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AUDIT AND PERFORMANCE REVIEW PANEL

WEDNESDAY, 14TH DECEMBER, 2016

At 7.00 pm

in the

COUNCIL CHAMBER - TOWN HALL,

<u>SUPPLEMENTARY AGENDA</u>

<u>PART I</u>

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Title: RBWM key risks report	www.rbwm.gov.uk Royal Borough of Windsor & Maidenhead
Contains Confidential or Exempt Information?: *NO - Part I*	
Member reporting: Councillor MJ Saunders, lead member for finance	
Meeting and Date: Audit and performance review panel - 14 December 2016	
Responsible Officer(s): Russell O'Keefe, strategic director of corporate and community services, Rob Stubbs, head of finance	
Wards affected: All	

1.   DETAILS OF RECOMMENDATION(S)

REPORT SUMMARY

1. This report is aimed at satisfying the panel that adequate risk management is in place for RBWM as part of its governance arrangements. This is because failing to understand the risks which carry the most damaging impacts on the council can carry significant financial, legal and reputational implications affecting the strategic objective of delivering value for money. The report includes:

   - RBWM's key strategic risks and how they are monitored and managed;

   - an overview of the risk management achievements during the 12 month period 1 November 2015 to 31 October 2016.

RECOMMENDATION: That the audit and performance review panel notes the report and:

   i) endorses this approach to managing risk.

2.   REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1   If the council fails to make good use of risk management processes, it could lead to ignorance of and exposure to many risks. Resources can be wasted in over-controlling where the potential consequences can be tolerated if they fall within the council's risk appetite.

Table 1: Options and recommendations

Option	Comments
To accept this report. **This is the recommended option**	The council must publish an annual governance statement in which a core principle is a requirement to demonstrate how it manages risk.
Not accept this report. **This is not recommended.**	This may expose the council to uncertainty, unnecessary risks or lead to it expending resources to over control tolerable risks. By not focussing resources where they are most needed, it could lead to poor performance and poor outcomes for residents.

3. KEY IMPLICATIONS

Table 2: success targets for the risk register

Outcome	Unmet	Met	Exceeded	Significantly exceeded	Date of delivery
Lead officers and members are engaged in quarterly risk reviews of the nature of the threat and the progress on mitigations.	Risks are left without officer or member attention.	Quarterly reviews.	Risks are reviewed more frequently than quarterly.	None	Ongoing by quarterly review.

4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 No financial implications. Resources for required mitigations should be contained within existing budgets.

Table 3: financial implications

	2016/17	2017/18	2018/19
	Revenue	Revenue	Revenue
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

	2016/17	2017/18	2018/19
	Capital	Capital	Capital
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

5. LEGAL IMPLICATIONS

5.1 There are potential legal implications should a risk occur to a level the council is not prepared for. The purpose of risk management to provide an awareness of these so that management can make a risk based judgement.

5.2 The council must comply with regulations[1] by publication of an annual governance statement which demonstrates how it manages risk.

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[1] Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, 2009 and 2011

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6.   RISK MANAGEMENT

6.1   The main risks arising out of this governance process are shown in Table 4.

Table 4: the main risk around use of risk management processes

Risks	Uncontrolled Risk	Controls	Controlled Risk
If the council fails to make good use of risk management processes, it is likely there will be ignorance of the exposure to risks that can carry damaging impacts to the council and residents.	high	Risks are reviewed by risk owners, CMT, DMTs, and cabinet members. The audit and performance review panel provides a mechanism for scrutiny of the process. This regular reporting and assessment structure ought to provide a robust framework for managing risk.	low

7.   POTENTIAL IMPACTS

7.1   Staffing/workforce impacts: not directly although some individual risks may contain associated obligations.

7.2   Equalities, Human Rights and community cohesion impacts: none, although some individual risks may contain associated obligations. No EQIA required.

7.3   Accommodation, property and assets impacts: not directly although individual risks may contain associated obligations.

