

## AUDIT AND PERFORMANCE REVIEW PANEL

THURSDAY, 10 DECEMBER 2015

PRESENT: Councillors Paul Brimacombe (Chairman), Stuart Carroll, Dr Lilly Evans, Lynne Jones, Jack Rankin, Lisa Targowska and Edward Wilson.

Officers: Andrew Brooker, David Scott, Ann Pfeiffer, Paul Ohsan Ellis, Steve Mappley, Craig Miller and David Cook.

### APOLOGIES

Apologies for absence were received from Cllr Smith.

### DECLARATIONS OF INTEREST

There were no declarations of interest received.

### MINUTES

The Part I minutes of the meeting held on 17 November 2015 were approved as a true and correct record subject to on page 8 the addition of it being noted that only one fine had been collected because of dog fouling. With regards to the Legacy Bridge Fund it was questioned if the group existed and if so who they were.

### 2015-16 SHARED AUDIT AND INVESTIGATION SERVICE RBWM INTERIM REPORT

Paul Ohsan Ellis introduced the report that summarises the Shared Audit and Investigation Service activity, including progress in achieving the 2015/16 Internal Audit Plan, during the first six months of 2015/16 to 30 September 2015. The Panel were informed that out of the 8 audits completed 7 received an overall opinion of 2 whilst 1 received an opinion of 3.

(Cllr Dr Evans joined the meeting)

The Investigation Team had also undertaken re-active investigations as well as developing pro-active fraud drives on areas such as Council Tax Reductions, Council Tax Discounts, Business Rates and Personal Budgets and Direct Payments. This work had identified losses totalling £38k.

The Panel raised concern about tolerance levels with regards to grading. It was questioned if tolerance levels could be re-calibrated; law of diminishing return resulting in having different tolerance levels for different areas. Members also felt that during the audit any areas that could be rectified before the final opinion should be actioned and noted that a fix was required to get the opinion to complete and effective.

The Head of Finance informed the Panel that getting an opinion of 2 did not raise concern as the control measure in the general ledger had controlled risks that had to be managed and as a result the audit opinion would never be 1. The resources required to fully mitigate the risks were not cost effective.

The Panel felt that if all actions were carried out to be compliant then the audited area should be ranked as complete and effective. Tolerance levels should be set to make it possible to get an opinion of 1.

The Chairman mentioned that there were about 220 functions that could be audited and asked how the work programme was planned and if surprise audits were carried out. The Panel were informed that the authorities Risk Register was used to identify areas to be audited.

Concern was raised about the absence of challenge to the audit opinion, although it was explained that individual concerns were challenged during the audit process.

It was suggested that a short paper be presented regarding the audit process from start to finish and the risk v controls. The Chairman explained that as the Head of Finance and Managing Director were already undertaking a review it was best to wait for this to be completed before any presentation on where audit is going.

The Chairman commented that he had the upmost confidence in the team and the review was more about governance.

**Resolved: That Members noted the Shared Audit and Investigation Service RBWM activity for the six months ending 30 September 2015.**

### RBWM KEY RISKS REPORT

Steve Mappley, Insurance and Risk Manager, introduced the report that dealt with risk management as part of the council's governance arrangements. The report highlighted the developments during the 12 month period 1 November 2014 to 31 October 2015 and included:

- the council's key strategic risks and how they are identified, monitored and managed;
- an overview of the risk management work and achievements during the reporting period;
- the council's 2016/17 risk management strategy and policy.

The Panel were informed that table 1 on agenda page 25 showed the key successes in risk management since the most recent strategy reported to this panel 16 December 2014. This included assisting Wokingham BC with the development of their risk management work including presenting to elected members of Wokingham BC Executive and their senior leadership team.

The Risk Management Policy and Strategy 2016/17 (appendix D) was still a draft document; however how risk management was approached remained the same.

The Council did not have a single risk tolerance and appetite for risk varied. Risk appetite was the phrase used to describe where RBWM considered itself to be on the spectrum ranging from willingness to take or accept risks through to an unwillingness or aversion to taking risks.

In response to questions the Panel were informed that appendix B contained the detail of the key strategic risks and mitigation measures being taken. It was noted that the Panel had previously requested that this level of detail be available to review but was not required to be presented at the meeting. Cllr Targowska agreed to review the appendix and choose a random selection of risks at different levels to undertake a retrospective review.

