

<b>Title of Report:</b>	<b>Heads of Service Assurance Statements</b>
<b>Report to be considered by:</b>	Governance and Audit Committee
<b>Date of Meeting:</b>	10 September 2012
<b>Forward Plan Ref:</b>	GA2525

**Purpose of Report:** To outline the issues of concern highlighted by the Councils Heads of Service in their Annual Assurance statements.

**Recommended Action:** Review the service risks considered by Corporate Board to be significant and consider the implications they have for the Annual Governance Statement.

**Reason for decision to be taken:** To support the Annual Governance Statement

**Other options considered:** None

**Key background documentation:** None

The proposals will also help achieve the following Council Strategy principle:

**CSP9 - Doing what's important well**

The proposals contained in this report will help to achieve the above Council Strategy priorities and principles by:

Ensure the Council has effective governance in place

Portfolio Member Details	
<b>Name &amp; Telephone No.:</b>	Councillor Anthony Stansfeld - Tel (01488) 658238
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<b>Date Portfolio Member agreed report:</b>	7 <sup>th</sup> August 2012

Contact Officer Details	
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<b>Job Title:</b>	Chief Internal Auditor
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### Implications

**Policy:** none

**Financial:** none

**Personnel:** none

**Legal/Procurement:** none

**Property:** none

**Risk Management:** The report outlines key areas of operational risk as identified by Heads of Service, summarised and reviewed by Corporate Board

**Equalities Impact Assessment:** none required

**Corporate Board's Recommendation:** Corporate Board have reviewed the red risks that have been identified by Heads of Service and have commented on those felt to have potential strategic impact

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:		
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 Overview and Scrutiny Management Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	
Report is to note only	<input type="checkbox"/>	

## **Executive Summary**

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### **1. Introduction**

- 1.1 This report summarises the issues raised by Heads of Service in their Annual Assurance Statements

### **2. Proposals**

- 2.1 Management Board need to review the areas of concern, highlighted in the main report, and consider the comments made by Corporate Board.
- 2.2 Governance and Audit Committee and Management Board need to consider the risks identified by Heads of Service to assess whether they have any impact on the Annual Governance Statement.
- 2.3 Corporate Directors should ensure that Action Plans are reviewed with their Heads of Service on a quarterly basis.
- 2.4 The Risk Strategy Group should conduct a rolling review of risk registers with the relevant Head of Service.

### **3. Equalities Impact Assessment Outcomes**

- 3.1 There is no decision to be made and therefore no Equality Impact Assessment has been undertaken.

### **4. Conclusion**

- 4.1 The Council's Risk Management framework is robust.

# Executive Report

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## 1. Introduction

- 1.1 The purpose of this report is to provide an update on the evidence supplied by Heads of Service in their Assurance Statements for 11-12 and associated risk registers, and the results of the review carried out by Corporate Board.

## 2. Annual Governance Statement

- 2.1 The Accounts and Audit Regulations require the Council to publish an Annual Governance Statement (AGS). The AGS is prepared annually by the "Finance and Governance Group" and is signed by the Leader and Chief Executive.
- 2.2 Each Head of Service is responsible for delivering the objectives set out in their service plan. Heads of Service are responsible for identifying and managing the risks that may affect delivery of service objectives. This work includes monitoring the effectiveness of controls put in place to mitigate the risks and carrying out remedial action where controls are weak or not in place.

## 3. Assurance Statements

- 3.1 Each Head of Service is required to assist in the preparation of the AGS for the Council by providing an Assurance Statement for the internal control framework within their service. Taken together the Assurance Statements from the Heads of Service form a key part of the evidence that supports the AGS.
- 3.2 All Heads of Service have completed an Assurance Statement which has been reviewed and agreed by their Director and Portfolio Holder. Any areas of concern that they may have, (ie net Red Risks) are highlighted on the associated service risk register.
- 3.3 Corporate Board have reviewed, the areas of concern identified by Heads of Service and have highlighted and commented on those felt to be of potential strategic impact. Corporate Board will bring these issues into consideration at the next monthly review of Strategic Risk.
- 3.4 A copy of the template that the Heads of Service complete is attached as appendix B.

## 4. Chief Internal Auditor's Review of Red Risks

- 4.1 Risk Registers and Action Plans are reviewed by Heads of Service on a quarterly basis and are available to Corporate Board if required. All services completed their Assurance Statements.
- 4.2 Risks identified by Heads of Service include general IT issues and insufficient funding to meet service objectives. Service resilience is a concern for most Heads of Service resulting from budget reductions which have direct impact in recruiting to vacant posts, and service delivery.

- 4.3 The table below summarises, by service, the number of red risks and compares 08-09 through to 11-12. This comparison gives only a general indication of the level of operational risk.
- 4.4 The Risk Strategy Group will, over the next year, be looking more closely at service risk registers. One of the aims of this exercise will be review consistency across services, in terms of assessment of risk.