8.   CONSULTATION

8.1   Consultations take place with audit and performance review panel, CMT, heads of service and shared audit and investigation service.

8.2   The risk manager annually compares the council's risk registers with those of the other Berkshire unitaries to determine to what degree the content is aligned. All of the common risks arising are represented in RBWM risk registers.

9.   TIMETABLE FOR IMPLEMENTATION

9.1   The risk register details the officers responsible for progressing actions, together with timescales for implementation.

10.   APPENDICES

10.1 Appendix A (paper) – heat map showing current impact/probability assessments and headline detail of the current key strategic risks.
Appendix B (paper) – risk management developments in the last 12 months.

11.   BACKGROUND DOCUMENTS

11.1 Risk management is a governance process open to scrutiny from councillors and the public at the council's audit and performance review panel meetings.

11.2 The corporate risk register records the risks relating to the council's objectives. The purpose of risk analysis is to help decision-makers get a better feel for a realistic range of possibilities, what drives that uncertainty and hence where efforts can be focussed to manage this uncertainty.

11.3 The risk registers are pertinent to the point in time at which they are produced and require free thinking by those who put them together. Anything that could inhibit the way in which such risks are expressed would impair the quality of decision making when determining the most appropriate response to a risk.

11.4 Certain risks are classified as key strategic and operational risks. The inclusion of risks within any level of risk register does not necessarily mean there is a problem – what it signifies is that officers are aware of potential risks and have devised strategies for the implementation of mitigating controls.

11.5 The key strategic risks were last presented to this panel meeting in the report 7 April 16. A current summary of these is contained in appendix A. Similar reports exist for the operational risks covering other matters but they are not included here by panel request.

11.6 Members are regularly notified of the key risks where named as the risk owner. Officer risk owners are tasked with ensuring that any comments by members are reflected in the assessment.

11.7 Risk reports are reviewed and debated by officers of the CMT, directorate management teams and elected members. Some risks may be assessed by officers to be of such low impact that there is little reason that ongoing monitoring is beneficial. These risks are thus removed from the risk register to avoid "noise" that provides no management use.