It was noted that the design and effectiveness of the controls were reviewed by the audit team.

**Resolved: That the Panel endorsed the council's policy and strategy to identify, monitor and manage its risks.**

## ODFIELD SCHOOL BUILDING PROJECT

The Chairman informed the Panel that he had asked for this item to be considered as it was a good example of effective project management; it was a large project undertaken quickly.

Ann Pfeiffer gave a presentation on the Oldfield School expansion project.

The Panel were informed that the projects education objective was to expand Oldfield Primary School in Maidenhead from 210 pupils to 420 pupils to accommodate growing numbers of pupils in the local area. The project was on a new site, had to be within the existing designated area and without diminishing the high standards of the 'Outstanding' school.

The construction objectives were to have the new school building built on time by September 2015, within budget and have good quality build that provided suitable spaces for teaching and learning.

The Panel were shown a list of key approval dates from the initial in principle project approval in November 2011 to completion with the school opening September 2015.

The project had a number of key constraints; these were:

- The need to be open for Sept 2015, with sufficient time for school to move in.
- Appropriate time of year for moving slow worms.
- Planning issues; designing for flood plain, environment agency approval, traffic management.
- Objections from vocal local residents and risk of Judicial Review.
- Waterway adjacent to school site.
- Logistics of moving a whole school within a few days.
- Forest Bridge School needing to move into old school site for September 2015.

The Panel were informed that the original budget estimate was had been £10 million with the final budget expected to come in at £8.2 million.

The Panel were informed that all the project objectives were met with the following successes being highlighted:

- Achieved handover in time for moving in and starting in Sept 2015.
- The procurement route for this Design and Build scheme via iESE framework.
- Overall design: feasibility scheme developed well into full design, including for the flood zone.
- Co-operation between RBWM, school, and design team.
- Budget planning - risk allowances built in from the start.
- Traffic management and pupil drop-off - even with Stafferton Way works still taking place.

There were an number of areas that could have gone better and lessons learnt; these were:

- Finding slow-worms resulted in delays and consequential cost increases.
- Greater continuity of personnel - architectural team, construction team and internal building services team.
- Closer liaison with school and client on detailed design and Value Engineering.
- A longer period for the final stage, to reduce the list of snagging issues.
- Less stressful handover for the school.
- Playing field drainage.

The Panel noted that about 85% of pupils walked to school, that the project was managed by officers with the contractors project managing on the ground.

The Chairman recommended that a 'implementation report' should be held so lessons could be learnt for any future builds. It was recommended that Internal Audit could review the lessons learnt to inform new projects.

It was questioned why drainage for the playing fields had not been factored into the original design and the Panel were informed that the contractor had said that the playing field would be usable. Officers accepted this professional opinion but were now challenging this. It was recommended that for future projects professional opinion should be given in writing.

The Chairman thanked officers for the presentation and congratulated them on the successful project.

### PARKING ENFORCEMENT

The Panel were informed that following a previous discussion item on income from fines Cllr Smith requested a further update on parking enforcement. Unfortunately Cllr Smith had to give his apologies but he sent his questions. Craig Miller attended the meeting to provide a response.

The Panel were informed that there was a year on year difference in fines collected because when parking enforcement was decriminalised there was an expected higher level of income that over time would reduce as a result of enforcement reducing parking offences. There would always be an element of non compliance and thus resource opportunities.

A service review was currently being undertaken and the results were due to be implemented in 2016. The review would be looking at service delivery and different approaches to create a dynamic and flexible workforce.

With regards to if there was a shortage of manpower and if community wardens could be used the Panel were informed that wardens were used for some parking enforcement, such as being outside schools. The Policy Committee was due to look at how enforcement officers could also undertake a community role.

In response to questions the Panel were informed that the Council did not (and could not by law) set income targets from parking enforcement. Officers looked at need and deployed resources where they were needed. The profile of staff and deployment would be looked at as part of the service review.

When looking at decriminalisation of parking the experience from other authorities showed that you had to start with a higher work force that would be reduced over time as enforcement reduced need. The role of wardens was being examined to help increase enforcement and cover more areas. The authority had to decide on the level of enforcement required with the amount of resources it wished to use. It was noted that there was a manifesto commitment to increase the number of wardens.

**Resolved: That the Panel noted the update.**

The meeting, which began at 7.00 pm, finished at 8.50 pm

CHAIRMAN.....

DATE.....