

NOTICE
OF
MEETING

AUDIT AND PERFORMANCE REVIEW PANEL

will meet on

THURSDAY, 12TH APRIL, 2018

at

7.00 PM

in the

COUNCIL CHAMBER - TOWN HALL, MAIDENHEAD

TO: MEMBERS OF THE AUDIT AND PERFORMANCE REVIEW PANEL

COUNCILLOR SAYONARA LUXTON (CHAIRMAN)
COUNCILLORS ADAM SMITH (VICE-CHAIRMAN), MALCOLM ALEXANDER,
DR LILLY EVANS, WESLEY RICHARDS, DEREK WILSON, EDWARD WILSON
AND PAUL BRIMACOMBE

SUBSTITUTE MEMBERS
COUNCILLORS DAVID EVANS, RICHARD KELLAWAY, ROSS MCWILLIAMS,
EILEEN QUICK, COLIN RAYNER, JOHN STORY, JESSE GREY AND
LYNNE JONES

Karen Shepherd – Service Lead
Democratic Services
Issued: 4th April 2018

Members of the Press and Public are welcome to attend Part I of this meeting.

The agenda is available on the Council's web site at www.rbwm.gov.uk or contact the
Panel Administrator Shilpa Manek on 01628 796310

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AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES</u> To receive any apologies for absence.		
2.	<u>DECLARATIONS OF INTEREST</u> To receive any declarations of interest.		3 - 4
3.	<u>MINUTES</u> To approve the Part I minutes of the meeting held on 26 February 2018.		5 - 10
4.	<u>RBWM KEY RISKS REPORT</u> To consider the above report.		11 - 38
5.	<u>APRP WORK PROGRAMME</u> To note the work programme.		39 - 42
	ii.		

MEMBERS' GUIDE TO DECLARING INTERESTS IN MEETINGS

Disclosure at Meetings

If a Member has not disclosed an interest in their Register of Interests, they **must make** the declaration of interest at the beginning of the meeting, or as soon as they are aware that they have a DPI or Prejudicial Interest. If a Member has already disclosed the interest in their Register of Interests they are still required to disclose this in the meeting if it relates to the matter being discussed.

A member with a DPI or Prejudicial Interest **may make representations at the start of the item but must not take part in the discussion or vote at a meeting.** The speaking time allocated for Members to make representations is at the discretion of the Chairman of the meeting. In order to avoid any accusations of taking part in the discussion or vote, after speaking, Members should move away from the panel table to a public area or, if they wish, leave the room. If the interest declared has not been entered on to a Members' Register of Interests, they must notify the Monitoring Officer in writing within the next 28 days following the meeting.

Disclosable Pecuniary Interests (DPIs) (relating to the Member or their partner) include:

- Any employment, office, trade, profession or vocation carried on for profit or gain.
- Any payment or provision of any other financial benefit made in respect of any expenses occurred in carrying out member duties or election expenses.
- Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.
- Any beneficial interest in land within the area of the relevant authority.
- Any licence to occupy land in the area of the relevant authority for a month or longer.
- Any tenancy where the landlord is the relevant authority, and the tenant is a body in which the relevant person has a beneficial interest.
- Any beneficial interest in securities of a body where:
 - a) that body has a piece of business or land in the area of the relevant authority, and
 - b) either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body **or** (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.

Any Member who is unsure if their interest falls within any of the above legal definitions should seek advice from the Monitoring Officer in advance of the meeting.

A Member with a DPI should state in the meeting: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations on the item: ***'I declare a Disclosable Pecuniary Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Prejudicial Interests

Any interest which a reasonable, fair minded and informed member of the public would reasonably believe is so significant that it harms or impairs the Member's ability to judge the public interest in the item, i.e. a Member's decision making is influenced by their interest so that they are not able to impartially consider relevant issues.

A Member with a Prejudicial interest should state in the meeting: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Or, if making representations in the item: ***'I declare a Prejudicial Interest in item x because xxx. As soon as we come to that item, I will make representations, then I will leave the room/ move to the public area for the entire duration of the discussion and not take part in the vote.'***

Personal interests

Any other connection or association which a member of the public may reasonably think may influence a Member when making a decision on council matters.

Members with a Personal Interest should state at the meeting: ***'I wish to declare a Personal Interest in item x because xxx'. As this is a Personal Interest only, I will take part in the discussion and vote on the matter.***

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Agenda Item 3

AUDIT AND PERFORMANCE REVIEW PANEL

MONDAY, 26 FEBRUARY 2018

PRESENT: Councillors Sayonara Luxton (Chairman), Malcolm Alexander, Derek Wilson, Edward Wilson and Paul Brimacombe

Officers: Shilpa Manek, Richard Bunn, Andy Jeffs, Catherine Hickman and Rob Stubbs

APOLOGIES

Apologies were received from Councillor Lilly Evans. Councillor Grey was substituting.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

The Part I minutes of the meeting held on Wednesday 6 September 2017 were approved as a true and correct record.

Councillor Ed Wilson asked if action i had been completed,

The Lead Member for Finance in conjunction with the Head of Finance and Insurance and Risk Manager, and in consultation with relevant Lead Members, to review and update the risk register to reflect the issues discussed at the Panel meeting and provide more comprehensive linkage and transparency, particularly to the annual budget commentary.

Rob Stubbs, Head of Finance and Deputy Director Place, confirmed that this was taken account of in the budget papers and as also covered when the internal audit plan was put together.

Rob Stubbs informed the Panel that there had been two meetings cancelled. There would now be an annual programme where items would be identified for each meeting. Directors could bring items to the panel too.

RBWM ANNUAL REPORT ON GRANTS AND RETURNS 2016/17

Duncan Laird, Senior Manager, KPMG, presented the report that summarised the results of work that had been carried out on the Council's 2016/17 grant claims and returns. This included the work completed under the Public Sector Audit Appointed certification arrangements, as well as the work completed on other grants/returns under separate engagement terms. The work completed in 2016/17 is:

- Under the Public Sector Audit Appointments arrangements we certified one claim –the Council's 2016/17 Housing Benefit Subsidy claim. This had a value of £35.5 million.
- Under separate engagements we issued reports on two claims/returns as listed below.
 - Teachers' Pensions Return; and
 - National College of Teaching and Leadership (NCTL) Annual Grant Report and Initial Teacher Training Annual Accounts.

Certification and Assurance Results

Our certification work on Housing Subsidy Benefit claim included:

- agreeing standard rates, such as for allowances and benefit incomes, to the DWP Circular communicating the value of each rate for the year;
- sample testing of benefit claims to confirm that the entitlement had been correctly calculated and was supported by appropriate evidence;
- undertaking an analytical review of the claim form considering year-on-year variances and key ratios;
- confirming that the subsidy claim had been prepared using the correct benefits system version; and
- completing testing in relation to modified schemes payments, uncashed cheques and verifying the accurate completion of the claim form.

Following the completion of our work, the claim was subject to a qualification letter for differences in the in year reconciliation cells.

Our work on the other grant assurance engagements resulted in unqualified certification reports.

No adjustments were necessary to the Council's grants and returns as a result of our certification work this year.

The overall level of errors identified in 2015/16 across all claims was lower than in previous years.

