

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

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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.

2005-2006 scores by theme

Authority Name	Overall Score 2006	Financial Reporting	Financial Management	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 Management	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
Financial reporting		
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.
Financial management		
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.
Financial standing		
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 stretch performance and their achievement is monitored with appropriate corrective action taken during the year to achieve the targets.
Internal 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 money		
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:

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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:*

- a) *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

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Head of HR (JG)	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Recruitment (process)	High	SR		20			20		HR
Absence Management	High	SR					15		HR
Code of Conduct / HR Policies & Procedures	Medium	SR		15			30		HR
Establishment Control	High	SR					20		HR
Training	Medium	SR		15			15		HR
Total			50	35	15		100		

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Governance and Audit Reports 2008-02-04

Risk Assessment
 Audit Type
 2007-08 Days
 2008-09 Days
 2009-10 Days
 2010-11 Days
 TOTAL Days 2008-2011

Head of Legal and Electoral Services (SC)

Service	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Registrars Service	Low	OR							Legal
Legal Services	High	OR			10		10		Legal
Child Care Lawyers	Medium	OR		20			20		Legal
Electoral Services	Low	OR					0		Legal
Governance arrangements	Medium	SR	15				15		Legal
Land Charges	Low	OR	15				15		Legal
total			30	20	10		60		

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Fieldwork

TOTAL Days 2008-2011

2007-08 Days

2008-09 Days

2009-10 Days

2010-11 Days

Audit Type

Risk Assessment

2008-09 Days

2009-10 Days

2010-11 Days

2011 Days

Head of Policy and Communication (SC)

Area	Description	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork	Business Owner
LAA/PSA2	a) Targets not achieved b) Governance framework not in place c) ineffective communication between parties	High	SR	25				25		Policy and Communication
Service Planning	Service Delivery / intervention / CPA	Medium	SR					0		Policy and Communication
Performance Management	Legal obligations / service delivery	High	SR		20			20		Policy and Communication
Partnership development	a) Governance arrangements weak	Medium	SR			15		15		Policy and Communication
Grants (inc Economic Development)	Recession / Downturn in economy	Low	SR		15			15		Policy and Communication
PSA2	a) Failure to deliver against targets	Medium	SR					0		Policy and Communication
Members expenses	a) Inappropriate payments, b) Over payments on budgets, c) Non compliance with legislation/policies	Medium	OR		15			15		Policy and Communication
Complaints / Code of Conduct	a) Ineffective policies and processes in place, b) Non compliance with policies/processes	Medium	SR							Policy and Communication
Data Protection / Freedom of Information	a) Non compliance with legislation b) No Standard approach for dealing with requests c) Adequate records not maintained of requests/responses	High	SR			20		20		Policy and Communication
Scrutiny	a) Ineffective Scrutiny	Medium	SR					10		Policy and Communication
Intranet/Internet/Communication/Publications		Medium	SR					15		Policy and Communication
total				50	50	50	150	150		

Governance and Audit Reports 2008-02-04

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Governance and Audit Reports 2008-02-04

		Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Head of Benefits and Exchequer (JG)										
	Payroll / PAYE (managed Audit)			20	15	20	55	55	October	Benefits and Exchequer
F	NFI Payroll Investigation work	High	KFS		10	10	30	30		Benefits and Exchequer
	Accounts Payable (managed audit)	High	KFS		15	15	45	45	November	Benefits and Exchequer
F	Accounts Receivable (managed audit)	High	KFS		15	15	45	45	November	Benefits and Exchequer
F	Car Loans & Car Leasing	Low	OR	20	20		20	20		Benefits and Exchequer
	Travel and Subsistence	Medium	AFW		15		15	15		Benefits and Exchequer
	Cash Office	Medium	AFW				0	0		Benefits and Exchequer
	National Non-domestic Rates (managed audit)	High	KFS		20	20	60	60	June	Benefits and Exchequer
F	Housing Benefits (managed audit)	High	KFS		20	20	60	60	May	Benefits and Exchequer
F	NFI Benefits Investigation work	High	AFW		10	10	30	30		Benefits and Exchequer
	Council Tax (managed audit)	High	KFS	20	20	20	60	60	August	Benefits and Exchequer
F	NFI Creditors Investigation work	High	AFW		10	10	30	30		Benefits and Exchequer
	Total			140	170	140	450	450		

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 2010-11 Days TOTAL Days 2008-2011 Fieldwork Date Business Owner

