

NOTICE  
OF  
MEETING

# AUDIT AND GOVERNANCE COMMITTEE

will meet on

**THURSDAY, 19TH MAY, 2022**

**At 7.00 pm**

In the

**GREY ROOM - YORK HOUSE, WINDSOR AND ON [RBWM YOUTUBE](#)**

TO: MEMBERS OF THE AUDIT AND GOVERNANCE COMMITTEE

COUNCILLORS CHRISTINE BATESON (CHAIRMAN), LYNNE JONES (VICE-CHAIRMAN), JULIAN SHARPE, GURPREET BHANGRA AND SIMON BOND

SUBSTITUTE MEMBERS

COUNCILLORS SIMON WERNER, JOHN BOWDEN, GREG JONES, SHAMSUL SHELMIM AND NEIL KNOWLES

Karen Shepherd – Head of Governance - Issued: 11<sup>th</sup> May 2022

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](http://www.rbwm.gov.uk) or contact the Panel Administrator **Mark Beeley** 01628 796345 / [mark.beeley@rbwm.gov.uk](mailto:mark.beeley@rbwm.gov.uk)

**Recording of Meetings** – In line with the council's commitment to transparency the Part I (public) section of the virtual meeting will be streamed live and recorded via Zoom. By participating in the meeting by audio and/or video, you are giving consent to being recorded and acknowledge that the recording will be in the public domain. If you have any questions regarding the council's policy, please speak to Democratic Services or Legal representative at the meeting.

## AGENDA

### PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
1.	<u>APOLOGIES FOR ABSENCE</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 consider the minutes of the meeting held on 17 <sup>th</sup> February 2022.	5 - 12
4.	<u>UPDATE ON THE STATEMENT OF ACCOUNTS</u>  To consider the update from Deloitte on the progress of the accounts for both 2019/20 and 2020/21.	Verbal Report
5.	<u>AUDIT AND INVESTIGATION ANNUAL REPORT 2021/22</u>  To consider the report.	13 - 44
6.	<u>INTERNAL AUDIT PLAN 2022/23</u>  To consider the report.	45 - 78
7.	<u>KEY MANAGEMENT REPORT</u>  To consider the report.	79 - 120
8.	<u>RECOMMENDATION FROM CABINET</u>  To consider the report, where a recommendation has been made by Cabinet. The recommendation is for the Committee to review the suggested improvements to process, as identified in the report.	121 - 134
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## MEMBERS' GUIDE TO DECLARING INTERESTS AT 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 Disclosable Pecuniary Interest (DPI) or Other Registerable 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.

Any Member with concerns about the nature of their interest should consult the Monitoring Officer in advance of the meeting.

### Non-participation in case of Disclosable Pecuniary Interest (DPI)

Where a matter arises at a meeting which directly relates to one of your DPIs (summary below, further details set out in Table 1 of the Members' Code of Conduct) you must disclose the interest, **not participate in any discussion or vote on the matter and must not remain in the room** unless you have been granted a dispensation. If it is a 'sensitive interest' (as agreed in advance by the Monitoring Officer), you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted by the Monitoring Officer in limited circumstances, to enable you to participate and vote on a matter in which you have a DPI.

Where you have a DPI on a matter to be considered or is being considered by you as a Cabinet Member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

*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 (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her 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 council.*
- *Any licence to occupy land in the area of the council for a month or longer.*
- *Any tenancy where the landlord is the council, and the tenant is a body in which the relevant person has a beneficial interest in the securities of.*
- *Any beneficial interest in securities of a body where:*
  - a) *that body has a place of business or land in the area of the council, 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.

### Disclosure of Other Registerable Interests

Where a matter arises at a meeting which **directly relates** to one of your Other Registerable Interests (summary below and as set out in Table 2 of the Members Code of Conduct), you must disclose the interest. **You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (as agreed in advance by the Monitoring Officer), you do not have to disclose the nature of the interest.

*Other Registerable Interests (relating to the Member or their partner):*

*You have an interest in any business of your authority where it relates to or is likely to affect:*

- a) any body of which you are in general control or management and to which you are nominated or appointed by your authority*
- b) any body*
  - (i) exercising functions of a public nature*
  - (ii) directed to charitable purposes or*

*one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)*

### **Disclosure of Non- Registerable Interests**

Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a DPI) or a financial interest or well-being of a relative or close associate, you must disclose the interest. **You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (agreed in advance by the Monitoring Officer) you do not have to disclose the nature of the interest.

Where a matter arises at a meeting which **affects** –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a friend, relative, close associate; or
- c. a body included in those you need to disclose under DPIs as set out in Table 1 of the Members' code of Conduct

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied.

Where a matter **affects** your financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

**You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (agreed in advance by the Monitoring Officer, you do not have to disclose the nature of the interest.

### **Other declarations**

Members may wish to declare at the beginning of the meeting any other information they feel should be in the public domain in relation to an item on the agenda; such Member statements will be included in the minutes for transparency.

# Agenda Item 3

## AUDIT AND GOVERNANCE COMMITTEE

THURSDAY, 17 FEBRUARY 2022

PRESENT: Councillors Christine Bateson (Chairman), Lynne Jones (Vice-Chairman), Julian Sharpe, Gurpreet Bhangra and Simon Bond

Also in attendance: Councillor David Hilton, Councillor John Baldwin, Councillor Andrew Johnson, Councillor Gurch Singh, Jonathan Gooding (Deloitte), Benjamin Sheriff (Deloitte), David Hill (SWAP) and Lisa Fryer (SWAP)

Officers: Mark Beeley, Laurence Ellis, Emma Duncan, Adele Taylor, Andrew Vallance and Karen Shepherd

### APOLOGIES FOR ABSENCE

There were no apologies for absence received.

### DECLARATIONS OF INTEREST

The Chairman declared a personal interest as she was a council representative on trusts that were part of the Council Trusts report. These trusts included:

- Charters School Community Recreation Centre Trust
- Sunninghill Parochial Charities

Councillor Bhangra declared a personal interest as Norden Farm was mentioned in the Council Trusts report. The organisation was located in his ward but he did not have any financial interest.

### MINUTES

**RESOLVED UNANIMOUSLY: That the minutes of the meeting held on 21<sup>st</sup> October 2021 were approved as a true and accurate record.**

Councillor Bond noted an action point from the last meeting, where he had asked if it was possible for the Committee to see the letters of objections which had been made against the accounts. Jonathan Gooding had taken the question away from the meeting to confirm the answer.

Jonathan Gooding, Deloitte, said that he was waiting to hear from Public Sector Audit Appointments Limited. There was a question around the anonymity of the objectors but Deloitte would submit a final report to the Committee with a summary of what the objections were and how Deloitte had responded to them.

### COUNCIL TRUSTS

Karen Shepherd, Head of Governance, explained that the annual report on council trusts was previously submitted for consideration by the Corporate Overview and Scrutiny Panel but this was now under the governance remit of the Audit and Governance Committee. The report comprised of a short covering page, the first spreadsheet listed those charitable trusts where Cabinet acted as trustees on behalf of the Council and therefore the council also administered the trust. The second spreadsheet related to trusts where the council appointed one or more trustees from its membership or in a few instances, a non-Councillor representative. For both

spreadsheets, where the council undertook an administrative role, the annual accounts were also provided. Any details of returns of annual accounts to the Charity Commission were also detailed for each trust.

Each council-appointed trustee had been individually contacted to give them the opportunity to provide feedback on the trust, in particular any issues of concern about the way the trust was being administered. The report showed that few issues had been raised as a concern. Democratic Services collated the information contained in the report but a number of other officers acted as the lead officer for some specific trusts. If any questions from the Committee could not be answered because of this, a written answer would be provided after the meeting.

Additional information had also been included in the report in relation to the Working Boys Club and the Kidwells Park Trust, which Members of the Corporate Overview and Scrutiny Panel had raised concerns about at the time of the previous report. The Head of Communities had confirmed that the Trustees, the Cabinet Members, were updated on the status of the two investment portfolios used by these two charities in November 2021. The Trustees noted the background and changes reported as an update, and the improved situation. The Trustees were advised that the two investment funds had recovered and were now back at values in excess of the values when the concerns about the losses in fund values were previously flagged by the Overview and Scrutiny Panel. The Trustees were satisfied that the two investment funds being used were a solid and appropriate investment base for the respective charities. No further action was identified at this stage by the Trustees.

Councillor Bond asked what the total overall value of the non-property trusts was, how they were managed and how effective it was. This would include whether it was under a digressionary management agreement or an individual investment project. Investment management was in relatively small pots and Councillor Bond suggested that there could be a better way of managing them.

Adele Taylor, Executive Director of Resources, said for the trusts the treasury management team at RBWM administered, the Head of Finance would be able to provide a further written response to the Committee after the meeting.

**ACTION – Andrew Vallance to provide a written response to the Committee in relation to the issues raised by Councillor Bond.**

Councillor L Jones commented on the Flood Relief Fund and that there was a conclusion in the annual report accompanying the accounts that communities downstream of the Jubilee River were not adversely affected. In the 2014 floods, the Jubilee River had been opened overnight and two properties downstream had flooded, Councillor L Jones was not sure that this conclusion should be there as she did not feel it was correct. She suggested that this could be passed back to the Flood Relief Fund.

Karen Shepherd confirmed that she would relay the comments from Councillor L Jones back to the trustees.

**ACTION – Karen Shepherd to relay comments from Councillor L Jones on the conclusion of the annual report for the Flood Relief Fund to the trustees.**

Councillor Sharpe said that the charities were independent in their own right. He noted that the council treasury management team was responsible for administering a number of the trusts, but if they were to be merged this could cause issues on how the charities were able to spend the money.

Adele Taylor said that the discussion had been about merging the funds rather the charities themselves, officers would look to provide a detailed answer on the management of funds.

**RESOLVED UNANIMOUSLY: That the Audit and Governance Committee noted the report on Council Trusts.**

## ANNUAL GOVERNANCE STATEMENT PROGRESS REPORT

Emma Duncan, Monitoring Officer and Deputy Director of Law and Strategy, said that the report showed the progress made on the action plan. The Committee had approved the action plan when it was presented as part of the Annual Governance Statement in July 2021. The action plan was divided into a number of key areas where governance risk and resilience were assessed, with the key points being:

- A continued focus on ethical values, integrity and respecting the rule of law to include continuing work on the new Code of Conduct, workshop sessions for Members on the wider governance framework, a review of the Member/Officer Protocol and revisiting our procurement processes.
- Strengthening the strategic framework with a new outcomes based Corporate Plan emanating from a robust evidence base and consultation and engagement with our residents and communities, with enhanced reporting and tracking capability.
- Managing risks and performance more effectively with a review of our risk assessment framework, a new performance management system and implementing the Property Company Governance Action Plan.
- Reinforcing our Overview and Scrutiny function to give better oversight on key strategic priorities.
- Building up the Council's links with residents, communities, and businesses through a new approach to engagement to deliver better outcomes.

Emma Duncan said that all Members had now been trained on the code of conduct and the recent Corporate Peer Review would contain some recommendations on how scrutiny could be improved. A significant amount of work had been done on the Corporate Plan and the new performance monitoring framework, which would allow outcomes from the Corporate Plan to be assessed. In leadership, there was a new people strategy and leadership development programme being created. Most actions were now complete, where actions were not complete there was an explanation which provided an update on the action. A report on procurement had recently been considered by Cabinet and a recommendation would be coming to the Committee on this.

Councillor L Jones asked how the success of the action plan could be monitored, particularly after any outstanding actions had been completed. She felt that there was not the required level of resource behind the overview and scrutiny function for it to be effective.

Emma Duncan responded by explaining that the framework showed a selection of behaviours. Members had done a survey on scrutiny and officer relationships and it was important that a culture of good governance was created. Key areas for improvement would be identified so that changes could be made to the scrutiny process. There was a six month check from the Local Government Association which would also highlight and review progress that had been made. On overview and scrutiny, Emma Duncan said that this would be picked up in the Corporate Peer Review and resource was something that would need to be considered. The next update on the action plan would be in July 2022, where it would be outlined how many actions had been completed and if anything needed to be taken forward for the following years Annual Governance Statement.

Councillor Sharpe asked if RBWM would know how it was doing compared to other local authorities, particularly as the Local Government Association was involved with the process.

Emma Duncan said that self-assessment was important, RBWM was at the start of its journey. The council did not have large scale teams and needed to be supported by cultural changes. Members needed to be on board and supportive of changes to the scrutiny function for them to work.

Councillor Sharpe commented on the potential for new councillors to be elected in 2023 and that this could cause issues in continuing the good work that had already taken place.

Emma Duncan said that change was always a risk, she looked to engage with Members throughout the year to ensure that all understood the governance framework.

The Chairman asked if there was communication with other Berkshire local authorities.

Emma Duncan explained that there was a Berkshire Monitoring Officer group where good practise was shared along with other engagements and networking on a national level.

Adele Taylor said that the governance framework outlined how RBWM did things, the framework was supported by statutory officers, internal and external auditors. Members could identify risks and bring them to the attention of officers. There was a link between the Annual Governance Statement and the Statement of Accounts and this was why they were considered by the Committee at the same time.

**RESOLVED UNANIMOUSLY: That the Audit and Governance Committee noted the report identifying any specific matters which should be brought to the attention of Council or Cabinet.**

#### UPDATE ON THE STATEMENT OF ACCOUNTS

Jonathan Gooding updated the Committee on the accounts and explained that the 2019/20 accounts were almost complete and that there was very little left to finish. The key element which had taken time was the investigation of the objections, 22 objections had been made of which 6 had been taken forward as formal objections to the accounts. This was a relatively high number nationally compared to other local authorities. The last stage of the process was for Deloitte to share its final conclusion letter with the Public Sector Audit Appointments Limited Company, who would review the letters sent to objectors and provide comments. It was hoped these letters and comments would be shared with objectors next week. Once Deloitte had finalised the accounts, they would be in a position to be signed off. It was anticipated that the 2019/20 accounts would be completed by the end of March 2022.

