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NOTICE OF MEETING

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AUDIT AND PERFORMANCE REVIEW PANEL

will meet on

THURSDAY, 20TH SEPTEMBER, 2018

at

7.00 PM

in the

DESBOROUGH 4 - TOWN HALL,

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: 12/09/18

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 David Cook, david.cook@rbwm.gov.uk 01628 796560

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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.		5 - 6
3.	<u>MINUTES</u> To approve the Part I minutes of the meeting held on 30 July 2018.		7 - 10
4.	<u>ANNUAL AUDIT LETTER</u> To note the Annual Audit Letter.		11 - 20
5.	<u>GOVERNANCE AS PART OF RISK MANAGEMENT APPLIED TO LARGE PROJECTS</u> To consider the report.		21 - 24
6.	<u>LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC</u> "That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act"		-

PART II - PRIVATE MEETING

<u>ITEM</u>	<u>SUBJECT</u>	<u>WARD</u>	<u>PAGE NO</u>
7.	<u>GOVERNANCE AS PART OF RISK MANAGEMENT APPLIED TO LARGE PROJECTS</u> To consider the Part II appendix. <i>(Not for publication by virtue of Paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972)</i>		25 - 66

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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, 30 JULY 2018

PRESENT: Councillors Sayonara Luxton (Chairman), Malcolm Alexander, Dr Lilly Evans, Wesley Richards, Derek Wilson, Edward Wilson and Paul Brimacombe.

Also in attendance: Duncan Laird, KPMG

Officers: Ruth Watkins, Richard Bun, Rob Stubbs and David Cook.

APOLOGIES

Apologies for the inability to attend the meeting were received from Cllr Smith and Cllr Saunders (Lead Member for Finance).

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

The Part I minutes of the meeting held on 12 June 2018 were approved as a true and correct record.

(Cllr Brimacombe provided the clerk with a couple of typing amendments prior to the meeting).

EXTERNAL AUDIT - IAS260 REPORT

The IAS260 report and the Audited Accounts report were considered together.

Duncan Laird, KPMG, introduced the IAS260 report that summarised the key findings in relation to 2017-18 external audit at the Royal Borough of Windsor an Maidenhead and the Berkshire Pension Fund. The report covered work, which was completed by KPMG on the Authority's significant risk areas, other areas of the financial statements, and the control environment in place to support the production of financial statements.

The Panel were informed that there had been no significant issues found with the council's organisational control environment. KPMG found that the controls over the majority of the key financial systems were sound and no recommendations were made. Work to fully implement the recommendations raised in 2016/17 ISA260 report were still ongoing.

With regards to Financial Statements the Panel were informed that KPMG expected to issue an unqualified audit opinion on the Council's financial statements and value for money before the deadline of 31 July 2018.

KPMG also anticipate issuing an unqualified audit opinion on the Pension Fund's financial statements by 31 July 2018. There was a risk that the assumptions and methodology used in the valuation of the pension obligation were not reasonable and therefore the information sent to the actuary was reviewed. Following the review KPMG were satisfied that the assumptions applied were reasonable and that the methodology used by the actuary to calculate the pension liability was appropriate. KPMG were also satisfied with the assumptions and valuation of the longevity hedge.

Cllr Brimacombe mentioned that it was good to see an unqualified audit opinion and that KPMG had reported that they had not identified any matters that would require them to issue a public interest report.

Cllr Brimacombe asked for clarification on what PPE stood for and was informed that this was the valuation of the authorities property, plant and equipment. Cllr Brimacombe said he was happy with the valuation methodology used however as this was subjective and given the transfer of land as part of regeneration projects he felt that it was important that the new auditors paid particular attention to PPE.

Cllr E Wilson said that PPE in local authorities was difficult to value as there were the buildings and equipment owned by the council and the commercial assets run by the RBWM Property Company. It would be a challenge for the new auditors to focus and explain the difference to the public.

Cllr E Wilson asked what the approach had been to auditing the RBWM Property Company. The Panel was informed that there had been a limited approach this year as at the end of March there were only £2million of assets with the company. There would be a greater focus as more assets were transferred.

