

<b>Title of Report:</b>	<b>Delegation of Authority to Fund a Redundancy Payment up to £10,000.</b>	<b>Item 4</b>
<b>Report to be considered by:</b>	Governance and Audit Committee	

**Purpose of Report:**

To recommend a delegation of authority to the Chief Executive to fund a redundancy payment up to £10,000.

**Recommended Action:**

Government and Audit Committee to agree to the delegation of authority and pass to Full Council for ratification.

**Reason for decision to be taken:**

To avoid excessive bureaucracy.

**Key background documentation:**

The Council Severance Policy.

*(Please delete this text and the themes/outcomes that are not relevant)*

The proposals contained in this report will help to achieve the following Council Plan Theme(s):

**CPO13 - Value for Money**

The proposals contained in this report will help to achieve the above Council Plan Themes and Outcomes by:

Reducing the bureaucracy and delays in process of redundancy payments

<b>Portfolio Member:</b>	Anthony Stansfeld
<b>Tel. No.:</b>	01488 658238
<b>E-mail</b>	astansfeld@westberks.gov.uk
<b>Address:</b>	

<b>Contact Officer Details</b>	
<b>Name:</b>	Robert O'Reilly
<b>Job Title:</b>	Head of Human Resources
<b>Tel. No.:</b>	01635 519358
<b>E-mail</b>	roreilly@westberks.gov.uk
<b>Address:</b>	

## **Implications**

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<b>Policy:</b>	n/a
<b>Financial:</b>	n/a
<b>Personnel:</b>	n/a
<b>Legal:</b>	Proposed change to Constitution
<b>Property:</b>	n/a
<b>Risk Management:</b>	n/a

## **Executive Report**

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### **1. Introduction**

- 1.1 The Constitution delegates authority to Heads of Service and Corporate Directors to make organisational changes which do not result in a redundancy (3.3.3, page 20 of the Constitution).
- 1.2 Any organisational change resulting in a redundancy, including the ending of a fixed term contract with more than two years' service, requires Executive approval to fund the redundancy payment.
- 1.3 The amount of the redundancy payment is pre-set by the Severance Policy. The Executive is asked to authorise the payment of the redundancy payment. This allows the Executive to question officers on the reason for the redundancy; and the efforts made to find alternative employment. These points are normally covered in the report to the Executive seeking authorisation for the redundancy payment.
- 1.4 The use of Part II papers to the Executive is important to maintain member oversight of potentially large redundancy costs which will include premature retirement compensation costs where the employee is aged over 50. However this level of oversight is not required for all redundancy cases. A redundancy situation may arise due to the expiry of a fixed term contract or a reorganisation where the employee affected is entitled to a relatively small redundancy payment.
- 1.5 At present there is no delegated authority to officers to fund a redundancy payment no matter how small.

### **2. Recommendations**

- 2.1 That the authority to authorise redundancy payments, in cases where the total cost to the Council does not exceed £10,000, is delegated to the Chief Executive. The total cost will include any premature retirement compensation and the redundancy payment.
- 2.2 The exercise of the delegated authority by the Chief Executive will be undertaken after consultation with the Leader of the Council
- 2.3 The Head of HR will produce a template for the exercise of the delegated authority which will require confirmation by the Head of Service that a redundancy situation

exists and confirmation by the Head of Finance that the funds for the redundancy costs are available in the service's revenue budget.

- 2.4 A report on the use of the delegated authority on redundancy payments will be included in the Annual Employment Report presented to the Executive each year.

**3. Conclusion**

- 3.1 Governance and Audit Committee are asked to support the recommendations and invite Full Council to ratify the recommendations.

**Consultees**

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**Local Stakeholders:** N/A

**Officers Consulted:** Corporate Board

**Trade Union:** Rosemary Culmer

<b>Title of Report:</b>	<b>Interim Report of Internal Audit 2007-2008</b>	<b>Item 5</b>
<b>Report to be considered by:</b>	Governance and Audit Committee	

**Purpose of Report:**

To report the findings of the Internal Audit for the six months to 30 September 2007.

**Recommended Action:**

To consider the findings of Internal Audit and take appropriate action.

**List of other options considered:**

None

**Key background documentation:**

- Internal Audit files

**Contact Officer Details**

<b>Name:</b>	Ian Priestley
<b>Job Title:</b>	Assurance Manager
<b>Tel. No.:</b>	01635 519253
<b>E-mail</b>	ipriestley@westberks.gov.uk
<b>Address:</b>	

## **Supporting Information**

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### **1 Introduction**

- 1.1 The CIPFA Code of Practice for Internal Audit in Local Government requires the "Head of Internal Audit" to make a formal report annually to the Council. The report should:
- include an opinion on the overall adequacy and effectiveness of the organisation's risk management systems and internal control environment
  - disclose any qualifications to that opinion, together with the reasons for the qualification
  - present a summary of the audit work from which the opinion is derived, including reliance placed on work by other assurance bodies
  - draw attention to any issues the Head of Internal Audit judges particularly relevant to the preparation of the statement on internal control
  - compare the work actually undertaken with the work that was planned and summarise the performance of the Internal Audit function against its performance measures and criteria
  - comment on compliance with these standards and communicate the results of the Internal Audit quality assurance programme.
- 1.2 In addition to the formal annual report, the Head of Internal Audit should make arrangements for interim reporting to the organisation in the course of the year. Such interim reports should address emerging issues in respect of the whole range of areas to be covered in the formal annual report.
- 1.3 This interim report meets the requirements of the CIPFA Code of Practice.
- 1.4 From now on interim reports will be made to the Committee on a quarterly basis so that the Committee is looking at relatively current information

### **2 The Internal Control Framework**

- 2.1 The internal control framework remains robust. No fundamental weaknesses were identified in the work carried out by Internal Audit.

### **3 Results of work completed**

- 3.1 The audit plan was approved in April 2006 by the Governance and Audit Committee.
- 3.2 A listing of the results of work that has been completed over the last six months is attached at appendix A. This list uses a traffic lights system to set out the position of each audit or follow up audit.
- 3.3 A rating system is used to derive the overall opinion. Each audit is categorised into one of five, these are – Very Weak, Weak, Satisfactory, Well Controlled, Very Well Controlled. Satisfactory and better are given a Green rating, weak and very weak are give Amber. Where our follow up work indicates that satisfactory progress has not been made in implementing the action plan then a Red rating is given.
- 3.4 A key outcome of each audit is a management action plan that is designed to resolve issues of concern. All action plans are drawn up between the auditor and the service manager, agreed with the Head of Service, and copied to the relevant Corporate Director.