Considering the 2020/21 accounts, Jonathan Gooding said that there was more work to be done but the accounts were well progressed. There had been a number of potential objections which needed to be worked through, it was anticipated that this review would be done in March and April. Additional resources could be allocated to these accounts in July and August, with a view for the accounts potentially being completed by the end of August. Deloitte would then move on to the 2021/22 accounts, which had a deadline of November 2022. Deloitte had an aim to complete the audit by this deadline.

Councillor L Jones commented on a statement made in the report, that two factors had been identified by Deloitte during their audit work. She asked what impact these factors would have on the completion of the accounts.

Andrew Vallance, Head of Finance, said that the main change was that the statement had been split, so that the authority only statement was now separate to the group statements. Associates had been classified as joint ventures.

Adele Taylor said that if changes were made, the accounts would be updated. The accounts remained open for a short period of time for these changes to be made.

Jonathan Gooding said that expectations could change over time, Deloitte revisited its work to ensure that best practise was up to date.

Councillor Johnson joined the meeting.



Councillor L Jones commented on the council's 'historic presentation of other operating income and expenditure' and asked if it was revenue expenditure from capital and that this had been moved to cost of services. Councillor L Jones said that she would take this offline to understand this further.

Adele Taylor said at the point of accounts being resigned, officers would explain where any changes had happened and why they had happened.

Councillor Bhangra asked what was classed as a formal objection.

Jonathan Gooding explained that the National Audit Office produced guidance on the criteria for an eligible objection. Deloitte often received communication from the public but an objection had to meet certain criteria for it to be taken forward. Examples included that the member of the public was a resident of the borough, whether the objection related to something in the public interest and whether it related to something in the accounts that could be investigated.

The Chairman asked about the cost of the audit and requested that further information was shared with the Committee.

Councillor L Jones said that this figure would be useful to have for the next Committee meeting in May.

Jonathan Gooding expected that the final report would include the cost of the work incurred by Deloitte, which outlined the hours of work, at a specified rate and also included any additional legal work.

Adele Taylor added that RBWM officer time could also be included, which would be an estimation of the amount of work spent on the accounts.

Councillor Hilton, Cabinet Member for Finance and Ascot, asked for clarification on if Jonathan Gooding had said that hundreds of councils across the country had received objections to their own accounts.

Jonathan Gooding clarified that of all the local authorities across the country, there was a relatively small number of objections.

Councillor Hilton additionally asked if Deloitte would provide any comments or analysis of the objections which had been made.

Jonathan Gooding said that in the final report the objections would be summarised along with the findings from those objections.

**RESOLVED UNANIMOUSLY: That the Audit and Governance Committee noted the update report from Deloitte on the progress of the accounts for 2019/20, 2020/21 and 2021/22.**

## APPOINTMENT OF LOCAL EXTERNAL AUDITORS

Andrew Vallance said that the contract with Deloitte would be ending in 2022/23. RBWM could either opt into the Public Sector Auditor Appointments (PSAA) scheme or do it alone. In 2017, only one council opted out of the scheme. RBWM would have to choose from an approved list of external auditors regardless and it would take longer to complete this process if the council was not part of the scheme. The recommendation was to remain part of the PSAA and would hopefully allow all the Berkshire local authorities to use the same auditors, which would help support the Berkshire Pension Fund audit, which was administered by RBWM. A decision

needed to be made by 11<sup>th</sup> March 2022, with a recommendation being submitted by the Committee for consideration by Full Council at the end of the month.

Adele Taylor clarified that the date of Full Council in the recommendation should read 22<sup>nd</sup> February 2022 rather than 24<sup>th</sup> February 2021 as had been stated in the original report.

Councillor Sharpe said that this seemed like an obvious decision and that it was the sensible thing for the council to do.

Councillor Bhangra agreed that this was the right thing to do.

**RESOLVED UNANIMOUSLY: That the Audit and Governance Committee noted the report and recommended to Council at its meeting on 22<sup>nd</sup> February 2022 that RBWM remained part of the PSAA collective procurement arrangement to appoint an External Auditor from the 2023/24 financial year on the grounds that this approach was most likely to achieve best value in a restricted market and avoided the need and cost of the Council itself undertaking a complex and time consuming procurement process.**

### SWAP INTRODUCTION

David Hill and Lisa Fryer, from South West Audit Partnership (SWAP), had attended the meeting to provide a presentation to the Committee as a way of introduction and to explain how SWAP worked. Areas that the presentation covered included:

- SWAP company overview
- Governance arrangements
- Mission and vision
- Strategic objectives
- What would change with SWAP and what the future of internal audit could look like
- The audit opinions and recommendations that SWAP would give RBWM
- One page reporting
- Adding value – both with resources and training

Councillor Sharpe asked what ‘disruptive technologies’ would be implemented by SWAP, as had been mentioned in the presentation.

David Hill said that there were two ways of dealing with data and decisions had to be made around the data that had been presented. A new analyser tool would be coming in, SWAP were happy to show the Committee the tools that were used at a future meeting.

Adele Taylor added that the disruptive technology would be used by SWAP as part of their role and how they operated. Anything that RBWM could learn as part of the process would be taken on board. She was supportive of one-page dashboards.

Councillor Bhangra asked how long SWAP had been around for.

David Hill informed Councillor Bhangra that SWAP had been established in 2005, with two Somerset councils joining initially. The organisation had grown significantly since then and now had around 80 staff and a good number of councils which it worked with.

Councillor L Jones said that she welcomed one-page reports from internal audit, dense reports did not give Committee Members the information that they needed. This would give the Committee a much better overview of where the issues were.

Councillor Hilton commented on the training and said that this was good to see. He asked what the relationship with the external auditors would be like.

David Hill said that SWAP had traditionally had a good relationship with external auditors but over the past few years this had changed. Through various reviews, it was encouraged to get this relationship back again and this would be something that SWAP would be looking to implement at RBWM.

Councillor L Jones said SWAP would be in post from 1<sup>st</sup> April 2022, she asked if there would be a priority list submitted to the auditors from the Executive Director of Resources.

Adele Taylor responded and said that the next item on the agenda was the Q1 internal audit plan which had been agreed between officers and SWAP and outlined the priority areas. This only covered Q1 as SWAP were not yet in post.

Councillor L Jones asked if it would therefore be a mix of priorities from officers and the internal auditors.

Adele Taylor confirmed that this was correct and said that the Committee would be part of the internal audit plans going forward.

The Chairman said that the Committee Members would like training and suggested that it would be good to have two sessions a year.

Councillor L Jones said that SWAP needed to understand RBWM before training could be provided.

David Hill said that training could be provided at any point, SWAP could then look to make it applicable for the Committee.

Adele Taylor said that training was something that officers had already agreed to look at for Committee Members and this would be part of a proposed suite of training.

### INTERNAL AUDIT PLAN 2022/23

Lisa Fryer said that the plan outlined the proposed areas of activity for Q1. There was a risk-based approach which would focus on key areas of the organisation. SWAP could now build up its knowledge of RBWM, engagement with senior management was planned and meetings on audit management would take place with senior officers across the council. A joint discussion could then be had to determine which priorities would be part of the internal audit plan. Once this had been completed, SWAP would be able to provide more detail at the next Committee meeting and hoped to provide a plan for the first half of the financial year. There would be a high-level review in Q1 on policy, controls, monitoring and reporting. An ICT governance review was also planned to highlight broad areas of assurance and if any weaknesses were found then audit work could be planned. SWAP had met with the current internal auditors at Wokingham Borough Council, so that significant areas could be quickly picked up.

Councillor Sharpe said it sounded like a system of self-auditing would be set up and processes could be followed, like a risk reduction framework.

Lisa Fryer said that all work done was a joint approach with the council. There was a risk-based approach which would show the priorities of internal audit.

Councillor Sharpe asked which areas SWAP had found at other local authorities where it was able to add most value.

Lisa Fryer said it was hard to generalise, the health organisation review was particularly powerful which provided assurance and fed directly into the Annual Governance Statement.

David Hill said that SWAP looked to stop doing the audit when it could no longer add value. A good relationship was essential between internal audit and senior officers.

Councillor Bond said that under fraud in the report, a 'corporate view of fraud maturity' was mentioned. He asked what maturity meant in this context.

Lisa Fryer said that a framework of counter fraud was investigated in the organisation and how robust and well implemented this framework was.

**RESOLVED UNANIMOUSLY: That the Audit and Governance Committee noted the report and approved the Internal Audit Plan for 2022/23 Quarter 1, April to June 2022.**

WORK PROGRAMME

Mark Beeley, Democratic Services Officer, explained that the schedule of meetings for the next municipal year had been included on the work programme. An updated version of the work programme would be ready for the May meeting, as after the update from Deloitte during the meeting there was a better idea of the timeframe for the accounts to be considered by the Committee.

Adele Taylor said that following the section 5 report which had been considered by Cabinet, there was a recommendation that items in the report were considered by the Committee. She suggested that this would be added to the agenda for the next meeting in May.

Councillor Bond asked if there would be an opportunity for the Committee to consider the financial planning and management section of the Corporate Peer Review.

Adele Taylor said that this could be considered by the Committee once the final report and action plan had been published. There would be a role for both the Audit and Governance Committee and the Corporate Overview and Scrutiny Panel once the findings of the review had been published.

The meeting, which began at 7.00 pm, finished at 8.40 pm

CHAIRMAN.....

DATE.....

Report Title:	<b>2021/22 Audit and Investigation Annual Report</b>
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Hilton, Cabinet Member for Asset Management & Commercialisation, Finance and Ascot
Meeting and Date:	Audit and Governance Committee – 19 May 2022
Responsible Officer(s):	Adele Taylor, Executive Director, Resources Andrew Vallance, Head of Finance
Wards affected:	All

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## **REPORT SUMMARY**

*The report summarises the Shared Audit and Investigation Service (SAIS) activity and outlines the progress in achieving the 2021/22 Audit and Investigation Plan as at 31 March 2022.*

*The report also sets out the overall Internal Audit Opinion for the year on the Council's internal controls.*

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That Audit and Governance Committee notes:

- i) the annual report from SAIS
- ii) the Annual Internal Audit Opinion

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

#### **Options**

**Table 1: Options arising from this report**

<b>Option</b>	<b>Comments</b>
To note the attached report and opinion <b>This is the recommended option</b>	This is the preferred option for the reasons set out in the report
To not note the report	This may expose the Council to unnecessary risks by not having an adequate internal control framework.

### 3 KEY IMPLICATIONS

Table 2: Key Implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of Delivery
SAIS work is effective and on track to achieve the full internal audit plan	Failure of the Council to meet its statutory requirements	Council meets its statutory requirements to provide an adequate and effective system of internal control	n/a	n/a	31 March 2022

### 4 BACKGROUND

- 4.1 Regulation 6(1) of the Accounts and Audit Regulations (2015) requires the Council to undertake an adequate and effective internal audit of its accounting records and the system of internal control in accordance with proper internal audit practices.
- 4.2 Proper practices for Internal Audit are defined in the CIPFA/IAA Public Sector Audit Standards (PSIAS) and require that the ‘Chief Audit Executive’ (Assistant Director, Governance – Wokingham BC) delivers an annual audit opinion and report that can be used by the organisation to inform its Annual Governance Statement (AGS). The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. The Annual Report is required to:
- Include an opinion on the overall adequacy and effectiveness of the Council’s internal control environment
  - Present a summary of the audit work on which the opinion is based
  - Draw attention to any key issues that may impact on the level of assurance provided
  - Provide a summary of the performance of the service
  - Comment on the Audit Service’s level of compliance with PSIAS.
- 4.3 The aim of the report at Appendix A is to cover these legislative requirements.
- 4.4 The overall Head of Internal Audit Opinion for 2021/22 is: “Substantially complete and Generally Effective but with some improvements required”. Full details are contained in the report attached as **Appendix A**.

4.5 This report completes the work of the shared internal audit service with Wokingham BC. Future internal audit services will be provided by the South West Audit Partnership.

## **5 FINANCIAL DETAILS / VALUE FOR MONEY**

5.1 There are no direct financial consequences of this report.

## **6 LEGAL IMPLICATIONS**

6.1 None.

## **7 RISK MANAGEMENT**

7.1 SWAP will undertake a review of current risk management arrangements as part of this audit plan.

## **8 POTENTIAL IMPACTS**

8.1 Equalities. An Equality Impact Assessment is attached as **Appendix B**. A screening assessment has been completed which indicates the proposal does not have any equality impacts.

