

Bolsover District Council

Audit Committee

12th April 2016

Internal Audit Plan 2016/17

This report is public

PURPOSE OF REPORT

- To present to Members for consideration and agreement the Internal Audit Plan for 2016/17.

1.0 Report Details

- 1.1 A key requirement of the Public Sector Internal Audit Standards is that a periodic risk based plan should be prepared that is sufficiently flexible to reflect the changing risks and priorities of the organisation. The risk based plan should be fixed for a period of no longer than one year, should outline the assignments to be carried out, their respective priorities and the estimated resources needed.
- 1.2 The internal audit plan helps to achieve the corporate aim “Strategic Organisational Development” which looks to continually improve the organisation. Systems are examined and evaluated to ensure that they are effective and efficient and that the controls in place are operating as intended.
- 1.3 A note explaining the role, purpose and some of the terminology used in the internal audit plan is attached at Appendix 1.
- 1.4 An annual report summarising the outcome of the 2015/16 internal audit plan will be presented to this Committee after the year-end.
- 1.5 A summary of the internal audit plan for 2016/17 is shown below and the detailed plan is shown as Appendix 2.

Internal Audit Plan 2016/17

Summary	Audit Days
Main Financial Systems	205
Other Operational Audits	120
Computer / IT Related	12
Fraud and Corruption	10
Corporate / Cross Cutting	66
Alliance Accounts/NFI Key contact	15
Special Investigations & Contingency	40

Audit Committee / Client Liaison	15
Grand Total	483

- 1.6 The plan has been prepared taking into account the following factors:-
- The organisational objectives and priorities;
 - Local and national issues and risks;
 - The requirement to produce an annual internal audit opinion;
 - The fraud risk register (Appendix 3)
 - The organisations assurance framework;
 - An update of the internal audit risk assessment exercise covering the financial control and other procedures subject to audit (see Appendix 1, section 5 for further details);
 - The Council's strategic risk register and
 - The views of the Executive Director- Operations

1.7 Resource availability has been based on the Consortium Business Plan for 2016/17. The plan allocates 483 days to Bolsover District Council for 2016/17 this is the same allocation as for 2015/16.

1.8 A copy of the audit plan is provided to the Council's external auditor to assist in co-ordination of work programmes.

2.0 Conclusions and Reasons for Recommendations

2.1 To ensure that a risk based audit plan is adopted and to determine the internal audit work programme for 2016/17.

2.2 To comply with the Public Sector Internal Audit Standards.

3 Consultation and Equality Impact

3.1 None

4 Alternative Options and Reasons for Rejection

4.1 Not Applicable

5 Implications

5.1 Finance and Risk Implications

5.1.1 Financial – the internal audit budget for 2016/17 has been approved by the Joint Board and includes a contingency to cover for any unforeseen circumstances etc.

5.1.2 Risk management Issues – no formula exists that can be applied to determine internal audit coverage needs. However, as a guide the minimum level of coverage is that required to give an annual evidence-based opinion on internal controls. The level of coverage provided by the proposed 2016/17 internal audit plan will be sufficient upon which to base an opinion.

5.2 Legal Implications including Data Protection

5.2.1 None

5.3 Human Resources Implications

5.3.1 None

6 Recommendation

6.1 That the Internal Audit Plan for 2016/17 be agreed.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
District Wards Affected	None
Links to Corporate Plan priorities or Policy Framework	The internal audit plan helps to achieve the corporate aim "providing our customers with an excellent service" which looks to continually improve the organisation.

8 Document Information

Appendix No	Title
Appendix 1	Internal Audit Plan – Background Note
Appendix 2	Draft Internal Audit Plan 2016/17
Appendix 3	Fraud risk register
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
N/A	
Report Author	Contact Number
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INTERNAL AUDIT PLAN

BACKGROUND NOTE

1. Definition of Internal Audit

Internal Audit is defined in the Public Sector Internal Audit Standards as:

“.. an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes”.

2. The Purpose of Internal Audit

Internal audit is not a substitute for management. It is the purpose of internal audit to assist and support management by appraising the arrangements and procedures established.

There is also a statutory requirement for internal audit in local government contained in the Accounts and Audit Regulations 2015. These regulations require the authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking in to account public sector internal auditing standards and guidance’.