The following recommendation was made:

Issue	Implication	Recommendation	Priority	Comment	Responsible Officer and Target Date
Funding agreement documentation					
The Council was not able to provide a copy of the signed Grant Funding Agreement with NCTL.	The Grant Funding Agreement issued by NCTL provides information on what grants have been given to the Provider, the terms and conditions under which the grant can be spent, and the purpose for which the grant funding for 2016/17 can be spent. Without a copy available, it is not possible to identify any conditions attached to the funding or confirm that they have been complied with.	Obtain a copy of the Grant Funding Agreement in place to evidence the terms and conditions associated with the grant funding received.	Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.		

Duncan Laird informed the Panel that it had been a good year, the findings were better compared to previous years.

The Panel discussed using a traffic light system for the reports. This had been used but since reports had been printed in black and white, this was not visible.

ACTION: Clerk to print reports in colour for future meetings.

Councillor Brimacombe highlighted that if the signed Grant Funding Agreement with NCTL was not available, were there other documents that were not available too, was there a fault in the system? Rob Stubbs reassured the Panel that a grant schedule was being built with electronic links.

Councillor Ed Wilson was reassured by the report and asked how we compared with other public bodies. Duncan Laird informed the Panel that we compared very well, other public bodies had made significant errors. In previous years, the teacher's pension had been returned but this year there had been no returns. The NCTL was purely around supporting documentation as a new test had been set up this year.

Other points discussed included:

- How was the selective sample set? The protocol for housing benefits, a random sample testing minimum of 20 cells.
- Technical complexity, what were the means for catching errors, was there a mechanism in place? Assurance tests were carried out.
- Collective information was held in one place from a number of people, was there a formal database. There were process notes in finance for processes such as completing returns.

RBWM EXTERNAL AUDIT PLAN 2017/18

Duncan Laird, Senior Manager, KPMG, presented the report summary for the Audit and Performance Review Panel. There were no significant changes to the Code of Practice on LA Accounting in 2017/18. The deadline for the production and signing of the financial statements had been significantly advanced in comparison to year ended 31 March 2017. Whilst the Authority chose to advance its own accounts production timescale last year, the Authority would be required to produce Group accounts for the first time and further advances would be required in order to ensure that deadlines were met. As a result, a significant risk had been recognised in relation to this matter.

In order to meet the revised deadlines it would be essential that the draft financial statements and all prepared by client documentation was available in line with agreed timetables. Where this was not achieved there would be a significant likelihood that the audit report would not be issued by 31 July 2018.

Materiality for planning purposes had been set at £4.6 million for the Authority and £25 million for the Pension Fund.

KPMG were obliged to report uncorrected omissions or misstatements other than those which were 'clearly trivial' to those charged with governance and this had been set at £0.23 million for the Authority and £1.25 million for the Pension Fund.

Those risks that required specific audit attention and procedure to address the likelihood of a material financial statement error had been identified as:

- Valuation of land and buildings
- Pension Liabilities
- Group accounts and faster Close

In relation to the Pension Fund audit, those risks requiring specific audit attention and procedures have been identified as:

- Valuation of hard to price investments
- Valuation of the longevity hedge

In relation to the Pension Funds audit, those risks requiring specific audit attention and procedures have been identified as:

- Valuation of hard to price investments
- Valuation of the longevity hedge

We had not completed our detailed risk assessment regarding the arrangements to secure value for money, however our initial VFM audit planning has identified the following significant VFM audit risks to date:

- Delivery of Budgets
- Management of contracts

The work would be completed in four phases from January to July and the key deliverables were the Audit Plan and the report to those charged with Governance.

The fee for the 2017/18 audit was £81,803 for the Authority and £24, 831 for the Pension Fund. The fees were in line with the scale fees published by the PSAA, with additional fees in 2016/17 for work on behalf of other admitted body auditors and work on the revised longevity hedge model, subject to approval by PSAA.

Points discussed by Panel Members included:

- There were two main functions, financial statements and value for money arrangements.
- Group accounts had been produced this time, including AfC and Optalis.
- There were three significant risks.
- Did the Electoral have the right to challenge the Audit Fees, this had been challenged before, about a total cost of £1500. Not too many at this council.
- The report was classified as confidential, this was a public document.
- “Materiality” was discussed by the Panel. Below £230K would be trivial and anything above would be brought to the Panel.
- If the accounts were incorrect, could they be corrected? A pre audit was carried out of the statements of accounts, if any errors were found, they were corrected, materiality was not a consideration.
- Land Assets and redevelopment, the land value was as of today and not what they might be. Once there was more certainty on what the land would be used for, significant valuations could be carried out.
- Are agreements in place to get access to the right people and places for the accounts at AfC and Optalis? They had opted out of RBWM therefore it was easier to access their accounts. We had contact details of their auditors. At present all the significant information was in place.

- RBWM was a very distributed council, this brought additional risks for us. We were distributed to AfC, Optalis, free schools, academies, should all assets be looked at? This was currently not a risk.
- First we did the accounts three months earlier, now it was two months earlier, how are the deadlines met? Were there any Concerns? There were no real concerns, the Finance team had tried it last year and did very well. Trying to bring everything forward by doing earlier and shifting burden of work away from the busy period of June/July. It was a challenging timetable but achievable,
- This was KPMG's last audit, the reason was asked. KPMG had put a bid in but had not been selected. Deloitte had been selected for 2018/19.

2018/19 AUDIT AND INVESTIGATION PLAN

Andrew Moulton, Chief Audit Executive, Shared Audit and Investigation Service, presented the report to the Panel. The report recommended that the Panel considered the report and approved the 2018/19 Draft Audit and Investigation Plan. The recommendation was being made to ensure that the council met its statutory requirements and that the Panel met the requirements of its terms of reference by ensuring that the work of the Shared Audit and Investigation Service was focused appropriately with adequate resources and was delivered in accordance with recommended best practice. If adopted, it would be effective from 1 April 2018.

Five key areas had been identified, Key Financial Systems, Governance building blocks, Key strategic and Key Operational Risks, Statutory Duties and Auditor Judgement.

The following points were discussed by the Panel:

- What was the frequency of undertaking audits? The frequency was annually for Key Financial Systems. There was a cycle for other areas and if an issue was raised, a plan would be triggered to do a follow up review..
- Homelessness was discussed, forward plan had been consulted.
- What was the percentage of the Plan for work to be covered at short notice? This was covered from the contingency element of the Plan.
- What would happen if more days were required than those allocated? The contingency days was a total of 50 days, these would be used.
- The implementation of CIL was September 2016, if a new online development was submitted, how would the payment work? They would not pay immediately, could delay the payment. It would last a total of three years.

ACTION; Catherine Hickman to provide more information on tree management.

Councillor Ed Wilson asked for reassurance by adding something in the plan about community agreements. There would be data protection issues but reassurance was required.

ACTION: Andrew Moulton to look into this.

A Key area was Information Governance and we were still awaiting further guidance on this. GDPR had raised the profile and put on top of the data protection process. This required focus. It was more complex with the operational boundaries now in place. More confidence was required in data sharing agreements. The council had provided training on GDPR.

The Panel Considered and Unanimously Approved the 2018/19 Draft Audit and Investigation Plan.

REVISED ANTI FRAUD AND ANTI CORRUPTION POLICIES

Andrew Moulton, Chief Audit Executive and Catherine Hickman, Lead Specialist, Shared Audit and Investigation Service, presented the report to the Panel. The report consisted of the Prosecution and Sanctions Policy, Anti Fraud and Anti Corruption Policy, Anti Bribery Policy, Anti Money Laundering Policy, Regulation of Investigatory Powers Act Policy and the Whistleblowing Policy. All the policies had minor changes.