8.2 Climate change/sustainability. There are no impacts as a consequence of the decision.

8.3 Data Protection/GDPR. No personal data has been processed.

## **9 CONSULTATION**

9.1 SAIS consulted with the Head of Finance and the new internal auditors, SWAP.

## **10 TIMETABLE FOR IMPLEMENTATION**

10.1 Complete

## **11 APPENDICES**

11.1 Appendix A – 2021/22 Audit and Investigation Annual Report

11.2 Appendix B – EQIA

## **12 BACKGROUND DOCUMENTS**

12.1 None

## 13 CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	5/5/22	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	5/5/22	10/05/22
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	5/5/22	5/5/22
Elaine Browne	Head of Law (Deputy Monitoring Officer)	5/5/22	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	5/5/22	6/5/22

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Asset Management & Commercialisation, Finance and Ascot	Yes
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Audit and Governance Committee for noting	No	No

Report Author: Andrew Vallance, Head of Finance <a href="mailto:andrew.vallance@rbwm.gov.uk">andrew.vallance@rbwm.gov.uk</a>
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## **ANNUAL INTERNAL AUDIT & INVESTIGATION REPORT 2021/22**

## CONTENTS

<b>Section No.</b>	<b>Title</b>
1	Purpose of the Annual Report
2	Head of Internal Audit Opinion and Key Headlines
3	Areas of Risk Exposure
4	Internal Audit Summary of Performance
5	Fraud and Irregularities
6	Conformance with Public Sector Internal Auditing Standards
7	Context and Compliance
8	Handover to New Provider

## 1. PURPOSE OF THE ANNUAL REPORT

- 1.1 This Annual Report provides a summary of the work completed by the Shared Audit and Investigation Service (SAIS) during 2021/22. Its purpose is: -
- to include an opinion on the overall adequacy and effectiveness of the Council's internal control environment
  - present a summary of the audit work on which the opinion is based
  - draw attention to any key issues that may impact on the level of assurance provided
  - comment on the Audit Service's level of compliance with the Public Sector Internal Audit Standard (PSIAS).
- 1.2 This is the final report of the Shared Audit and Investigation Service, as responsibility for Internal Audit and Investigation passes to its new provider, South West Audit Partnership (SWAP) with effect from 1 April 2022. Handover meetings have been held with the new provider during February and March 2022.

## 2. HEAD OF INTERNAL AUDIT OPINION

- 2.1 The overall opinion is given based on the audits undertaken during the 2021/22 financial year and the opinion on the internal control environment. This is based on the work in those areas of coverage summarised at [Appendix A](#) and evidenced assessment of the control framework. [Appendix A](#) includes the assurance levels we have been able to provide for each review. For each audit review completed, the assurance level is determined based on the level of control found as set out in [Appendix A](#) - Legend Section. For those follow-up audits where a change in the assurance level would require a full audit, we have annotated the assurance level for these audits as 'n/a' with the original level in brackets.
- 2.2 From the work undertaken during the year, our overall opinion on the adequacy of the Council's internal controls for the areas reviewed during the year is that internal controls are: -

### **Audit Opinion 2021/22**

*Substantially Complete and Generally Effective but with some improvements required". Based on audits completed during the year, most key controls are in place and are operating effectively with the majority of residual risks being reduced to an acceptable level and reported concerns being aimed by management to be reduced to a predominately moderate impact level. A small number of exceptions were identified, and these have been presented to previous meetings of the Audit and Governance Committee and the current position in respect of these specific reviews is summarised in the body of this report.*

### **3. AREAS OF RISK EXPOSURE**

#### **Category 3 Audit Opinions**

- 3.1 Internal Audit issued 3 reports in 2021/22 (carried over from 20-21) that resulted in Category 3 overall opinions (third lowest category of audit opinion on a scale of 1 (High) to 4 (Low)). Two were for Key Financial Systems (Debtors and Cash and Bank Reconciliation) and the third for Reconciliations (Financial and non-Financial). Internal Audit have monitored progress each quarter of 2021/22, at the request of the Audit and Governance Committee, on the implementation of the agreed management actions. This has been achieved through discussions with key officers and testing of supporting evidence. The paragraphs below summarise the position at the time of handover to the new provider for those specific audits as a result of the follow up work. An overall audit opinion will be given at the next full audit of these specific areas.

#### **Cash and Bank Reconciliation**

- 3.2 The final 2020/21 Internal Audit report was issued in May 2021, with 5 actions included in the Management Action plan, 3 of which were classified as major risk. Internal Audit have held quarterly meetings with the accountant responsible for overseeing the Cash and Bank Reconciliation to review progress against the agreed action plan. Audit have also reviewed the Cashbook for the (unidentified, unprocessed) income balancing figure and unresolved queries (resulting from the bank statement analysis) and discussed them with the relevant officers. The unidentified, unprocessed income balancing figure in the updated December 2021 Cashbook was £129,270.99.
- 3.3 The 2021/22 Follow Up audit has concluded that progress is being made. However, without full reconciliation of inputs to and outputs from AIM, there remains insufficient assurance that all income and expenditure is being posted appropriately, which increases the risk of incorrect financial reporting and financial loss.

#### **Debtors**

- 3.4 The final combined 2019/20 and 2020/21 Internal Audit report for Debtors was issued in November 2020, with 14 actions included in the Management Action plan, 4 of which were classified as major risk. Internal Audit has requested quarterly updates on progress against the countermeasures set out in the Management Action Plan from responsible officers. We have also reviewed Adult Social Care (ASC) debt figures on a quarterly basis and discussed them with the ASC Lead Accountant with input from the Head of People Commissioning.
- 3.5 Covid-19 has had an impact on capacity to progress the countermeasures in the 2020/21 management action plan and it has also had an impact on the management of ASC debt, with issues around court delays, probate delays, blocked debt and seeking appointeeship. There has been an overall increase

in demand, which in turn increases the number of invoices generated and has an impact on debt levels.

- 3.6 A planned programme of improvements is in progress but ASC debt as a proportion of income and expenditure continues to rise. However, the Executive Director of Adults, Health and Housing has indicated that current performance is within expectations, given all of the constraints. For Housing, debt levels are more difficult to assess (the reasons for this have been reported separately in a Housing Income Audit (category 3 overall opinion). As there remains no measure for expected performance in collecting these types of debt, it remains difficult to assess whether current performance is in line with corporate expectations.

### **Reconciliations**

- 3.7 The final 2020/21 Internal Audit report, issued in August 2020, contained 10 actions in the Management Action plan, 2 of which were classified as major risk. Internal Audit has requested regular updates on progress against the countermeasures set out in the Management Action Plan from responsible officers.
- 3.8 This audit documented areas where reconciliation activity should be taking place and improvements have been made since the audit. Finance has a list of reconciliations for Key Financial Systems, and these can be monitored to ensure they are taking place. However, there remains no corporate list of all key reconciliations that should be taking place within each Service Area, or across Services Areas and partner organisations. It remains unclear where the overall responsibility sits for monitoring whether these reconciliations are happening as they should.

### **New Category 3 Opinion Audits**

- 3.9 Two further audits undertaken as part of the 2021/22 Internal Audit Plan received the third category (third lowest) of audit opinion (on a scale of category 1 being 'High' and 4 being 'Low'). These are summarised below: -

#### **Housing (Income)**

- 3.10 The principal objective of this Audit was to review the processes in place for the management of housing income, and to provide assurance on their effectiveness; whether they are being followed by relevant staff; and whether they mitigate the potential risks of loss of income and inequitable treatment of clients.
- 3.11 When the Head of Housing, Environmental Health and Trading Standards took on her current role, the majority of her staff were temporary, no procedures were in place and all data held was spreadsheet based. Significant progress has been made and the Jigsaw customer management system is now being used for the housing register and homelessness. There

have been staffing issues, but the majority of the management team are now permanent, and a permanent Temporary Accommodation Team Leader started in September 2021.

- 3.12 Current systems provide insufficient assurance that the risks of loss of income and inequitable treatment of clients are mitigated. Implementing a rent account system and creating an interface for data transfer between the rent account system and Academy and Agresso is key to further improvement. This will enable automated posting of housing benefit and client payments, raising of invoices, client statements and arrears letters. Resource issues have impacted on achieving this goal.
- 3.13 Since the draft audit report was discussed and agreed, the Housing Team have indicated that they have taken further action to address the concerns identified in the management action plan. Audit have not carried out any testing or reviews to verify the progress outlined. Further audit activity would be necessary to provide independent assurance on progress made since the audit was completed in September 2021.
- 3.14 SWAP have been made aware of follow up audit work being required in this area to review the progress of agreed Management actions.

### **All Saints School**

- 3.15 This audit was undertaken at the request of the Headteacher. The objective of the audit was to form an opinion and report on the financial and administrative framework within which the school operates to assess whether it is adequate and effective.
- 3.16 At the time of the audit, the school had a large deficit budget position, with an estimated shortfall of over £200,000. It is clear from Committee minutes that the governors are aware of the risks to the School's financial position and that they are looking at possible steps they urgently need to take to resolve the situation. The School has reviewed their staffing structure and pupil intake. In addition, there has been natural wastage of staff, which is contributing to a balanced budget and reduction to the deficit.
- 3.17 The School has a 5-year deficit plan. However, this has not been approved and does not pay back the deficit in a reasonable timescale. In addition, information received from the LEA indicates that the pupil numbers are likely to be fairly static and so the future income for pupil numbers should be predicted accordingly.
- 3.18 There were 5 major and 38 moderate concerns identified and no extreme concerns. The main areas of concern revolve around budget planning, Budget setting, monitoring and governance. Other areas where there are opportunities for improvement include single central record and DBS records, income including lettings, procurement and extended schools.

3.19 SWAP has been made aware of follow up audit work being required in this area to review the progress of agreed Management actions in accordance with the agreed implementation dates.

#### 4. 2021/22 INTERNAL AUDIT SUMMARY OF PERFORMANCE

4.1 Appendix A details the status of audits against the 2021/22 Audit and Investigation Plan as of 31 March 2022 and those audits completed from the 2020/21 financial year. Table 1 provides a summary.

**Table 1: Status of 2021/22 audit work**

<b>Audit Status</b>	<b>Number of audits</b>
Final Report/Memorandum	18
Draft Report	0
Work In Progress	0
Grant Certifications	14
Full system reviews from 20-21 completed in 21-22	8
<b>Total</b>	<b>40</b>

4.2 For the reviews completed, where an audit opinion was appropriate (i.e., Final Report stage), the following breakdown of classification is summarised in Table 2 below.

**Table 2: Summary of 2021/22 Audit Opinions**

<b>Overall Audit Opinion</b>	<b>Summary of Audit Opinion</b>	<b>No of Audits (2021/22)</b>
1	Complete and Effective	6
2	Substantially Complete and Generally Effective	8
3	Range of Risk Mitigation Controls is incomplete, and risks are not effectively mitigated	2
4	There is no effective Risk Management process in place	0
Grant Certified	Claims tested meet Grant criteria	14
n/a	Opinion not applicable due to the nature of the audit work	10

4.3 Audit reports are presented using lean terminology (cause, concern and countermeasure) and management are given the opportunity to treat, tolerate, terminate, or transfer the concerns and associated risks. Management Action Plans have been put in place to address issues identified during audit work and audit follow up verification will confirm

whether agreed countermeasures for Major and Extreme concerns have been actioned within agreed timescales.

- 4.4 Where concerns classified as major or extreme risk are tolerated by management, these are highlighted to the Audit and Governance Committee. There have been no cases of Major or Extreme concerns being tolerated by management.
- 4.5 A summary of the audit and investigation work undertaken during 2021/22 is attached as Appendix A. In addition to scheduled work, as part of the preparations for handover of internal audit and investigation work, all Key Financial Systems have been subject to follow up of the Management Concerns identified during 2020/21 internal audits of the respective systems and controls. The purpose of this follow up activity was threefold: to provide updates on progress to the Audit and Governance Committee; Director of Resources (S151 Officer) and Head of Finance (Deputy S151 Officer); to inform the Annual Governance Statement; and, to provide a situation report to the incoming Internal Audit provider. The outcome of this work has been reported in separate Memoranda. However, where the 2020/21 audits had previously attracted a Category 3 audit opinion, a summary of progress and any outstanding issues is provided above.

### **Grant Certifications**

- 4.6 Where a grant giving body requires an internal audit certificate, the team carries out work to verify and certify amounts that the Council can claim. Without this certification, grants may become repayable. Grants certified include: -
- Covid-19 Restart Grants
  - Supporting Families Programme: -
    - Quarter 1
    - Quarter 2
    - Quarter 3
    - Quarter 4
  - Local Enterprise Grant
    - Core Funding
    - Additional Funding
    - Covid Funding
    - EU Transition Funding
    - Peer Network
  - Disabled Facilities Grant,
  - Bus Subsidy Operators Grant
  - Compliance and Enforcement Surge Funding
  - Achieving for Children Grant Bursaries ITT Grant



- 4.7 All grants made available to the SAIS to be audited and certified during 2021/22 financial year have been completed and were up to date at the time of handover to SWAP with no work outstanding.

### **Consultancy, Contingency and Advice**

- 4.8 In addition to completing planned audit reviews, the team also provide consultancy, ad hoc advice, and guidance across the Council to assist colleagues with ensuring control and governance arrangements are considered in developing processes/policies etc.

### **Outstanding management responses**

- 4.9 There are no outstanding management responses to audit reports.

## **5. FRAUD AND IRREGULARITIES**

- 5.1 The work undertaken by the SAIS has included re-active investigations as well as developing pro-active fraud drives.
- 5.2 There have been no incidences of material fraud, irregularities or corruption discovered or reported during the year.

### **Proactive Investigations**

- 5.3 Work has been undertaken during Quarter 2 of 2021/22 to investigate Council Tax Empty Property Relief. It should be noted that the properties identified in the Council Tax Empty Property Relief exercise as occupied, that were previously shown as unoccupied, feed into the New Homes Bonus Scheme formula and may result in extra income into the council through liable charges being raised for previous council tax liability.
- 5.4 Due to resource and COVID-19 pandemic restrictions, no visits were made by the Shared Audit and Investigation Service to properties to establish occupancy.
- 5.5 Statistics for the 2021/22 Empty Property Review are shown below.

Initial number of letters sent	817
Total Returned	516 (63%)
- (From initial letter) – 407	
- (From reminder letter) – 109	
Non-changes	300 (58%)
Changes required	216 (42%)
Non returns	301 (37%)

- 5.6 There were 19 queries from residents that were dealt with. The Revenues Team was contacted, where necessary, to ensure that the response given was correct and appropriate.