Head of Property (SC)

Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Commercial Rents	OR	██████████	██████████			20		Property
Asset management	SR					0		Property
Building Maintenance	OR	██████████	██████████			20		Property
Facilities Management	OR		20			20		Property
Project Management	SR					0		Property
total		40	20	0	0	60		

Governance and Audit Reports 2008-02-04

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Fieldwork

TOTAL Days 2008-2011

20010-11 Days

2009-10 Days

2008-09 Days

2007-08 Days

Audit Type

Risk Assessment

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	SR	15						15	ICT
Ensure compliance with external requirements	a) Non compliance with legislation (software licenses)	Low	OR								ICT
Change control Management	a) Inappropriate changes b) Changes do not meet the needs of users c) Changes not implemented	Medium	OR							0	ICT
Project Management (IT investment)	a) Systems do not meet business/user needs b) Escalation of costs/time to implement	High	SR		15					15	ICT
Post Implementation Reviews (IT investment)	a) Systems do not meet business/user needs b) Escalation of costs/time to resolve system	High	SR		15					15	ICT
Ensure continuous service	a) Contingency plan not in place/not effective - service delivery affected	High	SR							0	ICT
Ensure systems security	a) Unauthorised access to data - data could be amended/destroyed/sensitive data made	High	SR		20					20	ICT
Manage problems and incidents (help desk)	a) Interruptions to service delivery b) Staff performance adversely affected	High	OR							0	ICT
Manage data (File controls)	a) Inaccurate/lost data	Medium	OR							0	ICT
EDI	a) Inappropriate electronic transactions	Low	OR								ICT
Print Unit	a) Inefficient operations b) Delivery targets not met	Low	OR		15					15	ICT
Business Continuity Planning	a) Flu / fire / flood / terrorism / service delivery	High	SR		20					20	ICT
I.T. Asset Management	a) Loss of I.T assets - increased cost on replacement equipment	Medium	OR							15	ICT
total				30	55	30				115	

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
 2010-11 Days
 TOTAL Days 2008-2011
 Fieldwork Date
 Business Owner

Head of Community Care (JG)

Agency Staff	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Agency Staff	Medium	OR		15			15		Community Care
Assessment of Needs/Purchase of Care - (MH/LD)	Medium	OR							Community Care
Assessment/Purchase of Care - Respite	Medium	OR		10			10		Community Care
Day centres (3)	Low	OR	4				4		Community Care
total			4	25	0		29		

Governance and Audit Reports 2008-02-04

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Governance and Audit Reports 2008-02-04

	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date
Head of Older Peoples Services (JG)								
Residential Homes - Elderly (4)	Low	OR		6	6		6	Older People
Assessment of needs/Purchase of care - Home Care	Medium	OR		20	20		20	Older People
Assessment of needs/Purchase of care - Respite	Medium	OR		10			10	Older People
Day care centres (5)	Low	OR	4				4	Older People
Assessment/Purchase of Care - Residential	Medium	OR					0	Older People
Intermediate Care - Pooled budget	Medium	ADV					0	Older People
O/T - Equipment - pooled budget	Medium	OR		15			15	Older People
Self Assessment	Medium	OR		15			15	Older People
Demography	High	OR					15	Older People Older People
total			19	40	26		85	

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Governance and Audit Reports 2008-02-04

Head of Housing and Performance (JG)	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date
Fairer Charging Policy	High	OR	10	10			20	Housing and Performance
Residents Property (Receivership)	Medium	OR	15				15	Housing and Performance
Residents Property - Appointeeship	Medium	OR		15			15	Housing and Performance
Contract Management (Care)	Medium	OR		20			20	Housing and Performance
Direct Payments	High	OR		20			20	Housing and Performance
Common Housing Register / Advice	Low	OR	15				15	Housing and Performance
Homelessness	Low	OR						Housing and Performance
Renovation Grants/Disabled Facility Grants	Medium	ADV					0	Housing and Performance
Housing Strategy	Low	OR					0	Housing and Performance
Age concern joint project	Low	OR		5	5		15	Housing and Performance
Supporting People	Medium	OR					20	Housing and Performance
Total			65	35	40		140	

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Fieldwork

TOTAL

2007-08 Days

2008-09 Days

2009-10 Days

2010-11 Days

Audit Type

Risk Assessment

2008-09 Days

2009-10 Days

2010-11 Days

2011 Days

Head of Cultural Services (JG)