- 3.5 Internal Audit carry out follow up reviews to ensure that action plans are progressing as agreed.
- 3.6 The areas of real concern are those where follow up work, or repeat audits, by Internal Audit indicate difficulties in delivery of agreed action plans. As noted above, such audits are given a Red.
- 3.7 Details of concerns raised by the audit reports for Amber and Red audits are set out in Appendix B.

#### **4. Progress with the audit plan**

- 4.1 Delivery of the audit plan has fallen behind in the current year. There are two reasons for this.
- Recent turnover of staff has continued to cause difficulties as we have attempted to replace staff. However, minor restructuring has now been completed to strengthen the experience base of the team by removing two auditor posts and replacing them with more experienced Senior Auditor posts. One Senior Auditor post has been filled internally and we are presently recruiting to fill the remaining vacancies ( A senior Auditor and an Auditor)
  - The Financial Management Standard for Schools is continuing to cause resource issues. Internal Audit are committing a significant amount of time to help schools achieve the standard. 25 primary schools will be assessed in the current year.
- 4.2 As a result a number of audits will not be completed. The audit team will prioritise the work remaining in the audit plan to focus on high risk and key financial systems for the remainder of the year.

### **Appendix**

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Appendix A – Results of audit work completed

#### **Consultation Responses**

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**Local Stakeholders:** None

**Officers Consulted:** Relevant Heads of Service

**Trade Union:** None

**APPENDIX A – SUMMARY OF COMPLETED AUDITS AND OPINIONS  
(November 2007)**

	<b>Service</b>	<b>Audit</b>	<b>Opinion</b>
1	Finance	Imprest spot check - Priory	Amber
2	Countryside and Environment	Waste (Value for Money Review)	Green
3	Planning and Trading Standards	Development Control	Green
4	Highways and Transport	Transport – management investigation	N/ A
5	Finance	Accounts Payable	Green
6	ICT	Project Management (IT systems)	Green
7	Finance	Fixed Asset Register	Green
8	Benefits and Exchequer	Cash Office	Green
9	Finance	National Fraud Initiative	Green
10	Community Care and Wellbeing	Imprest spot checks (Social work Fund)	Amber
11	Policy and Communication	Data Protection / Freedom of Information – follow up	Green
12	Education	Out of school clubs / extended schools	Green
13	Cultural Services / VFM programme group	Libraries VFM – follow up	Red
14	Finance	Accounts payable – follow up	Green
15	Finance	Fixed Asset Register – follow up	Red
16	Children	Child Care Lawyers – follow up	Green

## Notes of explanation for Red follow up audit work

1. Libraries VFM - The work was reported to the VFM Programme Group (Project Sponsor John Ashworth, Project Manager Andy Walker). However, due to changes in the make up of the group the report was not considered within the timeframe allowed by the audit process.
2. Fixed Asset Register – This audit was assessed as well controlled. However, a number of recommendations needed to be implemented and to date some of this work is outstanding. The key area that needs addressing is:
  - The need to reconcile the asset data held by Property Services with the data held on Agresso.



1. Social Work Funds:-

A spot check was carried out on one of the Social Work Funds in Community Care and Wellbeing. The main points noted were:

- A detailed analysis should be carried out covering the previous 12 months period to check that Appointeeship payments have been correctly recorded in the SWF records, and to give some assurance that client balances are correct.
- A specific manager should be nominated with overall responsibility for monitoring the utilisation of the Social Work Funds, and ensuring that they are being administered appropriately.
- Each fund should be reconciled to the bank statements on a regular basis (at least monthly).
- Two signatures should be obtained when SWF cash changes hands. In addition, both the printed name and post title should be available to enable easy identification.

2. Imprest Spot Check – The Priory

Key Findings

- Various types of expenditure being incurred from the imprest, there is no guidance available to identify what is acceptable types of expenditure.
- Transactions are being incurred which are over the £50 threshold that the service has set.
- Transactions not always being approved by a manager/signed for by the client.
- Separate records of children's allowances paid are not maintained, so that only appropriate/valid transactions are processed through the imprest account.

<b>Title of Report:</b>	<b>Statement of Internal Control Strategic Risk Register 2007- 2008</b>	<b>Item 6</b>
<b>Report to be considered by:</b>	Governance and Audit Committee	
<b>Forward Plan Ref:</b>		

<b>Council Plan:</b>
The proposals contained in this report will help to achieve the above Corporate Plan priority by: Strengthening the internal control framework of the Council.

**Purpose of Report:** To support the Statement of Internal Control by identifying the Strategic Risks and associated action plan

**Recommended Action:** To consider and comment on the Strategic Risks and action plan.

**Reason for decision to be taken:** To ensure that the Council's strategic objectives are met and that any associated risks with achieving them are identified and appropriately managed.

**List of other options considered:** None

**Key background documentation:**

- Risk Management Strategy
- Strategic risk Register / Action Plan

<b>Contact Officer Details</b>	
<b>Name:</b>	Charles Morris
<b>Job Title:</b>	Risk Manager
<b>Tel. No.:</b>	01635 519310
<b>E-mail</b>	crmorris@westberks.gov.uk
<b>Address:</b>	

## **Supporting Information**

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### **1. Background**

- 1.1 As part of the Statement of Internal Control the Council is required to identify and set out how it intends to deal with, significant control issues. A key part of the evidence that supports this process is Strategic Risks and associated action plan.
- 1.2 The Council adopted a Risk Management Strategy in December 2004. This is revised annually. The strategy for 2007-08 is included in the agenda for approval at this Committee. This report is an annual review of the Strategic Risk Register building on the work of previous years.
- 1.3 Risk management is an integral part of the corporate governance framework and is embedded into the fabric and decision making process of the Council. Risk management is a central part of any organisation's management. It is the process by which organisations methodically address the risks associated with the delivery of their objectives. The focus of good risk management is the identification and handling of those risks. The risk management process is fully supported by Members and the senior management team.
- 1.4 Corporate Board reviewed the SRR and Action Plan on 13 November 07 and the amendments are reflected in the attached document. There are four new items for the Action Plan, there are some gaps on the spreadsheet, this information will be updated shortly. Management Board to review on 13 December 07.
- 1.5 The risk manager has contacted responsible officers with red risks on the Strategic Action Plan and their comments are included. Responsible Officers are aware that this information is required to be updated on a quarterly basis and that it is reported to this committee.