## **COVID Business Grant Fraud Post Assurance Work**

5.7 The Shared Service has also worked during the year on the post assurance requirements of the Department of Business, Energy and Industrial Strategy (BEIS) for the range of COVID grants made below, for which the outcomes will be reported in our next audit report to this Committee; -

- o Local Restrictions Support Grant (Closed) Addendum
- o Local Restrictions Support Grant (Sector)
- o Local Restrictions Support Grant (Closed)
- o Local Restrictions Support Grant (Open)
- o ARG (Additional Restrictions Grant)
- o Local Restrictions Support Grant (Closed) Addendum & CBLP (Closed Business Lockdown Payment)
- o Christmas Support Payment for wet-led pubs

5.8 In addition, the Shared Service has worked on the post-payment assurance work required for the Business Restart Grants culminating in the completion of the grant certification return as requested by BEIS. A summary of work the Shared Service has undertaken in this area has been forwarded to the Director of Resources.

## **National Fraud Initiative Data Matching**

5.9 The bi-annual upload of data for the National Fraud Initiative has taken place and the data matches returned have been passed to the appropriate service to liaise with the new Internal Audit Service provider.

## **Reactive Investigations**

5.10 Work was completed in respect of a Fact-Finding Investigation in the area of Direct Payments. SAIS liaised with the Optalis Continuing Healthcare specialists to report on joint findings to assist management decisions in this area.

## **Regulation of Investigatory Powers Act**

5.11 No investigations have been undertaken during 2021/22 that has required Regulation of Investigatory Powers Act surveillance approval to be requested.

## **6. CONFORMANCE WITH PUBLIC SECTOR INTERNAL AUDITING STANDARDS (PSIAS)**

6.1 The PSIAS, as revised in April 2017, define the service and professional standards for public sector internal audit services. The standards apply to the Internal Audit function in all parts of the public sector in the UK and are mandatory. Within the PSIAS there is a requirement for an independent external review of the internal audit function once every five years.

- 6.2 The external inspection of the Internal Audit Service against the PSIAS took place in 2018 and assessed the service as ‘generally’ conforming to the standards (the top category of opinion). The action plan and progress against it has been previously reported to the Audit and Governance Committee on an ongoing basis.
- 6.3 The 2021/22 self-assessment has concluded that Internal Audit continues to be “generally compliant” with the PSIAS requirements with a small number of actions to be addressed.

## **7. CONTEXT AND COMPLIANCE**

- 7.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes. (Source: Public Sector Internal Audit Standards and Local Government Application Note: Chartered Institute of Public Finance and Accountancy in collaboration with the Chartered Institute of Internal Auditors).
- 7.2 Internal Audit is a statutory requirement for local authorities. There are two key pieces of relevant legislation:
- Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs.
  - The Accounts and Audit Regulations 2015 (Amendment) (England) states that “A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.
- 7.3 Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Chief Executive, the S151 Officer, Directors and the Chair of the Audit and Governance Committee.
- 7.4 The Head of Internal Audit confirms that any restrictions on the scope of internal audit work and reasons are as outlined in the headline summary section of this report.

## **8. HANDOVER TO NEW PROVIDER, SWAP**

- 8.1 Work has also been undertaken during the latter part of the year in preparation for handover of Internal Audit and Investigation activity to the new provider, SWAP. This has included handover meetings and liaison with SWAP; liaison with External Audit; completion of all internal audit and investigation work and Grant Certifications. In addition, clearance of all Data Protection, Freedom of Information and Police information requests; cleansing and transfer of all internal audit and investigation files (reports, working papers etc.) and other documents to RBWM; preparation of closedown schedules and checks, IT and housekeeping requirements.

### 2021/22 Royal Borough of Windsor and Maidenhead Internal Audit and Investigation Plan Status (as at 31 March 2022)

#### Key Financial Systems

Audit title	Directorate	Status	Final audit opinion
Payroll (2020/21 Follow Up)	Resources	FINAL	n/a
Achieving for Children Payroll (2020/21 Follow Up)	Resources	FINAL	n/a
Creditors (2020/21 Follow Up)	Resources	FINAL	n/a
Debtors (2020/21 Follow Up High Risk Concerns – Quarterly)	Resources	FINAL	n/a
Cash & Bank Reconciliation (Progress of High-Risk Concerns – Quarterly)	Resources	FINAL	n/a
General Ledger (2020/21 Follow Up)	Resources	FINAL	n/a
Benefits/Council Tax Reduction Scheme (2019/20 Follow Up)	Resources	FINAL	2
Council Tax (2019/20 Follow Up)	Resources	FINAL	1
NNDR (2019/20 Follow Up)	Resources	FINAL	1
Treasury Management (2020/21 Follow Up)	Resources	FINAL	n/a
Pensions Payroll and Administration (2020/21 Follow Up)	Resources	FINAL	n/a

#### Governance Building Blocks

Audit title	Directorate	Status	Final audit report opinion
Procurement (Covid-19 Expenditure)	Resources	FINAL	2

#### Key Operational Risks

Audit title	Directorate	Status	Final audit report opinion
Health & Safety (incl. PPE)	Cross cutting	FINAL	2

#### Servicing the Business

Audit title	Directorate	Status	Final audit report opinion
Schools Financial Value Statement	Children's Services	Completed	n/a
Schools Risk Assessment Exercise	Children's Services	Completed	n/a

## Grant Certifications

Audit title	Directorate	Status	Final audit report opinion
Covid-19 Restart Grants	Resources	FINAL	Certified
Supporting People Programme Grant (Qtr. 1)	Resources	FINAL	Certified
Supporting People Programme Grant (Qtr. 2)	Resources	FINAL	Certified
Supporting People Programme Grant (Qtr. 3)	Resources	FINAL	Certified
Supporting People Programme Grant (Qtr. 4)	Resources	FINAL	Certified
Local Enterprise Partnership Grants: - <ul style="list-style-type: none"> <li>- Core Funding</li> <li>- Additional Funding</li> <li>- Covid Funding</li> <li>- EU Transition Funding</li> <li>- Peer Network</li> </ul>	Resources	FINAL	Certified
Disabled Facilities Grant	Resources	FINAL	Certified
Bus Subsidy Operators Grant	Resources	FINAL	Certified
Compliance and Enforcement Surge Funding	Resources	FINAL	Certified
Achieving for Children ITT Bursaries Grant	Children's Services	FINAL	Certified

## Contingency/Management Requests

Audit title	Directorate	Status	Final audit report opinion
Reconciliations (2020/21 Follow Up of High-Risk Concerns - Quarterly)	Chief Executive	FINAL	n/a
Direct Payments Fact Finding	Adults, Health and Housing	FINAL	n/a - Advisory
Housing (Income from Clients)	Adults, Health and Housing	FINAL	3
All Saints School	Children's Services	FINAL	3

## Investigations

Audit title	Directorate	Status	Final audit report opinion
Reactive Investigations	Cross Cutting	Completed	n/a
Empty Property Relief Proactive Exercise	Resources	Completed	n/a
Covid-19 Grants Post Assurance Checks and Reporting to BEIS		Completed	n/a
Covid Restart Grants	Resources		n/a
National Fraud Initiative Data Matching	Cross Cutting	Data Matches passed to relevant service	n/a
Police Information Requests	Resources	Completed for all requests received to 31/3/22	n/a
Data Protection / Freedom of Information Requests	Cross Cutting	Completed for all requests received to 31/3/22	n/a

## Achieving for Children

Audit title	Directorate	Status	Final audit report opinion
AfC Leaving Care	Children's Services	FINAL	2

## 2020/21 Audits Completed in early 2021/22 (Full System Reviews)

Audit title	Directorate	Status	Final audit report opinion
Payroll	Resources	FINAL	2
AfC Payroll	Resources	FINAL	2
Creditors	Resources	FINAL	1
General Ledger	Resources	FINAL	1
Treasury Management	Resources	FINAL	1
Pensions Payroll & Administration	Resources	FINAL	1
AfC Buildings & Facilities Management	Children's Services	FINAL	2
AfC Information Governance	Children's Services	FINAL	2

### Audit Opinion Definitions

- 1 Complete and Effective
- 2 Substantially Complete and Generally Effective
- 3 Range of Risk Mitigation Controls is incomplete, and risks are not effectively mitigated
- 4 There is no effective Risk Management process in place

### Legend

C - Certification  
E - Exempt

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : 2021/22 Audit and Investigation Annual Report**

**Essential information**

Items to be assessed: (please mark 'x')

Strategy		Plan		Project		Service procedure	x
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Responsible officer	Andrew Valance	Service area	Finance	Directorate	Resources
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<b>Stage 1: EqIA Screening (mandatory)</b>	Date created: 10/05/2022	<b>Stage 2 : Full assessment (if applicable)</b>	Date created : NA
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**Approved by Head of Service / Overseeing group/body / Project Sponsor:**  
*"I am satisfied that an equality impact has been undertaken adequately."*

**Signed by (print):** Andrew Valance

**Dated:** 10/05/2022



# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : 2021/22 Audit and Investigation Annual Report

#### Guidance notes

##### What is an EqlA and why do we need to do it?

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqlAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqlA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

##### What are the "protected characteristics" under the law?

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

##### What's the process for conducting an EqlA?

The process for conducting an EqlA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

##### Openness and transparency

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

##### Enforcement

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : 2021/22 Audit and Investigation Annual Report**

**Stage 1 : Screening (Mandatory)**

**1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?**

*The report summarises the Shared Audit and Investigation Service (SAIS) activity and outlines the progress in achieving the 2021/22 Audit and Investigation Plan as at 31 March 2022.*

*The report also sets out the overall Internal Audit Opinion for the year on the Council's internal controls.*

RECOMMENDATION: That Audit and Governance Committee notes :

- i.the annual report from SAIS
- ii.the Annual Internal Audit Opinion

**1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as "Not Relevant".**

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : 2021/22 Audit and Investigation Annual Report**

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<b>Protected characteristics</b>	<b>Relevance</b>	<b>Level</b>	<b>Positive/negative</b>	<b>Evidence</b>
<b>Age</b>	Not Relevant			
<b>Disability</b>	Not Relevant			
<b>Gender re-assignment</b>	Not Relevant			
<b>Marriage/civil partnership</b>	Not Relevant			
<b>Pregnancy and maternity</b>	Not Relevant			
<b>Race</b>	Not Relevant			
<b>Religion and belief</b>	Not Relevant			
<b>Sex</b>	Not Relevant			
<b>Sexual orientation</b>	Not Relevant			

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : 2021/22 Audit and Investigation Annual Report**

**Outcome, action and public reporting**

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Screening Assessment Outcome	Yes / No / Not at this stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
Was a significant level of negative impact identified?	No	Not at this stage		
Does the strategy, policy, plan etc require amendment to have a positive impact?	No	Not at this stage		

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered “No” or “Not at this Stage” to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : 2021/22 Audit and Investigation Annual Report**

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**Stage 2 : Full assessment**

**2.1 : Scope and define**

**2.1.1 Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? List the groups who the work is targeting/aimed at.**

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**2.1.2 Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? *List those groups who the work is targeting/aimed at.***

**2.2 : Information gathering/evidence**

**2.2.1 What secondary data have you used in this assessment? *Common sources of secondary data include: censuses, organisational records.***

**2.2.2 What primary data have you used to inform this assessment? *Common sources of primary data include: consultation through interviews, focus groups, questionnaires.***

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
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**Eliminate discrimination, harassment, victimisation**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : 2021/22 Audit and Investigation Annual Report

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

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**Advance equality of opportunity**



# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : 2021/22 Audit and Investigation Annual Report

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

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**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**

**EqlA : 2021/22 Audit and Investigation Annual Report**

**Foster good relations**

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

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**2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts? If so please summarise any updates.**  
*These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.*

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : 2021/22 Audit and Investigation Annual Report**

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Report Title:	<b>Internal Audit Plan 2022/23</b>
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Hilton, Cabinet Member for Asset Management & Commercialisation, Finance and Ascot
Meeting and Date:	Audit and Governance Committee – 19 May 2022
Responsible Officer(s):	Adele Taylor, Executive Director, Resources Andrew Vallance, Head of Finance
Wards affected:	All



## **REPORT SUMMARY**

*The report recommends an internal audit plan for 2022/23. It will be presented by the Council's new internal auditors, South West Audit Partnership (SWAP).*

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That Audit and Governance Committee notes the report and:

**APPROVES the Internal Audit Plan for 2022/23**

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

2.1 To ensure that the internal audit programme for 2022/23 is agreed.

#### **Options**

**Table 1: Options arising from this report**

<b>Option</b>	<b>Comments</b>
To agree the Internal Audit Plan <b>This is the recommended option</b>	This is the preferred option for the reasons set out in the report

### **3 BACKGROUND**

3.1 The October 2021 meeting of Audit and Governance Committee recommended to Cabinet that the Council should become a member of the South West Audit Partnership (SWAP). Cabinet ratified this decision in November 2021.

3.2 SWAP therefore took over the role of the Council's internal auditors from 1 April 2022.

3.3 SWAP's audit plan for April to June 2022 was approved at the February 2022 meeting of this committee. A plan for the whole of 2022/23 has now been drawn up after discussions with the Head of Finance and Directors and is attached as **Appendix 1**.

3.4 Key staff from SWAP will attend the meeting to present the plan.

#### **4 FINANCIAL DETAILS / VALUE FOR MONEY**

4.1 There are no direct financial consequences of this decision.

#### **5 LEGAL IMPLICATIONS**

5.1 None.

#### **6 RISK MANAGEMENT**

6.1 SWAP will undertake a review of current risk management arrangements as part of this audit plan.

#### **7 POTENTIAL IMPACTS**

7.1 Equalities. An Equality Impact Assessment is attached as **Appendix 2**. A screening assessment has been completed which indicates the proposal does not have any equality impacts.