11.8 Appendix B details the key successes in risk management since the most recent strategy report to this panel 10 December 2015.
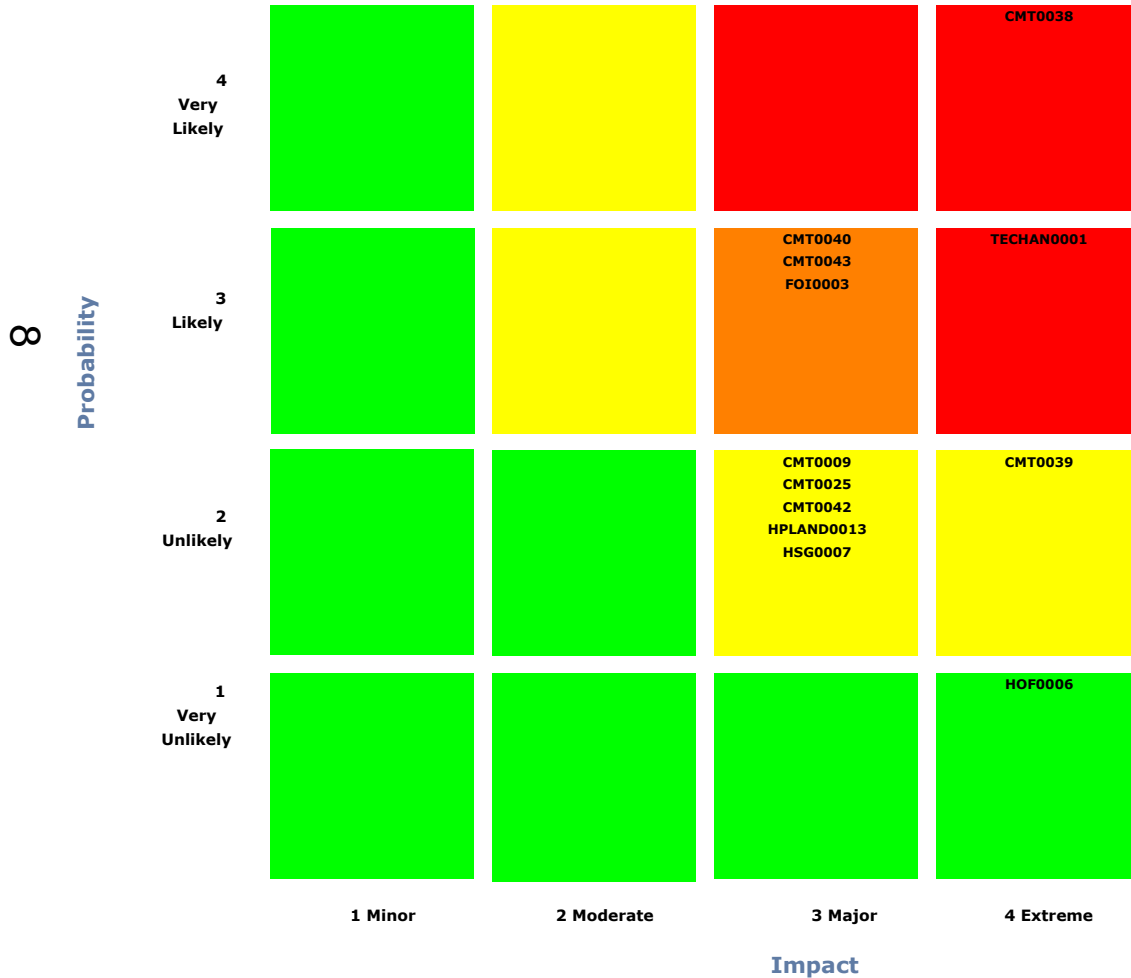
12.   CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr Saunders	Lead Member		
Alison Alexander	Managing director		
Russell O'Keefe	Strategic director of corporate and community services	29/11/16	08/12/16
Rob Stubbs	Section 151 officer	29/11/16	Added 6.1.
Simon Fletcher	Strategic director of operations and customer services		

REPORT HISTORY

Decision type:	Urgency item?	5
For information	No	
Report Author: Steve Mappley, insurance and risk manager, 01628 796202		

Appendix A - current key strategic risks

JCAD

	1 Minor	2 Moderate	3 Major	4 Extreme
4 Very Likely				CMT0038
3 Likely			CMT0040 CMT0043 FOI0003	TECHAN0001
2 Unlikely			CMT0009 CMT0025 CMT0042 HPLAND0013 HSG0007	CMT0039
1 Very Unlikely				HOF0006