The Regulation of Investigatory Powers Act Policy reflected changes suggested following an inspection by the Surveillance Commissioner in this financial year.

The Panel were asked to consider the minor changes and approve all the policies.

The Panel Unanimously Agreed to remove the words in brackets (Including independent members) from the Anti Bribery Policy Scope.

Other points that were discussed included:

- Gifts and Hospitality, expected in policy – speak to monitoring officer since its not in policy.
- Who was the Money Laundering Officer, not in policy? – Rob Stubbs, Deputy Director Place and Head of Finance (S151 Officer)
- Whistleblowing – It was very difficult to say something with having broken the contract because of the confidentiality clause. The policy was very descriptive and further assistance needed to be provided to officers. More support was required with all the risks associated.

The Panel Unanimously considered all the minor changes and approved the policies.

The meeting, which began at 7.00 pm, finished at 8.30 pm

CHAIRMAN.....

DATE.....

Report Title:	RBWM risk management report
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead member for finance
Meeting and Date:	Audit and performance review panel – 12 April 2018
Responsible Officer(s):	Russell O’Keefe, Executive Director Rob Stubbs, Deputy Director and Head of Finance
Wards affected:	All

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REPORT SUMMARY

1. This report sets out how adequate risk management is in place for RBWM as part of its governance arrangements.
2. The report includes:
 - The key strategic risks and how they are monitored and managed.
 - RBWM’s “approach to management of risk 1 April 2018 – 31 March 2019”.

1 DETAILS OF RECOMMENDATION(S)

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 makes good use of risk management processes, it supports good performance and effective delivery of services to residents.

Table 1: Options

Option	Comments
To accept this report. This is the recommended option	The council must publish an annual governance statement in which a core requirement is to demonstrate how it manages risk.
Not accept this report. This is not recommended.	This may expose the council to unnecessary risks or lead to expending resources to over control 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 would be contained within existing budgets.

Table 3: Financial impact of report's recommendations

REVENUE	2018/19	2019/20	2020/21
Addition	£0	£0	£0
Reduction	£0	£0	£0
Net impact	£0	£0	£0

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 regulations¹ by publication of an annual governance statement which demonstrates how it manages risk.

6 RISK MANAGEMENT

Table 4: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
If the council fails to make good use of risk	high	Risks are reviewed by risk owners, Senior	low

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

Risks	Uncontrolled Risk	Controls	Controlled 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. (risk register ref: IRM0003)		Management Team and members. The audit and performance review panel provides a mechanism for scrutiny of the process. This structure provides a robust framework for managing risk.	

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 are none, although some individual risks may contain associated obligations.
- 7.3 Accommodation, property and assets impacts are also none although individual risks may contain associated obligations.

8 CONSULTATION

- 8.1 Consultations take place with audit and performance review panel, Corporate Leadership Team, 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 unitary authorities 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 The appendices to the report are as follows:

- Appendix A – heat map showing current impact/probability assessments and headline detail of the current key strategic risks.
- Appendix B - approach to management of risk 1 April 18 – 31 March 19. This document has three appendices:
 - Appendix 1 – impact/likelihood scoring criteria.
 - Appendix 2 – risk classifications.
 - Appendix 3 – risk appetite definitions.

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 The potentially most damaging risks are classified as key 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 6 September 17. Appendix A contains a current summary of these. Similar reports exist for 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.

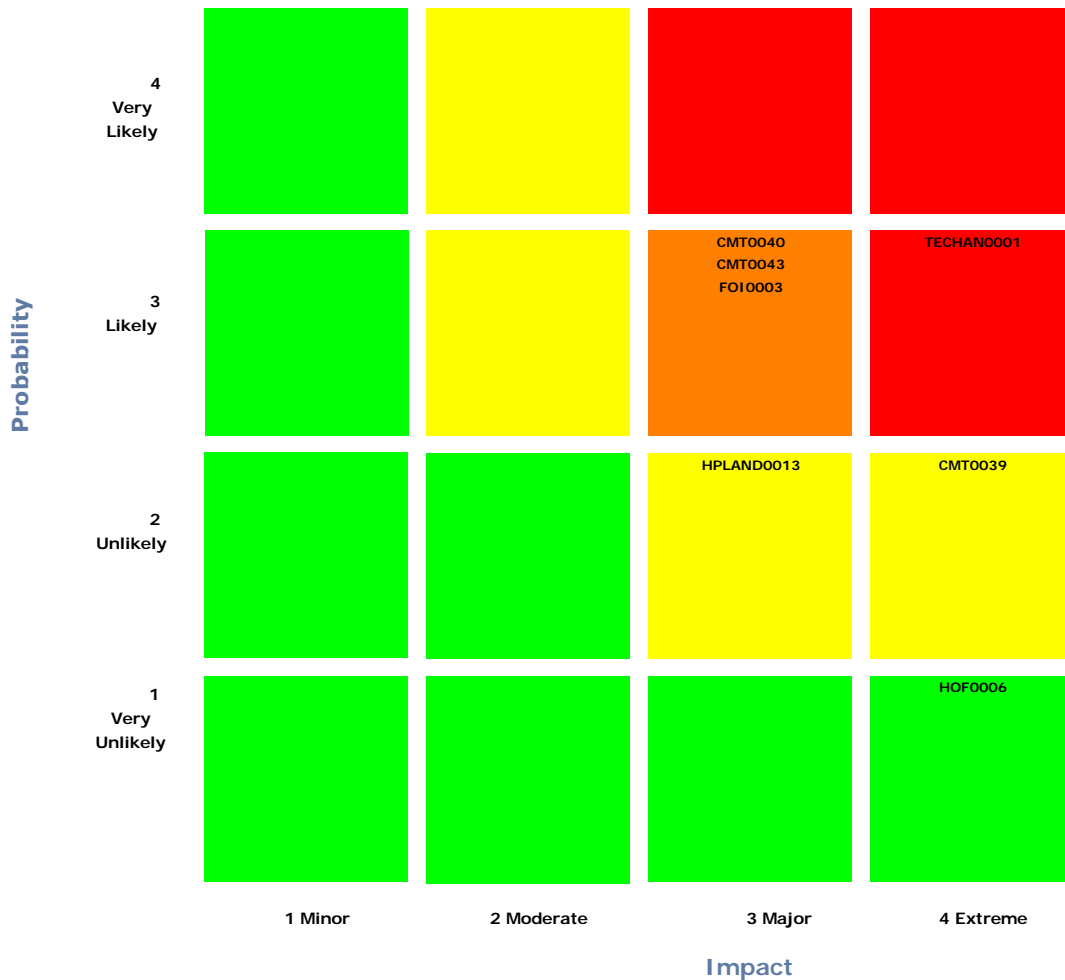
11.7 Risk reports are reviewed and debated by officers of the SMT and elected members. Some risks may be assessed by officers to be of such low impact that there is little reason that ongoing monitoring is beneficial. These risks are thus removed from the risk register to avoid "noise" that provides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