7.2 Climate change/sustainability. There are no impacts as a consequence of the decision.

7.3 Data Protection/GDPR. No personal data has been processed.

#### **8 CONSULTATION**

8.1 The Head of Paid Service, the Section 151 Officer, the Monitoring Officer and the Deputy Monitoring Officers have been consulted on the report.

#### **9 TIMETABLE FOR IMPLEMENTATION**

9.1 By 31 March 2023

#### **10 APPENDICES**

10.1 Appendix 1 - Internal Audit Plan 2022/23

10.2 Appendix 2 - EQIA

## 11 BACKGROUND DOCUMENTS

11.1 None

## 12 CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	5/5/22	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	5/5/22	10/5/22
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	5/5/22	5/5/22
Elaine Browne	Head of Law (Deputy Monitoring Officer)	5/5/22	
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	5/5/22	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	5/5/22	
Hilary Hall	Executive Director of Adults, Health & Housing	5/5/22	9/5/22
Kevin McDaniel	Executive Director of Children's Services	5/5/22	
Andrew Durrant	Executive Director of Place	5/5/22	
<i>External (where relevant)</i>			
N/A			

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Finance and Ascot	Yes
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Audit and Governance Committee for Approval	No	No

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Report Author:  
Andrew Vallance, Head of Finance [andrew.vallance@rbwm.gov.uk](mailto:andrew.vallance@rbwm.gov.uk)



# Royal Borough of Windsor and Maidenhead

## 2022-23 Internal Audit Plan and Internal Audit Charter

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# The Internal Audit Plan: Summary

The internal audit plan provides a summary of the audit approach that the internal audit team will follow to deliver the 2022/23 internal audit plan. This rolling plan will be kept live throughout the year.

Delivery of an internal audit programme of work that provides sufficient and appropriate coverage, will enable us to provide a well-informed and comprehensive year-end annual internal audit opinion.

## Introduction and Objective of the Internal Audit Plan

Internal audit provides an independent and objective opinion on the Authority’s risk management, governance, and control environment by evaluating its effectiveness.

SWAP, in conjunction with senior management, agree a proposed audit approach to deliver an internal audit plan. The objective of our planning process and subsequent programme of work agreed is to put us in a position to provide a well-informed and comprehensive annual audit opinion, based on sufficient and appropriate coverage of key business objectives, associated risks, and risk management processes.

The outcomes of each of the audits will provide senior management and members with assurance that the current risks faced by the Authority in these areas are adequately controlled and managed.

It should be noted that internal audit is only one source of assurance, and the outcomes of internal audit reviews should be considered alongside other sources, as part of the ‘three lines’ assurance model. Key findings from our internal audit work should also be considered in conjunction with completion of the Authority’s AGS.

**It is the responsibility of the Authority’s Leadership Team, and the Audit and Governance Committee, to determine that the audit coverage contained within the proposed audit plan is sufficient and appropriate in providing independent assurance against the key risks faced by the organisation.**

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# The Internal Audit Plan: Approach

To develop an appropriate risk-based audit plan, SWAP have consulted with senior management, as well as reviewing key documentation, to obtain an understanding of the organisation's strategies, key business objectives, associated risks, and risk management processes.

## Approach to Internal Audit Planning 2022/23

The factors considered in putting together the 2022/23 internal audit plan have been set out below:



The above factors are used to identify the areas of highest risk across the Council, in line with our risk-based approach.

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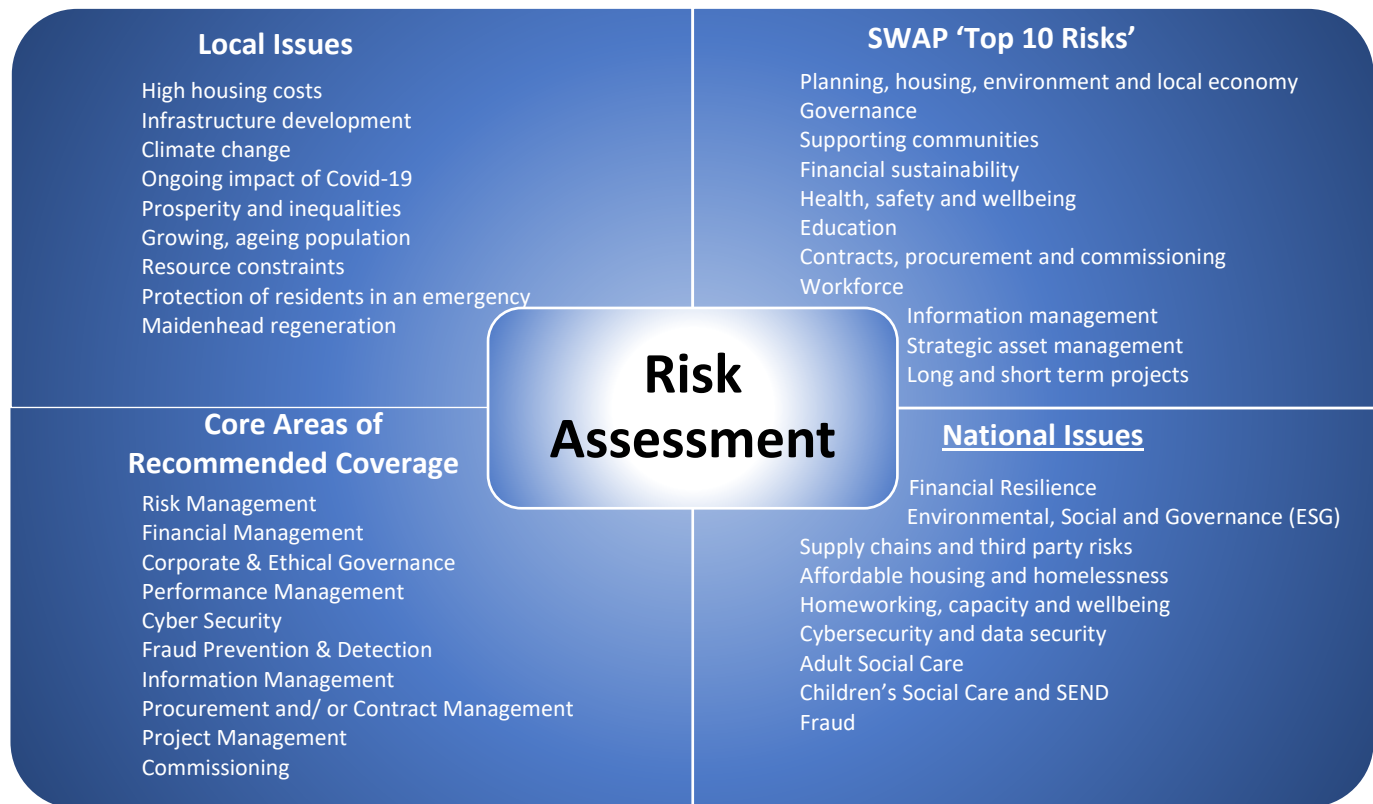
# The Internal Audit Plan: Risk Assessment

A documented risk assessment prior to developing an internal audit plan, ensures that sufficient and appropriate areas are identified for consideration.

## Internal Audit Annual Risk Assessment

Our 2022/23 internal audit programme of work is based on a documented risk assessment, which SWAP will re-visit regularly, this will be at least on a quarterly basis.

Below we have set out a summary of the outcomes of the risk assessment for Windsor and Maidenhead:



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# The Internal Audit Plan: Risk Assessment

Following our SWAP Risk Assessment above, we have set out how the proposed 2022/23 plan presented in Annex A provides coverage of the Authority's key corporate challenges and strategic risks, as well as our core areas of recommended audit coverage.

Internal audit is only one source of assurance and should be considered in this context.

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## Internal Audit Coverage in 2022/23

Our aim is to produce an agile, risk-assessed work plan, containing key areas of coverage.

Traditionally an annual plan is presented to committee ahead of the start of the financial year. Fixing a plan and agreeing it in advance always means that it is subject to a high degree of uncertainty and change. It is now recognised across the profession that a better approach is to build our plan in conjunction with management and add to it as the year progresses. A rolling plan is created that is continually updated as new areas of work are agreed. New audits are risk assessed and added to the rolling plan meaning lower risk audits roll back to be delivered at a point in the future.

For the last few years the plan has been focused towards financial related audit work. This continues to remain important and financial audits will always be included in the plan but this year the plan is much broader in terms of systems and services covered.

Meetings have been held with the CEO and Executive Directors to obtain their input into the plan. These meetings have been key to agreeing a programme of work reflective of corporate priorities and risks. Senior Management have also been encouraged to approach internal audit throughout the year with requests for audit work. This planning approach means that the 2022/23 audit plan will be flexible to respond to new and emerging risks, as and when they are identified. We have set out the proposed plan in Annex A. It has been structured to demonstrate coverage across the Authority's corporate challenges and strategic risks, as well as our core areas of recommended audit activity.

Internal audit coverage can never be absolute and responsibility for risk management, governance and internal control arrangements will always remain fully with management. As such, internal audit cannot provide complete assurance over any area, and equally cannot provide any guarantee against material errors, loss or fraud.

# The Internal Audit Plan: SWAP

SWAP Internal Audit Services is a public sector, not-for-profit partnership, owned by the public sector partners that it serves. The SWAP Partnership now includes 26 public sector partners, providing services throughout the UK.

As a company, SWAP has adopted the following values, which we ask our clients to assess us against following every piece of work that we do:

- Candid
- Relevant
- Inclusive
- Innovative
- Dedicated

## Your Internal Audit Service

### **Conformance with Public Sector Internal Audit Standards**

SWAP work is completed to comply with the International Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note.

Every three years, SWAP is subject to an External Quality Assessment of Internal Audit Activity. The last of these was carried out in February 2020 which confirmed conformance with the Public Sector Internal Audit Standards. An annual self-assessment process confirms ongoing compliance.

### **Conflicts of Interest**

We are not aware of any conflicts of interest within the Royal Borough of Windsor and Maidenhead that would present an impairment to our independence or objectivity. Furthermore, we are satisfied that we will conform with our IIA Code of Ethics in relation to Integrity, Objectivity, Confidentiality, & Competency.

### **Consultancy Engagements**

As part of our internal audit service, we may accept proposed consultancy engagements, based on the engagement's potential to improve management of risk, add value and improve the organisation's operations. Consultancy work that is accepted, will contribute to our annual opinion and will be included in our plan of work.

### **Approach to Fraud**

Internal audit may assess the adequacy of the arrangements to prevent and detect irregularities, fraud and corruption. We have dedicated counter fraud resource available to undertake specific investigations if required. However, the primary responsibility for preventing and detecting corruption, fraud and irregularities rests with management who should institute adequate systems of internal control, including clear objectives, segregation of duties and proper authorisation procedures.

### **Internal Audit Charter**

The nature, role, responsibility, status and authority of internal auditing within the Royal Borough of Windsor and Maidenhead and an outline of the scope of internal audit work is provided in the Charter at Annex B.

# The Internal Audit Plan: Approach

Over and above our internal audit service delivery, SWAP will look to add value throughout the year wherever possible. This will include:

- Benchmarking and sharing of best-practice between our public-sector Partners
- Regular newsletters and bulletins containing emerging issues and significant risks identified across the SWAP partnership
- Communication of fraud alerts received both regionally and nationally
- Member training sessions

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## Our Reporting

A summary of internal audit activity will be reported quarterly to senior management and the Audit and Governance Committee. This reporting will include any significant risk and control issues (including fraud risks), governance issues and other matters that require the attention of senior management and/or the Audit and Governance Committee. We will also report any response from management to a risk we have highlighted that, in our view, may be unacceptable to the organisation.

## Internal Audit Performance:

As part of our regular reporting to senior management and the Audit and Governance Committee, we will report on internal audit performance. The following performance targets will be used to measure the performance of our audit activity:

Performance Measure	Performance Target
<p align="center"><b><u>Delivery of Annual Internal Audit Plan</u></b> Completed at year end</p>	<p>&gt;90%</p>
<p align="center"><b><u>Quality of Audit Work</u></b> Overall Client Satisfaction <i>(did our audit work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i></p>	<p>&gt;95%</p>
<p align="center"><b><u>Outcomes from Audit Work</u></b> Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i></p>	<p>&gt;95%</p>

These reviews form our rolling plan for 2022/23. The plan will continue to be added to as the year progresses to reflect corporate priorities and updated strategic risks. Ahead of each quarter a risk assessment will be undertaken to determine the priority areas to include in the plan.

It should be noted that the audit titles and high-level scopes included below are only indicative at this stage for planning our resources. At the start of each audit, an initial discussion will be held to agree the specific terms of reference for the piece of work, which includes the objective and scope for the review.

Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
<b>CP Challenge and Priority- taking action to tackle climate change</b> <i>Climate change emergency declared in June 2019.</i>	<b>Climate change</b> Important area to cover given climate emergency declared in June 2019.	Executive Director of Place
<b>CP Challenge and Priority - Housing</b> <i>A ladder of housing opportunity.</i>	<b>Homelessness strategy</b> Review effectiveness of strategy in place.	Executive Director of Adults, Health and Housing
<b>CP Priority – Quality Infrastructure</b> <i>Connecting neighbourhoods and businesses and allowing them to prosper</i>	<b>CIL/S106</b> Consider collection, allocation and expenditure.	Executive Director of Place
<b>CP - Ongoing impact of Covid-19</b> <i>Economic recovery will need to respond to the resulting changes and challenges.</i>	<b>Economic recovery post Covid-19</b> Supporting businesses post Covid-19.	Executive Director of Place
<b>CP - Prosperity and inequalities</b> <i>Tackling the impacts of deprivation on outcomes for children.</i>	<b>Children’s Services</b> <ul style="list-style-type: none"> <li>• Children’s to Adults services transition</li> <li>• Strategic commissioning SEND</li> <li>• Strategic review of early intervention</li> </ul>	Executive Director of Children’s Services
<b>CP - Growing, ageing population increasing demand</b> <i>Rethinking the ways in which we design, deliver and connect people to support.</i>	<b>Adult services</b> <ul style="list-style-type: none"> <li>• Safeguarding</li> <li>• Direct payments</li> </ul>	Executive Director of Adults, Health and Housing

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Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
	<ul style="list-style-type: none"> <li>Financial assessments and invoicing. To include a consideration of social care charging changes from October 2023.</li> </ul> <p><b>Public Health</b></p> <ul style="list-style-type: none"> <li>Drug and alcohol contract</li> </ul>	
<p><b>CP - Resource constraints</b> <i>Managing higher demand with reducing budgets.</i></p>	<p><b>Financial</b></p> <ul style="list-style-type: none"> <li>Medium Term Financial Plan</li> <li>Management of the capital budget</li> <li>Corporate debt management</li> <li>Pension Investments</li> <li>School's Financial Management Standard (SFVS) Assurance</li> </ul>	Executive Director of Resources
<b>SR – Maidenhead regeneration</b>	Currently much work ongoing in this area. To include in future internal audit plans.	
<b>SR – Children to Adults services transition</b>	<p><b>Transition from Children's to Adults services</b> Also see above under corporate plan challenge. Ensuring the needs of the young person are met through the transition period. Joint review with Achieving for Children's internal auditors.</p>	Executive Director of Children's Services
<b>SR – Covid 19</b>	<p><b>Economic recovery post Covid-19</b> See above under corporate plan challenge.</p>	Executive Director of Place
<b>SR – Failure to protect residents in an emergency scenario</b>	<p><b>Business continuity planning</b> Provide assurance of work carried out in this area.</p>	Executive Director of Place
<b>SR – Threat of a terrorist act</b>	See business continuity above	
<b>SR – Effectiveness of financial strategy</b>	<p><b>Medium Term Financial Plan</b> See above under corporate plan challenge</p>	Executive Director of Resources

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Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
<b>SR – Failure of council owned companies/major contractors</b>	<p><b>Achieving for Children’s/Optalis – contract management</b> Include new joint commissioning arrangements.</p> <p><b>Contract management</b> Review contract management arrangements across the Council. Previously agreed Q1 audit.</p> <p><b>Procurement</b> Review planning and compliance arrangements.</p>	<p>Executive Director of Place/ Executive Director of Children’s Services</p> <p>Senior Leadership Team</p> <p>Monitoring Officer</p>
<b>SR – Data protection regulatory compliance/data security breach</b>	<p><b>Information management</b> Review will provide assurance of recent work carried out in this area.</p> <p><b>Cybersecurity framework review</b> Review of 20 key controls to provide assurance and to focus future risk based reviews. To include benchmarking with other SWAP partners.</p>	<p>Monitoring Officer</p> <p>Head of HR, Corporate Projects and ICT</p>
<b>SR – ICT infrastructure failure</b>	<p><b>ICT governance risk review</b> Position statement covering key areas of risk across council ICT enterprise and infrastructure.</p>	<p>Head of HR, Corporate Projects and ICT</p>
<p><b>Corporate governance</b> <i>Corporate governance refers to the strategic management practices and values and beliefs by which the Council operates.</i></p>	<p><b>Delegated decision making</b> This has been an area of development. Review will provide assurance of the outcomes of this work.</p>	<p>Monitoring Officer</p>
<b>Financial management</b>	<b>See above under Corporate Challenge resource constraints.</b>	<p>Executive Director of Resources</p>

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Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
<p><i>Effective Financial management is the bedrock of any successful organisation and is vital to the ongoing ability of local authorities to deliver services that the public wants.</i></p>		
<p><b>Risk management</b>  <i>Organisations which operate under a structured and active risk management approach, are far more likely to be able to focus upon their key priorities and outcomes and, in doing so, take informed and robust decisions.</i></p>	<p><b>Risk management.</b>                      Review of current risk management framework. Previously agreed Q1 audit.</p>	Executive Director of Resources
<p><b>Performance management</b>  <i>Performance management provides a transparent platform upon which the service is accountable to its citizens and service users for the effectiveness of its service provision and delivery of its objectives.</i></p>	New performance management system being implemented currently. To include in future Internal Audit Plans.	
<p><b>Commissioning &amp; procurement</b>  <i>Assessing procurement &amp; commissioning activity of a Local Authority is a critical determinant in establishing its effectiveness in both being able to deliver benefit for its community, but also in showing whether it can maximise value for money for its taxpayers.</i></p>	<p><b>See above under strategic risks:</b></p> <ul style="list-style-type: none"> <li>• Achieving for Children’s/Optalis – contract management</li> <li>• Contract management</li> <li>• Procurement</li> <li>• Strategic commissioning SEND</li> </ul>	Across Senior Leadership Team
<p><b>ICT/information management</b>  <i>Effective ICT will facilitate and support effective working, better decision-making, improved customer service and business transformation.</i></p>	<p><b>See above under strategic risks:</b></p> <ul style="list-style-type: none"> <li>• ICT governance risk review</li> <li>• ICT cybersecurity framework review and benchmarking</li> <li>• Information management</li> </ul> <p><b>Other ICT audits</b></p>	Head of HR, Corporate Projects and ICT

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Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
	Informed by the governance and cybersecurity reviews above.	
<b>Programme &amp; project management</b> <i>Organisations which can demonstrate and operate under a structured and active approach are far more likely to be able to focus their efforts and successfully achieve the delivery of anticipated outcomes.</i>	No audits currently scheduled.	
<b>People management</b> <i>Organisations which can demonstrate and operate under a structured and active approach are far more likely to be able to focus resources against key priorities and, as a direct result, deliver improved outcomes.</i>	No audits currently scheduled.	
<b>Asset management</b> <i>Organisations which can demonstrate and operate under a structured and active approach are far more likely to be able to focus resources against key priorities and, as a direct result, deliver improved outcomes.</i>	<b>Fleet safety compliance checks</b> Previously agreed Q1 audit.	CEO
<b>Follow-up audits</b>	Review implementation of agreed actions and to assess appropriate reduction of risk. <ul style="list-style-type: none"> <li>• Housing Income</li> <li>• All Saints School</li> <li>• Cash and Bank Reconciliation</li> <li>• Other follow-up work as required through the year.</li> </ul>	Across Senior Leadership Team
<b>Counter-fraud related</b>	<b>Baseline assessment of maturity in relation to fraud</b> Corporate view of fraud maturity, to include benchmarking with other SWAP partners.	Executive Director of Resources

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Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
	<p><b>Fraud risk assessment</b> Risk assessment across the Council’s services, outcomes will inform future plans.</p> <p><b>Fraud related training</b></p> <p><b>Fraud related advice</b> Advice as required.</p> <p><b>Reactive fraud work</b> Investigative work as required.</p> <p><b>National Fraud Initiative (NFI)</b> Maintaining oversight of this data matching exercise.</p>	
<p><b>Grant certification</b> <i>As required by funding stream.</i></p>	<p>Grant certification will be carried out in line with audit certification requirements. The following grants have already been identified:</p> <ul style="list-style-type: none"> <li>• Supporting Families programme</li> <li>• Local transport capital funding grant</li> <li>• Bus Service Operator Grant (BSOG)</li> <li>• LEP – core growth</li> <li>• LEP – peer networks</li> <li>• Disabled facilities grant</li> <li>• Green homes grant</li> </ul>	<p>Across Senior Leadership Team</p>
<p><b>Advice and support</b></p>	<ul style="list-style-type: none"> <li>• Handover with existing internal auditors.</li> <li>• Audit advice and planning including Head of Internal Audit role.</li> <li>• Committee reporting and attendance at other corporate meetings.</li> <li>• Committee training.</li> </ul>	

Corporate Plan (CP)/ Strategic Risk (SR)/Corporate Theme	Areas of Coverage and Brief Rationale	Audit Sponsor/ Senior Management Lead
	<ul style="list-style-type: none"> <li>• Data Analytics – involvement in SWAP wide data analytics work and benchmarking.</li> <li>• News round-up and fraud alerts.</li> </ul>	

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## Purpose

The purpose of this Charter is to set out the nature, role, responsibility, status and authority of internal auditing within the Royal Borough of Windsor and Maidenhead, and to outline the scope of internal audit work.

## Approval

This Charter is required to be reviewed and approved each year to confirm it remains accurate and up to date.

## Provision of Internal Audit Services

The internal audit service is provided by the SWAP Internal Audit Services (SWAP). This charter should be read in conjunction with the Service Agreement, which forms part of the legal agreement between the SWAP partners.

The budget for the provision of the internal audit service is determined by the Royal Borough of Windsor and Maidenhead in conjunction with the Members Meeting. The general financial provisions are laid down in the legal agreement, including the level of financial contribution by the organisation, and may only be amended by unanimous agreement of the Members Meeting. The budget is based on an audit needs assessment that was carried out when determining the organisation's level of contribution to SWAP. This is reviewed each year by the S151 Officer in consultation with the Chief Executive of SWAP.

## Role of Internal Audit

The Accounts and Audit (England) Regulations 2015, state that: *"A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account the public sector internal auditing standards or guidance."*

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Organisation's operations. It helps the Royal Borough of Windsor and Maidenhead accomplish its objectives by bringing a systematic disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

## Responsibilities of Management, Audit and Governance Committee and Internal Audit

### Management<sup>1</sup>

Management is responsible for ensuring SWAP:

- has the support of management and the organisation; and
- has direct access and freedom to report to senior management, including the Chief Executive and the Audit and Governance Committee
- is notified of suspected or detected fraud, corruption or impropriety.

Management is responsible for maintaining internal controls, including proper accounting records and other management information suitable for running the Organisation. Management is also responsible for the appropriate and effective management of risk.

### Audit and Governance Committee<sup>2</sup>

The Audit and Governance Committee is responsible for approving the scope of internal audit work, receiving communications from the SWAP Assistant Director on the progress of work undertaken,

<sup>1</sup> In this instance Management refers to the Senior Management Team and Statutory Officers.

<sup>2</sup> In this instance the Audit and Governance Committee relates to "The Board" referred to in the PSIAS.

reviewing the independence, objectivity, performance, professionalism and effectiveness of the Internal Audit function, and obtaining reassurance from the SWAP Assistant Director as to whether there are any limitations on scope or resources.

### **Internal Audit**

The SWAP Assistant Director, as Head of Internal Audit, is responsible for determining the scope, except where specified by statute, of internal audit work and for recommending the action to be taken on the outcome of, or findings from, their work.

Internal audit is responsible for operating under the policies established by management in line with best practice.

Internal audit is responsible for conducting its work in accordance with the mandatory elements of the Code of Ethics and Standards for the Professional Practice of Internal Auditing as set by the Institute of Internal Auditors and further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS) and the CIPFA Local Government Application Note. SWAP has been independently assessed and found to be in Conformance with the Standards.

Internal audit is not responsible for any of the activities which it audits. SWAP staff will not assume responsibility for the design, installation, operation or control of any procedures. SWAP staff who have previously worked for the organisation will not be asked to review any aspects of their previous department's work until one year has passed since they left that area.

### **Relationship with the External Auditors/Other Regulatory Bodies**

Internal Audit will co-ordinate its work with others wherever this is beneficial to the organisation.

### **Status of Internal Audit in the Organisation**

\*The Chief Executive of SWAP is responsible to the SWAP Board of Directors and the Members Meeting. Appointment or removal of the Chief Executive of SWAP is the sole responsibility of the Members Meeting.

The Chief Executive for SWAP, the Executive Director and Assistant Director also report to the Section 151 Officer, and reports to the Audit and Governance Committee as set out below.

The Assistant Director will be the first and primary point of contact for the organisation for all matters relating to the Audit and Governance Committee, including the provision of periodic reports, as per company policy. The Assistant Director is also responsible for the design, development and delivery of audit plans, subject to the agreement of the Royal Borough of Windsor and Maidenhead.

### **Scope and authority of Internal Audit work**

There are no restrictions placed upon the scope of internal audit's work. SWAP staff engaged on internal audit work are entitled to receive and have access to whatever information or explanations they consider necessary to fulfil their responsibilities to senior management. In this regard, internal audit may have access to any records, personnel or physical property of the organisation.

Internal audit work will normally include, but is not restricted to:

- reviewing the reliability and integrity of financial and operating information used for operational and strategic decision making, and the means used to identify, measure, classify and report such information;
- evaluating and appraising the risks associated with areas under review and make proposals for improving the management and communication of risks;



- appraise the effectiveness and reliability of the enterprise risk management framework and recommend improvements where necessary;
- assist management and Members to identify risks and controls with regard to the objectives of the organisation and its services;
- reviewing the systems established by management to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on operations and reports, and determining whether the organisation is in compliance;
- reviewing the means of safeguarding assets and, as appropriate, verifying the existence of assets;
- appraising the economy, efficiency and effectiveness with which resources are employed;
- reviewing operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned, with performance and accountabilities established.
- reviewing the operations of the organisation in support of their anti-fraud and corruption policy, ethical expectations and corporate values, investigating where necessary.
- at the specific request of management, internal audit may provide consultancy services (including fraud investigation services) provided:
  - the internal auditor's independence is not compromised
  - the internal audit service has the necessary skills to carry out the assignment, or can obtain such skills without undue cost or delay
  - the scope of the consultancy assignment is clearly defined and management have made proper provision for resources the work.
  - management understand that the work being undertaken is not internal audit work.

