</b>	<b>37</b>	<b>33</b>	<b>-4</b>

## 5.4 Complaints upheld

- 5.4.1 Of the 118 complaints registered from service users during 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018, 29 were upheld (this means that the service believe that there was a failing that could have been avoided, something went wrong). This is a decrease of 3% of total complaints upheld compared to the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017 with 142 complaints registered and 40 upheld. An overview of the departments involved is below.

### Number of Complaints Received v Upheld

	<b>2016/17</b>			<b>2017/18</b>			<b>Diff (-/+)</b>
	Received	Upheld	% Upheld	Received	Upheld	% Upheld	
Places	76	22	29%	64	12	19%	-10%
Resources	29	12	41%	21	6	29%	-12%
People	37	6	16%	33	11	33%	+17%
<b>Total</b>	<b>142</b>	<b>40</b>	<b>28%</b>	<b>118</b>	<b>29</b>	<b>25%</b>	<b>-3%</b>

- 5.4.2 Upheld complaints have been reviewed to assess if any key themes are emerging. Whilst all upheld complaints are regrettable, no significant themes are visible in particular areas however there are two issues often highlighted where the Council need to remain focused:

- Customer service – the way in which staff are perceived to have dealt with a particular issue can often be at the cause of an upheld complaints. Ensuring that staff engage with our customers in a positive and professional manner in accordance with our values at all times remains a key Council priority.

- Service standards – where the Council (including its contractors) falls below standards expected by ourselves and customers then complaints may be upheld.

## **6 VEXATIOUS COMPLAINTS**

6.1 During the period of this report, no vexatious complainants have been registered.

## **7 THE LOCAL GOVERNMENT OMBUDSMAN**

7.1 The Local Government Ombudsman (LGO) looks at complaints about Councils in a fair and independent way. All LGO decision statements are published.

7.2 An annual review letter and report from the LGO is attached as Appendix A.

7.3 The LGO received 14 complaints and enquiries, 2 detailed investigations were carried out and 1 complaint was upheld in relation to a licensing matter where action has been taken to ensure there are no repeat cases. The Council's process has reduced the number of issues referred to the LGO continues to provide a higher level of overview in a shorter period of time therefore customers should receive a better standard of service and a satisfactory resolution when complaining to the Council.

7.4 The Council has fully met its performance target of 28 days when responding to LGO enquiries.

## **8 CONSULTATION**

8.1 There is no requirement to consult on this subject; the report focusses on internal arrangements to manage customer contact in respect of compliments, comments and complaint.

## **9 ALTERNATIVE OPTIONS**

9.1 The alternative option is to not endorse the report and endorse it subject to amendments.

## **10 FINANCIAL IMPLICATIONS**

10.1 There are no direct financial implications arising from this report, but clearly there is a cost associated with managing this process. Dealing with complaints effectively at an early stage prevents them from escalating thereby reducing the overall time spent on handling them.

10.2 There is a risk that failure to properly manage the process could result in a complaint being upheld by the LGO and this may result in the award of financial compensation. There is no tariff of financial compensation awards; each case is assessed on its individual circumstances on the basis of quantifiable loss.

## **11 LEGAL AND GOVERNANCE CONSIDERATIONS**

11.1 This annual report falls within the scope of the Audit and Risk Committee.

11.2 The report ensures that the Council complies with S5 of the Local Government and

Housing Act 1989.

## **12 DATA PROTECTION IMPLICATIONS**

- 12.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

## **13 EQUALITY IMPACT ASSESSMENT**

- 13.1 An Equality Impact Assessment (EqIA) has not been completed as it is not required as part of this report.

## **14 COMMUNITY SAFETY IMPLICATIONS**

- 14.1 There are no Community Safety implications as part of this report.

## **15 HEALTH AND WELLBEING IMPLICATIONS**

- 15.1 Good governance arrangements promote the general wellbeing of the local community.

## **16 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

- 16.1 The Annual Compliments, Comments and Complaints report is presented to the Audit and Risk Committee for noting.

## **17 APPENDICES**

- 17.1 Appendix A – Local Government Ombudsman Annual Review Letter in respect of Rutland County Council.

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.

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18 July 2018

*By email*

Helen Briggs  
Chief Executive  
Rutland County Council

Dear Helen Briggs,

### **Annual Review letter 2018**

I write to you with our annual summary of statistics on the complaints made to the Local Government and Social Care Ombudsman (LGSCO) about your authority for the year ended 31 March 2018. The enclosed tables present the number of complaints and enquiries received about your authority and the decisions we made during the period. I hope this information will prove helpful in assessing your authority's performance in handling complaints.

