Title of Report:

Use of Resources -2006-2007.

Item 5

Report to be considered by:

Governance and Audit Committee

Purpose of Report:

To inform the Committee of the results of the Use of Resources Assessment for 2006-2007 and highlight the additional challenges for 2007-2008.

Recommended Action:

Members consider the implications of the changes in terms of the Committee's work programme.

Reason for decision to be taken:

To assist the Council meet the continuing challenge posed by the increasingly challenging Use of Resources.

Key background documentation:

The proposals contained in this report will help to achieve the Council Plan by Improving the Governance and Internal Control arrangements of the Council

Contact Officer Details

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1. Introduction

- 1.1 This report sets out the results of the Use of Resources Assessment for 2006-2007 that was notified to the Council before Christmas. The Use of Resources forms a key element of the overall Comprehensive Performance Assessment for the Council.
- 1.2 The Use of Resources assessment measures the extent to which the Council matches the criteria set out in a significant number of Key Lines of Enquiry over 5 headings.

2. Assessment

2.1 The Assessment for 2006-07 for the Council was unchanged from 2005-06. The overall score remains as a 3, out of a possible 4. The breakdown of the score was as follows:

Financial Reporting	2
Financial Management	3
Financial Standing	3
Internal Control	3
Value for Money	3

2.2 The rating translates as follows:

1	Below minimum requirements – inadequate performance
2	Only at minimum requirements – adequate performance
3	Consistently above minimum requirements – performing well
4	Well above minimum requirements – performing strongly

2.2 A comparison with previous year's scores and those of the other Berkshire Council's is attached for information.

2005-206 scores by theme

				-			
Authority Name	Overall Score 2006	Financial Reporting	Financial Managem ent	Financial Standing	Internal Control	Value for Money	Sum of the 5 themes 2006
Bracknell Forest	3	3	3	3	3	3	15
Reading	3	2	3	3	3	3	14
Slough	2	2	2	2	2	3	11
West Berkshire	3	2	3	3	3	3	14
Windsor & Maidenhead	3	3	3	2	2	3	13
Wokingham	4	3	4	4	3	3	17

2004-2005 scores by theme

Authority Name	Overall Score 2005	Financial Reporting	Financial Managem ent	Financial Standing	Internal Control	Value for Money	Sum of the 5 themes 2005
Bracknell Forest	3	3	2	3	3	3	14
Reading	2	2	2	3	2	3	12
Slough	2	2	2	2	2	2	10
West Berkshire	2	2	3	3	2	2	12
Windsor & Maidenhead	3	3	3	2	2	3	13
Wokingham	3	3	3	2	3	3	14

3 2007-08 changes

3.1 The changes that have been introduced for 2007-08 are set out below. These changes form part of the ongoing process of lifting the "bar" and improving the performance of Local Authorities.

KLOE	Level	Summary of change
Financ	ial repo	rting
1.1	2	An unqualified opinion in the published statements.
1.2	2,3	Published information is available to the public in a timely way and in accessible formats in compliance with duties under the equalities legislation.
1.2	4	The annual report or similar document includes information and analysis about a council's environmental footprint.
Financ	ial man	agement
2.1	2	The impact of strategies is assessed for their impact to comply with duties under the equalities legislation in relation to race, gender and disabilities.
2.3	3	The asset management plan provides strategic and forward looking goals showing how land and buildings will be used to deliver corporate priorities. The council holds accurate information on the efficiency, effectiveness and values of assets, to support decision making on investment and disinvestment in assets.
2.3	4	Asset management and planning is fully integrated with business planning
2.3	4	Asset management is used as an enabler of change. The management of assets is integrated with other local public agencies to identify opportunities for shared use of property and to deliver cross-sector, cross-agency and community-based services to users.
2.3	4	Asset management includes challenge as to whether all assets are fit for purpose, provide value for money and deliver corporate priorities. The council rationalises its holding of property.
Financ	ial stan	ding
3.1	3	The approved level of balances is adhered to; the council's financial standing is sound and supports the achievement of its long term objectives.

3.1	3	Targets for income collection and recovery of arrears
J. 1		Targets for income collection and recovery of arrears stretch performance and their achievement is monitored with appropriate corrective action taken during the year to achieve the targets.
Intern	al control	
4.1	4	Reports which support strategic policy decisions and initiate major projects require a risk assessment which includes an appraisal of the impact on sustainable development.
4.2	3	Effective scrutiny function to ensure challenge and improve performance
4.2		'Statement of internal control' has been replaced with 'governance statement'
4.2	4	Evidence of the viability of significant contractors' / partners' business continuity plans.
4.3	2	Preparation for the role of the standards committee in local investigations and determination.
4.3	3	Publicising the work of the standards committee
4.3	3, 4	Enhanced standards for whistle blowing arrangements, demonstrating employees of contracting organisations are aware of the arrangements and staff have confidence in them.
4.3	4	Application forms have fair processing notification permitting data sharing for prevention and detection of fraud and corruption.
Value	for mone	y
5.1	2,3,4	Descriptors for capital programming have been strengthened by including references to the outcomes of a well managed capital programme, i.e. projects are completed on time, to budget and deliver outcomes which are fit for purpose (and for level 4 – transform services for users and citizens).
5.2	2,3,4	Understanding unit and transaction, as well as, overall costs.
5.2	2, 3, 4	Data quality arrangements should be reliable (level 2) or exemplary (level 4), and including at level 4, an agreed approach with partners. Auditors will rely on the findings of the data quality audit for this descriptor
5.2	2, 3, 4	The descriptor which assesses community needs and impact of decisions on diverse communities has been revised to better reflect statutory requirements on equality impact assessments. It also makes it clearer that reducing inequality in outcomes ought to be integral to a council's drive to improve VFM.

5.2	2, 3, 4	Demonstrating improvements in value for money by tracking performance over recent years.
5.2	2, 3, 4	More emphasis on stronger, longer-term, full cost evaluation, including (at levels 3 and 4) consideration of environmental and social in its assessments of costs and benefits in decision making.
5.2	2, 3, 4	Improving value for money through partnership working, with an understanding of resources at the disposal of partnerships and planned outcomes. There are opportunities to improve value for money (reduce costs or improve outcomes) through better partnership working. Performance reflects differing levels of engagement with partners to improve outcomes.
5.2	2, 3, 4	Use of ICT to improve services, value for money and access to services.

3.2 The above represents a very challenging agenda indeed. In addition the Audit Commission are presently consulting on the use of resources for 2009-10 which will form part of the Comprehensive Area Assessment. This will push the bar even higher.

Title of Report:

Work in progress 2007-2008 and Audit Plan for 2008-2009

Item 6

Report to be considered by:

Governance and Audit Committee

Purpose of Report:

To inform the Committee of the progress made with the Audit Plan for 2007-2008 and to begin the process of preparing an Audit Plan for 2008-2009 and beyond.