Cllr D Wilson asked if all aspects of the property portfolio were looked at and was informed that KPMG only audited property that had been revalued during the audited year. Cllr D Wilson mentioned that the value of land owned by the council may need to be checked as its value may be increasing due to the impact of work such as regeneration and crossrail.

The Chairman mentioned that IT controls had been an assessment score of 2 as there had been control deficiencies identified, she asked if these had been resolved and was informed that they had.

The Chairman asked for clarification as to why there had been two assessment scores of two for our financial controls. The Panel were informed that this was a result of the control deficiencies identified in relation to the preparation and review of control account reconciliations around payroll and cash. This had been raised as an issue as the monthly monitoring process had been impacted by staffing issues.

Cllr Alexander raised concern that on agenda pack page 35 it mentioned that there was a balance of £1.02m within cash and cash equivalents that related to longstanding unreconciled items. Depending on the outcome of a review a proportion of this may be written off. The Head of Finance informed that there was a significant amount of work required going back to 2014 and that writing off the cash would be the last resort. The Chairman requested that the Panel receive an update on progress at the appropriate time.

Cllr Brimacombe mentioned that there had previously been issues with cheques and that measures had been put in place to prevent fraud, he asked if these had been successful. The Panel were informed that the measures had been implemented and that there had been no further instances over the past financial year.

Cllr Brimacombe mentioned that with regards to the general fund there had been a £1.8 million improvement from March 2017 to March 2018 and that he would not like to see the current £7 million carry forward drop below £5 million.

Cllr E Wilson questioned the risk of the dedicated schools grant being under pressure and who would be responsible once the Schools Forum ceased to exist. The Panel were informed that any deficit in the DSG would be cleared over a period of three years. Cllr E Wilson mentioned that at the Children's Services O&S Panel the director had reported that there had been an increase of £300,000 in the maintained schools balances.

Cllr L Evans said that as the council maintained a number of statutory duties carried out by Optalis and AFC that the funding for these services needed to be explained in a clear way for our residents.

Cllr E Wilson said that it would be beneficial to bring AFC, Optalis and the RBWM Company to future meetings of the Panel to discuss if there were offering good value for money and their governance arrangements.

Cllr Brimacombe mentioned that if the Panel reviewed the aforementioned than officers needed something to focus the review on by looking at service delivery trends, operational variables. When looking at delivering differently there were three options; keeping in house, commissioning to Optalis or AFC or going to the market. The Panel could reflect if the best choices were made.

Cllr Brimacombe recommended that the public look at the charts on agenda pack pages 61 to 63 as they showed expenditure per directorate and funding. The charts highlighted value for money of service delivery as there was a decrease in grants received. The report could show spend per unit of work.

The Chairman thanked KPMG for their work as the council's auditors over the years and was pleased to see that they had reduced their rates considerably. The Panel noted that it had not been the council's decision to change their auditors.

The Panel noted the IAS260 Report.

POST AUDIT STATEMENT OF ACCOUNTS 2017-18

The Panel considered the audited accounts during their discussion on the ISA260 2017/18 report.

Resolved unanimously: that the Audit and Performance Review Panel notes the report and approved the audited accounts, a copy of which is then signed by the Chairman before the 31st July 2018.

The meeting, which began at 7.00 pm, finished at 8.15 pm

CHAIRMAN.....

DATE.....

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Annual Audit Letter 2017/18

**Royal Borough of
Windsor & Maidenhead**

—
August 2018

A group of business professionals in a meeting, looking at documents. The image is a close-up, slightly blurred, showing the heads and shoulders of several people. A man with grey hair is in the center, looking down. To his left, a woman with dark hair is also looking down. To his right, another woman is partially visible, looking down. They are all wearing business attire, including suits and ties. The background is out of focus, suggesting an office or conference room setting. A blue horizontal bar is overlaid on the image, containing the text.

Section one

Summary for Audit & Performance Review Panel

Summary for Audit & Performance Review Panel

This Annual Audit Letter summarises the outcome from our audit work at the Royal Borough of Windsor & Maidenhead ("the Authority") in relation to the 2017-18 audit year.

Although it is addressed to Members of the Authority, it is also intended to communicate these key messages to key external stakeholders, including members of the public, and will be placed on the Authority's website.