3. The Difference Between Internal Audit and External Audit

External audit is completely independent of the authority. The Council’s external auditors are KPMG. Much of the external auditors’ work is determined by statutory responsibilities. Internal audit's terms of reference are determined and approved by management.

However, there is nevertheless considerable scope for co-operation to avoid duplication of work and to make maximum use of audit resources. By reviewing the work of internal audit, external audit will be in a position to determine whether reliance can be placed on the work concerned.

4. The Scope of Internal Audit Work

One of the essential elements for effective internal auditing is that the internal auditor should adequately plan, control and record their work.

To determine priorities and to assist in the direction and control of audit work the internal auditor will prepare a plan based on a risk assessment.

The audit plan is divided into the following sections: -

- **Main Financial Systems**

This covers the fundamental accounting and income collection systems of the authority such as payroll, creditor payments, council tax etc. Most of

these systems are reviewed on an annual basis due to their importance. External audit examines and places reliance on the work carried out.

- **Other Operational Audits**

Audits to be undertaken in services include a review of procedures at leisure centres and controls in respect of street cleaning.

- **IT Related**

Topics in this area of the plan include a review of BACS. Although only 12 days are specifically allocated to IT, IT issues are also covered within most of the areas examined.

- **Fraud and Corruption**

Audits specifically related to the prevention of fraud and corruption are covered in this area of the plan. Examples include work on recruitment and selection and NFI. It should be noted that a significant number of other audits include an anti-fraud element e.g. income audits.

- **Cross Cutting Issues**

This area of the plan includes audit subjects that cover all services or are corporate Issues. Examples include work on health and safety and corporate targets.

- **Special Investigations**

A contingency provision is included in the plan to cover the investigation of irregularities or cases of suspected fraud and other problems.

5. **Delivering the Internal Audit Service**

A three year strategic audit plan is compiled based on an internal audit risk assessment of auditable areas. This risk assessment takes into account the following factors:

- Materiality – the amount of funds passing through the system
- Control Environment / vulnerability – assessed level of control based on previous audit findings
- Sensitivity – profile of the system in relation to customer service
- Management concerns – any specific issues relating to the operation of the system e.g. Council's Strategic Risk Register

Using a scoring system, audits are then categorised as High, Medium or Low risk. This ranking is then used to compile the annual audit plan. The areas of audit work set out in the agreed plan are split into individual audit assignments.

An audit assignment can involve:

- preparation of system notes and a review/analysis of system controls;
- extraction of background information;
- extraction and testing of sample transactions and controls;
- notes of interviews and meetings.

All work undertaken is recorded on detailed working papers. To ensure that all areas have been covered and appropriate conclusions reached, all working papers are independently reviewed.

A report on the findings and recommendations arising from the audit is sent to the appropriate Director and to the Executive Director of Operations at the conclusion of the audit. A response to the recommendations is requested within a set time.

A summary of internal audit reports issued each quarter is reported to the Audit Committee and an Annual Report is submitted after the end of the year detailing the outcome of the audits completed.

Appendix 2

INTERNAL AUDIT CONSORTIUM

BOLSOVER DISTRICT COUNCIL

THREE YEAR INTERNAL AUDIT PLAN 2014/15 – 2016/17

	Audit Days			Priority
	2014/15	2015/16	2016/17	
Main Financial Systems				
Main Accounting System	15	9	9	H
Budgetary Control	10	10	8	H
Payroll	15	20	20	H
Creditor Payments	20	15	15	H
Debtors	10	10	15	H
Treasury Management (Loans)	10	15	10	H
Cash and Banking	20	20	20	H
Council Tax	10	10	20	H
Non Domestic Rates	20	10	10	H
Housing / Council Tax Benefit	20	20	20	H
Housing Rents	20	12	20	H
Housing Repairs	20	20	20	H
Car Allowances and Expenses		10		L
Stores		10	10	M
VAT	8		8	M
	198	191	205	
Other Operational Audits	2014/15	2015/16	2016/17	
Asset Management Arrangements	10			M
Cash Floats and Balances	6	6		M
Commercial Waste		10		M
Contract Accounts and Procedures	15			M
Economic Development/Partnerships – Ambition funding			10	M
Facilities Management	12			L
Final Accounts	10	10	10	H
Gas Servicing	8		10	M
Grants (DFG's)		12		L
Grounds Maintenance	12			L
Housing Allocations and Lettings	15			M
Homelessness			10	L