### **Appendices**

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- Appendix A - Strategic Risk Register
- Appendix B - Strategic Action Plan
- Appendix C - 4\*4 Matrix - Attached

### **Consultation Responses**

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- Local Stakeholders:** Not Consulted
- Officers Consulted:** Corporate Board
- Trade Union:** None

Strategic Risk Register  
Quarter 2 2007 /2008

Owner	Governance & Audit
Date	27 November 2007
	Including changes from CB on 13/11/07

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Change	Owner
				Likely-hood	Impact	Score	Likely-hood	Impact	Score		
1.1	<b>Economic</b> Increased unemployment & Benefit Claims	Downturn in Economy/ Recession Increased demand on Council Services	Increased unemployment Increased Nos on benefit Reduced income to the Council Financial	3	3	9	3	3	9	↑	Head of Policy & Comm + Cllr Anthony Stanfield
1.2	Inability to Recruit	Overheating Economy High Inflation	House price inflation Skills shortages Wage inflation Inward Commuting	2	3	6	2	3	6		Head of HR + Cllr Anthony Stanfield
1.3	<b>Social</b> Civil Unrest	Unfavourable perceptions of Crime & Disorder issues	Civil unrest Perceptions / High fear of crime	1	3	3	1	2	2		Chief Executive + Safety Communities Partnership + Cllr Emma Webster
1.4	Terrorist Action	Action taken by international / local groups	Significant disruption Fatalities / Injuries Reputation > <b>No Insurance against Terrorist Action</b>	3	3	9	3	2	6	↑	Head of Countryside & Env + Cllr Geoff Findlay
1.5a	<b>Environmental</b> Major environmental incident	Major disaster Contamination Severe weather Outbreaks of disease Flooding	Significant disruption Fatalities / Injuries Reputation	3	4	12	3	3	9		Head of Countryside & Env + Cllr Geoff Findlay

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner	
				Likely hood	Impact	Score	Likely hood	Impact	Score		
1.5b	Severe water Shortages	Drought	Disruption to Council services & the community (Businesses and residential)	1	3	3	Major incident Plan Working with Thames Water Working with Environment Agency	1	3	3	Head of Countryside & Env + Cllr Geoff Findlay
1.6	Flu Pandemic	Spread of flu Lack of NHS Vaccines	Significant disruption Fatalities / Injuries Reputation	3	4	12	Immunisation BCP Working Parties Major Incident Plan	2	4	8	Corp Dir (CYP) Cllr Geoff Findlay
1.7	Political Intervention by Central Government or Other Regulatory Body	Statutory obligations not met Change of CPA Methodology	Legal challenge Government Intervention Compensation Poor CPA Scores Poor Audit Commission Reports	1	3	3	Community Plan Corporate Plan Effective Performance Management MTFS District Profile Consultation Strategy	1	2	2	Chief Executive + Cllr Graham Jones
1.8	Managed out of the business										
1.9	Administrative Area changed / WBC absorbed into another authority	Problems arising from Local Government reorganisation	Possibility of merger with another authority	1	3	3	None, But Lobbying where appropriate	1	3	3	Chief Executive + Cllr Graham Jones
1.10	Demand Management / Demography Failure to predict changes in service demand	Poor information planning & forecasting	Increased or reduced service demand Budget over or under spent	3	4	12	Demographic modelling MTFS Service & Financial controls	3	3	9	Corp Dir (SS) + Cllr Joe Mooney
2.1	Strategy Failure to set clear visions / objectives for Authority	Failure to see demographic and other external changes Failure to understand organisational context Poor / weak leadership	Ineffective forward planning Inappropriate service delivery Intervention Budget difficulties Poor CPA Scores Poor Audit Commission Reports	2	3	6	Sustainable Community Plan Corporate Plan Effective Performance Management MTFS District Profile Consultation Strategy	1	3	3	Chief Executive + Cllr Graham Jones



No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely hood	Impact	Score	Likely hood	Impact	Score	
2.2	Inappropriate change management	Inappropriate pace of change Expectations not realised	Failure to realise opportunities CPA intervention Inefficiency Poor reputation Capacity issues	3	3	9	1	2	2	Chief Executive + Cllr Graham Jones
2.4	Finance									
2.4a	Financial Risk controls not applied Failure to complete audit / financial returns	Failure to undertake appropriate Financial Planning Failure to account for unaccepted items	Qualification on the accounts Failure to set standards Reputation CPA Unacceptable under / Overspends Section 151 officer / DA Reports	2	4	8	1	3	3	Head of Finance + Cllr Laszlo Zverko
2.4b	Budget pressures emerge in year / Ineffective budget monitoring (Revenue)	Overspending Income targets not met	Lack of resources impacting on service delivery	2	3	6	2	2	4	Head of Finance + Cllr Laszlo Zverko
2.4c	Tax Base	The tax base is significantly different to forecast	This has a knock on effect on grant calculation and changes the Council tax yield. However the impact is relatively small as the formula grant calculation compensates	3	2	6	2	2	4	Head of Finance + Cllr Laszlo Zverko
2.4d	Capital Programme Implementation	Overspend Slippage	Service Delivery	2	3	6	2	2	4	Head of Finance + Cllr Laszlo Zverko
2.4e	Grant Settlement	The settlement is lower than anticipated due to changes in the methodology: / data / control totals	Lower RSG resulting in budget pressures	3	4	12	3	2	6	Head of Finance + Cllr Laszlo Zverko

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely hood	Impact	Score	Likely hood	Impact	Score	
2.4f	Council Tax	That a different level of Council tax than assumed is set. Or the level of increase is capped by Government	Budget pressure	3	3	9	1	2	2	Head of Finance + Cllr Laszlo Zverko
2.4g	Specific Grants	The value of Specific grants may vary from the assumptions made. Decisions are often made by government late in the day.	Transfer from Specific formula grant can have a significant impact.	4	3	12	4	2	8	Head of Finance Cllr Laszlo Zverko
2.4h	Inflation / Interest rates	Inflation may rise beyond anticipated rates Interest rates and borrowing may be higher than planned.	Actual pay rises may exceed estimate and cause a budget pressure Debt change budget pressure	3	2	6	2	2	4	Head of Finance Cllr Laszlo Zverko
2.4i	Reduced income from S106 PGS	New legislation	Reduced level of capital funding	3	3	9	3	2	6	Head of Finance Cllr Laszlo Zverko
2.5	HR									
2.5a	Inability to recruit & retain to key posts	Local labour market Council's reputation Ineffective recruitment	Increased costs Lack of service continuity Inefficiency Service delivery problems	3	3	9	2	2	4	Head of HR Cllr Anthony Stansfeld
2.5b	Death Injury to staff	Lack of appropriate risk assessments / supervision	Fatality / Injury Financial / Insurance claims Theft / Damage Reputation	3	3	9	2	2	4	Head of HR + Cllr Anthony Stansfeld
2.5c	Significant Strike Action taken by members of staff	Union Action	Service Delivery Reputation	2	2	4	2	2	4	Head of HR + Cllr Anthony Stansfeld