Audit opinion

We issued an unqualified opinion on the Authority's financial statements on 31 July 2018. This means that we believe the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year. The financial statements also include those of the pension fund.

Financial statements audit

Our audit procedures are designed to identify misstatements that are material to our opinion on the financial statements as a whole. Materiality for the Authority's accounts was set at £4.6 million which equates to around 1.7 percent of gross expenditure. We design our procedures to detect errors in specific accounts at a lower level of precision. Materiality for the Pension Fund was set at £25 million which is approximately 1.2 percent of gross assets.

We report to the Audit & Performance Review Panel any misstatements of lesser amounts, other than those that are "clearly trivial", to the extent that these are identified by our audit work. In the context of the Authority, an individual difference is considered to be clearly trivial if it is less than £0.23 million for the Authority (£1.25 million for the Pension Fund).

We identified two audit adjustments to the Authority's accounts with a total value of £8.7 million. These adjustments did not impact on the General Fund.

The Authority continued the progress made following the dry run in 2016/17 and prepared the accounts to meet the earlier statutory deadlines, whilst maintaining the quality of the financial statements and working papers.

Our audit work was designed to specifically address the following significant risks:

- **Management Override of Controls** – Professional standards require us to consider the risk of management override of controls as a significant risk. Our audit methodology incorporates the risk of management override as a default significant risk. We did not identify any specific additional risks of management override relating to this audit. In line with our methodology, we carried out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual. No issues were identified as a result of this work.
- **Valuation of PPE** – The Authority operates a cyclical revaluation approach to meet the Code requirement that all land and buildings be held at fair value. We considered how the Authority ensures that assets not subject to in-year revaluation are not materially misstated, as well as reviewing the basis of valuation for those assets that have been revalued. No issues were identified as a result of this work.
- **Pension Liabilities** – The valuation of the Authority's pension liability, as calculated by the Actuary, is dependent upon both the accuracy and completeness of the data provided and the assumptions adopted. We reviewed the processes in place to ensure accuracy of data provided to the Actuary and considered the assumptions used in determining the valuation. No issues were identified as a result of this work.

Summary for Audit & Performance Review Panel (cont.)

- **Group accounts and faster close** – The Authority successfully managed the process to achieve faster close. To gain assurance over the Authority’s group accounts, we obtained and reviewed the draft financial statements of the Authority’s associates, Optalis and Achieving for Children (AfC), and contacted the external auditors of Optalis and AfC to seek assurance from their work on the financial statements. We identified one material audit adjustment totalling £7.7m relating to this work, where the Authority had incorrectly accounted for their share of the net assets and liabilities of the associates. This adjustment only impacted on the Group Balance Sheet.

Other information accompanying the financial statements

Whilst not explicitly covered by our audit opinion, we review other information that accompanies the financial statements to consider its material consistency with the audited accounts. This year we reviewed the Annual Governance Statement and Narrative Report. We concluded that they were consistent with our understanding and did not identify any issues.

Pension fund audit

There were no significant issues arising from our audit of the pension fund and we issued an unqualified opinion on the pension fund financial statements as part of our audit report. Our audit work was designed to specifically address the following significant risks relating to the Pension Fund:

- **Valuation of hard to price investments** – The Pension Fund invests in a range of assets and funds, some of which are inherently harder to value due to there being no publicly available quoted prices. We verified a selection of investments to third party information and confirmations, with no issues being identified.
- **Valuation of the longevity hedge** – The Pension Fund has in place a longevity insurance policy with ReAssure which is recognised on the Pension Fund’s Net Asset Statement. We engaged KPMG actuarial specialists to review the Barnett Waddingham model for valuing the longevity contract and agreed the appropriateness of the assumptions and the reasonableness of the valuation.

Whole of Government Accounts

The Authority prepares a consolidation pack to support the production of Whole of Government Accounts by HM Treasury. We are not required to review the pack in detail as the Authority falls below the threshold where an audit is required. As required by the guidance we have confirmed this with the National Audit Office.

Value for Money risk areas

We undertook a risk assessment as part of our VFM audit work to identify the key areas impacting on our VFM conclusion and considered the arrangements you have put in place to mitigate these risks.