Other Operational Audits Continued	2014/15	2015/16	2016/17	
Insurance			10	M
Leisure Centres	10	10	15	M
Licensing E.Health	10			L
Members Expenses and Allowances		10		L
Planning Fees			12	L
Pleasley Outdoor Centre		10		L
Property Rents/Pleasley Mill	10			L
Right to Buy Sales			10	M
Section 106 Agreements	12		12	M
Street Cleaning			10	L
Taxi Licensing		10		L
The Tangent Business Hub		10		M
Transport/Council Vehicles/fuel			11	M
	130	88	120	
IT Related	2014/15	2015/16	2016/17	
IT Policy and Security Review	8			M
PSN Compliance		8		M
Use of Laptops/ removable Media	8			M
Social Media			4	L
Disaster Recovery		8		M
BACS			8	M
	16	16	12	
Fraud and Corruption	2014/15	2015/16	2016/17	
Fraud Modules	10	10	10	H
National Fraud Initiative		5		M
Money laundering	3			L
Recruitment and Selection	10	10		L
	23	25	10	
Corporate / Cross Cutting Issues	2014/15	2015/16	2016/17	
Emergency Planning			10	L
Corporate Targets		15	10	M
Corporate / Annual Governance Statement	10	10	10	H
Health and Safety		8	8	H

	2014/15	2015/16	2016/17	
Procurement	15	15		M
Financial Advice / Working Groups	10	10	10	H
Freedom of Information	6			L
Risk Management		10		M
Safeguarding			8	M
Data Protection/ CCTV		10	10	M
Transparency Agenda		10		L
	41	88	66	
NFI Key contact	20	20	15	
Special Investigations / Contingency				
Special Investigations Contingency	40	40	40	
Audit Committee / Client Liaison	15	15	15	
Grand Total	587	483	483	

BOLSOVER DISTRICT COUNCIL FRAUD RISK REGISTER

Prepared by Jenny Williams

Date/Version Ref: march 2016 V1

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Procurement/Contracts Contractor awarded contracts in return for gifts or financial incentives/bribery Contracts let to friends/relatives by waiving tendering procedures Cartels/price fixing Specification favours a particular contractor Improper award of contract No formal contract in place Contract not delivered properly/ cost overrun	Not achieving VFM Fraud Corruption Bribery Reputational Damage Potential police involvement Legal action Financial Loss	Possible / Moderate (3 x 3) = Score 9 Red	Use of NHS procurement service and electronic tendering system Compliance with standing orders Training and Guidance for Officers Procurement clinics Whistle blowing policy, Anti Fraud Bribery and Corruption policies Contracts register Use of Frameworks Credit checks Separation of duties Supervision, authorisation controls and management structures	Unlikely / Moderate (2 x 3) = Score 6 Yellow			Unlikely / Moderate (2 x 3) = Score 6 Yellow	Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
			Training Signed contracts Including KPI'S Budget monitoring controls Regular client/contractor meetings Internal Audit Reviews					
Corruption – Regeneration Development/planning consents and licences Developer awarded contracts in return for cash or other financial incentives Inducement for the grant of planning consents/licences Backhanders to reduce restraints on developer	Not achieving VFM Fraud Corruption Bribery Reputational Damage Potential police involvement Legal action Financial Loss	Possible / Moderate (3 x 3) = Score 9 Red	Compliance with Financial Regulations Whistle blowing policy, Anti Fraud Bribery and Corruption policies – recently revised Contracts register Separation of duties Supervision, authorisation controls and management structures Training Internal Audit Reviews	Unlikely / Moderate (2 x 3) = Score 6 Red			Unlikely / Moderate (2 x 3) = Score 6 Yellow	Assist Director Planning. Director of Operations