Business Owner	Fieldwork	TOTAL	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	2011 Days	Audit Type	Risk Assessment	Description
Cultural Services		10		5				OR	Medium	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Cultural Services		20		20				ADV	High	a) Non compliance with legislation, b) Ineffective contract monitoring and management
Cultural Services		5		5				OR	Medium	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Cultural Services		0						OR	Low	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Cultural Services		0						OR	Low	a) Non compliance with legislation and government guidelines, b) Ineffective communication between services
Cultural Services		5		5				OR	Low	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Cultural Services		0						OR	Low	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Cultural Services		15		15				OR	Low	Review of key risks: Budgetary control, control of assets & cash, appropriate expenditure.
Cultural Services		0						OR	Medium	a) Non compliance with legislation, b) Non achievement of council targets/standards, c) Inappropriate activities undertaken
Cultural Services								OR	Low	a) Inappropriate websites accessed - reputational damage/Council could be fined/complaints made from public
Cultural Services		20						OR	Medium	a) Budgets overspent b) Inaccurate financial information for management decisions c) Stock may be misappropriated d) Purchasing arrangements are not cost effective
Cultural Services		20		20				OR	Medium	a) Loss of stock is not reimbursed, resulting in additional expenditure b) Income collection not maximised
Cultural Services		15						OR	High	a) Facilities' use/income opportunities are not being maximised b) The facilities do not offer value for money c) Costs are not being effectively controlled
Cultural Services		15	15							
Cultural Services		125	50	50	25					
			50	50	25					

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Head of Countryside and Waste (JG)	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Nature Discovery Centre	Low	OR			6		6		Countryside and Waste
Grounds Maintenance Con.	Low	OR		15			15		Countryside and Waste
Waste Management and disposal PFI	High	SR		25			25		Countryside and Waste
total			0	40	6		46		

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Governance and Audit Reports 2008-02-04

Head of Highways and Transport (SC)	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date
Structural Maintenance / Engineering	Medium	OR		15	15		15	Highways & Engineering
Traffic Management	Medium	OR		15			15	Highways & Engineering
Highway Maintenance (Highways & patrol)	High	OR		15			15	Highways & Engineering
Highway spending	High	VFM					15	Highways & Engineering
Winter Maintenance (contract)	Medium	OR	20				20	Highways & Engineering
Home to School Transport / CRB checks	High	OR		15			15	Engineering & Highways
Electrical (including Street Lighting)	Low	OR					0	Engineering & Highways
Street Naming/numbering	Low	OR		10			10	Engineering & Highways
Concessionary Fares / Bus Passes	High	OR			15		15	Engineering & Highways
Car Parks	High	OR					20	Engineering & Highways
Fleet Management	High	OR	20				20	Engineering & Highways
total			55	45	60		160	

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Head of Planning and Transport Strategy (JG)

	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date	Business Owner
Enforcement	Low	OR					0		Planning and Transport
Development Control	High	AFW		20			20		Planning and Transport
Developer contributions	High	AFW		20			25		Planning and Transport
Building Control	Low	OR		15			15		Planning and Transport
Transport Strategy	Low	SR	10				10		Planning and Transport
total			15	20	35		70		

- a) Planning Legislation is not adhered to b) Management information is not up-to-date/accurate
- a) Planning Legislation is not adhered to b) Government targets are not met c) Corruption d) Income is not maximised
- a) Planning Legislation is not adhered to b) Corruption c) Income is not maximised
- a) Planning legislation is not adhered to b) Income is not maximised
- a) Government requirements are not met b) Ineffective monitoring/measurement of targets c) objectives not achieved

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner	TOTAL Days 2008- 2011	2008-09 Days	2009-10 Days	2010-11 Days	Audit Type	Risk Assessment	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	Fieldwork Date	
Head of Public Protection (JG)												
Health and Safety	15	15			OR	Low						Public Protection
Service requests for intervention	0				OR	Low						Public Protection
Purchase/Disposal of samples	10	10			OR	Low						Public Protection
Emergency Planning	20		20		SR	High						Public Protection
Licensing Reform Income	15		15		OR	High						Public Protection
Taxi licensing	0				OR	Medium						Public Protection
ISO 9000 (TS)	15	15			ADV	Low						Public Protection
total	75	25	35	15								