### **Planning and Reporting**

SWAP will submit to the Audit and Governance Committee for approval, an annual internal audit plan, setting out the recommended scope of their work in the period.

The annual plan will be developed with reference to the risks the organisation will be facing in the forthcoming year, whilst providing a balance of current and on-going risks, reviewed on a cyclical basis. The plan will be reviewed on a quarterly basis to ensure it remains adequately resourced, current and addresses new and emerging risks.

SWAP will carry out the work as agreed, report the outcome and findings, and will make recommendations on the action to be taken as a result to the appropriate manager and Director. SWAP will report at least two times a year to the Audit and Governance Committee or as agreed. SWAP will also report a summary of their findings, including any persistent and outstanding issues, to the Audit and Governance Committee on a regular basis.

Internal audit reports will normally be by means of a brief presentation to the relevant manager accompanied by a detailed report in writing. The detailed report will be copied to the relevant line management, who will already have been made fully aware of the detail and whose co-operation in preparing the summary report will have been sought.

The Assistant Director will submit an annual report to the Audit and Governance Committee providing an overall opinion of the status of risk and internal control within Royal Borough of Windsor and Maidenhead , based on the internal audit work conducted during the previous year.

In addition to the reporting lines outlined above, the Chief Executive of SWAP and SWAP Directors and Assistant Directors have the unreserved right to report directly to the Leader of the Council, the Chairman of the Audit and Governance Committee, the organisation’s Chief Executive Officer or the External Audit Manager.

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Internal Audit Plan 2022/23

#### Essential information

Items to be assessed: (please mark 'x')

Strategy		Plan	x	Project		Service procedure	
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Responsible officer	Andrew Valance	Service area	Finance	Directorate	Resources
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Stage 1: EqIA Screening (mandatory)	Date created: 10/05/2022	Stage 2 : Full assessment (if applicable)	Date created : NA
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Approved by Head of Service / Overseeing group/body / Project Sponsor:

*"I am satisfied that an equality impact has been undertaken adequately."*

Signed by (print): Andrew Valance

Dated: 10/05/2022

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Internal Audit Plan 2022/23

#### Guidance notes

##### What is an EqlA and why do we need to do it?

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqlAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqlA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

##### What are the "protected characteristics" under the law?

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

##### What's the process for conducting an EqlA?

The process for conducting an EqlA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

##### Openness and transparency

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

##### Enforcement

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : Internal Audit Plan 2022/23**

**Stage 1 : Screening (Mandatory)**

**1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?**

*The report recommends an internal audit plan for 2022/23. It will be presented by the Council's new internal auditors, South West Audit Partnership (SWAP).*

RECOMMENDATION: That Audit and Governance Committee notes the report and:

APPROVES the Internal Audit Plan for 2022/23

**1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as "Not Relevant".**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Internal Audit Plan 2022/23

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Protected characteristics	Relevance	Level	Positive/negative	Evidence
Age	Not Relevant			
Disability	Not Relevant			
Gender re-assignment	Not Relevant			
Marriage/civil partnership	Not Relevant			
Pregnancy and maternity	Not Relevant			
Race	Not Relevant			
Religion and belief	Not Relevant			
Sex	Not Relevant			
Sexual orientation	Not Relevant			

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Internal Audit Plan 2022/23

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#### Outcome, action and public reporting

Screening Assessment Outcome	Yes / No / Not at this stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
Was a significant level of negative impact identified?	No	Not at this stage		
Does the strategy, policy, plan etc require amendment to have a positive impact?	No	Not at this stage		

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered “No” or “Not at this Stage” to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : Internal Audit Plan 2022/23**

**Stage 2 : Full assessment**

**2.1 : Scope and define**

**2.1.1 Who are the main beneficiaries of the proposed strategy / policy / plan / project / service / procedure? List the groups who the work is targeting/aimed at.**

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# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Internal Audit Plan 2022/23

**2.1.2 Who has been involved in the creation of the proposed strategy / policy / plan / project / service / procedure? List those groups who the work is targeting/aimed at.**

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## 2.2 : Information gathering/evidence

**2.2.1 What secondary data have you used in this assessment? Common sources of secondary data include: censuses, organisational records.**

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**2.2.2 What primary data have you used to inform this assessment? Common sources of primary data include: consultation through interviews, focus groups, questionnaires.**

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**

**EQUALITY IMPACT ASSESSMENT**

**EqIA : Internal Audit Plan 2022/23**



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**Eliminate discrimination, harassment, victimisation**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Internal Audit Plan 2022/23

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

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**Advance equality of opportunity**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Internal Audit Plan 2022/23

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Internal Audit Plan 2022/23

#### Foster good relations

Protected Characteristic	Advancing the Equality Duty : Does the proposal advance the Equality Duty Statement in relation to the protected characteristic (Yes/No)	If yes, to what level? (High / Medium / Low)	Negative impact : Does the proposal disadvantage them (Yes / No)	If yes, to what level? (High / Medium / Low)	Please provide explanatory detail relating to your assessment and outline any key actions to (a) advance the Equality Duty and (b) reduce negative impact on each protected characteristic.
Age					
Disability					
Gender reassignment					
Marriage and civil partnership					
Pregnancy and maternity					
Race					
Religion and belief					
Sex					
Sexual orientation					

**2.4 Has your delivery plan been updated to incorporate the activities identified in this assessment to mitigate any identified negative impacts? If so please summarise any updates.**

*These could be service, equality, project or other delivery plans. If you did not have sufficient data to complete a thorough impact assessment, then an action should be incorporated to collect this information in the future.*

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**  
**EQUALITY IMPACT ASSESSMENT**  
**EqIA : Internal Audit Plan 2022/23**

Report Title:	<b>RBWM Risk Management Report</b>
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Hilton, Cabinet Member for Finance and Ascot
Meeting and Date:	Audit and Governance Committee – 19 May 2022
Responsible Officer(s):	Adele Taylor, Executive Director of Resources and Section 151 Officer Andrew Vallance, Head of Finance and Deputy Section 151 Officer
Wards affected:	All

## REPORT SUMMARY

1. This report sets out how satisfactory risk management is in place for RBWM as part of its governance arrangements.
2. It includes:
  - the key strategic risks and how they are monitored and managed.
  - RBWM’s “approach to management of risk 1 April 2022 – 31 March 2023” which describes the application of risk management techniques used by RBWM.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That the Audit and Governance committee notes the report.

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

### Options

**Table 1: Options arising from this report**

Option	Comments
To note this report. <b>This is the recommended option.</b>	The Council is required to publish an annual governance statement in which a fundamental requirement is to demonstrate how it manages risk.
Not note this report. This is not recommended.	Without any risk management structure it is far more likely the Council will have insufficient awareness of risks and be exposed to the impact of unnecessary levels of risk.

- 2.1 Risk management is a governance process open to scrutiny from councillors and the public at RBWM's Audit and Governance Committee meetings.
- 2.2 Making sound use of risk management processes supports good strategy setting, operational performance and effective service delivery to residents.
- 2.3 The purpose of risk analysis is to help all decision-makers get a better understanding of a realistic array of possibilities, what drives the associated uncertainty and hence where efforts can be best concentrated to manage this uncertainty.
- 2.4 The corporate risk register records the risks relating to RBWM's strategic and operational objectives. The risk registers are appropriate at the point in time at which they are produced and require consideration to be given to a broad range of potential risks and outcomes. Anything that could inhibit the way in which such risks are expressed would weaken the quality of decision making when determining the most appropriate response to a risk.
- 2.5 Risks potentially carrying the most damaging impacts on our measurement scale are classified as key risks. However, the inclusion of risks within any level of risk register does not mean there is an immediate problem but instead it signifies that officers are aware of potential risks and have devised strategies for the implementation of any relevant mitigating controls.
- 2.6 Appendix A contains a current summary of the key strategic risks. These risks were last presented to Members at the meeting of the Audit and Governance Committee on 21 October 2021. Since that report 2 key risks have been removed and 2 added. Although the full articulation of the newly created "acting unlawfully" risk is not finalised the draft threat wording is included below in 2.6.3:
- 2.6.1 **Removed: failure to deliver a sound Borough Local Plan.** Since the plan is now in place any subsequent risks to RBWM will be from workflows following its adoption. The risk of not actually having a plan has gone.
- 2.6.2 **Removed: use of s106 monies.** Officers consider this exposure to have lessened to a significant degree and the more probable risk to be around the impacts of the "levelling up" agenda.
- 2.6.3 **Added: acting unlawfully.** Failure to comply with council constitution and code of conduct exposes council/elected members to criticism, loss of confidence from electorate and general reputation damage. The most likely cause is insufficient knowledge regarding the constitution. There needs to be understanding of the content in order to expect adherence to it as well as suitable governance
- 2.6.4 **Added:** Funding risk arising from "levelling up" agenda.
- 2.7 Members are notified of the key risks where they are named as the risk owner typically as part of a Member briefing. Officers are tasked with ensuring that any comments by Members are reflected in the assessment.
- 2.8 Risk reports are reviewed and debated by senior management which gives the opportunity for challenge and discussion. If any risks are of such low impact that



there is no good reason to continue including them in these discussions, then they are removed from the risk register. This is also an opportune moment to incorporate any new risks into this governance structure.

### 3. KEY IMPLICATIONS

**Table 2: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Lead officers and Members are engaged in regular risk reviews of the risk register - 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.
Officers and Members make strategic, operational and investment decisions around projects with the risks in mind.	Risks are left without officer or Member attention.	Monthly reviews.	Risks are reviewed more frequently than monthly.	None.	Ongoing until conclusion as part of project management.

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

4.1 There are no explicit financial consequences arising from this report. However, risk owners need to contemplate resource implications when devising their mitigation strategies.

### 5. LEGAL IMPLICATIONS

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

5.2 The Council must comply with Regulation 6 (2) of the Accounts and Audit Regulations 2015 by publishing an Annual Governance Statement which demonstrates how it manages risk.

**6. RISK MANAGEMENT**

**Table 3: Impact of risk and mitigation**

Risk	Level of uncontrolled risk	Controls	Level of controlled risk
<p>The Council fails to make good use of risk management processes.</p> <p>Management and Members have insufficient awareness of those risks which carry the potential to severely damage the organisation and affect residents.</p> <p>Risk register ref: IRM0003</p>	<p>HIGH</p>	<ul style="list-style-type: none"> <li>• Risks are reviewed by risk owners, the senior management team and Members.</li> <li>• The Audit and Governance Committee provides a mechanism for examination of the process.</li> <li>• Quarter 1 audit of risk management by SWAP Internal Audit Services. Indicative timescale is for close out meeting on 13 June 2022.</li> </ul>	<p>LOW</p>

**7. POTENTIAL IMPACTS**

- 7.1 Equalities. None directly although some risks may from time to time contain obligations in this area that need to be considered.
- 7.2 Climate change/sustainability. None directly although some risks may, from time to time, include associated obligations.
- 7.3 Data Protection/GDPR. None directly although some risks may, from time to time, involve related obligations.

**8. CONSULTATION**

8.1 This matter was last presented to the Audit and Governance Committee on 21<sup>st</sup> October 2021. Consultations have taken place with Directors’ Forum, Heads of Service, directorate management teams and the previous Corporate Overview and Scrutiny Panel who received iterations of this report during 2019/20.

**9. TIMETABLE FOR IMPLEMENTATION – not applicable**

**10. APPENDICES**

10.1 This report is supported by three appendices:

- A - heat map showing assessment of current key strategic risk impact/likelihoods

B - detail of the key risks summarised in appendix A.  
 C - Approach to Management of Risk 1 April 22 – 31 March 23 which has three appendices:

- 1 - impact/likelihood scoring metrics.
- 2 - risk classifications.
- 3 - risk appetite definitions and assessment scoring criteria.