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Creditor Payments/Cheque Control/Procurement Cards/bank mandate fraud Internal fraud through lack of separation of duties or collusion with other officers or suppliers Senior Officers circumventing internal controls Invoices for goods not received/ inflated invoices/duplicate invoices False request to change suppliers bank details Fictitious creditors set up Unauthorised use / abuse of procurement cards for personal gain Use of stolen credit cards Blank cheques are stolen Fraudulent alteration and encashment of cheque payments	Not achieving VFM Fraud Corruption Bribery Reputational Damage Potential police involvement Legal action Financial Loss	Possible / Moderate (3 x 3) = Score 9 Red	Compliance with financial regulations Separation of duties in relation to the ordering, receipting and payment of goods Management/supervisory controls Authorised signatories Budget monitoring Access controls to system BACS processing controls Bank reconciliations Verification of change of bank details requests NFI Data matching Inbuilt input validation controls within the system Fraud awareness	Unlikely / Moderate (2 x 3) = Score 6 Yellow			Unlikely / Moderate (2 x 3) = Score 6 Yellow	Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
			<p>Compliance with purchasing card guidance</p> <p>Financial limits on procurement cards</p> <p>Internal Audit Reviews</p>					
<p>Stocks and Assets/Stores</p> <p>Loss of assets/stores through theft or misappropriation</p> <p>Goods obtained for private use</p> <p>Goods not supplied or inferior goods supplied</p> <p>Theft of fuel/misuse of fuel cards</p> <p>Inappropriate/ unauthorised use of Council vehicles</p>	<p>Theft</p> <p>Reputational Damage</p> <p>Financial Loss</p> <p>Police involvement</p>	<p>Likely / Minor</p> <p>(4 x 2) =</p> <p>Score 8</p> <p>Yellow</p>	<p>Compliance with Financial Regulations/policies</p> <p>Management/supervisory controls</p> <p>Stock control/stock checks/physical controls</p> <p>Authorisation of write offs and disposals</p> <p>Ordering and payment controls</p> <p>Monitoring of fuel issues/spend on fuel cards</p> <p>Budget Monitoring</p> <p>Internal Audit Review</p> <p>Whistleblowing Policy</p> <p>Vehicle logs</p> <p>Mileage records</p>	<p>Possible / Minor</p> <p>(2 x 2) =</p> <p>Score 4</p> <p>Green</p>			<p>Possible / Minor</p> <p>(2 x 2) =</p> <p>Score 4</p> <p>Green</p>	Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Recruitment and Selection Identity fraud Qualification fraud False References Favouritism Non disclosure of a criminal record No right to work in the UK	Fraud Staff not qualified for the job Legal proceedings Police Involvement Reputational damage Safeguarding issues	Possible / Moderate (3 x 3) = Score 9 Red	Policy in place Training in recruitment and selection process Qualification and reference checks Identity check Compliance with DBS policy Data matching NFI Internal Audit Reviews	Unlikely / Moderate (2*3) = Score 6 Yellow			Unlikely / Moderate (2 x 3) = Score 6 Yellow	HR/Service Managers
Attendance/performance Falsifying time management records Home working – not working False sick claims Working whilst on sick leave	Fraud Reduced productivity	Likely / Minor (4 x 2) = Score 8 Yellow	Sickness policy Training Management Supervision Authorisation of flexi records etc NFI Whistle blowing policy	Likely / Negligible (4 x 1) = Score 4 Green			Likely / Negligible (4 x 1) = Score 4 Green	Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Payroll Payments to “ghost” employees Unauthorised pay increases - Fraudster increases own pay/ payments to staff for hours not worked. falsified timesheets/overtime claims Expenses paid that have not been incurred – mileage/subsistence – falsified claims Payment continues after resignation	Fraud Financial Loss Reputational Damage Police involvement	Likely / Minor (4 x 2) = Score 8 Yellow	Compliance with financial regulations Payroll access controls Confirmation of establishment lists Input checks on variations Payroll reconciliations Authorisation controls Error and exception reporting. Checks carried out prior to the monthly running of payrolls Budget Monitoring Management supervision Internal Audit Reviews	Unlikely / Minor (2 x 2) = Score 4 Green			Unlikely / Minor (2 x 2) = Score 4 Green	Payroll/ Service Managers
Benefits/Council Tax Reduction Failure to notify change of circumstances Income understated Non dependants not declared Multiple claims Landlord claims for fictitious	Fraud Reputational Damage Financial Loss	Very Likely / Moderate (5 x 3) = Score 15 Red	Staff training Data Matching Media coverage Documentary evidence Management	Likely / Minor (4 x 2) = Score 8 Yellow			Likely / Minor (4 x 2) = Score 8 Yellow	Housing Benefits