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date issued for comment	Date returned with comments
Cllr Saunders	Lead Member/ Principal Member/Deputy Lead Member		
Alison Alexander	Managing Director	27/03/18	
Russell O'Keefe	Executive Director	27/03/18	
Andy Jeffs	Executive Director	27/03/18	
Rob Stubbs	Section 151 Officer	26/03/18	03/04/18
Nikki Craig	Head of HR and Corporate Projects	27/03/18	
Louisa Dean/	Communications	27/03/18	
	Other e.g. external	None	

REPORT HISTORY

Decision type: For information	Urgency item? No	To Follow item? None
Report Author: Steve Mappley, insurance and risk manager, 01628 796202		



Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To
12	TECHAN0001	<p>If there is an IT infrastructure failure i.e. data storage infrastructure, systems access or total loss of council data centre then this could affect the ability of RBWM to function normally.</p> <p>A Cloud-hosted infrastructure significantly reduces the risk of a major disaster as it includes resilience as part of the design. No core business systems are to be > one year old within the Cloud system.</p>	Russell O'Keefe
9	CMT0040	<p>Insufficient local resilience through the operation of the Thames Valley Local Resilience Forum (LRF) and the financial impact on RBWM from a critical event.</p>	Andy Jeffs

Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To
9	CMT0043	<ol style="list-style-type: none"> 1. Major preventable injuries occur. 2. Lack of intelligence around unknown risk areas e.g. trafficking, CSE. 	Alison Alexander
9	FOI0003	(a) Serious external security breaches, (b) data loss or damage to data caused by inadequate information security leads to delays and errors in business processes.	Andy Jeffs
8	CMT0039	<p>The UK is facing threats and not just from groups inspired by al-Qaida e.g, far right extremists, disenfranchised groups.</p> <p>There is the risk of security and community problems arising from the actions and behaviour of such groups, particularly in the area around Windsor's Combermere and Victoria barracks.</p>	Andy Jeffs
6	HPLAND0013	<p>Main risks to success include:</p> <ul style="list-style-type: none"> - Inadequate funding - Conflict on key sites - The need for temporary parking - Inadequate infrastructure delivery not tied in with the BLP Infrastructure Delivery Plan. - Achieving the required programme for the relocation of the leisure centre including obtaining planning consent ahead of the green belt release. - Without an Access and Movement Strategy the proposed development will be coming forward as individual sites without a vision for the town centre on how vehicles, cyclists and pedestrians move around the town and between developments. - Challenge to the BLP and any of the 4 joint ventures taking place in Maidenhead. 	Russell O'Keefe
4	HOF0006	RBWM may not be able to deal with any expenditure volatility because of a 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
0	FOI0006	<p>Statutory breach arising from non-compliance with the General Data Protection Regulation (GDPR) leads to fines of up to €20m. DPA principles regarding personal data are:</p> <ol style="list-style-type: none"> 1. Process fairly and lawfully. 2. Use only for the purposes it was originally obtained. 3. Ensure it is adequate, relevant and not excessive for the purposes for which it's processed. 4. Ensure it's accurate and up to date. 5. Retain only for the time period required to meet the organisation's reasonable requirements. 6. Process in accordance with rights of data subjects. 7. Adopt appropriate technical and organisational measures against unauthorised or unlawful processing and against accidental loss, damage or destruction of data. 8. Ensure countries outside the EU have an adequate level of protection if transferring data there. 	To be confirmed



Royal Borough Windsor and Maidenhead
Approach to Management of Risk
1 April 2018 – 31 March 2019

Date: 26 March 2019

“Building a borough for everyone – where residents and businesses grow, with opportunities for all”

Our vision is underpinned by six priorities:

Healthy, skilled and independent residents

Growing economy, affordable housing

Safe and vibrant communities

Attractive and well-connected borough

An excellent customer experience

Well-managed resources delivering value for money

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1. INTRODUCTION

1.1 This document sets out the working definitions of risks and issues and how RBWM approaches risk management.

Definition

1.2 Risk is defined as "*the chance of something happening which may have an impact on the achievement of an organisation's objectives*".

1.3 Risk management is defined as "*the culture, processes and structure that are directed towards effective management of potential opportunities and threats to the organisation achieving its objectives*".

1.4 An issue is defined as an event that is happening right now or has already happened. Therefore there is the possibility for a risk to turn into an issue when it is realised.

1.5 The difference between a risk and an issue is one of timing. The risk event is a future event so the task is to assess its probability, its proximity and estimate the impact that would be caused if it did occur. An issue event has already happened so there is no need to assess its probability - what must be taken into account is the impact and what reaction is required to deal with it.

Risk

1.6 RBWM's approach to risk management stems from the Alarm¹/Airmic²/IRM³ enterprise risk management approach.

1.7 Risk is a normal part of business. The understanding and management of risks is an integral part of the RBWM corporate governance framework.

1.8 RBWM employees will adopt a consistent and systematic approach to managing risk. The management of risk is a responsibility of all senior managers in the council and it is important that risks are identified timely to support effective service delivery.

1.9 RBWM manages specific project work through a number of stand-alone systems where the risk assessment methodology is scaled to the project under consideration.

1.10 Risks relating to health and safety are addressed through a separate policy⁴.

1.11 How successful RBWM is in dealing with the risks it faces can have a major impact on the achievement of the council's vision and strategic priorities. When management of risk goes well it often remains unnoticed. When it fails the

¹ Alarm is the primary voice for public sector risk management in the UK.

² Airmic promotes the interests of corporate insurance buyers and those involved in enterprise risk management.

³ The IRM (Institute of Risk Management) provides risk management related education.

⁴http://wavemaster/corporate_area/corporate_policy/HR/health_safety/CORPORATE%20HEALTH%20AND%20SAFETY%20POLICY/Health%20%26%20SafetyPolicy;internal&version=1.6&df_name=/Health%20%26%20SafetyPolicy

consequences can be significant and high profile, for example, inefficient use or waste of resources, financial loss, service disruption, adverse publicity, litigation or failure to meet objectives. Hence the need for effective risk management.

2 THE COUNCIL'S 2018/19 RISK MANAGEMENT POLICY

2.1 This policy is fundamental to the council's drive to being less risk averse i.e. accepting greater levels of risk, through the delivery of its transformation programme, structure and greater use of technology.

2.2 The objective of risk management is not to completely eliminate all possible risks - that is not possible – but to recognise risks and deal with them appropriately. Underpinning the implementation of the council's risk management strategy are the following principles:

- The **informed acceptance** of risk is an essential element of good business strategy.
- Risk management is an effective means to enhance and **protect the council** over time.
- **Common definition and understanding** of risks is necessary in order to better manage those risks and make more consistent and informed business decisions.
- Management of risk is an **anticipatory, proactive** process, to be embedded in the RBWM culture.
- All risks are to be **identified, assessed, measured, monitored** and reported on in accordance with this risk management strategy.
- Officers will **ensure cabinet members are aware** of all key risks in a timely way.

2.3 Consequently, staff will need to understand the nature of the risks in their areas and systematically identify, analyse, assess, treat, monitor and review those risks.

2.4 Risk management embraces external and internal influences.

External influences

2.5 Risk management is an important element of corporate governance. The council must demonstrate that it complies with regulations⁵ in relation to the publication of an [annual governance statement](#). One of its core principles is a requirement for RBWM to demonstrate how it manages risk and ensure that it has a system of controls that mitigate those risks that may affect the achievement of its objectives.