Recommended Action:

Members consider the areas of the Council that they would like have assurance on from Internal Audit

Reason for decision to be taken:

To enable the Committee to obtain assurance of the effectiveness of the Council's internal control framework

Key background documentation:

The proposals contained in this report will help to achieve the Council Plan by Improving the Governance and Internal Control arrangements of the Council

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1. Introduction

- 1.1 The Committee asked for an update on progress with the completion of the 2007-2008 audit plan. This report outlines the position as at 31.12.07.
- 1.2 The Committee also asked to be able to consider what areas might be covered as part of the audit plan for 2008-2009.

2. 2007-2008 progress

2.1 The Audit plan for 2007-2008 is attached as appendix A. Using a traffic light approach I have indicated:

Which audits are complete	
Which audits should be completed by 31 March	
Which Audits will not be covered in 07-8	

- 2.2 This indicates that 17 audits (245 planned days) planned for 2007-2008 will not be carried out. There are three reasons for this:
 - Additional time required to cover the FMSIS assessment at Primary Schools has cost 90 days to date
 - Special investigation work cost 96 days to date
 - Vacancies and new starters joining internal audit who have taken time to get up to speed

3 Audit plan for 2008-2009 and beyond

3.1 Appendix A sets out the plan for 07-10. This will need to be updated for the coming year. The following extract from the Internal Audit Manual sets out the process that is normally followed.

1. Introduction

- 1.1 The purpose of this chapter is to set out the approach to preparing the Strategic and Annual Audit Plans. This covers:
 - a) Identification of auditable areas;
 - b) Identification of fundamental and non fundamental systems;
 - c) Risk assessment and audit needs assessment;
 - d) Preparation of a draft strategic plan;
 - e) Consultation with Clients;
 - f) Preparations of actual strategic plan and annual plan;

g) Approval of the audit plan.

2. Identification of auditable areas

- 2.1 The aim of this work is to ensure that all activities of the Council that warrant audit attention are identified. The following sources of information should be consulted:
 - a) Strategic and Service risk registers;
 - b) Previous audit plans;
 - c) Current year's budget books;
- d) Committee agendas to identify new initiatives that need to be covered:
 - e) External Audit;
 - f) Internal Audit work carried out in previous years;
 - g) The Council Plan & Service Plans.
- 2.2 The research should be pulled together and used to compile a list of auditable areas.

3. Fundamental and Non Fundamental Systems

- 3.1 There are a number of systems that are fundamental to delivery of services by the Council. Any weakness or error in those systems may jeopardise service provision, consequently it is important that Internal Audit provide assurance through adequate coverage that these systems are robust.
- 3.2 The systems that are considered to be fundamental must include those identified by the Council's External Auditor, the Audit Commission as fundamental and any other systems that the Section 151 Officer considers are critical to service delivery.
- 3.3 Fundamental systems must be audited each year to a sufficient depth to enable reasonable assurance to be provided to management. Time allocated to these audits must reflect the needs of the audit and not be constrained by limited audit resources. Consequently the risk assessment although useful to highlight risk will not be used to determine the resources to be allocated to this work. A risk assessment for fundamental systems will be carried out as set out in para's 4.2 and 4.3 below.
- 3.4 Non fundamental systems will be assessed as set out in para 4 below.

4. Audit risk and needs assessment

- 4.1 The purpose of this exercise is as follows:
 - a) To determine the level of risk associated with each auditable area;
 - b) To determine the level of audit resources needed to cover all auditable areas;
 - c) Matching available resources with audit needs by scaling down the depth and frequency of audit work and in some cases accepting

that some areas will not be covered.

- 4.2 The risk assessment will be performed by considering each area against a number of factors. These include:
 - Results of risk self assessments (Strategic and Operational Risk Registers);
 - b) Complexity/scale of system/processes;
 - c) Fraud and corruption eg the risk of fraud or corruption occurring;
 - c) Inherent risk eg degree of change/instability/confidentiality of information:
 - d) Previous Internal Audit knowledge of the control environment.
- 4.3 The risk assessment scoring methodology is set up on Galileo in the Entities Database. Once each of the risk factors has been scored, the overall total will give a score which ranks the 'entity' as high, medium or low risk.
- 4.4 The risk assessment will be used to help determine both the level of audit resources and the frequency of audit coverage. The complexity of the area to be reviewed will also be a key factor in the level of audit resource, together with the professional judgement of the Audit Management Team.

5. Draft audit plan

- 5.1 A draft strategic plan must be completed by Christmas each year. This will enable the draft plan to be discussed with clients in the January/February of each year.
- 5.2 The plan will be set out by Head of Service, it will identify those systems that have been classified as fundamental (requiring annual coverage). The aim of this breakdown will be to ensure that each Head of Service knows what audit work will be carried out in their service area.

6. Consultation

- 6.1 An integral part of the audit plan preparation process is the involvement of clients. During the December and January of each year the Group Auditors will request attendance at the senior management team for each Corporate Director, together with meeting with the Chief Executive to discuss the proposed revised strategic and annual audit plan.
- 6.2 This consultation process is to provide information on the rationale of the draft plan together with identifying any issues over timing of reviews, and/or other areas that the service may wish to be incorporated into the programme of audit reviews. Where additional areas of work are identified, the Assurance Manager would need to determine the priority of the request considering the level of audit resources available. Where there are requests for Advisory reviews, this approach would need to be agreed by both Internal Audit and the Service Manager, as the nature of the work would affect the circulation of findings/results (see Chapter 3 Types of Audit Work, and Chapter 7 Audit Reporting).

- 6.3 Once clients have been consulted and the plan revised to take account of their needs the External Auditor will be consulted. The purpose of this is to exchange plans and avoid duplication of effort.
- 7. Approval of the Plan
- 7.1 The strategic plan will then go to the following for approval:
 - a) (Section 151 Office);
 - b) Corporate Board;
 - c) Management Board
 - d) Governance and Audit Committee.
- 3.2 We will shortly be talking to Directors and Heads of Service to identify any concerns they may have. The plan will be brought back to the next meeting of the Committee on 25th March 2008.