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely-hood	Impact	Scores	Likely-hood	Impact	Scores	
2.5d	High level of grievances	Policy changes Changes to terms & Conditions Organisational review	Service Delivery Reputation	2	2	4	2	2	4	Chief Exc + Cllr Graham Jones
2.6	Failure to Manage PR									
2.6a	Failure to manage bad difficult news	Poor Service or outcomes resulting in bad reports in the press / media etc	Poor Reputation CPA Low satisfaction	2	3	6	2	2	4	Head Policy & Comm + Cllr Anthony Stansfeld
2.6b	Failure to promote the Council effectively to the local community	Ineffective PR Poor Planning	Lower levels of satisfaction Reputation	1	3	3	1	2	2	Head Policy & Comm + Cllr Anthony Stansfeld
<b>3 Corporate Governance</b>										
3.1	Inappropriate conduct by Staff / Members	Lack of Code of Conduct CRB Check failures	Reputation Legal Action Fatality / Injury	3	3	9	1	3	3	Chief Executive + Cllr Graham Jones
3.2	Poor / Inappropriate Decisions	Lack of full information for decision making	Legal Challenge Compensation Reputation	3	3	9	2	2	4	Head of Legal & Electoral + Cllr Graham Jones
3.3	Poor performance management	Inadequate PM systems Inaccurate data	Poor decisions	2	2	4	1	2	2	Head of Policy & Comm + Cllr Anthony Stansfeld
3.4	Poor Scrutiny	Lack of resources Lack of Member engagement	Inferior decisions Regulations Poor reputation	3	3	9	2	2	4	Head of Policy & Comms



No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely-hood	Impact	Score	Likely-hood	Impact	Score	
3.5	Ineffective Risk Management	Lack of engagement by managers Lack of resources	Reduced CPA scores Reputation	2	3	5	2	2	4	Chief Executive + Cllr Jeff Beck
3.6	Inadequate Business Continuity Planning	Poor service planning Lack of BCP	Service delivery fails Impact on performance	2	4	8	2	3	6	Head of Finance + Cllr Jeff Beck
3.7a	Health & Safety	Poor controls in health & safety Lack of Project Management process	Legal / Insurance Insurance / Financial Reputation Corporate manslaughter Team reactively problem solving rather than proactive planning	3	3	9	2	3	5	Gov of Finance + Cllr Anthony Stanfield
3.7b	Legionella	Outbreak of Legionella / failure to control situation	Legal / Insurance / Financial Reputation Corporate manslaughter	3	3	9	3	3	9	Head of Property Anthony Stanfield
3.7c	Fire Safety	Failure to manage fire safety	Loss of Life Enforced action by Fire Authority Legal / Insurance Reputation Corp Manslaughter	3	3	9	3	3	9	Head of Property Anthony Stanfield
<b>Technology</b>										
4.1a	Major Failure of technology	Power failure	Service delivery / failures	2	3	6	1	2	2	Head of ICT + Cllr Emma Webster
4.1b		Hardware / software failure	Service delivery / failures	2	3	6	1	2	2	Head of ICT + Cllr Emma Webster

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Controls	Change	Owner
				Likely-hood	Impact	Score	Likely-hood	Impact	Score			
4.1c		Failure to achieve financial / service benefits from technology	Service delivery / failures	3	2	6	3	2	6	Effective Performance Management Post Implementation Agreement		ICT Strategy Board + Cllr Emma Webster
4.1d	Failing to invest in technology	Investing in wrong Technology Failing to invest	Lost Resources Ineffective service delivery Service failure Lack of computability	2	3	6	1	1	1	Service Investment Programme ICT Strategy ICT Strategy Board		Head of ICT + Cllr Emma Webster
4.1f	Virus / Hacking Other IT security issues	Attack on Council's computer systems	Service Delivery / Failure Data Protection Reputation	3	3	9	2	3	6	Firewall / Anti Virus ITC Policy		Head of ICT + Cllr Emma Webster
5. Poor Performance												
5.1	Failure to deliver outcomes on Council Plan	Weak performance management	Reputation Potential Intervention Poor CPA Scores Ineffective Service Delivery	3	3	9	2	2	4	Service Planning Performance management Systems Effective Resource Planning		Head of Policy & Comm + Cllr Graham Jones
5.2	Failure to identify potential weak service delivery areas	Poor Governance Lack of Skills	Waste / Inefficiency	2	3	6	2	2	4	Procurement Strategy Efficient Processes	↑	Corp Dir (Opav) + Cllr Anthony Stanfield
6. Failure to deliver / Manage Key Projects												
6.1	Shaw House Phases 1	Poor Project Management Economic	Delay / Overspend Reputation Project collapse Insurance	1	1	1	1	1	1	Effective project Plan Regular Resource Monitoring		Corp Dir (Comm Serv) + Cllr Marcqs Franks
	Shaw House Phases 2 & 3	Poor Project Management Economic	Delay / Overspend Reputation Project collapse Insurance	2	4	8	2	3	6	Effective project Plan Regular Resource Monitoring		Corp Dir (Comm Serv) + Cllr Marcus Franks
6.2	Park Way	Economic viability	Delay / Overspend Reputation Project collapse	3	2	6	2	2	4	Effective project Plan Regular Resource Monitoring		Chief Exc + Cllr Emma Webster
6.3	Market St	Economic viability	Delay / Overspend Reputation Project collapse	3	2	6	3	2	6	Effective project Plan Regular Resource Monitoring		Chief Exc + Cllr Emma Webster