⁵ Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (amendment) (England) Regulations 2006, 2009 and 2011. The Council's financial management arrangements similarly conform to the governance requirements set out in CIPFA's 'Role of the Chief Financial Officer in Local Government' (2010).

2.6 CIPFA⁶ in their 2013⁷ publication “*audit committees – practical guidance for local authorities*” emphasised that an audit committee, as a part of their core function, should review the effectiveness of the council’s risk management arrangements.

Internal influences

2.7 The council’s risk register draws together all the potential consequences of failing to deliver service objectives. It identifies the relative importance of these potential problems and assigns responsibilities for attempting to reduce the likelihood and/or impact to the preferred risk appetite if they do occur.

2.8 The terms of reference of the audit and performance review panel are specific to their responsibilities for ensuring that the key risks are properly assessed and managed and for their approving the annual risk management strategy.

2.9 Including specific risk assessments as part of decision-making papers to elected members and Senior Management Team ensures that any risks inherent in a decision are made more noticeable and hence subject to improved scrutiny. The report template requires writers to include any relevant risks from the corporate risk register.

2.10 Risk management therefore requires:

- Risk being everyone's business. All staff must be competent in and accountable for managing risk within their area of responsibility.
- A consistent management framework on how best to manage risk.
- Relevant legislative requirements and political, social and economic environments to be taken into account in managing risk.
- Good quality information.

3 RISK MANAGEMENT FRAMEWORK AIMS AND OBJECTIVES 2018/19

3.1 The risk management framework aims to achieve in 2018/19 an environment where risk management becomes an integral part of planning, management processes and the general culture.

3.2 It will achieve this through implementing a number of objectives:

- Supporting the council’s Corporate Plan 2016-2020
- Assessment of the challenges faced by the council, through improved decision-making and targeted risk mitigation and control.
- Implementing transparent and responsible risk management processes, which align with accepted best practice.
- Minimising risk to customers who use council maintained assets.
- Providing a sound basis for the corporate risk financing strategy.

⁶ “Chartered Institute of Public Finance and Accountancy”. The only UK professional accounting body that specialises in the public sector.

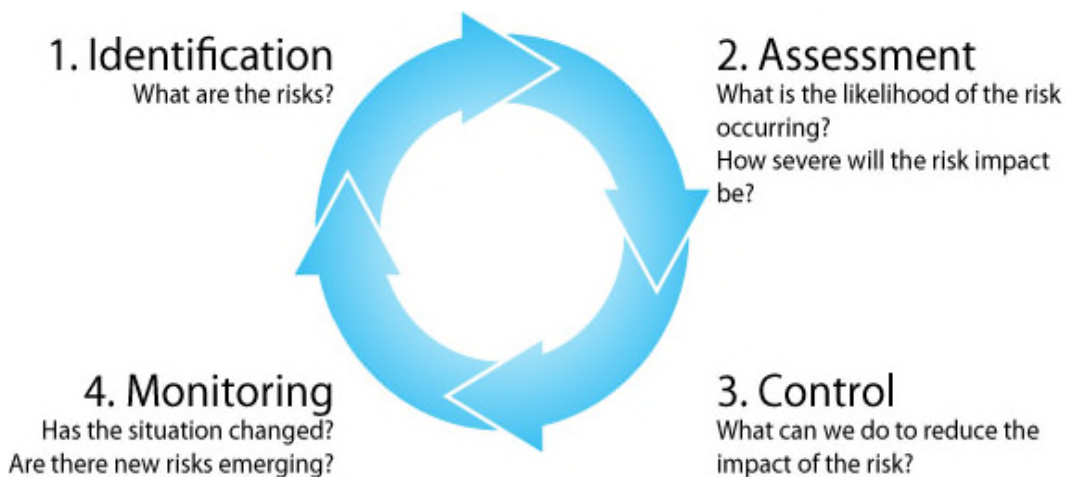
⁷ New guidance from CIPFA is due in March 2018.

- Detailing the justification of the level of balances held as reserves in each year's budget report.
- Providing suitable training to officers and elected members.

4. RISK MANAGEMENT PROCESS

4.1 The approach to risk management in RBWM follows a four-stage process, see diagram 1. Each service area is assessed, by the relevant manager, against the process and a judgement drawn on the level of risk.

Diagram 1: Four stage process



4.2 **Stage 1:** Identify those circumstances – risks – that might prevent service/team/decision objectives being reached.

4.3 **Stage 2:** Evaluate the likelihood and impact in order to identify how significant each risk is:

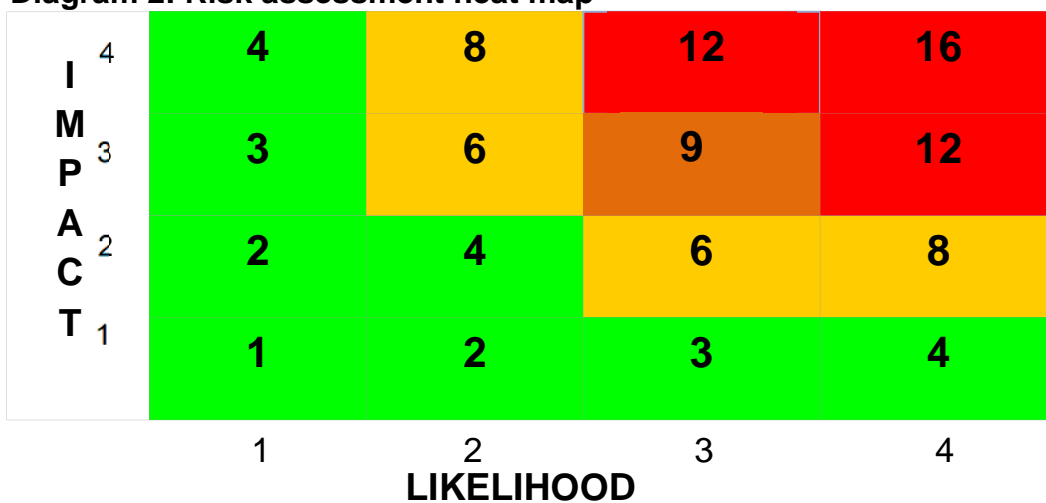
- Impacts and likelihoods are scored on a four point scale. At the lower end 1 represents a minor impact and/or “very unlikely” and 4 represents an extreme risk and/or “very likely”.
- Protocols exist to guide officers in making these judgements. A note detailing the criteria is attached (appendix 1).
- Multiplying these likelihood and impact scores together gives a result assessed as either “high risk” (value 12 - 16), “high/medium risk” (value = 9), “medium risk” (value 6 - 8) or “low risk” (value 1 - 4) depicted by the heat map, diagram 2 on the following page.
- Key risks are those identified as high risks with consideration also given to those where the implications of failure carry the most damaging consequences i.e. a risk with an inherent impact of 4.

4.4 In terms of assessing each risk the assessment is detailed in three situations:

- Inherent – the risk without any controls whatsoever.
- Current – how the risk stands at the present time.
- Controlled – how the risk looks once all mitigations are implemented.

4.5 The critical part is identifying and understanding the risks to enable informed decisions to be made.

Diagram 2: Risk assessment heat map



4.6 **Stage 3:** Treat the risks in order of priority. Mitigation measures address whether the likelihood and/or impact can be reduced or the consequences changed. Contingencies can be devised to respond should the risk occur. Key risks will be evaluated by risk owners i.e. directors, senior leadership team and cabinet members.