#### **Complaint statistics**

In providing these statistics, I would stress that the volume of complaints does not, in itself, indicate the quality of the council's performance. High volumes of complaints can be a sign of an open, learning organisation, as well as sometimes being an early warning of wider problems. Low complaint volumes can be a worrying sign that an organisation is not alive to user feedback, rather than always being an indicator that all is well. So, I would encourage you to use these figures as the start of a conversation, rather than an absolute measure of corporate health. One of the most significant statistics attached is the number of upheld complaints. This shows how frequently we find fault with the council when we investigate. Equally importantly, we also give a figure for the number of cases where we decided your authority had offered a satisfactory remedy during the local complaints process. Both figures provide important insights.

I want to emphasise the statistics in this letter reflect the data we hold, and may not necessarily align with the data your authority holds. For example, our numbers include enquiries from people we signpost back to the authority, some of whom may never contact you.

In line with usual practice, we are publishing our annual data for all authorities on our website, alongside an annual review of local government complaints. The aim of this is to be transparent and provide information that aids the scrutiny of local services.

### **Future development of annual review letters**

Last year, we highlighted our plans to move away from a simplistic focus on complaint volumes and instead turn focus onto the lessons that can be learned and the wider improvements we can achieve through our recommendations to improve services for the many. We have produced a new corporate strategy for 2018-21 which commits us to more comprehensively publish information about the outcomes of our investigations and the occasions our recommendations result in improvements to local services.

We will be providing this broader range of data for the first time in next year's letters, as well as creating an interactive map of local authority performance on our website. We believe this will lead to improved transparency of our work, as well as providing increased recognition to the improvements councils have agreed to make following our interventions. We will therefore be seeking views from councils on the future format of our annual letters early next year.

### **Supporting local scrutiny**

One of the purposes of our annual letters to councils is to help ensure learning from complaints informs scrutiny at the local level. Sharing the learning from our investigations and supporting the democratic scrutiny of public services continues to be one of our key priorities. We have created a dedicated section of our website which contains a host of information to help scrutiny committees and councillors to hold their authority to account – complaints data, decision statements, public interest reports, focus reports and scrutiny questions. This can be found at [www.lgo.org.uk/scrutiny](http://www.lgo.org.uk/scrutiny) I would be grateful if you could encourage your elected members and scrutiny committees to make use of these resources.

### **Learning from complaints to improve services**

We share the issues we see in our investigations to help councils learn from the issues others have experienced and avoid making the same mistakes. We do this through the reports and other resources we publish. Over the last year, we have seen examples of councils adopting a positive attitude towards complaints and working constructively with us to remedy injustices and take on board the learning from our cases. In one great example, a county council has seized the opportunity to entirely redesign how its occupational therapists work with all of its districts, to improve partnership working and increase transparency for the public. This originated from a single complaint. This is the sort of culture we all benefit from – one that takes the learning from complaints and uses it to improve services.

### **Complaint handling training**

We have a well-established and successful training programme supporting local authorities and independent care providers to help improve local complaint handling. In 2017-18 we delivered 58 courses, training more than 800 people. We also set up a network of council link officers to promote and share best practice in complaint handling, and hosted a series of seminars for that group. To find out more visit [www.lgo.org.uk/training](http://www.lgo.org.uk/training).

Yours sincerely,



Michael King  
Local Government and Social Care Ombudsman  
Chair, Commission for Local Administration in England

**Local Authority Report:** Rutland County Council  
**For the Period Ending:** 31/03/2018

For further information on how to interpret our statistics, please visit our website:  
<http://www.lgo.org.uk/information-centre/reports/annual-review-reports/interpreting-local-authority-statistics>

## Complaints and enquiries received

Adult Care Services	Benefits and Tax	Corporate and Other Services	Education and Children's Services	Environment Services	Highways and Transport	Housing	Planning and Development	Other	Total
0	1	3	4	1	4	0	1	0	14

71

## Decisions made

				Detailed Investigations			
Incomplete or Invalid	Advice Given	Referred back for Local Resolution	Closed After Initial Enquiries	Not Upheld	Upheld	Uphold Rate	Total
0	1	3	5	1	1	50%	11

### Notes

Our uphold rate is calculated in relation to the total number of detailed investigations.  
 The number of remedied complaints may not equal the number of upheld complaints. This is because, while we may uphold a complaint because we find fault, we may not always find grounds to say that fault caused injustice that ought to be remedied.

### Complaints Remedied

by LGO	Satisfactorily by Authority before LGO Involvement
1	0

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