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely hood	Impact	Score	Likely hood	Impact	Score	
6.4	Phoenix Centre	Project Complete								Corp Dir (Comm Serv) + Cllr Joe Mooney
6.5a	Waste PFI Completion of contract	Poor Project Management Only ONE Bid Received Political Issues Affordability	Delay / Overspend Reputation Project collapse	4	4	16	3	3	9	Corp Dir (Env) Cllr Geoff Findlay
6.5b	Abbotswood / Pinchington Lane	Household waste recycling Planning Applications fail Developer unable to deliver	Significant Financial Impact Service Delivery	2	4	8	2	3	5	Corp Dir (Env) Cllr Geoff Findlay
6.5c	Padworth	Failure to acquire site Failure to achieve planning	Significant Financial Impact Service Delivery	3	4	12	2	4	8	Corp Dir (Env) Cllr Geoff Findlay
6.6	Tilehurst Learning Campus	Failure to deliver 1. Financial 2. Project Planning 3. Continued Operation of schools	Reputation Political Issues on National and Local basis	4	3	12	4	3	12	Corp Dir (C&YP) + Cllr Barbara Alexander
6.7	AWE Redevelopment	Legal management process failure Nature of application	Public disorder Government Intervention	2	3	5	2	2	4	Head of Planning + Cllr Keith Chopping
6.8	St Barts School rebuild	Failure to deliver 1. Financial 2. Project Planning 3. Continued Operation of schools	Reputation Political Issues on National and Local basis	3	3	9	3	3	9	CD C&YP + Cllr Barbara Alexander Headteacher + St Barts Foundation Trust
6.9	Failure to secure appropriate office accommodation	Lack of accommodation in Newbury Unable to resource financially	Financial difficulties Lack of communication Service continuity	3	3	9	2	3	5	Chief Exc + Cllr Graham Jones
6.10	Kennet Valley Park	Failure to Manage application Failure to recognise implications for infrastructure and service delivery	Lack of appropriate services Congestion / disruption	2	4	8	2	4	8	Head of Planning + Cllr Keith Chopping

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely-hood	Impact	Score	Likely-hood	Impact	Score	
6:11	Leisure Procurement	Failure to follow procedures Budget envelope exceeded	Delay, disruption Financial difficulties	2	3	6	1	2	2	Head of CS + Clr Marcus Franks

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			
				Likely-hood	Impact	Score	Likely-hood	Impact	Score	
7.1	Failure in Service Delivery Strategic Partners	Lack of sound governance	Partnership failure Progress limited Service delivery	3	3	9	2	2	4	Corp Dir (CS) + Cllr Joe Mooney
7.2	Underachievement of Local Strategic Partnership (LSP) LAA / PSA 2	Poor Management Unachievable targets	Reduced reward Reduced outcomes in local community Reputation Failure to meet targets Potential Financial Implications	3	3	9	3	3	9	Corp Dir (CS) + Cllr Joe Mooney + Cllr Graham Jones
7.3	Under achievement of Safer Communities Partnership	Poor Management Unachievable targets	Reduced reward Reduced outcomes in local community Reputation Failure to meet targets Potential Financial Implications	3	3	9	2	3	5	CE + Cllr Geoff Findlay / Cllr Emma Webster
7.4	Under achievement of Children's Trust	Poor Management Unachievable targets	Reduced reward Reduced outcomes in local community Reputation Failure to meet targets Potential Financial Implications	3	2	5	2	2	4	Corp Dir (CS) + Cllr Barbara Alexander
7.5	Under achievement of Health & Well being Partnership	Poor Management Unachievable targets	Reduced reward Reduced outcomes in local community Reputation Failure to meet targets Potential Financial Implications	3	3	9	3	3	9	Corp Dir (CS) + Cllr Joe Mooney
7.6	Health Partnership Failure to work in partnership	Formation of Berkshire West PCT	Finance Staffing issues Service Delivery	3	3	9	2	3	5	Corp Dir (CS) + Cllr Joe Mooney
7.7	Failure of Housing / Env Partnership	Insufficient Action Plan	Service Delivery Reputation Partnership Working	2	2	4	1	2	2	Head of Housing
7.8	Economic & Transport	Insufficient Action Plan	Service Delivery Reputation Partnership Working	2	3	5	2	3	5	Corp Dir (Env)

No	Risk	Cause / Trigger	Consequences	Gross Rating			Net Rating			Owner
				Likely hood	Impact	Score	Likely hood	Impact	Score	
1.8	Failure to deliver good Corporate Assessment / JAR	Statutory obligations not met Change of CPA Methodology	Legal challenge Government Intervention Compensation Poor CPA Scores	2	2	4	1	2	2	Chief Executive + Cllr Graham Jones