4.7 **Stage 4:** This is a monitoring and review process. The quarterly reporting process demands from reviews that each risk indicates consequences, SMART mitigations and the risk owner⁸.

4.8 This process adds scrutiny to ensure:

- The correct risks are being identified.
- Treatment measures identified are legitimate.
- Correct individuals are assigned as risk owners.
- Systematic scanning for novel and unexpected threats as well as dealing with identified risks is, as far as possible, considered a core part of management responsibilities.

⁸ An individual officer, who is closely involved with the risk, is able to monitor the risk and has sufficient authority to initiate action if the risk becomes more serious.

- There are challenges to what we “know” to ensure that our particular belief system is based upon the most up to date knowledge.
- Early warning systems exist so information can filter up quickly and easily.

4.9 Each risk is classified into one of a comprehensive set of eleven categories (appendix 2). These can be used to:

- Aggregate risks from various parts of the organisation for management purposes.
- Help with the identification of mutating risk. A mutating risk is an existing risk which starts connecting with other threats or factors to generate new outcomes.

5 RISK APPETITE

5.1 Due to its diverse range of services the council does not have a single risk tolerance and appetite for risk. Risk appetite is the phrase used to describe where RBWM considers itself to be on the spectrum ranging from willingness to take or accept risks through to an unwillingness or aversion to taking risks.

5.2 Considering and setting risk appetite enables the council to increase its rewards by optimising its risk taking and accepting calculated risks within an appropriate level of authority. A clearly defined risk appetite takes much of the guesswork out of putting limits on new business. Equally, it reduces the likelihood of unpleasant surprises. Risk appetite enhances the content of the risk registers by considering:

- Capacity – the actual physical resources available and physical capability of the organisation. The council’s capacity must have limits, therefore its capacity is finite and breaching those limits will cause RBWM problems it cannot deal with.
- Tolerance – the factors that the council can determine, can change and is prepared to bear. Risks falling within tolerances for quality and range of services can be accepted. Tolerance changes more frequently than capacity and should therefore be stress tested more often.

5.3 There are an overarching series of qualitative and quantitative risk appetite statements (appendix 3) which no unit or service area can exceed, based on the capacity and tolerance levels of the council.

6 RISK MANAGEMENT ROLES AND RESPONSIBILITIES

6.1 Managing director

The MD takes overall responsibility for RBWM risk management performance and in particular ensures that:

- decision-making is in line with RBWM policy and procedures for management of risk;
- adequate resources are made available for the management of risk;
- there is an understanding of the risks facing RBWM.

6.2 **Cabinet members**

- Take reasonable steps to consider the risks involved in their decisions
- Have an understanding of the key risks falling within their portfolio.

6.3 **Audit and performance review panel**

- Consider and approve the risk management strategy annually and communicate it to other elected members.
- Receive an annual report on risk management and monitor the effective development and operation of corporate governance.
- Receive six monthly reports on the effective management of risks facing RBWM.
- Oversee a comprehensive, inclusive and risk management approach to the annual governance statement process.
- Review an annual report on corporate governance (the annual governance statement).

6.4 **Head of finance**

- Ensure that a risk management policy and strategy is developed and reviewed annually to reflect the changing nature of the council.
- Champion the process of risk management as good management practice and a valuable management tool.

6.5 **Senior Management Team**

- Challenge the contents of the corporate risk register to ensure, in particular, that it reflects any significant new risks emerging and that monitoring systems are suitably robust.
- Support and promote risk management throughout RBWM.
- Ensure that, where appropriate, key decision reports include a section demonstrating that arrangements are in place to manage identified risks.
- Ensure that risk is managed effectively in each service area within the agreed corporate strategy.
- Identify any service specific issues relating to risk management which have not been explicitly addressed in the corporate strategy
- Disseminate the detail of the strategy and allocate responsibilities for implementation to service managers and staff.
- Have an understanding of the risks facing the council.

6.7 Insurance and risk management team

- Develop the strategy and oversee its implementation across the council.
- Share experience and good practice on risk and risk management.
- Develop and recommend the strategy to the audit and performance review panel, head of finance and the senior leadership team.
- Provide a clear and concise system for reporting risks to elected members.

6.8 Internal audit

- Take the content of the key risk registers into account when setting the internal audit programme
- Undertake audits to assess the effectiveness of the risk mitigation measures.
- Feedback audit opinions on a pred-determined scale so they can be included in the risk register.

6.9 Heads of service/managers

- Take primary responsibility for identifying and managing significant strategic and operational risks arising from their service activities.
- Recommend the necessary training for employees on risk management.
- Maintain a risk register for their service area.
- Ensure that all employees are aware of the risk assessments appropriate to their activity.
- Be responsible for production, testing and maintenance of business continuity plans.

6.10 All staff

- Identify new or changing risks in their job and feed these back to their line manager.

7 CORPORATE RISK FINANCING STRATEGY

- 7.1 RBWM uses its risk financing arrangements to protect it from the financial implications of unexpected accidental events affecting staff and property. This helps in providing continuous services in the event of serious losses.
- 7.2 The level of cover bought and excesses applied will depend on the council's appetite for risk, based on its financial security i.e. ability to self-fund claims and the strength of its risk management.
- 7.3 RBWM is exempt from the majority of requirements regarding compulsory insurance. The only insurable aspect of the council's operations it is obliged to make specific financial provision for⁹ is fidelity guarantee (fraud by staff).
- 7.4 Nevertheless, most public sector organisations including RBWM purchase a certain amount of external insurance. This is because without external insurance, the council will be obliged to fund all such exposures from its own resources.
- 7.5 If RBWM were to fully insure against most of the risks that it faced then this would incur a significant amount of annual expenditure in premiums.
- 7.6 Having strong risk management arrangements across RBWM allows us to retain some risks either by deciding to self-insure these risks in their entirety or by purchasing insurance for losses that arise over a certain value.

Objectives

- Provide financial protection to the council's assets, services and employees.
- Maintain appropriate balance between external cover and internal risk retention.
- Reduce the cost of external insurance premium spend.
- Ensure the internal insurance fund is maintained at an appropriate level.
- Ensure resilient claims handling arrangements and insurance fraud detection.
- Comply with any statutory requirements to have in place particular policies of insurance and associated inspection systems.

Achieved by

- Using claims modelling and other risk assessments to determine risk exposures.
- Monitoring changes in legislation, civil justice protocols and relevant case law.
- Comparing the insurance programme and claims through suitable benchmarking.
- Maintaining claims handling protocols in line with statutory requirements.
- Undertaking periodic actuarial fund reviews.

Procurement of insurance

- All insurance procurement complies with the relevant EU procurement rules.
- Hard copies of policies are retained indefinitely with more recent policy documentation stored soft copy.

⁹ Under the Local Government Act 1972.

8 **Appendices**

1. Impact and likelihood assessment scoring.
2. Risk classifications.
3. Qualitative and quantitative risk appetite statements.