Governance and Audit Reports 2008-02-04

Internal Audit Work Programme - As at 31.12.07

Key risks to be covered

Business Owner

Governance and Audit Reports 2008-02-04

Head of Children's Services (SC)	Risk Assessment	Audit Type	2007-08 Days	2008-09 Days	2009-10 Days	2010-11 Days	TOTAL Days 2008-2011	Fieldwork Date
Castlecroft Assessment of Need	Low Medium	OR OR					0 0	Children's Children's
Family Support Service (to include respite purchase)	Medium	OR		15			15	Children's
Purchasing Care - Residential	High	OR					15	Children's
Assessment & collection of contributions	Medium	OR					0	Children's
Foster Care	Medium	OR					15	Children's
Foster Care Recruitment	Low	OR		15			15	Children's
Adoption - Recruitment, Assessment, Training	Low	OR		20			20	Children's
Payment of Carers	Medium	OR			10		10	Children's
Unaccompanied Children - Asylum	Medium	OR			15		15	Children's
Agency Staff	Medium	OR					15	Children's
York House - Family Resource Team	LOW	OR		15			15	Children's
Pooled budget Child & Adolescent mental health (section 37 contract)	Low	OR		15			15	Children's
total			30	50	55		135	

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 2010-11 Days TOTAL Days 2008-2011 Fieldwork Date Business Owner

Other Chargeable work (non service specific)

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

10	10	10	10	30				
15	15	15	15	45				
10	10	10	10	30				
15	15	15	15	45				
60	60	60	60	180				
20	20	20	20	60				
15	15	15	15	45				
5	5	5	5	15				
150	150	150	150	450				
50	50	50	50	150				
30	30	30	30	120				
80	100	100	100	280				
1,159	1,328	1,238	1,238	3,725				
84								
90								
2								
176								

Audit Type - key
SR Strategic Risk
KFS Key Financial System
AFW Anti Fraud Work
ACW Anti Corruption Work
VFM Value for Money
OR Operational Risk
Sch Schools
ADV Advisory Audit

Governance and Audit Reports 2008-02-04

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 Improving the Governance and Internal Control arrangements of the Council

Contact Officer Details	
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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		Report by:	
		Report period: Quarter 2	
1 Risk Registers	2 Quarterly review	3 Action Plans	4 Training
Risk registers completed and aligned to service objectives G 3 points r e e n <input type="checkbox"/>	Risk registers reviewed on a quarterly basis and e-mailed to the risk manager G 3 points r e e n <input type="checkbox"/>	Action Plan items implemented by due dates G 3 points r e e n <input type="checkbox"/>	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 <input type="checkbox"/>
On an annual basis Risk Registers fully reviewed by each HOS and management team and copied to the risk manager A 2 points m b e r <input type="checkbox"/>	Reviews undertaken on a less than quarterly basis A 2 points m b e r <input type="checkbox"/>	Action Plan items in progress but not fully implemented A 2 points m b e r <input type="checkbox"/>	Risk management training identified but less than 50% of those staff have attended the courses A 2 points m b e r <input type="checkbox"/>
Risk Registers in process of being reviewed but not fully completed by relevant service officer(s). R 1 point e d <input type="checkbox"/>	No Progress R 1 point e d <input type="checkbox"/>	No Progress R 1 point e d <input type="checkbox"/>	No training undertaken R 1 point e d <input type="checkbox"/>

Appendix B

Traffic light Indicators Quarter 3

Chief Executive			Environment			Children and Young People			Community Services		
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		1 1	Planning		12	Children's Commissioning	↑		Housing and Performance		10
Human Resources		12							Cultural Services		1 1
ICT		11									
Legal and Electoral		10									
Policy and Communication		11									
Property		10									
Total: 85			Total: 34			Total: 23			Total: 45		
Average score = 10.6			Average score = 11.33			Average score = 11.5			Average score = 11.25		
Overall =			Overall Green			Overall = Green			Overall = Green		

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

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Contact Officer Details	
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Implications

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: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box (double-click on the box & click next to 'checked').		
The item is due to be referred to Council for final approval	<input type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by OSC or associated Task Groups within preceding 6 months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	

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 high-risk 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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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.

Appendix

Appendix A – Governance & Audit Committee Work Programme

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

Topic	Detail	Lead Officer	Date of Committee
Training Programme		Head of Finance	25 March 2008
Use of Resources	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
Internal Audit Plan	Details of Internal Audit work to be undertaken in the coming year. Committee to approve the plan	Assurance Head	25 March 2008
Risk Management Strategy	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
Strategic Risk Register	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