Appendices

Appendix A - Internal Audit Plan for 2007-10

						t					
		Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	20010-11 T Days Da	TOTAL Fieldwork Days 2008- Date 2011		Business Owner
Head o	Head of Finance (JG)										
	Insurance	a) Inappropriate assessment of uninsured losses b) inaccurate claims record for	Low	SR		8	•		20	Head	Head of Finance
	Governance / Risk Management	a) Non compliance with CPA requirements b) Ineffective framework for SIC reporting	High	SS	15		15		99	Heac	Head of Finance
	Houlth and Safety		Medium	SS.					15	Heac	Head of Finance
	Use of Consultants	a) Fined by the Inland Revenue b) Inappropriate people being appointed c) Insufficient	Medium	SR			15		15	Head	Head of Finance
	Contract letting	a) Non-compliance with Contract rules of Procedure b) Non compliance with EU legislation	Medium	ACW	20				70	Head	Head of Finance
	Contract monitoring	a) Non-compliance with Contract rules of Procedure b) Contract spec not met c) Contract	Medium	SR		20			20	Head	Head of Finance
	Tanama authorition - send chanks	a) Theffifraid	Medium	AFW	82	20	20		09	Неас	Head of Finance
	Dotty Cash Imprest Accounts - enot chacks	a) Theff/Fraud	Low	AFW		20	15		55	Head	Head of Finance
	Procurement (service role)	A) Inappropriate suppliers used b) Inefficient purchasing practices (Gershon)	High	SS		8			20	Head	Head of Finance
u	General Ledner (mapaged andit)	a) Inaccurate information for management decisions b) Budgets exceeded c) Qualified	High	KFS		20	82				Head of Finance
. u	Contour Louges (managed acon) Fived Accet Register (managed andit)	a) Non compliance with accounting standards b) Qualified Accounts	High	KFS		2	2		15 April/May		of Finance
-	Budget Monitoring	a) Inaccurate Information b) poor decision making	High	쭚	20				. 20	Head	d of Finance
	Capital planning / programme	a) Ineffective project management - budgets exceeded/deadlines exceeded/outcome does	High	S.		52			22	Неас	Head of Finance
	MTFS	 a) Council's financial targets are not realised b) Budget pressures c) Increases in Council Tax 	High	딿			5		15	Неас	Head of Finance
ш.	Treasury Management (managed audit)	 a) Inappropriate cashflow decisions - income not maximised b) Legislation/Internal polices not complied with 	Low	KFS		10	10		30 September		of Finance Yof Finance Yof Finance
	Bank Reconciliation	 a) Inappropriate transactions processed through the bank b) Inaccurate year end accounts c) Qualified opinion from External Auditors 	Medium	8					0	Head	d of Finanda Strooda Strooda
	VAT	a) Non compliance with Customs and Excise requirements - financial penalties	Medium	윉	145	160	15 130		15 435	Head	of Finance 300
	Total				<u> </u>	1	<u>.</u>		!		08-02-04

Training

Total

Head of HR (JG)

Page 2

	Business Owner	
	TOTAL Fieldwork	Days Days 2008- Date 2011
	20010-11	Days
	2009-10	Days
	2008-09	Days
	2007-08 Days	
	Audit	Туре
	Risk	Assessment
Internal Audit Work Programme - As at 31.12.07	Key risks to be covered	

	Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days 2008-09 Days	2008-09 Days	2009-10 Days	20010-11 Days	TOTAL Field Days 2008- Date 2011	TOTAL Fieldwork Jays 2008- Date 2011	Business Owner
									•	
Head of Legal and Electoral Services (SC)										,
Registrars Service	 a) Ineffective budgetary control, b) Insufficient control of income, c) Insufficient control of assets, d) Inappropriate expenditure 	Low	OR S							Legal
Legal Services	a) Ineffective budgetary control	High	윉			9		9		Legal
Child Care Lawyers	 a) Incorrect submission of charges by WB, b) Ineffective communication with Children's' services, c) Cases wrongly undertaken by WB, d) Reading costs in WB figures 	Medium	S.		8			70		Legal
Electoral Services	 a) Non compliance with legislation, b) Inappropriate entries on register, c) Incorrect payments/expenditure/charges 	Low	S.					•		Legal
Governance arrangements	a) Illegal Decisions b) Poor decision making structures c) Ineffective rules of procedure	Medium	SS	15				15		Legal
Land Charges	a) Non compliance with legislation b) Income collection not effective	Low	R.	5				5		Go legal
total				30	70	6		09		vernance and

at 31.12.07
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Internal

Internal Audit Work Pr	Internal Audit Work Programme - As at 31.12.07 Key risks to be covered	Risk Assessment	Audit 2 Type	2007-08 Days 2008-09 Days	2008-09 Days	2009-10 Days	20010-11 Days	20010-11 TOTAL Fieldwork Days Days 2008- Date 2011	Business Owner
Head of Policy and Communication (SC)									
LAA/PSA2	 a) Targets not achieved b) Governance framework not in place c) ineffective communication between parties 	High	& &	52				72	Policy and Communication
Service Planning	Delivery Fintervention / CPA	Medium	æ					0 .	Policy and
Performance Management	Legal obligations / service delivery	High	SS		70			20	Policy and
Partnership development	a) Governance arrangements weak	Medium	æ			15		1 5	Policy and
Grants (inc Economic Development)	Recession / Downturn in economy	Low	SS.		15	15		30	Policy and
PSA2	a) Failure to deliver against targets	Medium	SS.					0	Communication Communication
Members expenses	a) Inappropriate payments, b) Over payments on budgets, c) Non compliance with	Medium	OR		15			15	Policy and and Communication
Complaints / Code of Conduct	registation profices a) Ineffective polices and processes in place, b) Non compliance with policies/processes	Medium	SR						Policy and So
Data Protection / Freedom of Information	a) Non compliance with legislation b) No Standard approach for dealing with requests c)	High	æ			70		50	Policy and Policy
Scrutiny	Adequate records not maintained of requestis/responses a) ineffective Scrutiny	Medium	SR					10	Policy and Transfer of the Policy and Transfer o
Intranet/Internet/Communication/Publications		Medium	85					15	Communications Policy and October Communications
total				20	20	20		150	2008-02-04

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	Internal Audit Work Programme - As at 31.12.07	gramme - As at 31.12.07										
		Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 2 Days	20010-11 Days D	TOTAL Field Days 2008- Date 2011	Fieldwork Date	Business Owner	
Head o	Head of Benefits and Exchequer (JG)											
	Payroll / PAYE (managed Audit)	a) Ghost employees set up b) Inaccurate payments made c) Inaccurate deductions made	High	KFS	50	15	20		. 25	October	Benefits and	
u.	NFI Payroll Investigation work	a) payroll fraud b) Low score on the U of R	High	AFW		6	10		93		Exchequer Benefits and	
	Accounts Payable (managed audit)	a) Inappropriate/fraudulent payments b) budgets exceeded	High	KFS		15	15		34	November	Exchequer Benefits and	
ш	Accounts Receivable (managed audit)	a) Council's cashifow affected b) Income not maximised	High	KFS		12	15		45	November	Exchequer Benefits and	
ш	Car Loans & Car Leasing	a) Inaccurate payroll deductions b) Non compliance with Inland Revenue requirements	Low	R		20			20		Exchequer Benefits and	
	Travel and Subsistence	a) Fraudulent claims b) Inaccurate payments	Medium	AFW		5			15		Exchequer Benefits and	
	Cash Office	a) Inaccurate processing of income - affecting cash flow decisions b) Fraud/fheff c)	Medium	AFW					•		Exchequer Benefits and O	
	National Non-domestic Rates (managed audit)	Accounts coun be quaimed. a) Non compliance with legislation b) Inaccurate calculation of contribution to pool c) Cualified accounts.	High	KFS		20	20		09	June	0	
ட	Housing Benefits (managed audit)	a) non compliance with legislation b) Inaccurate/inappropriate payments made c) Accounts outlified	High	KFS		20	20		09	May	₽	
u.	NFI Benefits Investigation work	a) Benefits Fraud b) Low score on the U of R	High	AFW		10	10		30		-0	
	Council Tax (managed audit)	 a) Non compliance with legislation b) Income collection not maximised c) Accounts qualified 	High	KFS	20	70	70		09	August	Ð	
<u>.</u>	NFI Creditors Invesitgation work	a) Creditors Fraud b) Low score on the U of R	High	AFW		10	10		30		0	
	Total				140	170	6 4.		450		2008-02-04	