Document Name	Risk management policy and strategy 2018/19		
Document Author	Steve Mapplely		
Document owner	Steve Mapplely		
Accessibility	All		
File location	To follow		
Destruction date	To follow		
How this document was created	Version 1	Endorsed by audit and performance review panel 7 April 2016.	
	Version 2	Updated to account for changes affecting RBWM over the last 12 months. Reviewed hyperlinks. Endorsed by audit and performance review panel 6 September 2017	
	Version 3	Used November 2017 template. Revise section 6 – roles and responsibilities	
Circulation restrictions	None.		
Review date	1 March 2019		

ASSESSMENT CRITERIA FOR IMPACT

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		THREATS					
		Factor	Score	Effect on Level of Service	Effect on Quality of service	Embarrassment/reputation	Failure to provide statutory duties/meet legal obligations
	Extreme	4	Massive loss of service, including several important areas of service and /or protracted period; service disruption 5+ days	Quality of service deteriorates by over 80% from accepted (ideally defined by PI's) operating parameters.	Adverse and persistent national media coverage; adverse central government response, involving (threat of) removal of delegated powers; officer(s) and/or members forced to resign	Litigation/ claims/fines from departmental £250k + corporate £500k +	Costing over £500,000 Up to 75% of budget
	Major	3	Complete loss of an important service area for a short period; major effect to services in one or more areas for a period of weeks; service disruption 3-5 days	Quality of service deteriorates by between 25% to 60% from accepted (ideally defined by PI's) operating parameters.	Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community; adverse local publicity of a major and persistent nature; statutory prosecution of a serious nature.	Litigation/ claims/fines from departmental £50k to £125k corporate £100k to £250k	Costing between £50,000 and £500,000 Up to 50% of budget
	Moderate	2	Moderate effect to an important service area for a short period; adverse effect to services in one or more areas for a period of weeks; service disruption 2-3 days	Quality of service deteriorates by between 10% to 25% from accepted (ideally defined by PI's) operating parameters.	Adverse local publicity /local public opinion aware; statutory prosecution of a non-serious nature	Litigation/ claims/fines from departmental £25k to £50k Corporate £50k to £100k	Costing between £5,000 and £50,000 Up to 25% of budget
	Minor	1	Brief disruption of important service area; significant effect to non-crucial service area; service disruption 1 day	Quality of service deteriorates up to 10% away from accepted (ideally defined by PI's) operating parameters.	Contained within section/unit or directorate; complaint from individual/small group, of arguable merit	Litigation/ claims/fines from departmental £12k to £25k corporate £25k to £50k	Costing less than £5,000 Up to 10% of budget

ASSESSMENT CRITERIA FOR LIKELIHOOD

FACTOR	SCORE	THREATS - DESCRIPTION	INDICATORS
Very likely	4	More than 75% chance of occurrence.	Regular occurrence. Circumstances frequently encountered - daily/weekly/monthly.
Likely	3	40% - 75% chance of occurrence.	Likely to happen at some point within the next 1-2 years. Circumstances occasionally encountered (few times a year).
Unlikely	2	10% - 40% chance of occurrence.	Only likely to happen 3 or more years.
Very unlikely	1	Less than 10% chance of occurrence.	Has happened rarely/never before.

Likelihood					
Very likely	4	LOW	MEDIUM	HIGH	HIGH
Likely	3	LOW	MEDIUM	MEDIUM/HIGH	HIGH
Unlikely	2	LOW	LOW	MEDIUM	MEDIUM
Very unlikely	1	LOW	LOW	LOW	LOW
Impact		Minor 1	Moderate 2	Major 3	Extreme 4

THE RISK MATRIX (with scoring)			
4	8	12	16
3	6	9	12
2	4	6	8
1	2	3	4

- 1 **Business processes**
Design, operation and application activities.
- 2 **Assets**
Infrastructure including hard assets e.g., roads, buildings, vehicles, along with other physical responsibilities such as trees, open spaces. Excludes IT.
- 3 **Communications**
The approach to and culture of communication, consultation, transparency and information-sharing, both within and outside the council.
- 4 **Political and operating context**
Perceived or potential conflicts between private and public interests, members and officers, national and local government or contractors and the council.
- 5 **Financial management**
The structures and processes that ensure sound management of financial resources and compliance with financial management policies and standards.
- 6 **Governance, strategic direction and organisational transformation**
Management skills and capacity, the approach to leadership and decision-making. The approach to significant structural or behavioural change.
- 7 **Human resources management**
Staff/management turnover; employment/work culture; recruitment, retention and staffing processes and practices; succession planning and talent management; employee development, training and capacity.
- 8 **Information technology**
Capacity and sustainability of information technology and both the infrastructure and utilisation of technological applications.
- 9 **Knowledge and information management**
Collection and management of knowledge, including intellectual property, operational information, records and data.
- 10 **Legal**
management of RBWM's legislative, advisory and litigation activities, including the development and renewal of, and compliance with, laws, regulations and policies.
- 11 **Demographic and social factors**
The direct needs of residents, visitors and the general public.

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
Avoidance of risk and uncertainty is a key organisational objective.	Preference is for ultra safe business delivery options that have a low level of inherent risk and only have a potential for limited reward.	Preference is for safe delivery options that have a low degree of inherent risk and likely to only have limited potential for reward in most circumstances.	Willing to consider all potential delivery options and choose the one most likely to result in successful delivery while also providing an acceptable level of reward.	Eager to be innovative and to choose options offering potentially higher business rewards despite greater inherent risks.

authorisation				
Insignificant consequences requiring line manager (or even staff) approval	Moderate consequences requiring HOS approval	Medium consequences acceptable by director.	Potential major consequence acceptable only with chief officer authorisation.	Potential catastrophic consequences unacceptable without highest possible level approval
monitoring				
Accept ω Ω	Low level monitoring	High level monitoring	Remedial action and/or senior monitoring	Urgent remedial action or senior monitoring

Risk appetite statements 1 – 3 are quantitative assessments, 4 – 8 are qualitative assessments each acknowledging a willingness and capacity to take on risk.

Appendix 3 – risk appetite statements.