Governance & Audit Reports 2007-11-27

**SRR Action Plan Red Risks  
Quarter 2 2007/08**

<b>Owner</b>	Governance & Audit committee
<b>Date</b>	27 November 2007

Including changes from CB on 13/11/07

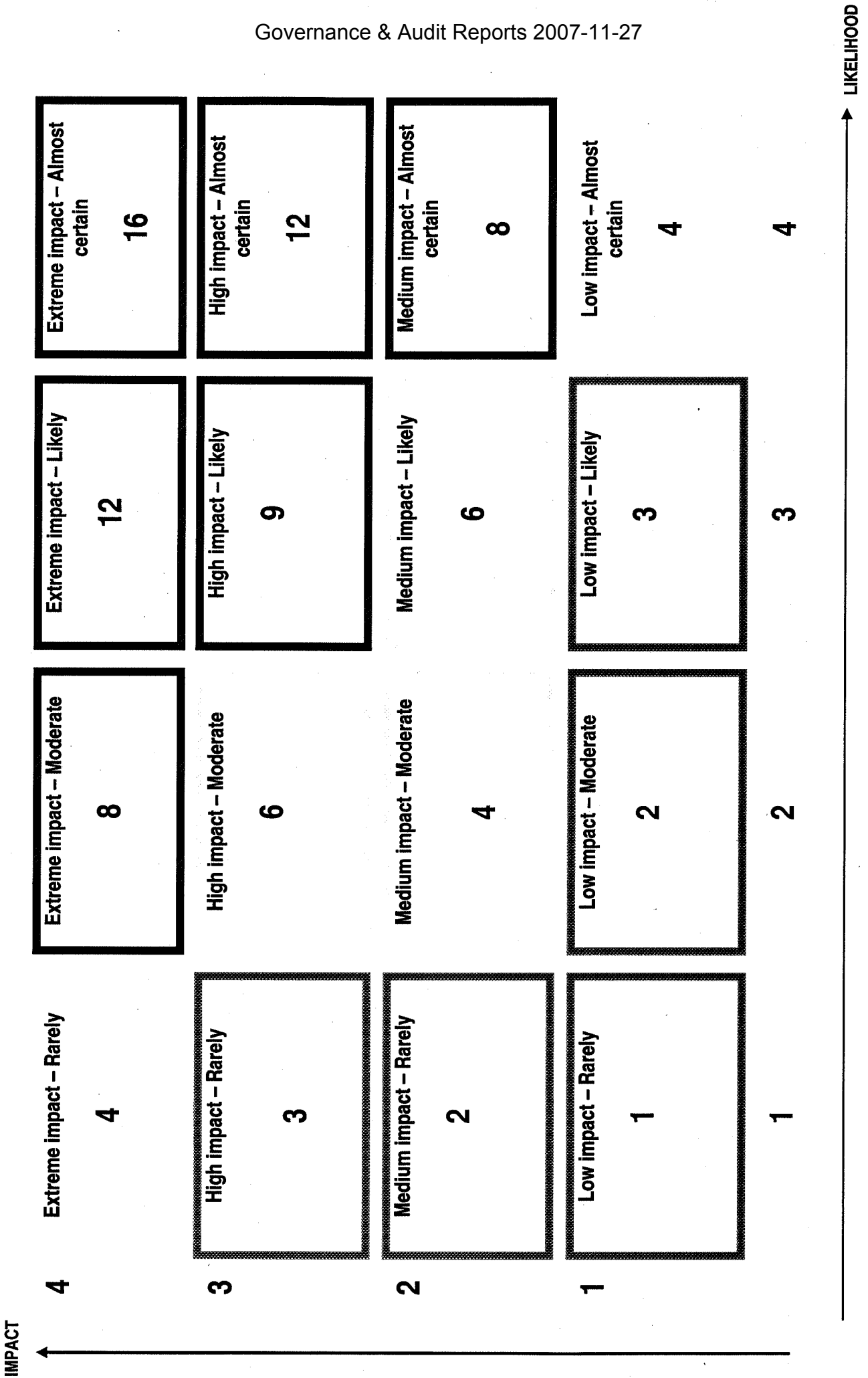
Risk No	Area of Concern / Risk Scenario	Existing Controls	CB Key Risks		Required Controls or Action	Updates from Responsible Officer	Budget Constraint	Owner	Direction of Travel
			Gross Risk Score	Net Risk Score					
1.1	Economic Increased unemployment & Benefit Claims	Economic Development Strategy Sustainable Community Strategy Social Inclusion Strategy Corporate Plan	9	9	Regular review / Intelligence and testing	Officers meet on a regular basis to review plans and policies. Full list of plans available and prioritization is on-going Review of plans part of the service action plan which is discussed at 1-2-1s. Prioritization is by way of service action plan.		Head of Policy & Comm + Cllr Anthony Stanfield	New
1.5a	Environmental Major disaster Contamination Severe weather Outbreaks of disease Flooding	Major Incident Plan Effective Communication & Inter-agency working	12	9			None	Bill Jennison Head of Countryside & Env	No Change
1.6	Flu Pandemic	Immunisation BCP DH Plans Council Plans	12	8	Regular consultation WBC Flu Group Various multi agency groups Close links with NHS	Flu pandemic group meets on a six weekly cycle with representatives from all Council services Training arranged National Exercise set up	None	Margaret Goldie Corp Dir C&YP On - Going	Increase to Gross Rating No change to Net rate
1.10	Demand Management (Demography) Failure to predict changes in service demand	Demographic modelling MTFS Service & Financial Controls	12	9	Review current modelling arrangements.	New work to be undertaken during 2007.	None	Teresa Bell + Cllr Joe Mooney	No Change
2.4g	Specific Grants	Flexible budget process Lobbying in support of grant changes that benefit WBC	12	8				Head of Finance + Cllr Laszlo Zverko	New

Risk No	Area of Concern / Risk Scenario	Existing Controls	CB Key Risks		Required Controls or Action	Updates From Responsible Officer	Budget Constraint	Owner	Direction of Travel
			Gross Risk Score	Net Risk Score					
3.7b	Health & Safety Legionella	Contract set up for risk assessments Compliance Officer in H&S Team	9	9	Tight monitoring and supervision reporting on progress	Surveys are starting to take place against the programme.	None	Andy Green Head of Property+ Anthony Stansfield	No Change
3.7c	Fire Safety	Contract set up for fire risk assessments Compliance Officer in H&S Team	9	9	Tight monitoring and supervision reporting on progress	Surveys are starting to take place against the programme.	None	Andy Green Head of Property+ Anthony Stansfield	No Change
6.5a	Major Projects Waste PFI	Effective project plan Regular monitoring Preferred bidder negotiations 2 weekly progress meetings	16	9	Manage Sites and Planning Risk Ensure affordability within MTFS allocation Final Business Case to be agreed with DEFRA	Veolia awarded Preferred Bidder status. Direct negotiations with contractor underway. PFI credits expire 31st March 2008. Sites and planning are the main areas of risk to the Council.	None at present	John Ashworth Corp Dir Env + Cllr Geoff Findlay	No Change
6.5c	Padworth	Council minded to use Compulsory Purchase Order to acquire the site Discussion with landowner over direct acquisition	12	8	Detailed planning application being prepared - submission May 2008	Main risk areas around acquiring the site at Padworth either through direct negotiations or CPO and gaining planning approval		John Ashworth Corp Dir Env + Cllr Geoff Findlay	No Change
6.6	Tilehurst learning Campus	Consultation / robust process Detailed feasibility study	12	12	Sites and Planning Ensure affordability	Risk management workshop held in September. Risk Register in place which will be reviewed quarterly Project Board appraised Feasibility study commenced Further work underway Member Task Groups analysing financial feasibility	Unknown	Margaret Goldie Corp Dir C&YP On - Going	



Risk No	Area of Concern / Risk Scenario	Existing Controls	CE Key Risks		Required Controls or Action	Updates From Responsible Officer	Budget Constraint	Owner
			Gross Risk Score	Net Risk Score				
6.8	St Barts School rebuild	Consultation / robust process Detailed feasibility study completed Contractor appointed through SECE	9	9	Sites and Planning Ensure affordability	Risk management workshop held in March 07 Further meetings on a six week cycle Planning application due in by mid-October	Project will need to be afforded within financial envelope	Margaret Goldie Corp Dir C&YP On - Going
6.10	Kennet Valley Park	Effective Planning	8	8				Head of Planning + Cllr Keith Chopping
7.2	Underachievement of Local Strategic Partnership (LSP) LAA / PSA 2	Effective Performance Management Remedial Action	9	9				Corp Dir (CS) + Cllr Joe Mooney + Cllr Graham Jones
7.5	Under achievement of Health & Well Being Partnership - funding issues relating to PCT.	Effective Performance Management Remedial Action	9	9	Action plans, additional resources, effective co-ordination	Action Plan in Place and being delivered.	No	Teresa Bell Corp Dir Comm Services





**Title of Report:**

**Second Quarter Report – 2007- Item 7  
2008**

**Report to be  
considered by:**

Governance and Audit Committee

**Forward Plan Ref:**

**Council Plan:**

The proposals contained in this report will help to achieve Council Plan priorities by:  
Strengthening the internal control framework of the Council.