Head of Property (SC)

of Property (SC)									
Commercial Rents	a) Non compliance with legislation, b) Loss of income/increased void periods, c) Misappropriation of leases	High	R				20	Property	
Asset management	b) Non compliance with legislation, b) Mis mgt of asset portfolio	Medium	% S				0 %	Property	
Building Maintenance	 a) Inerrective maintenance programme, b) non compliance with registation (internal, EU tendering policies) 	E E	5			•	3	riobaliy	
Facilities Management	 a) Poorly maintained facilities, compromised H&S, b) Theft of stock items, c) Ineffective out of hours service 	Medium	R		70		20	Property	
Project Management	 a) Failure to deliver major projects on budget, timely manner, to meet need of clients, b) Non compliance with legislation 	High	æ				0	Property	
total				4	8	0	09		
								Governance and Audit	

	Business Owner		
	. Fieldwork	Days 2008- Date	
	TOTAL	Days 200	2011
	20010-11	Days	
	2009-10	Days Days	
		Days	
	2007-08 Days	Type	
	Audit	Type	
	Risk	Assessment	
Internal Audit Work Programme - As at 31.12.07	Key risks to be covered		

	Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days 2008-09 Days	2008-09 Days	2009-10 Days	20010-11 Days	TOTAL Fieldwork Days 2008- Date 2011	Business Ow
Head of I.T. (JG)									
I.T. Strategy	 a) Does not meet changing needs of the organisation b) Progress not measured/monitored objectives not achieved 	High	쫎	9				. 15	CT
Ensure compliance with external requirements Change control Management		Low Medium	% % %					0	10 10 10 10 10 10 10 10 10 10 10 10 10 1
Project Management (IT investment)	a) Systems do not meet business/user needs b) Escalation of costs/time to implement	High	뚨			15		15	<u>ICT</u>
Post Implementation Reviews (IT investment)	a) Systems do not meet business/user needs b) Escalation of costs/lime to resolve system	High	SS.			15		15	ICT
Ensure continuous service Ensure systems security	 a) Contingency plan not in place/not effective - service delivery affected a) Unauthorised access to data - data could be amended/destroyed/sensitive data made 	High High	% %		20			0 20	1CT
Manage problems and incidents (help desk) Manage data (File controls)	 a) Interruptions to service delivery b) Staff performance adversely affected a) Inaccurate/lost data 	High Medium	8 8					0	1CT 1CT
EDI	a) Inaccurate/inappropriate electronic transactions	Low	S.		!			!	ICT
Print Unit Businese Continuity Planning	a) Inefficient operations b) Delivery targets not met a)Fir / fire / flood / ferrorism / service delivery	Low High	g %		S 2			15 20	다 다
LT. Asset Management	a) Loss of I.T assets - increased cost on replacement equipment	Medium	8					15	ICT

	2009-10 20010-11	Assessment Type Days Days Days 2008- Date
Internal Audit Work Programme - As at 31.12.07	Key risks to be covered	

	Assessment	Туре	Type Days	Days	Days	Days	ZOVIO-TI IOIAL FIEIGWORK Days Days 2008- Date 2011		
a) Inappropriate people could be appointed - risk to client b) Budgets could be exceeded	Medium	R		15			5	Community Care	
of parameters or source required not make I. Legislation is not adhered to b) Inappropriate care packages c) Budgets could be oversonent	Medium	S.						Community Care	
a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent	Medium	쫎		10			10	Community Care	
Establishment reviews - key risks - budgetary control/appropriateness of expenditure	Low	S.	4				4	Community Care	
			4	55	0		59		
								Governance and Audit Reports 2008-02-04	

Assessment of Needs/Purchase of Care - (MH/LD)
Assessment/Purchase of Care - Respite

Day centres (3)

total

Head of Community Care (JG)

Agency Staff

Key risks to be covered

_
Business Owne
TOTAL Fieldwork Days 2008- Date 2011
TOTAL Days 2008 2011
20010-11 Days
2009-10 Days
2008-09 Days
2007-08 Days
Audit Type
Risk Assessment

Low OR 6 Medium OR 4 10 Low OR 4 10 gement Medium OR 15 Medium OR 15 High OR 15 High OR 26		•			,		
Medium OR 4 20 Low OR 4 10 Bement Medium OR 4 15 Gement Medium OR 15 15 High OR 15 15 High OR 26	Establishment review - key risks - budgetary control/appropriateness of expenditure	Low	S.		9	6	Older People
Medium OR 4 10 gement Medium OR 4 15 Medium OR 15 15 High OR 15 15 19 40 26	Assessment of needs/Purchase of care - Home a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be care overspent	Medium	SR.		50	20	Older People
Low OR 4 Medium ADV 15 gement Medium OR 15 High OR 15 19 40 26	 a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent 	Medium	S.	9		10	Older People
Medium ADV 15 gement Medium OR 15 High OR 15 19 40 26	Establishment reviews - key risks - budgetary control/appropriateness of expenditure	Low	OR 4			4	Older People
Medium OR 15 Medium OR 15 High OR 40 26	 a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent 	Medium	OR			0	Older People
Medium OR 15 Medium OR 15 High OR 40 26	 a) Ineffective governance/communication between parties b) Effectiveness of arrangement not monitored - objectives not achieved/budgets exceeded 	Medium	ADV			0	Older People
Medium OR 15 High OR 19 40 26	b) Effectiveness of arrangement	Medium	SK.	15		15	Older People O
High OR 19 40 26	 a) Legislation is not adhered to b) Inappropriate care packages c) Budgets could be overspent 	Medium	SK.	15		15	Older People
40 26	a) Poor medium term planning b) budeget pressures c) service cuts	High	OR			15	Older People a
			6	4	92	\$ 6	d Audit Reports 2008-02-0