Service Area	Number of Red Risks for 08-09	Number of Red Risks for 09-10	Number of Red Risks for 10-11	Number of Red Risks for 11-12
Legal	1	0	0	0
Customer Services	0	0	0	0
Finance	0	0	1	0
Strategic Support	0	0	0	4
Human Resources	2	0	0	0
ICT	8	1	1	1
Culture & Environmental Protection	1	1	6	6
Highways & Transport	2	2	3	1
Planning & Countryside	0	0	2	2
Children	2	2	3	0
Education	3	2	2	4
Care Commissioning, Housing & Safeguarding	2	2	2	2
Adults Social Care	6	5	5	3
<b>Total</b>	<b>27</b>	<b>15</b>	<b>24</b>	<b>24</b>

## 5. Areas of concern highlighted by Heads of Service

- 5.1 The areas highlighted below have been taken from Service Risk Registers prepared by Heads of Service and reviewed by Directors.
- 5.2 Corporate Board have reviewed the red risks highlighted by Heads of Service and have commented / raised actions where felt appropriate. The following table highlights those red risks that Corporate Board feel may have a strategic impact.

	Service	Area of Concern / Risk Scenario outlined by the Head of Service	Gross risk Score	Net Risk Score	Corporate Board review
1	ICT & Education	There is a risk of a loss or failure of the Schools ICT infrastructure during the transition to a new service provider (March 2012 – Oct 2012)	12	9	This is a risk with the potential for strategic impact in terms of service delivery by schools and the reputation of the Council if the project fails. However, this is being managed through the PMM process under the supervision of the ITSB.

	Service	Area of Concern / Risk Scenario outlined by the Head of Service	Gross risk Score	Net Risk Score	Corporate Board review
					The net risk may be overstated.
2	Culture and Env Protection	There are risks posed by a failure to inspect Houses in Multiple Occupation. Poor housing conditions correlate with poor health. Also high risk of death or injury through poor management of fire risk within such properties.	12	12	There is a potential strategic impact if loss of life occurred in an HMO following a fire, and it was found that the Council had failed to inspect. However, HMO's are not numerous in West Berkshire, therefore the likelihood may be overstated at Gross and Net level. Suggest Gross L2 I4 = 8 & Net L2 I4 = 8.
3	Culture and Env Protection	There is a risk that the claim from Veolia (Veolia have submitted a book of claims totalling £1.4m) for a "supervening" event, based on their claim that the Padworth site is not fit for purpose, will succeed.	12	9	The scale of the claim from Veolia means the issue needs to be considered in terms of strategic impact
4	Education	There is a risk, posed by reliance on a single individual using a bespoke model, to accuracy and reliability of pupil planning and sufficiency data. This may impact of school organisation.	9	9	Clearly there are likely to be significant financial / organisational impacts if this risk materialises, but the net score feels a little high given controls in place. Suggest Director and Head of Service review again. Recommend reduce net likelihood to 2 and hence overall net score to 6.
5	Care Comm, Housing and Safeguarding	There is a risk of serious harm to children if Child Protection Plans remain in place without change being achieved within families, or if Plans are discharged too early. High turnover of SW staff can exacerbate this problem. Risks need to be clearly identified and managed.	12	9	The Director and Heads of Service are to review the actual level of this risk together. The Ofsted Inspection Action Plan will identify any further actions required. Given the potential for abuse or loss of life if risk is not clearly identified and managed, this risk has strategic impact.

## 6. Recommendation

- 6.1 Management Board and Governance and Audit Committee should review the issues raised by the Heads of Service and the comments made by Corporate Board and consider whether there is any impact on the Annual Governance Statement.
- 6.2 The Risk Strategy Group should be tasked with conducting a review of service risk registers.

## Appendices

Appendix A – Equality Impact Assessment – Stage 1  
Appendix B – Proforma Assurance Statement

## **Consultees**

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**Local Stakeholders:** N/a  
**Officers Consulted:** Corporate Board  
**Trade Union:** N/a

## APPENDIX A

### Equality Impact Assessment – Stage One

<b>Name of item being assessed:</b>	Heads of Service Assurance Statements
<b>Version and release date of item (if applicable):</b>	
<b>Owner of item being assessed:</b>	Ian Priestley
<b>Name of assessor:</b>	Ian Priestley
<b>Date of assessment:</b>	19 <sup>th</sup> July

<b>1. What are the main aims of the item?</b>
Review service risks and consider the potential for strategic impact

<b>2. Note which groups may be affected by the item, consider how they may be affected and what sources of information have been used to determine this.</b> (Please demonstrate consideration of all strands – age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation)		
<b>Group Affected</b>	<b>What might be the effect?</b>	<b>Information to support this.</b>
none		
<b>Further comments relating to the item: N/a</b>		

<b>3. Result</b> (please tick by clicking on relevant box)	
<input type="checkbox"/>	<b>High Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	<b>Medium Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input type="checkbox"/>	<b>Low Relevance</b> - This needs to undergo a Stage 2 Equality Impact Assessment
<input checked="" type="checkbox"/>	<b>No Relevance</b> - This <b>does not</b> need to undergo a Stage 2 Equality Impact Assessment

**For items requiring a Stage 2 equality impact assessment, begin the planning of this now, referring to the equality impact assessment guidance and Stage 2 template.**

<b>4. Identify next steps as appropriate:</b>	
Stage Two required	
Owner of Stage Two assessment:	
Timescale for Stage Two assessment:	
Stage Two not required:	

**Name:** Ian Priestley

**Date:** 19<sup>th</sup> July 2012