Our work identified the following significant matters:

- **Delivery of Budgets** – The Authority’s MTFP details a balanced budget for 2018/19 including savings of £5.4 million in year, all of which have been identified. The MTFP sets out the budget assumptions and projections until 2021/22. By 2021/22 the net budget requirement is £5m greater than in 2018/19 and is reliant on increasing the council tax base by 2,400 Band D properties. As part of our additional risk-based work, we reviewed the arrangements the Authority has in place to ensure financial resilience, specifically that the Medium Term Financial Plan has taken into consideration factors such as funding reductions, salary and general inflation, demand pressures, restructuring costs and sensitivity analysis given the degree of variability in the above factors. On the basis of our testing, we concluded that there were appropriate arrangements in place; and

Section one:

Summary for Audit & Performance Review Panel (cont.)

- **Contract management** – As part of its Transformation Programme, the Authority has moved to a new operating model for some services and now delivers Children’s Services and Adult Social Care through external providers such as Optalis and Achieving for Children, in which the Authority is a shareholder. We considered the arrangements in place for managing the contracts, including arrangements for monitoring the performance of the service, such as through the monthly commissioning meetings, quarterly shareholder Board meetings and Lead Member briefings. On the basis of our testing, we concluded that there were appropriate arrangements in place.

Value for Money conclusion

We issued an unqualified conclusion on the Authority’s arrangements to secure value for money (VFM conclusion) for 2017-18 on 31 July 2018. This means we are satisfied that during the year the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

To arrive at our conclusion we looked at the Authority’s arrangements to make informed decision making, sustainable resource deployment and working with partners and third parties.

High priority recommendations

We did not raise any high priority recommendations as a result of our 2017-18 work.

Certificate

We are required to give an opinion on the consistency of the financial statements of the pension fund included in the Pension Fund Annual Report of the Royal County of Berkshire Pension Fund with the pension fund accounts included in the financial statements of the Royal Borough of Windsor & Maidenhead. As the authority has not yet prepared the Pension Fund Annual Report we have not issued our report on the financial statements included in the Pension Fund Annual Report. Until we have done so, we are unable to issue our audit certificate.

Audit fee

Our fee for 2017-18 was £81,803, excluding VAT (2017: £81,803). Our fee for the audit of the Pension Fund was £24,831 excluding VAT (2017: £33,755). Further detail is contained in Appendix 2.

Exercising of audit powers

We have a duty to consider whether to issue a report in the public interest about something we believe the Authority should consider, or if the public should know about.

We have not identified any matters that would require us to issue a public interest report.

Appendices

Appendix 1:

Summary of reports issued

This appendix summarises the reports we issued since our last Annual Audit Letter. These reports can be accessed via the Audit & Performance Review Panel pages on the Authority's website at www.rbwm.gov.uk.

Certification of Grants and Returns

This report summarised the outcome of our certification work on the Authority's 2016-17 grants and returns.

External Audit Plan

The External Audit Plan set out our approach to the audit of the Authority's financial statements, including those of the Pension Fund, and to support the VFM conclusion.

Report to Those Charged with Governance

The Report to Those Charged with Governance summarised the results of our audit work for 2017-18 including key issues and recommendations raised as a result of our observations.

We also provided the mandatory declarations required under auditing standards as part of this report.

Auditor's Report

The Auditor's Report included our audit opinion on the financial statements (including the pension fund accounts) along with our VFM conclusion and our certificate.

Annual Audit Letter

This Annual Audit Letter provides a summary of the results of our audit for 2017-18.

2018

January

February

March

April

May

June

July

August

September

October

Appendix 2:

Audit fees

This appendix provides information on our final fees for the 2017-18 audit.

External audit

Our final fee for the 2017-18 audit of the Authority was £81,803, which is in line with the planned fee. Our final fee for the 2017/18 audit of the Pension Fund was in line with the planned fee of £24,831. As in previous years, we have been requested to carry out additional work at the pension fund on behalf of the auditors of admitted bodies. Our fees for this additional work are £1,927 and are still subject to final determination by Public Sector Audit Appointments.

Certification of grants and returns

Under our terms of engagement with Public Sector Audit Appointments we undertake prescribed work in order to certify the Authority's housing benefit grant claim. This certification work is still ongoing. The planned fee for this work is £13,439 and the final fee will be confirmed through our reporting on the outcome of that work in January 2019.