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internal Audit Work Fro	Internal Audit Work Frogramme - As at 31.12.01 Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	20010-11 Days I	TOTAL Fieldwork Days 2008- Date 2011	Business Owner
Head of Housing and Performance (JG)									
Fairer Charging Policy	 a) Non compliance with legislation/Council's policy b) Inaccurate charges calculated c) 	High	R	6	10			20	Housing and Performance
Residents Property (Receivership)	a) Misappropriation of client property b) Inaccurate records of level/type of property held c) Non-compliance with learlesting with learlesting to the compliance of the compl	Medium	8	15				15	Housing and Performance
Residents Property - Appointeeship	 a) Misappropriation of client property b) Inaccurate records of level/type of property held c) Non compliance with legislation 	Medium	R			5		15	Housing and Performance
Contract Management (Care)	 a) Care provision not formalised/not monitored - escalation of costs/ care standards not met b) Service insusare of number/value of contracts 	Medium	R		20			70	Housing and Performance
Direct Payments	 a) Non compliance with legislation b) Inaccurate payments c) Inappropriate use of bank account d) Clients needs not met 	High	R			8		20	Housing and Performance
Common Housing Register / Advice	a) Legislation is not adhered to b) Register not appropriately administered	Low	용	15				15	Housing and Performance
Homelessness	a) Legislation not adhered to b) Accommodation is not obtained promptly/cost effectively	Low	R						
Renovation Grants/Disabled Facility Grants	a) Grants not awarded in accordance with legislation/Council procedures b) Records not up	Medium	ADV					0	
Housing Strategy	 a) Strategy not in accordance with legislation b) Ineffective monitoring of progress - objectives not met 	Low	8					0	
Age concern joint project	Non compliance with grant conditions re audit coverage	Low	æ		2	2		15	Housing and properties to the Performance Housing Hous
Supporting People	a) Non-compliance with legislation b) Client needs not met/monitored c) Adherence to contract standard not reviewed/monitored	Medium	æ					20	Housing and Ge Performance poor
Total				65	32	9		140	2008-0

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Key risks to be covered

Head of Cultural Services (JG)

Business Owner
11 TOTAL Fieldwork 5 Days 2008- Date 2011
TOTAI Days 20 2011
2009-10 20010-11 Days Days
2008-09 Days
2007-08 Days
Audit Type
Risk Assessment

	Ney risks to be covered	Kisk Assessment	Audit	ZUUZ-UB Days	Zuus-us Days	Zuus-10 Days	Days	IOIAL Fieldwork Days 2008- Date 2011	Business Owner
-									
d of Cultural Services (JG)									
Youth Services (6)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Medium	R		5	5		10	Cultural Services
Leisure Centre Management	a) Non compliance with legislation, b) Ineffective contract monitoring and management	High	ADV		70			20	Cultural Services
Sports Centres (3)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Medium	R		2			2	Cultural Services
Museums (1)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Low	g					0	Cultural Services
Archaeology	 a) Non compliance with legislation and government guidelines, b) Ineffective communication between services 	Low	S.					•	Cultural Services
Area Teams (2 teams)	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Low	S R			2		2	Cultural Services
Tourist Information Centre	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Low	뚱					0	Cultural Services
Adventure Dolphin & Outdoor Youth Activity	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Low	8			ट		15	Cultural Services
Offsite Activities	a) Non compliance with legislation, b) Non achievement of council targets/standards, c)	Medium	К					0	Cultural Services
•	Inappropriate activities undertaken								
Libraries Internet use	 a) Inappropriate websites accessed - reputational damage/Council could be fined/complaints made from public 	Low	R						Cultural Services O
Libraries Purchasing/stock control	 a) Budgets overspent b) Inaccurate financial information for management decisions c). Shock may be misanonomizated d) Purchastion arrangements are not cost effective. 	Medium	8					50	Cultural Services
Libraries Income	a) Loss of stock is not reimbursed, resulting in additional expenditure b) Income collection	Medium	R		8			20	Cultural Services
Shaw House	a) Facilities usefuncome opportunities are not being maximised b) The facilities do not offer an inchesting formation of the facilities of	High	S.				•		Cultural Servies
Archive	value for mories by coass are not being encouvery controlled			15				15	Audi
									Cultural Services
total				S	20	52		125	epo
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									2008
				•					3-02-
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	2008-00
	Andit 2007-08 Dave 2008-09 2009-
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Internal	

internal Audit Work r	Internal Audit Work Programme - As at 51.12.07 Key risks to be covered		Risk Assessment	Audit Type	Audit 2007-08 Days 2008-09 Type Days	2008-09 Days	2009-10 Days	20010-11 Days	1 TOTAL Fieldwork Days 2008- Date 2011	Business Owner	
Head of Countryside and Waste (JG)											
Nature Discovery Centre	Establishment review - key risks - income not maximised/expenditure not being effectively	ot being effectively	Low	쫎			9		9	Countryside and	
Grounds Maintenance Con.	inanged. a) Contract specification is not met b) Inappropriate/inaccurate payments could be made.	nts could be made	Low	æ		15			15	Countryside and	
Waste Management and disposal PFI	a) Poor waste minimisation b) Low levels of Recycling		High	S.		22			25	Waste Countryside and Waste	
total					0	9	9		46		
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										eports	
										20	

Audit Work Programme - As at 31.12.07	Key risks to be covered
Internal	

Risk	Audit	2007-08 Days	2008-09	2009-10	20010-11	TOTAL	Fieldwork	Busine
Assessment	Type		Days	Days	Days	Days 2008	Days 2008- Date	
						2011		

Business Owner		ays &	ering		lys &	ering	ıys &	ering	ays &		ays &	_									Re	port	s 2	300	3-02	2-0	4
Busine		Highways	Engineering	Frainsering	Highways	Engineering	Highways	Engineering	Highways	Engineering	Highways	Engineering	Highways	Engineering	Highways	Engineering	Highways	Engineering	Highways	Engineering							
Fieldwork Date																											
TOTAL Field Days 2008- Date 2011		15	ħ	2	15		12		8	;	5		0		2		ŧ		20		29	160					
20010-11 Days																											
2009-10 Days		15			15					į	12						12					9					
2008-09 Days			Ť.	2					8						9							45					
2007-08 Days																					8	55					
Audit Type		뚱	2	ś	S R		VFM		£	ţ	ğ	,	8		욵		R		Æ		R						
Risk Assessment		Medium	Modium		High		High		Medium	:	Hgh		Low		Low		High		High	;	High						
Key risks to be covered		 a) Non compliance with legislation, b) Ineffective maintenance programme 	a) Projects (schemes terrate not met h) Non compliance with internal policies plans	d indication and the most of their complication must interest printed by	a) Non compliance with H&S legislation, b) Ineffective contract monitoring, c) Non	compliance with policies	a) Upper quartile spending b) High levels of roads in need of repair		 a) Non compliance with legislation, b) Ineffective contract monitoring/mgt 		 a) Employment of inappropriate individuals, b) Misallocation of free transport, c) contracts for transact 	transport			a) Income not maximised, b) Misappropriation of funds		 a) Fraud/theft, b) Non compliance with regulations 		 a) Non compliance with legislation, b) Loss of income c) Fraud/theft 		a) Use of vehicles b) contracts for non fleet transport					•	
	Head of Highways and Iransport (SC)	Structural Maintenance / Engineering	Traffic Management		Highway Maintenance (Highways & patrol)	•	Highway spending		Winter Maintenance (contract)	H	Home to School Transport / CKB checks	i	Electrical (including Street Lighting)		Street Naming/numbering		Concessionary Fares / Bus Passes		Car Parks	i	Fleet Management	total					

	Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days 2008-09 Days	2008-09 Days	2009-10 Days	20010-11 Days I	20010-11 TOTAL Fieldwork Days Days 2008- Date 2011	Business Owner
Head of Planning and Transport Strategy (JG)									
Enforcement	 a) Planning Legislation is not adhered to b) Management information is not up-to-date/accurate 	Low	R					0	Planning and Transport
Development Control	 a) Planning Legislation is not adhered to b) Government targets are not met c) Corruption d) Income is not maximised 	High	AFW			70		20	Planning and Transport
Developer contributions	a) Planning Legislation is not adhered to b) Corruption c) Income is not maximised	High	AFW		.8			25	Planning and
Building Control	a) Planning legislation is not adhered to b) Income is not maximised	Low	a B		•	5		15	Planning and
Transport Strategy	 a) Government requirements are not met b) Ineffective monitoring/measurement of targets - objectives not achieved 	Low	85	2				10	Flanning and
total				15	70	35		70	

Internal Audit Work Programme - As at 31.12.07								
Key risks to be covered	Risk	• •	2007-08 Days	2008-09	2009-10	20010-11	TOTAL Fieldwork	Business Own
	Assessment	Type		Days	Days	Days D	Date	

	Miterial Audit Woln Flogramme - As at 31.12.01 Key risks to be covered	Risk	Audit 2	2007-08 Davs	2008-09	2009-10 2	20010-11	TOTAL Fieldwork	Business Owner	
		Assessment	Туре		Days		Days D	Days 2008- Date 2011		
of Public Protection (JG)										
Health and Safety	a) Non compliance with Legislation b) Service targets not achieved	Low	S.		15			15	Public Protection	
Service requests for intervention	a) Non compliance with Legislation b) Customer complaints	Low	S.					0	Public Protection	
Purchase/Disposal of samples	a) Inappropriate expenditure incurred b) Non compliance with disposal procedures	Low	S S		9			10	Public Protection	
Emergency Planning	a) Contingency arrangements not in place/not effective - impact on ability to provide services b) I ack of commissions with lexiteletion	High	SR			20		20	Public Protection	
Licensing Reform Income	 b) Lack of compliance with registation b) Ineffective income collection 	High	₩,			12		15	Public Protection	
Taxi licensing	a) Inappropriate granting of licenses b) Ineffective income collection	Medium	S.					0	Public Protection	
(LS) 0000 (LS)	a) Non compliance with quality standard defined procedures	Low	ADV	55				15	Public Protection	
total				15	22	32		75	nance an	
									d Audit Ro	
						•			eports 20	
									08-02-04	

Head of Public Protection (JG)

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Internal Audit Work	Internal Audit Work Programme - As at 31.12.07 Key risks to be covered	Risk Assessment	Audit :	2007-08 Days	2008-09 Days	2009-10 Days	20010-11 Days	TOTAL Fieldwork Days 2008- Date 2011	k Business Owner	wner
Head of Education (SC)										
Education Psychologist Service	a) Non compliance with legislation, b) Inappropriate/insufficient assessments of need independent assessments.	Medium	R		10			9	Education	
West Berkshire Training Centre (obsolete)		Low	R					0	Education	
Secondary Schools (10)	Review of key risks - budgetary control, income collection, control of assets, school		S	0	0	100		100	Education	
Primary Schools (68)	governance Review of key risks - budgetary control, income collection, control of assets, school		σ.		186	\$		396	Education	
Formula funding	governance a) Non compliance with legislation, b) Ineffective budget builds and subsequent control and monitoring.	High	ж			15		15	Education	
PLASC (80 schools)	a) Submission of incorrect returns, b) Inaccurate funding	High	တ					0	Education	
LSC audit	a) Inaccurate returns to LSC b) Loss of grant	High	S					0	Education	G
Student Loans/ Grants	a) Non compliance with legislation, b) Incorrect assessment of entitlement, c) overpayments	Low	R			15		15	Education	ov
Special Needs Recoupment	 a) Incorrect payments/collections, b) Entitlements not identified/obtained, c) Non compliance with Indial-triansferred-order 	Low	R					0	Education	erna
Cohool admissions policy	compliance with legislation/standards a) Man compliance with legislation. b) The titable school offers of Invalid admissions data	Medium	S.			10		10	Education	anc
Home to School Transport Entitlement		Low	8			:		15	Education	e a
School Meals Contract	Review of schools not in the contract a) Non compliance with legislation, b) Not meeting	Medium	SO.					15	Education	nd A
	service user requirements, c). Contract not effectively monitored				ţ			;	i	ud
Child Protection in Schools	a) Non compliance with legislation, b) Schools are not adequately supported/trained by	Hg.	ž (<u>ද</u> 1	ı		£ ;	Education	lit F
Nursery Schools (2)	Review key risks: Compliance with legislation, accurate completion of grant claims	Hg.	י מי		,	, ;		4	Education	Rep
Special Schools (2)	Review key risks: Compliance with legislation, budgetary control, control of assets,	High	ς		0	2		70	Education	por
Pupil referral units (4)(1 per year)	Review key risks: Compliance with legislation, budgetary control, c	High	တ		2	9		50	Education	ts
Central Administration - Childcare Grant	 a) Non compliance with legislation b) Inappropriate payments and awards, c) Insufficient documentary evidence 	Medium	ž					ይ	Education	2008
Nursery Provision (multiple)	Review key risks: Compliance with legislation, accurate completion of grant claims	High	ਲ		15	15		45	Education	-02
Extended Schools / After Schools Clubs	 a) Non compliance with government targets/legislation, b) Misuse of grant funds, c) Activities are not effectively monitored 	Medium	S S					0	Education	2-04
Special Needs Assessment & Statementing		Low	R			9		10	Education	
Home Tuition		Low	R			9		2	Education	
Document (7)	Bovious key ricks: Compliance with logislation, hydratary control control of accats	Hich	8			10		5	Fducation	
Adult Education	a) Non compliance with legislation, b) Non achievement of targets and standards, c)	Low	8	,		9		. 2	Education	
Facilities grant	Overspends on budgets a) Non compliance wqith legislation/guidance, b) Inaccurate/inappropraite claims/payments.	Medium	OR			15		15	Education	

total

135

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Children's Children's Children's