low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
1. Maximum tolerance for losses				
<p>Costing <£10K. It is likely to cost about this much to manage an occurrence of this risk.</p> <p>Little stakeholder concern and can usually be managed in the directorate concerned with normal reporting to head of finance.</p> <p>Little impact on service delivery in other areas due to the financial impact of this occurrence.</p>	<p>Costing £10K - £50K. It is likely to cost about this much to manage an occurrence of this risk.</p> <p>Pockets of some stakeholder concern and can usually be managed in the directorate concerned with normal reporting to head of finance.</p> <p>Little impact on service delivery in other areas due to the financial impact of this occurrence.</p>	<p>Costing £50K - £250K. It has often cost around this sum to manage this risk in similar projects or programmes.</p> <p>Moderate stakeholder concern.</p> <p>Some impact to service delivery in other areas due to the financial impact of this occurrence.</p>	<p>Costing £250K - £500K. The exposure is demonstrably around this sum in order to manage an occurrence of this risk.</p> <p>Reasonably high interest by stakeholders in the level of loss.</p> <p>Notable impact to service delivery in other areas due to the financial impact of this occurrence.</p> <p>The head of finance is to be alerted when a risk reaches this impact.</p>	<p>Costing >£500K, <£5M. The exposure is demonstrably around this sum in order to manage an occurrence of this risk.</p> <p>Very significant interest by stakeholders in the level of loss.</p> <p>Major impact on service delivery in other areas due to financial impact of this occurrence.</p> <p>The head of finance is to be alerted when a risk reaches this impact.</p>
2. Headroom after impact on capital funding strategy				
£10M upwards	Between £5M - £10M	Between £2M - £5M	Between £1M and £2M	<£1M, >500K
3. Minimum cash balance				
At least £5M	Between £2.5M and £5M	Between £1M and £2.5M	Between £500K and £1M	No lower than £500K
4. Regulatory risk				
<p>In the event any statute is breached, it carries little damaging financial or reputational impact i.e. fines <£10K concerning a localised technical matter.</p> <p>Avoid anything that could be challenged, even unsuccessfully.</p>	<p>Relatively low profile statutory requirement may not be delivered adequately</p> <p>Fines >£10K up to £25K if council found in breach of relevant Act</p> <p>Want to be very sure we'd win any challenge.</p>	<p>Well established statutory requirement may not be delivered adequately</p> <p>Fines £25K - £50K if council found in breach of relevant Act</p> <p>Limited tolerance for sticking our neck out. We want to be reasonably sure we would win any challenge.</p>	<p>Important statutory requirement may not be delivered with potentially serious implications.</p> <p>Fines £50K - £250K if council found in breach of relevant Act</p> <p>Challenge will be problematic but we are likely to win it and the gain will outweigh the adverse consequences.</p>	<p>Fundamental statutory requirement may not be delivered satisfactorily with potentially very serious implications.</p> <p>Fines over £250K if council found in breach of relevant Act.</p> <p>Chances of losing are high and consequences serious. However, a win would be seen as a great coup.</p>
5. Reputation risk				
<p>A low level of interest in a particular council activity.</p> <p>A sideline in specialist press.</p> <p>Localised criticism.</p> <p>Managed situation with director/head of service briefed.</p>	<p>Front page news in local press.</p> <p>No particular national interest beyond sidelines.</p> <p>Managed situation with managing director/leader briefed.</p>	<p>Some national publicity or media criticism for no more than two/three days.</p> <p>Sustained criticism over 1-2 months amongst local press/public and/or specialist press.</p>	<p>Some national publicity or media criticism lasting no more than a week.</p> <p>Sustained criticism over 3-4 months amongst local press/public and/or specialist press.</p> <p>Could take up to three months to restore credibility.</p>	<p>Widespread criticism originating from all quarters of the press / the general public.</p> <p>It will take more than 6 months to restore credibility amongst stakeholders.</p>

Appendix 3 – risk appetite statements.

		Could take up to a month to restore credibility.	Reputation tarnished in longer term. Senior officers criticised for actions undertaken by the council.	Reputation is massively damaged and confidence lost towards senior officers and elected members.
low appetite	low/medium appetite	medium appetite	medium/high appetite	high appetite
6. Council services				
Has low level impact on the council's ability to deliver key services. May affect an aspect of performance management but overall target likely to remain unaffected. 1 day disruption.	Moderate impact on the delivery of any key service. Recoverable but will be delays of up to 2-3 days in returning to normal.	Has a medium level impact on the council's ability to deliver key services. Recoverable but will be delays of up to a week in returning to normal.	Impacts one key element of the council's strategic plan. Takes over a week but less than a fortnight to recover and return to pre-risk occurrence state.	Has a high level impact on the ability of the council to deliver more than one key element of the council's strategic plan. Over a fortnight to return to normal.
7. Operational risks in the execution of business plans				
The uncontrolled impact would be no more than moderate at operating unit level. It would be controllable to a lower assessment status and not affect the wider council	The uncontrolled and/or controlled impact would be no more than moderate at operating unit level. It would be controllable and not affect the wider council. Small delays to major project.	Would have a major uncontrolled impact at the directorate level that may possibly lead to a wider council impact. Key milestones to major project or initiative slip.	Would have a major uncontrolled impact at the directorate level and with clear reasons that would likely lead to a wider council impact. Key milestones to major project or initiative slip.	Significant council wide impact. Major failing in the delivery of a key project or initiative. Would meet criteria for key operational risk.
8. Risk related decision making, especially in relation to new business opportunities				
Many such opportunities undertaken at local levels. Clear precedents exist with apparent transparent benefits. Little or no change to council's existing business structure. Minimal tolerance for any decisions which could lead to scrutiny of the council	Reasonably common area of business but without a vast number of competitors e.g. <10. Council required to make minor adjustments to address new ways of working. Tolerance for risk taking limited to those events where there is no chance of any significant repercussions for the council	New area of business with a small number of precedents. Moderate adjustments to address new ways of working. Some moderate staffing level changes.	Only one or two examples of similar work undertaken in the local authority environment. Significant modifications to address new ways of working. Considerable changes to staffing levels/methods. Appetite to take decisions with the potential to expose the council to additional scrutiny.	Completely new business area never assumed by any public sector organisation. Benefits cannot be based on previous experience because there isn't any. Appetite to take decisions that are likely to bring scrutiny of the council but where potential benefits are huge. Desire to break the mould and challenge current practices.

Report Title:	Audit and Performance Review Panel work programme
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Luxton, Audit and Performance Review Panel Chair
Meeting and Date:	Audit and Performance Review Panel – 12 April 2018
Responsible Officer(s):	Rob Stubbs – Deputy Director and Head of Finance
Wards affected:	All

REPORT SUMMARY

- 1 This report is for the Panel to note the forward plan and expected reports to be presented to Audit Performance and Review Panel during 2018/19.
- 2 The list of reports are only those that form part of the usual reporting process to Panel. Panel may wish to see other reports during the 2018/19 financial year.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Audit and Performance Review Panel notes the report.

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

- 2.1 The report is for information only. Further reports may be requested during the financial year.

3 KEY IMPLICATIONS

- 3.1 The Audit and Performance Review Panel receives and considers reports throughout the year dealing with internal and external audit, risk and performance along with specific internal audit reports, as requested by the Panel.

4 FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 There are no financial implications arising from this report.

5 LEGAL IMPLICATIONS

- 5.1 This report is for information only and has no legal implications arising from it.

6 APPENDICES

- 6.1 The appendices to the report are as follows:

- Appendix A – Forward Plan 2018/19

7 BACKGROUND DOCUMENTS

7.1 None.

8 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date issued for comment	Date returned with comments
Cllr Luxton	Chair of the Audit and Performance Review Panel		
Alison Alexander	Managing Director		
Russell O'Keefe	Executive Director		
Andy Jeffs	Executive Director		
Nikki Craig	Head of HR and Corporate Projects		
Louisa Dean	Communications		

REPORT HISTORY

Decision type: For information	Urgency item? No	To Follow item? N/A
Report Author: Rob Stubbs, Deputy Director and Head of Finance 01628 796222		

Appendix A

Audit and Performance Review Panel – forward plan

-	<u>Expected Papers</u>	<u>Responsibility</u>	<u>Member Training</u>
TBC	To be confirmed after the Council's meeting dates have been set	Rob Stubbs	Member training - those tasked with governance (audit and risk)
April	Risk report Proposed forward plan for 2018/19	Steve Mappley Rob Stubbs	
July	Annual audit & investigation report Annual governance statement Statement of Accounts External Audit - IAS260 Report	Catherine Hickman Elaine Brown Richard Bunn KPMG	
August		--	
September	Annual audit letter Risk report & Risk strategy	KPMG Steve Mappley	
October		--	
November		--	
December	Interim Audit & Investigation report	Catherine Hickman	
January			
February	Internal Audit & Investigation Plan Anti-fraud & corruption policy refresh External Audit Plan Grant certification report	Catherine Hickman Deloitte KPMG	

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