Probability

Impact

Detailed Risk Information

	Risk Ref	Summary	Assigned To	Next Review Date
16	CMT0038	**Inability to meet service demands 24/7** The demand for 24/7 always available services requires a different economic model to provide adequate support, whether in-house or through contractual agreements with third party vendors. At the moment that support is not adequate to deliver the resilience and reliability that is required.	Simon Fletcher	17/12/2016
12	TECHAN0001	**IT infrastructure failure** Data storage infrastructure, systems access or total loss of council data centre affects the ability to function normally.	Simon Fletcher	28/11/2016
9	CMT0040	**Resilience to crisis situations** a). Insufficient local resilience through the operation of the Thames Valley Local Resilience Forum (LRF) and the financial impact on RBWM from a critical event.	Simon Fletcher	30/11/2016
9	CMT0043	**Safeguarding failure** 1. Preventable injuries occur. 2. Volume of care homes results in excessive demand for intervention. 3. Lack of intelligence around unknown risk areas e.g. trafficking, CSE.	Alison Alexander	07/01/2017
9	FOI0003	**Data security failure** (a) Serious external security breaches, (b) data loss or damage to data caused by inadequate information security leads to delays and	Russell O'Keefe	17/12/2016
8	CMT0039	**Crime and disorder** There is the risk of security and community problems arising from the actions and behaviour of extremist and disenfranchised groups, particularly in the area around Windsor's Combermere and Victoria barracks.	Simon Fletcher	31/12/2016
6	CMT0009	**Transformation programme - partnership working** Failure to ensure transformation programme accommodates the needs of the various community partners.	Simon Fletcher	17/02/2017
6	CMT0025	**Transformation programme - organisational change** That a coherent transformation programme fails to deliver efficiencies, improve service quality and manage organisational change in a controlled manner.	Alison Alexander	30/12/2016
6	CMT0042	**Local demographic changes** Significant changes of volume, complexity and needs of the borough population. Without data to illustrate these, the council is at risk of pursuing the wrong strategies.	Alison Alexander	07/01/2017
6	HPLAND0013	**Maidenhead regeneration programme** Failure to deliver this on time and on budget.	Russell O'Keefe	23/12/2016
6	HSG0007	**Adult social care demographic** Growth in number of older people with disabilities, children's services transitions and long term conditions leads to costs increasing beyond the capacity of council and the inability to meet critical needs in the long term.	Alison Alexander	22/12/2016
4	HOF0006	**Expenditure volatiilty** Lack of a mid/long term strategy that successfully encompasses finance options/mitigations to match service demands and central government funding reduction i.e. MTFP fails.	Rob Stubbs	23/12/2016

Appendix B: risk management developments in last reporting period

1	Revised reporting to senior management teams by a new format report composed with the input of director of corporate and community services, head of finance and chief accountant. An example is provided below.
2	During 2016 there have been six risk management presentations made to new staff as part of their induction. A further four dates are set to the end of April 2017. There is also an e-learning induction module on risk management.
3	The majority of the scope and work of the 2016/17 internal audit plan is directly informed by the key risks. Internal audit provide an opinion of the accuracy and effectiveness of the risk control measures. Internal audit officers provide an opinion of the accuracy and effectiveness of the risk control measures.
4	A session with the leadership team in June on improving the data contained in the strategic risk register by applying a more detailed analysis of the likelihood of spread of potential impacts.
5	Presentation in October to shared audit services about incorporating the concept of risk appetite into their work on the audit plan.

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Risk Ref Details	Headline	Implemented or Ongoing Controls	Current Rating & Risk Appetite Target	Controls not Fully Developed	Changes made at Last Review	Lead Member & Assigned to
CMT0043	**Safeguarding failure.** 1. Preventable injuries occur. 2. Volume of care homes results in excessive demand for intervention. 3. Lack of intelligence around unknown risk areas e.g. trafficking, CSE.	1. Business plan in place that stipulates the activity of the service to mitigate safeguarding risk. 1. In the event of a major incident a serious case review will investigate and reflect on practice in health and social care. 2. Adult safeguarding core groups meet weekly/fortnightly to assess risk. 2. Apply a quality assurance framework for children's services to quality assure service on an ongoing basis. 2. Training and supervision of internal social care staff in adult safeguarding. 2. Support to adult safeguarding partnership board (independent multi-agency partnership) and providers. 2.Suitable performance management of adult safeguarding referrals & investigations. If needed, can lead to change of provider/practice. 3. Multi-agency safeguarding hub (MASH) strengthens response to children and young people at risk of significant harm incl. CSE. 3. Workforce development strategy complete and working. 3. Strategy for recruitment and retention of experienced social workers and managers - Frontline etc.	9 Medium/High 6 - Medium Low	2. Training and supervision of external provider. Safeguarding manager will provide coordinated quality assurance for RBWM.	Reviewed with AA 06/10/16. Split risk in to 3 elements and attached controls to each.	Cllr Airey - children and Cllr Coppinger - adults Alison Alexander

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