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Medium LOW Low

York House - Family Resource Team
Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Pooled budget Child & Adolescent mental health a) Effectiveness of arrangements & monitoring, b) Achievement of targets and objectives, c)

Agency Staff York House - Family Resource Team

(section 37 contract) total

Unaccompanied Children - Asylum

Payment of Carers

Ineffective communication between parties

Children's

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Medium Medium

a) Non compliance with legislation, b) Incorrect payments, c) Overspends on budget a) Non compliance with legislation, b) Asylum seeks/care leavers are not adequately

Inappropriate people recruited, d) Insufficient staffing levels

supported, c) inadequate financial controls re payment of allowances/fraud. a) Non compliance with legislation, b) Inappropriate people recruited

Internal Audit Work Pro	Internal Audit Work Programme - As at 31.12.07								
	Key risks to be covered	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	20010-11 Days	20010-11 TOTAL Fieldwork Bu Days Days 2008- Date 2011	Business Owner
Head of Children's Services (SC)									
Castlecroft	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.	Low	R					0	Children's
Assessment of Need	 a) Non compliance with legislation/standards, b) Inaccurate assessments, monitoring of assessments and referrals 	Medium	S S					0	Children's
Family Support Service(to include respite purch	Family Support Service(to include respite purcha a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets	Medium	R			15		15	Children's
Purchasing Care - Residential	a) Non compliance with legislation, b) Inappropriate packages, c) Overspends on budgets	High	R					15	Children's
Assessment & collection of contributions	a) Non compliance with legislation, b) Incorrect assessments, c)	Medium	ਲ					0	Children's
Foster Care	 a) Non compliance with legislation/standards, b) Unsuitable placements, c) Incorrect payments 	Medium	S.					15	Children's
Foster Care Recruitment	 a) Non compliance with legislation, b) Ineffective training/strategies in place, c) Inappropriate people recruited, d) Insufficient staffing levels 	Low	R			1 5		15	Children's
Adoption - Recruitment, Assessment, Training	Adoption - Recruitment, Assessment, Training a) Non compliance with legislation, b) Ineffective training/strategies in place, c)	Low	뽒		20			20	Children's

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

2009-10 20010-11 TOTAL Fieldwork

Days Days Days 2008- Date

2011

Audit 2007-08 Days 2008-09 Type Days

Risk Assessment

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Preparation of the audit plan
Monitoring the audit plan
Governance and Audit Committee updates
SIC/Risk Management work
Audit Follow-ups
Audit Advice
Schools Finance Officer Support
External Professional Liaison

Total
Contingencies
VFM support
Total

Planned Audit Days total

Additional time on contingencies
Additional time on schools
Additional time on other audits
Total variations to the plan

	Audit Type - key	;	SR Strategic Risk	KFS Key Financial Syster	AFW Anti Fraud Work	ACW Anti Corruption Work	VFM Value for Money	OR Operational Risk	Sch Schools	ADV Advisory Audit	Go	ve	rna	nce	and	Aud	it F	Rep	oor	ts 2	200	8-0	2-0	4
8	45	99	- 45	180	99	45	15		450		150	138	280	2 705	2,1,5									
10	15	10	15	09	20	15	2		150		20	20	100	1 220	1,430									
9	15	9	15	8	29	15	5		120		20	22	100	4 220	076,1									
9	15	10	15	09	20	15	гo		150		20	30	8	4 4 50	601,1	8	5	g c	2 t	9				
												VFM												

Title of Report:

Risk Management Traffic Light Indicators.

Item 7

Report to be considered by:

Governance and Audit Committee

Purpose of Report:

To inform the Committee of the way the Council monitors the performance of services in managing their risks.

Recommended Action:

Members consider any changes that they wish to propose to the process

Reason for decision to be taken:

To assist the Council meet the continuing challenge posed by the increasingly challenging Use of Resources

Key background documentation:

The proposals contained in this report will help to achieve the Council Plan by

Contact Officer Details

Name:

Improving the Governance and Internal Control arrangements of the Council

Ian Priestley

Job Title:

Assurance Manager

Tel. No.:

01635 519253

E-mail

Ipriestley@westberks.gov.uk

Address:

1. Introduction

- 1.1 At the last meeting of the Committee Members asked for more details of the scoring mechanism used in the Risk Management Quarterly report to assess the performance of services in managing their risks.
- 1.2 The process is relatively simple. Each year the Risk Strategy Group reviews the key indicators used to score the performance of services. Changes are made to improve the performance of the Council. Changes are based upon:
 - New targets set through the use of resources
 - Changes in best practice identified from discussions with other Council's
 - Changing working methods within the Council
- 1.3 The present template is attached at appendix A. This sets out the criteria the Heads of Service need to meet to achieve a green light.
- 1.4 There are presently four areas that are reviewed.
 - Existence and annual submission of Risk Registers
 - Quarterly review of the Risk Registers
 - Implementation of action plans
 - Training for staff
- 1.5 The Risk Manager receives and checks the returns from Heads of Service and produces the analysis for his quarterly report. This allows Corporate Board to identify any areas where services are failing to manage their risks to the Council's standard.

Appendices

Appendix A – Head of Service assessment form

Appendix B – Completed score sheet for Third Quarter

Appendix A

Risk Management Performance Indicator Report – Service Group Summary 2007 / 2008

Introduction and aim: The following summary tables are a means to 'rate' key risk management issues. Identifying such strengths (and weaknesses) thus ensures best use of skilled resource, focusing on steady improvement across Service Groups.

Head of Service	F	Report by:	
	F	Report period: Quarter	2
1 Risk Registers	2 Quarterly review	3 Action Plans	4 Training
Risk registers completed and aligned to service objectives	Risk registers reviewed on a quarterly basis and e- mailed to the risk manager	Action Plan items implemented by due dates	Risk management Training needs formally identified and 50% of those staff chosen to attend the appropriate courses have done so
G 3 points r e e n	G 3 points r e e n	G 3 points r e e n	G 3 points re e n
On an annual basis Risk Registers fully reviewed by each HOS and management team and copied to the risk manager	Reviews undertaken on a less than quarterly basis	Action Plan items in progress but not fully implemented	Risk management training identified but less than 50% of those staff have attended the courses
A 2 points m b e r	A 2 points m b e r	A 2 points m b e r	A 2 points m b e r
Risk Registers in process of being reviewed but not fully completed by relevant service officer(s).	No Progress	No Progress	No training undertaken
R 1 point e d	R 1 point e d	R 1 point e d	R 1 point e d