We charge £8,000 for additional audit-related services for the certification of the Teachers' Pension Return and the National College of Teaching and Leadership Annual Grant Return, which are outside of Public Sector Audit Appointment's certification regime.

Other services

We did not charge any additional fees for other services.

External audit fees 2017-18 (£'000)

■ Estimated 2017-18 Fees ■ Planned 2017-18 Fees





The key contacts in relation to our audit are:

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Director

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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website (www.psa.co.uk).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Ian Pennington, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to Andrew.Sayers@kpmg.co.uk. After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

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Report Title:	Governance as part of risk management applied to large projects
Contains Confidential or Exempt Information?	Yes – Appendix Part II
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Audit and Performance Review Panel, 20 September 2018
Responsible Officer(s):	Russell O’Keefe, Executive Director and Rob Stubbs, Deputy Director and Head of Finance
Wards affected:	All

www.rbwm.gov.uk



REPORT SUMMARY

1. This report sets out how adequate risk management is in place for RBWM as part of its major project governance arrangements.
2. RBWM manages specific project work through a stand-alone system where the risk assessment methodology is scaled to the project under consideration
3. The report includes a briefing paper summarising the proposed arrangements to ensure an effective model of project governance including risk management is in place.

1. DETAILS OF RECOMMENDATION(S)

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

- i) **Endorses this approach to managing project 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.

Options

Table 1: Options arising from this report

Option	Comments
To accept this report. Recommended option	The project governance methodology demonstrates how effective risk management of significant projects achieves the council’s priorities.
Not accept this report. This is not recommended	Without a project governance framework the council may be

Option	Comments
	exposed to the impact of unnecessary and avoidable risks.

3. KEY IMPLICATIONS

- 3.1 To ensure the Council's priorities are achieved through the effective management and delivery of significant projects.

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Officers and members are engaged in regular risk reviews concerning the nature of the threat and the progress on mitigations.	Risks are left without officer or member attention.	Monthly reviews.	Risks are reviewed more frequently than monthly.	None.	Ongoing by monthly review until the conclusion of the project.

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 No financial implications. Any resources for required mitigations would be contained within the existing project budget set at the outset.

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.

6. RISK MANAGEMENT

Table 3: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk

<p>If the council fails to make good use of risk management processes in project governance, it is likely there will be ignorance of the exposure to risks that can carry damaging impacts to the council and residents.</p>	<p>high</p>	<p>There is a log of project risks which are reviewed at least monthly by the combined project work stream group.</p> <p>This review will cover a full update on any risks that need to be escalated to the project board.</p> <p>This structure provides a robust framework for managing project risks.</p>	<p>low</p>
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7. POTENTIAL IMPACTS

- 7.1 None directly although some individual project risks may contain associated obligations.

8. CONSULTATION

- 8.1 Project governance briefing note prepared for July 2018 Cabinet.

9. APPENDICES

- 9.1 This report is supported by one appendix:
- Part 2 Project governance briefing note.

10. BACKGROUND DOCUMENTS

- 10.1 The project risk log records the risks relating to the project objectives. The purpose of this 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.
- 10.2 The project risk logs 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.

11. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Saunders	Lead Member for Finance	02/08/18	02/08/18
Alison Alexander	Managing Director	02/08/18	02/08/18
Rob Stubbs	Section 151 Officer	30/07/18	02/08/18

Name of consultee	Post held	Date sent	Date returned
Elaine Browne	Head of Law and Governance	03/09/18	04/09/18
Nikki Craig	Head of HR and Corporate Projects	03/09/18	11/09/18
Louisa Dean	Communications	03/09/18	
Russell O'Keefe	Executive Director	02/08/18	03/09/18
Andy Jeffs	Executive Director	03/09/18	04/09/18
Kevin McDaniel	Director of Children's Services	03/09/18	
Hilary Hall	Deputy Director of Commissioning and Strategy	03/09/18	04/09/18
	Other e.g. external		

REPORT HISTORY

Decision type: For information	Urgency item? No	To Follow item? No
Report Author: Steve Mappley, insurance and risk manager, extrn: 6202		

Agenda Item 7

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

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