**Purpose of Report:**

**To support the Statement of Internal Control by  
identifying the Strategic Risks and associated  
action plan**

**Recommended Action:**

**To consider and comment on the quarterly report**

**Reason for decision to be  
taken:**

To ensure that the Council's strategic objectives are met and that any associated risks with achieving them are identified and appropriately managed.

**List of other options  
considered:**

None

**Key background  
documentation:**

- Risk Management Strategy
- Strategic Risk Register / Action Plan

**Contact Officer Details**

<b>Name:</b>	Charles Morris
<b>Job Title:</b>	Risk Manager
<b>Tel. No.:</b>	01635 519310
<b>E-mail</b>	crmorris@westberks.gov.uk
<b>Address:</b>	

**1. Background**

- 1.1 The purpose of the quarterly report is to provide a summary of the current position relating to risk management and insurance / claims issues. (Attached).
- 1.2 Corporate and Management Boards consider the report on a quarterly basis. This forms part of a quarterly monitoring process, which includes reports from other areas of the Authority.

**Appendix**

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Appendix A - Risk Management Quarterly Report (January – March 07)

**Consultation Responses**

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**Local Stakeholders:** Not Consulted

**Officers Consulted:** Corporate Board / Risk Strategy Group

**Trade Union:** None



**Risk Management**  
**Quarterly Report**

**July - September 2007**

## Key Issues

Governance & Audit Reports 2007-11-27

### National

- Floods *July 2007*: Several local authorities suffered severe damage following the floods – Some Insurance Companies applied the deductible (excess) to each and every location damaged. This increased the contribution payable from internal provisions, whereas WBC's deductible was applied once over the whole claim.
- Hull City Council decided not to insure for flood and now face a £35 million repair bill following the floods earlier in the year.

### Recent Court Cases include:

- Sports Premises: Public authorities and organisations that provide their facilities free for charitable purposes must none the less ensure their premises are safe for all those likely to use them. (A claimant was injured whilst using a running track which was unsafe)
- A secondary school pupil who injured himself whilst swinging on a school gate was awarded £5,700 compensation when it collapsed. Despite the fact he was trespassing – the Council could not prove that the gate had been maintained. The money was part of an estimated £2 million paid out to children who were injured on school property in 2006.

### Local

- Strategic Risk Register / Action Plan reviewed by Corporate / Management Boards and Governance & Audit Committee on a rolling three month basis
- Risk Strategy Group formed, which replaces the former JCC. This is a more strategic co-ordinating role covering a broad range of risk related activities. Group is now chaired by Cllr Jeff Beck and meets on a quarterly basis..
- Business Risk Working Group focuses on service risk registers / service specific risk and insurance issues, this group reports in to the Risk Strategy Group. Meetings on a quarterly basis.
- With effect from 1 November 2006, the deductible on liability losses was increased from £25,000 to £100,000 for each claim. Claims paid from the insurance provision / fund. Property claims remain with a deductible of £250,000.
- Tender process complete for Insurance programme from 1 November 2007
- New bollards in Wharf Street, Newbury have caused damage to some motor vehicles which have been tailgating legitimate users. Insurance Company is defending claims for compensation. (Highways are also pursuing responsible drivers for damage to the bollards)
- Risk Management Tool Kit and Risk Appetite produced for Corporate Board's consideration in October. Management board to review in December and will be formally launched at the Senior Management Seminar in March 2008.

### Recommendations For Corporate Board

- Corporate Directors should remind HOS that the deductible on liability claims has been increased to £100,000.

**Key Performance Indicators**

**Risk Management**

**Project Risk**

- Three monthly reviews of Project risk management workshops continue.
- Workshops will be carried out on other major contracts as they are identified -
- St Barts risk working group formed and meeting on a regular basis

**Strategic Risk Register**

- *The Strategic Risk Register* is updated on a rolling basis with Corporate and Management Boards as well as the Governance & Audit Committee.
- Items shown as a "Net" red from the strategic risk register are included in the corporate plan.

**Operational Risk Registers**

- Risk Manager and Group Auditor will visit all HOS to assist in reviews by the end of the financial year.

**Recommendations For Corporate Board**

- Corporate Board to encourage Project Sponsors / Project Managers to be proactive in the reviews of project risk registers. Action Plans require review.
- Corp Directors to remind HOS that operational risk registers and action plans must be reviewed at SMT's on a quarterly basis.
- The risk registers should be aligned to the service area's objectives / service plans.
- Operational Risk Action Plans to be reviewed on a quarterly basis by Corporate Directors at 1-2-1's

**Traffic light Indicators**  
Governance & Audit Reports 2007-11-27  
Quarter 2

Chief Executive			Environment			Children and Young People			Community Services		
Benefits and Exchequer	10		Highways and Transport			Education Services	11		Community Care and Well Being	12	
Customer Services	10		Countryside and Waste Mgt	10		Children's Services	12		Older People's Service	12	
Finance	10		Planning	4		Children's Commissioning & Q	inc	inc	Housing and Performance	10	
Human Resources	10								Cultural Services	1	
ICT	1										
	1										
Legal and Electoral	10										
Policy and Communication	1										
	1										
Property	1										
	0										
<b>Total 82</b>			<b>Total 14</b>			<b>Total: 23</b>			<b>Total: 45</b>		
Average score = 10.25			Average score = 7			Average score = 11.5			Average score = 11.25		
Overall = Amber			Overall = Amber			Overall = Green			Overall = Green		

Figure 1: Service Group ratings for current quarter.

**'Red' or 'Amber ratings:** proposals to improve to 'Green' status.

Topic	Key areas of concern	Action proposed by Service
	HOS need to ensure that risk registers and action plans are reviewed and updated. On a quarterly basis.	Some action plan points are not easily resolved.