Appendix B

Traffic light Indicators Quarter 3

Chief Executi	ve		Environmer	it		Children and Y People	our	ıg	Community Se	rvice	es
Benefits and Exchequer		1 0	Highways and Transport		11	Education Services		11	Community Care & Well Being		12
Customer Services		1 0	Countryside and Waste Mgt		11	Children's Services		12	Older People's Service		12
Finance		11	Planning		12	Children's Commissioning	1		Housing and Performance		10
Human Resources		12							Cultural Services		1
ICT		11									
Legal and Electoral		10									
Policy and Communication	1.00	11									
Property		10									
Total: 85			Total: 34			Total: 23			Total: 45		
Average score =	10.6	3	Average score =	11.3	3 3	Average score =	: 11	. 5	Average score =	11.	2 5
Overall =			Overall Green			Overall = Gree	n		Overall = Gree	า	

1 Risk Registers	2 Quarterly review	3 Action Plans	4 Training
Risk registers completed and aligned to service objectives	Risk registers reviewed on a quarterly basis and e-mailed to the risk manager	Action Plan items implemented by due dates	Risk management Training needs formally identified and 50% of those staff chosen to attend the appropriate courses have done so
Gr 3 points ee n	Green 3 points	Green 3 points	Green 3 points
On an annual basis Risk Registers fully reviewed by each HOS and management team and copied to the risk manager	Reviews undertaken on a less than quarterly basis	Action Plan items in progress but not fully implemented	Risk management training identified but less than 50% of those staff have attended the courses
Am 2 points ber	Amber 2 points	Amber 2 points	Amber 2 points
Risk Registers in process of being reviewed but not fully completed by relevant service officer(s).	No Progress	No Progress	No training undertaken
Re 1 point d	Red ☐ 1 point	Red 1 point	Red 1 point

Title of Report:

Risk Management Terrorism Insurance.

Item 8

Report to be considered by:

Governance and Audit Committee

Forward Plan

Ref:

N/A

Purpose of Report:

To consider the impactions associated with

terrorism insurance.

Recommended Action:

To consider recommending to the Executive that

the Council purchase insurance cover for

Terrorism.

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.

Key background documentation:

Risk Management Strategy

• Strategic Risk Register / Action Plan

The proposals will also help achieve the following Council Plan Outcomes:

CPO7 - Safer and Stronger Communities

CPO13 - Value for Money

CPO15 - Putting Customers First

The proposals contained in this report will help to achieve the above Council Plan outcomes by strengthening the internal control framework of West Berkshire Council.

Portfolio Member:

Councillor Laszlo Zverko

Tel. No.:

07712 858197

E-mail Address:

Izverko@westberks.gov.uk

Contact Officer Details

Name:

Charles Morris

Job Title:

Risk and Insurance Manager

Tel. No.:

01635 519310

E-mail Address:

crmorris@westberks.gov.uk

Policy: Financial: If there are any financial implications contained within this report this section must be signed off by a West Berkshire Group Accountant. Please note that the report cannot be accepted by Policy and Communication unless this action has been undertaken (please delete this text from final report). Personnel: Legal: Property: * Risk Management: *

Is this item subject to call-in?	Yes: 🗵	No:	
If not subject to call-in please put a (double-click on the box & click next to 'checked'):	cross in the appropriate box		
The item is due to be referred to Co Delays in implementation could have Delays in implementation could cor Considered or reviewed by OSC or months	ve serious financial implication mpromise the Council's position	on [
Item is Urgent Key Decision			

Executive Report

1. Introduction

- 1.1 The purpose of this report is to give Governance and Audit Committee an overview on the perceived risk of terrorism in West Berkshire and the insurance options available.
- 1.2 The 2007 / 2008 strategic risk register considered the threat of terrorism to be high but with a medium impact on council services, after taking in to account controls in place. The risk is reviewed on a quarterly basis with Corporate and Management Boards.
- 1.3 The government believe that soft targets, such as the transport system and economic City of London and Canary Wharf, are most at risk.
- 1.4 Newbury is not a garrison town, however there are a large number of possible highrisk targets in the area such as Bayer Pharmaceuticals, Vodafone, AWE, and various MOD sites. The M4 Motorway and other major arterial roads also run through our area.
- 1.5 There are some general concerns about terrorists living in the community / transporting bombs or other devices through West Berkshire which might ignite accidentally.

2. Insurance

- 2.1 West Berkshire Council does not currently insure against damage caused by terrorist acts and Members have previously made the decision not to insure against this contingency.
- 2.2 Four of the other five unitary authorities in Berkshire insure against terrorism (Slough does not insure this risk).
- 2.3 Terrorism insurance is available for West Berkshire Council at an additional premium of approximately £40,000 per annum based on the full value of all West Berkshire Council owned and insured properties. The current level of deductible (excess) of £250,000 would apply to each incident.
- 2.4 West Berkshire Council is not able to preselect individual properties to insure against terrorism (Market Street Offices for instance), it is all West Berkshire Council properties or no cover at all.
- 2.5 Employees / Members who are killed or injured whilst at work due to terrorist action are covered by a personal accident policy / the terms and conditions of employment. There is a scale of benefits depending on the extent of the injury on the personal accident policy.
- 2.6 The personal accident policy has a limit of £10 million any one occurrence.

3. Recommendation

3.1 That the Committee considers recommending to the Executive that Terrorism cover be put in place.

Consultees

Local Stakeholders: *

Officers Consulted: Assurance Manager

Trade Union:

Title of Report:

Governance and Audit Work Programme.

Item 9

Report to be considered by:

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

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Ian Priestley

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Service Head - Assurance

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Supporting Information

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 5.30pm on Tuesday 25 March 2008, and will be held in Committee Room 2, Market Street Council Offices.

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Appendix A – Governance & Audit Committee Work Programme

GOVERNANCE & AUDIT COMMITTEE WORK PROGRAMME (2007/2008)

J. M. T. M.			Load Officer	Data of Committee
2				
Training Programme			Head of Finance	25 March 2008
Use of Resources	Details of the Council's posi including action plans to dea	Details of the Council's position re the Use of Resources, including action plans to deal with any shortcomings identified	Head of Finance	25 March 2008
	by the Audit Commission. T action plan that may be requ	by the Audit Commission. The Committee to approve any action plan that may be required.		
Internal Audit Plan	Details of Internal Audit work to be un vear. Committee to approve the plan	Details of Internal Audit work to be undertaken in the coming vear. Committee to approve the plan	Assurance Head	25 March 2008
Risk Management Strategy	Annual review and renewal The Committee to review th	Annual review and renewal of the Council's Risk Strategy. The Committee to review the Strategy and approve the work	Risk Manager	25 March 2008
	set out in the strategy			
Strategic Risk	Quarterly review of the Coul	Quarterly review of the Council's Strategic Risk Register.	Risk Manager	25 March 2008
Register	Committee to comment, and	and acting as critical friend, agree or	•	
	suggest changes to the regi	register and ensure that relevant		
	Members of the Executive a	Members of the Executive are delivering the agreed action		
	plan.			