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
tenant False claims by Council Officers			checks/supervision DWP investigations Fraud hotline Internal Audit Review					
Council Tax/Business Rates Failure to declare occupation Exemptions/discounts claimed fraudulently Fictitious refunds Suppressing arrears	Fraud Reputational Damage Financial Loss	Very Likely / Moderate (5 x 3) = Score 15 Red	Access controls Management/supervision Separation of duties Authorisation processes Reconciliations NFI/Data matching Review of suppressed recovery action Checking empty properties Internal Audit Reviews	Possible / Minor (3 x 2) = Score 6 Yellow			Possible / Minor (3 x 2) = Score 6 Yellow	Council Tax
Debt Management Failure to raise an account Unauthorised amendments to account Manipulation of credit balances	Fraud Corruption	Likely / Minor (4 x 2) = Score 8 Yellow	Compliance with Financial Regulations Management supervision Budget monitoring	Unlikely / Minor (2 x 2) = Score 4 Green			Unlikely / Minor (2 x 2) = Score 4 Green	Debtors/Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Improper write off of debt Suppressing of recovery action Falsifying refunds	Bribery Loss of income Police Involvement Reputational Damage		Access controls to system Performance monitoring Separation of duties Authorisation of write offs Authorisation of refunds Bank reconciliation Internal Audit Reviews					
Cash Income Delayed banking Theft Borrowing takings Manipulation of records	Loss of income Fraud Reputational Damage Police Involvement	Highly Likely / Moderate (5 x 3) = Score 15 Yellow	Compliance with Financial Regulations Management supervision/authorisation Separation of duties Budget Monitoring Insurance in place Compliance with safe insurance limits Cash collection service Independent reconciliation of cash	Possible / Minor (3 x 2) = Score 6 Yellow			Possible / Minor (3 x 2) = Score 6 Yellow	Cashiers/ Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
			collected, bankings, tickets Whistle blowing policy Internal Audit reviews					
Petty Cash Abuse/misuse of petty cash facility	Theft Financial Loss Possible police involvement Reputational Damage	Very Likely / negligible (5 x 1) = Score 3 Green	Compliance with financial regulations and petty cash guidance Authorisation of transactions Separation of duties Management/supervision controls Reconciliation of account Audit spot checks	Possible / negligible (3 x 1) = Score 3 Green			Possible / negligible (3 x 1) = Score 3 Green	Service Manages
Tenancy Fraud/ Right to Buy Sub letting of properties for personal gain Providing false information to gain a tenancy Right to buy fraudulent application False homelessness applications	Fraud Police involvement Reputational Damage	Likely / Moderate (4 x 3) = Score 12 Red	Home visits Tenants ID checked Confirmation/checks of application information Robust tenancy agreement Eviction powers Audit Reviews	Unlikely / Moderate (2 x 3) = Score 6 Yellow			Unlikely / Moderate (2 x 3) = Score 6 Yellow	Rykneld Homes

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Information Technology/Data Protection Abuse of e mail, internet Abuse/misuse of personal or corporate information Theft/misuse of IT equipment Theft of information	Financial loss Contravention of Data Protection Act – fines Police Involvement Reputational Damage	Very Likely / Moderate (5 x 3) = Score 15 Red	Compliance with policies and Codes of Conduct Compliance with Data Protection Act Training Penetration/ vulnerability testing PSN Compliance Encryption of data transmissions Access controls Restricted access to internet sites Inventory checks Internal audit reviews	Possible / Moderate (3 x 3) = Score 9 Yellow			Possible / Moderate (3 x 3) = Score 9 Yellow	Service Managers /IT
Treasury Management Alterations of terms of agreement Misappropriation of funds Fraudulent investment/repayment of funds	Fraud Reputational Damage Financial Loss Police Involvement	Possible / Severe (3 x 4) = Score 12 Red	Compliance with Financial Regulations and investment strategy and policies Management supervision/authorisation Reporting to Audit Committee	Unlikely / Severe (2 x 4) = Score 8 Yellow			Unlikely / Severe (2 x 4) = Score 8 Yellow	Director of Operations