- Two Heads of service unable to complete the pro forma in the time-scale available – hence shown as nil score above. This information is being collated and will be available shortly.
- Performance indicators for risk management will be changing from end of quarter 3 2007 / 2008



## Training

- Project risk registers are reviewed on a rolling 3-month basis.
- The annual review of operational risk registers and action plans are being reviewed with the risk manager and a group auditor, this is part of the risk management-training programme for HOS and their management teams. (HOS should review on a quarterly basis -)
- Half-Day Training Sessions for 3-4 tier managers took place on 16 November. (Feed back was positive)
- Further sessions planned for 2007 /2008
- Risk Management training for more junior staff available
- Training session took place for new members in June 2007
- Risk Management Training for Management Board held in October
- Ian Priestley and Charles Morris gave a presentation to NHS Trusts on risk management in early October. (In a NHS use of resources forum)

### Recommendations For Corporate Board

- Encourage Heads of Service to communicate / cascade training information to managers

## Insurance and Claims Information

- Insurance claims analysis attached.
- With effect from 1 November 2006, the deductible on liability losses was increased from £25,000 to £100,000 for each claim. This is paid from the insurance provision / fund.
- Property claims remain with a deductible of £250,000.
- With effect from 1 April 2005, settlement of liability and property claims made under the Council's self-funded scheme are payable by the relevant Service Unit. These are subject to the deduction of excess, at a level of 50% of the total cost, with a maximum of £6,000, and a minimum of £250.
- Schools are able to select a number of levels between £250 and £2,000, which will affect their level of premiums
- Claims falling below the above sums should still be recorded on Webrisk in the usual way and forwarded to the Insurance Team in Faraday Road for processing.
- Correspondence with the claimants will continue to be from West Berkshire Council's insurers, and any claims where they advise liability should be admitted will be referred to the relevant Service Unit for their comments before any payment is made.
- In the past few months, three WBC schools have had lead stolen from their roofs, causing extensive damage costing approximately £5,000 each on average to repair. This trend is replicated in other parts of the country, because of a recent world wide increase in demand for lead. Replacement fittings are in lead substitute where possible.

### Recommendations For Corporate Board

None on this occasion

**Liability Losses to 30 September 2007**  
 Governance & Audit Reports 2007-11-27

Year	Number of claims	Paid & Reserved by WBC	Self Funded Retention	Paid & reserved by Insurer	Total Losses	Annual Premium (Gross of IPT)	Insured Losses as a % of premium
01/02	163	£42,967	£1,000	£131,325	£174,292	£197,400	66.53
02/03	167	£92,313	£5,000	£63,500	£155,813	£139,125	45.64
03/04	93	£226,356	£25,000	£235,000	£461,356	£252,283	93.15
04/05	139	£150,324	£25,000	£0	£150,324	£280,784	0.00
05/06	153	£82,498	£25,000	£0	£82,498	£294,327	0.00
06/07*	193	£197,212	£25,000	£0	£197,212	£301,314	0.00
07/08	51	£51,334	£100,000	£0	£51,334	£185,502	0.00
<b>Totals</b>	<b>959</b>	<b>£843,004</b>		<b>£429,825</b>	<b>£1,272,829</b>	<b>£1,650,735</b>	<b>26.04</b>
*From	01/11/2006		£100,000				

**Property Losses To 30 September 2007**  
 (Excluding Flood Claims from 20 JULY 2007)

Year	Number of claims	Paid & Reserved by WBC	Self Funded Retention	Paid & reserved by Insurer	Total	Annual Premium (Gross of IPT)	Insured Losses as a % of premium
01/02	50	£71,391	£25,000	£0	£71,391	£125,090	0.00
02/03	51	£50,948	£25,000	£0	£50,948	£241,500	0.00
03/04	48	£42,980	£250,000	£0	£42,980	£257,591	0.00
04/05	40	£143,253	£250,000	£0	£205,418	£252,696	0.00
05/06	34	£141,011	£250,000	£0	£141,011	£263,550	0.00
06/07	16	£103,764	£250,000	£0	£103,764	£317,678	0.00
07/08	29	£141,507	£250,000	£0	£141,507	£333,690	0.00
<b>Totals</b>	<b>268</b>	<b>£694,854</b>		<b>£0</b>	<b>£757,019</b>	<b>£1,791,795</b>	<b>0.00</b>

<b>Title of Report:</b>	<b>Governance and Audit Work Programme</b>	<b>Item 8</b>
<b>Report to be considered by:</b>	Governance and Audit Committee	

**Purpose of Report:**

To note the work programme for the remainder of the Municipal Year and the next meeting date of the Committee.

**Recommended Action:**

To note the work programme and future meeting dates.

**Reason for decision to be taken:**

**List of other options considered:**

None

**Key background documentation:**

Appendix A

**Contact Officer Details**

<b>Name:</b>	Ian Priestley
<b>Job Title:</b>	Service Head - Assurance
<b>Tel. No.:</b>	01635 519253
<b>E-mail</b>	ipriestley@westberks.gov.uk
<b>Address:</b>	

## Supporting Information

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### **1 Introduction.**

- 1.1 The purpose of this report is to outline the proposed work programme and meeting dates of the Committee for the 2007/2008 municipal year, including a list of training items at the start of each meeting.
- 1.2 In addition it is likely that the Committee will have a number of issues to consider in relation to the Council's Constitution. These will be timetabled to fit these planned meetings.

### **2 Future Meeting Dates.**

- 2.1 The next meeting date of the Committee has been set for 6.30pm on Tuesday 27<sup>th</sup> November 2007, and will be held in Committee Room 2, Market Street Council Offices.
- 2.2 Please note other meetings dates as outlined on the work programme.

## Appendices

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Appendix A – Governance & Audit Committee Work Programme

**GOVERNANCE & AUDIT COMMITTEE  
DRAFT WORK PROGRAMME (2007/2008)**

Updated in November 2007

<b>Topic</b>	<b>Detail</b>	<b>Lead Officer</b>	<b>Date of Committee</b>
<b>Strategic Risk Register</b>	Quarterly review of the Council's Strategic Risk Register. Committee to comment, and acting as critical friend, agree or suggest changes to the register and ensure that relevant Members of the Executive are delivering the agreed action plan.	Risk Manager	27 November 2007
<b>Quarterly Risk Management Report</b>	To update the Committee on developments in the Risk Management and Insurance process.	Risk Manager	27 November 2007
<b>Interim Report – Internal Audit</b>	To update the Committee on the work of Internal Audit.	Assurance Head	27 November 2007
<b>Training Programme</b>			
<b>Use of Resources</b>	Details of the Council's position re the Use of Resources, including action plans to deal with any shortcomings identified by the Audit Commission. The Committee to approve any action plan that may be required.	Head of Finance	25 March 2008
<b>Internal Audit Plan</b>	Details of Internal Audit work to be undertaken in the coming year. Committee to approve the plan	Assurance Head	25 March 2008
<b>Risk Management Strategy</b>	Annual review and renewal of the Council's Risk Strategy. The Committee to review the Strategy and approve the work set out in the strategy	Risk Manager	25-March 2008
<b>Strategic Risk Register</b>	Quarterly review of the Council's Strategic Risk Register. Committee to comment, and acting as critical friend, agree or suggest changes to the register and ensure that relevant Members of the Executive are delivering the agreed action plan.	Risk Manager	25 March 2008