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
			<p>Access controls to system</p> <p>Insurance in place</p> <p>Separation of duties</p> <p>Internal Audit Review</p>					
<p>Declaration of Interests/Gifts and Hospitality</p> <p>Failure to register interests</p> <p>Failure to declare private work</p> <p>Failure to declare offer or acceptance of gifts and hospitality</p>	<p>Corruption</p> <p>Bribery</p> <p>Reputational damage</p> <p>Police involvement</p>	<p>Likely/ Moderate</p> <p>(4 x 3) =</p> <p>Score 12</p> <p>Red</p>	<p>Compliance with employee and members Codes of Conduct</p> <p>Management and Supervision</p> <p>Policy in place</p> <p>Whistleblowing Policy</p> <p>Anti fraud bribery and corruption policy</p> <p>Internal Audit checks</p>	<p>Possible/ Moderate</p> <p>(3 x 3) =</p> <p>Score 9</p> <p>Yellow</p>			<p>Possible/ Moderate</p> <p>(3 x 3) =</p> <p>Score 9</p> <p>Yellow</p>	Service Managers
<p>Money Laundering</p> <p>Use of the Council to hide improper transactions to launder money illegally</p>	<p>Criminal offence</p> <p>Reputational Damage</p> <p>Financial Loss</p> <p>Police involvement</p>	<p>Unlikely/ Severe</p> <p>(2 x 4) =</p> <p>Score 8</p> <p>Yellow</p>	<p>Money laundering policy</p> <p>Training</p> <p>Upper limit for cash transactions</p>	<p>Highly Unlikely/ Severe</p> <p>(1 x 4) =</p> <p>Score 4</p> <p>Green</p>			<p>Highly Unlikely/ Severe</p> <p>(1 x 4) =</p> <p>Score 4</p> <p>Green</p>	Director of Operations

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Insurance Fraudulent Claims Duplicate claims at other organisations Over claiming	Fraud Reputational Damage Potential increased insurance premiums Financial Loss Police involvement	Possible / Moderate (3 x 3) = Score 9 Yellow	Insurance Officer checks claim NFI Internal Audit reviews	Unlikely / Moderate (2 x 3) = Score 6 Yellow			Unlikely / Moderate (3 x 3) = Score 9 Yellow	Director of Operations
Telecommunications Phones are used to make private and inappropriate phone calls	Financial loss Productivity down	Likely / Negligible (4 x 1) = Score 4 Green	Policy in place System to identify personal calls Checks on bills	Possible / Negligible (3 x 1) = Score 3 Green			Possible / Negligible (3 x 1) = Score 3 Green	Service Managers
Grants Preferred treatment of approved grant applications Misrepresentation by the applicant of their financial position Collusion Over claiming for the value of work done/false claims Claiming for property not owned or occupied	Reputational damage Financial Loss Police involvement	Likely / Medium (4 x 3) = Score 12 Red	Compliance with grant policies Management/supervisory controls Separation of duties Physical verification by visits Internal Audit Reviews	Unlikely / Moderate (2 x 3) = Score 6 Yellow			Unlikely / Moderate (2 x 3) = Score 6 Yellow	Service Managers

CAUSE / RISK	EFFECT	ORIGINAL RATING LIKELIHOOD / IMPACT	ACTIONS UNDERTAKEN TO MITIGATE THE RISK	LATEST RISK RATING DOT LIKELIHOOD / IMPACT	FURTHER ACTION REQUIRED/DATE	TARGET DATE	TARGET RISK RATING DOT LIKELIHOOD / IMPACT	RISK LEAD
Elections Fraudulent voting Fraudulent acts by canvassers Fraudulent acts by poll clerks/officers/individuals	Elections become null and void Reputational damage	Possible / High (3 x 4) = Score 12 Red	Registrations and applications vetted Training Supervisory roles at counts Postal votes count supervised Ballot box controls	Unlikely / Severe (2 x 4) = Score 8 Yellow			Unlikely / Severe (2 x 4) = Score 8 Yellow	Elections Officer