## 11. BACKGROUND DOCUMENTS

11.1 This report is not supported by any background documents:

## 12. CONSULTATION

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	<b>27/04/22</b>	
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer		
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	<b>27/04/22</b>	<b>10/05/22</b>
Elaine Browne	Head of Law (Deputy Monitoring Officer)		
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)		
<i>Mandatory: Procurement Manager (or deputy) - if report requests approval to award, vary or extend a contract</i>			
Lyn Hitchinson	Procurement Manager	<b>n/a</b>	
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	<b>10/05/22</b>	<b>11/05/22</b>
Andrew Durrant	Executive Director of Place		
Kevin McDaniel	Executive Director of Children's Services		
Hilary Hall	Executive Director of Adults, Health and Housing		
<i>Heads of Service (where relevant)</i>			
N/a			
<i>External (where relevant)</i>			
N/a			
Confirmation relevant Cabinet	Cabinet Member for Finance and Ascot	Yes	10/05/22

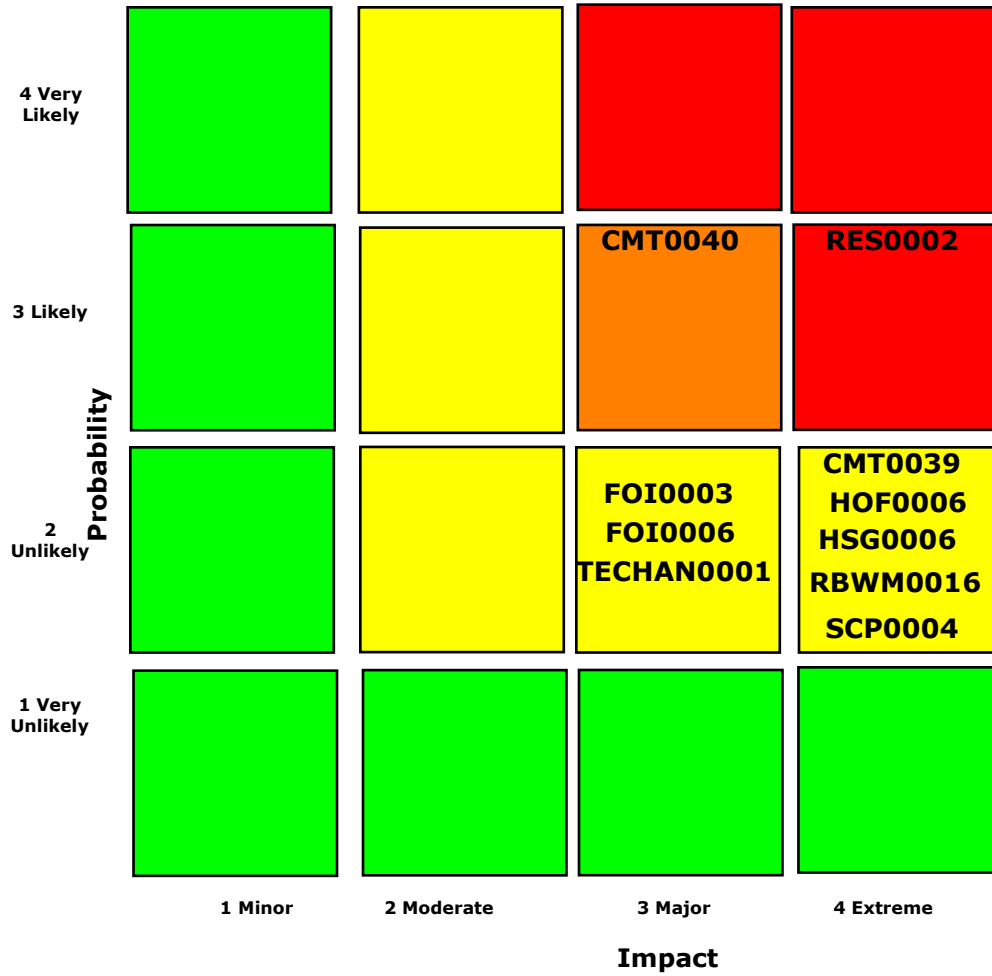
Member(s) consulted			
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
For information	No	No

Report Author: Steve Mappley, Insurance and Risk Manager 01628 796202
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# Appendix A - Current key strategic risks



## Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
12	RES0002	<p>Maidenhead regeneration programme</p> <ol style="list-style-type: none"> <li>1. The large schemes do not commence delivery as planned leaving the town weakened as an offer with reduced footfall making it less likely investment will be attracted in the future. Potential impact on Council commercial interests as well.</li> <li>2. Changes in the economy, particularly influenced by Covid-19, could affect the benefits that can be realised e.g. a loss of consumer confidence, loss of office workers and rising build costs would affect the financial viability of schemes and could result in stalled development or completed development not being as attractive/successful as planned.</li> <li>3. Ensuring effective join up of sites and infrastructure delivery. With so many different sites being developed/planned there could be a long-term issue of the town centre being a 'building site' so scheduling works and keeping businesses open will be critical. Similarly, development of infrastructure needs to make sure it is delivered when (or before) need.</li> <li>4. Funding markets do not support the quantum of development leading to delay in commencing schemes.</li> <li>5. Impact on capital receipts.</li> </ol>	Adele Taylor (as client)	26/07/2022
9	CMT0040	<p>Insufficient local community resilience which could lead to residents being without the necessary assistance and increased financial impact on RBWM should a critical event occur.</p> <p>Underdeveloped and untested business continuity planning may reduce the ability of the council to provide critical functions in the event of emergency situation. Covid has tested all sorts of BCP, and we have responded well to this pandemic emergency challenge.</p>	David Scott	08/08/2022
8	CMT0039	<p>The UK is facing threats and not just from groups inspired by al Qaida e.g. far right extremists, disenfranchised groups. There is the risk of security and community problems putting residents and visitors at risk of personal injury arising from the actions and behaviour of such groups, particularly in the area around Windsor. This is due to the high volume of visitors, the military and ceremonial links to the town centre and castle as well as being under the flight path.</p> <p>Clause 26 of the Counter Terrorism and Security Act requires LAs to establish panels (in RBWM's case, the Channel Panel) to assess the extent to which identified individuals are 'vulnerable to being drawn into terrorism'.</p>	David Scott	08/08/2022
8	HOF0006	<p>Historically, the council's financial strategy has not been effective in dealing with pressures. The CIPFA action plan along with a robust MTFS and improved budget management (as detailed in the last two budgets) have stabilised matters. Addressing the impact of several years of low CTax bills is a concern. It is expected the council should soon be in a position to boost its reserves.</p> <p>Confidence level: strong degree of confidence that the assessments accurately capture the current position in risk terms. Timescale: as at Spring 2022, our aim is that within 2-3 years the impact of our mitigations will result in sufficient resilience.</p>	Andrew Vallance	26/07/2022

## Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
8	HSG0006	<p>1. Lack of joint early planning between children's services, adult social care and health can potentially lead to children and young people with high needs, who will need to transition to adult services, not being identified early enough for their ongoing costs to be built into future planning/Medium Term Financial Strategy.</p> <p>2. Lack of early joint planning between children's and adult services may limit opportunities to prepare young people for adulthood and independence.</p> <p>3. Lack of sufficient accommodation in the borough often leads to young people being placed out of borough in expensive placements leading to higher costs and loss of contact with their communities.</p>	Hilary Hall and Kevin McDaniel	21/08/2022
8	RBWM0016	<p>The novel coronavirus (COVID 19) outbreak was declared a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. It presents a significant challenge for the country and local authorities. This pandemic has exposed a vulnerability to whole-system emergencies – that is, emergencies that are so broad that they engage the entire system.</p> <p>There is not a single area of local government that is not affected by the COVID 19 pandemic so a separate risk register details the works being done in this area.</p> <p>Note the current risk rating and appetite metrics will vary depending on the area of impact. Thus the values depicted here should be read with that in mind.</p> <p>The council's response to the COVID emergency is testament to the robustness of the Council's emergency planning.</p>	Hilary Hall/Kevin McDaniel/Stuart Lines/David Scott	09/05/2022
8	SCP0004	<p>Council owned companies or major contractors delivering statutory and discretionary services on behalf of the council fail and/or go out of business as a result of increased demand or poor performance. Leads to:</p> <ul style="list-style-type: none"> <li>- Statutory services for children and adults not delivered.</li> <li>- Resident facing community services, such as highways or waste collection, not delivered.</li> <li>- Reputational damage to the council.</li> <li>- Potential risks to public health.</li> <li>- Vulnerable adults and children may be left more at risk.</li> <li>- Problems in maintaining the streetscene to a safe level leading to highways injuries/claims against the statutory highway authority.</li> </ul>	Hilary Hall/Andrew Durrant	18/05/2022
6	FOI0003	<p>(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.</p>	Nikki Craig	07/07/2022

## Detailed Risk Information

Current Risk Rating	Risk Ref	Summary	Assigned To	Review Date
6	FOI0006	<p>Statutory breach arising from non-compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation 2016 leads to reputation damage e.g. naming and shaming and fines potentially up to €20m (that level of fine is unlikely to be applied to a local authority although low 6 figure fines from the ICO in that regard have occurred) as well as legal action costs following judicial remedies.</p> <p>Adequacy status was granted to the UK in June 2021 meaning all data processing with the EU/EEA will continue as it did before EU withdrawal.</p> <p>Non-compliance can only be identified if a breach actually occurs. The type of information breach is key - only if significant harm is likely to arise from the breach are fines expected to be punitive.</p> <p>Regulators can also issue enforcement action in the form of temporary or permanent bans on processing.</p> <p>Confidence level in accuracy of current risk assessment: medium.</p>	Karen Shepherd	07/05/2022
6	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>Several large consecutive and concurrent projects are scheduled for 22/23 and 23/24.</p> <p>Details are within the IT risk register of which this is a summary.</p> <p>Causes:            External cyber threats e.g. distributed denial of service (DDOS) attacks.            Loss/damage/denial of access to primary, secondary or hosted data centres.            Accidental or deliberate loss of data or physical/logical failure to disk drive.            Lapse of accreditation to Public Services Network.            Physical or virtual server corruption or failure.</p> <p>This could lead to:            - increased costs of downtime in the event of insufficient back up            - expensive emergency service to rectify at short notice.</p>	Nikki Craig	26/07/2022



## Appendix B – detailed key strategic risks

Risk Ref	Headline	Implemented or ongoing controls	Assessment	Controls not fully developed	Changes made at last review	Owners
<b>RES0002</b>	<b>Maidenhead regeneration programme fails to deliver expected benefits.</b>					
	<p>Maidenhead regeneration programme</p> <p>1. The large schemes do not commence delivery as planned leaving the town weakened as an offer with reduced footfall making it less likely investment will be attracted in the future. Potential impact on Council commercial interests as well.</p> <p>2. Changes in the economy, particularly influenced by Covid-19, could affect the benefits that can be realised e.g. a loss of consumer confidence, loss of office workers and rising build costs would affect the financial viability of schemes and could result in stalled development or completed development not being as attractive/successful as planned.</p> <p>3. Ensuring effective join up of sites and infrastructure delivery. With so many different sites being developed/planned there could be a long term issue of the town centre being a 'building site' so scheduling works and keeping businesses open will be critical. Similarly development of infrastructure needs to make sure it is delivered when (or before) need.</p> <p>4. Funding markets do not support the quantum of development leading to delay in commencing schemes.</p> <p>5. Impact on capital receipts.</p>	<p>1. CPO for the Landings granted and CPO for the Nicholson Centre about to commence.</p> <p>2. Regular engagement via PropCo with developers, tenants and business organisations.</p> <p>3. Planning and other regulatory functions are resourced and responding in a timely manner to need.</p> <p>4. Consideration with developers and funders of the current market conditions.</p> <p>5. PropCo and specialist legal team protecting the Council's direct interests.</p> <p>6. Consideration of the Council's place making role in driving or supporting delivery.</p> <p>7. Landings on site and progressing, good progress on Shanly and Countryside Schemes as well.</p> <p>8. Any signed contracts contain minimum land values and are actively managed. Further income (overage) is not expected nor in MTFs.</p>	<p>12 High</p> <p>8 - Medium</p>	<p>1. Council as an anchor investor.</p>	<p>Reviewed 06/04/22. Prop Co governance review of their own risk register proposed.</p>	<p>Cllr Andrew Johnson</p> <p>Adele Taylor (as client)</p>

**CMT0040 Fail to protect residents should an emergency incident occur**

Insufficient local community resilience which could lead to residents being without the necessary assistance and increased financial impact on RBWM should a critical event occur.

Underdeveloped and untested business continuity planning may reduce the ability of the council to provide critical functions in the event of emergency situation.. Covid has tested all sorts of BCP, and we have responded well to this pandemic emergency challenge.

There is also the impact on RBWM from failures in our links with external networks and supply chains e.g. impact of local or global political unrest, any failure in the integrity for gas/electric/other utilities on which the council relies esp. re: vulnerable people.

1. Improve pool of EP silver or gold leaders.
2. Inter authority agreement in relation to JEPU in place (RBWM, WBDC and BFBC) to provide resilience with experts in the field.
3. Develop an action plan to get our emergency response back into business as usual.
4. Waste suppliers have confirmed their processes and arrangements in the event of severe weather.
5. Ensure sufficient resilience for IT systems/back ups in emergencies for the 24/7 control room or EOC.
6. Residential care homes have temporary alternative accommodation plans for vulnerable adults for use in emergency situations.
7. The need for contractors to have BCPs in place is part of the commissioning and contracting process (but no testing process).
8. The new generator at Tinkers Lane is extended to provide wider back up to support greater emergency use of the depot.

9  
Medium/High

6 - Medium  
Low

1. Progress an action plan for improving resilience by way of developing training plans on a regular routine way based on risk.
2. Service BCPs continuing development. Original timeline disrupted by pandemic but this proved helpful to stress test the BCPs.
3. An effective means of testing plans is being put in place including, where possible, our key contractors.
4. Training package to upskill those responsible in services to undertake the work, including CLT, commencing 20/21.
5. Develop and support community based EP's in conjunction with parish councils working in propriety order with communities.

No changes.

Cllr Cannon  
David Scott

**SCP0004 Failure of service provision**

Council owned companies or major contractors delivering statutory and discretionary services on behalf of the council fail and/or go out of business as a result of increased demand or poor performance.

Leads to:

- Statutory services for children and adults not delivered.
- Resident facing community services, such as highways or waste collection, not delivered.
- Reputational damage to the council.
- Potential risks to public health.
- Vulnerable adults and children may be left more at risk.
- Problems in maintaining the streetscene to a safe level leading to highways injuries/claims against the statutory highway authority.

The environmental/highways services and contracts all sit with Andrew Durrant.

1. Robust governance arrangements at Member and officer levels in place and operating.
2. Escalations, including financial penalties and "step in" procedures, in place for all contracts with clear triggers identified.
3. Identified contract managers in place.
4. Road categorisation project woven into HMMP.
5. Change control mechanisms in place across all contracts.
6. Tight contract monitoring - quarterly and monthly contract meetings.
7. Exit clauses/strategies negotiated and in place across all contracts.
8. Clear vision and business plans for all companies, aligned to the Council Plan.
9. Performance dashboard of key service and financial indicators - reviewed monthly and quarterly.
10. Published HMMP risk based as per 2018 Code of Practice to show our rationale in case of legal challenge.

8  
Medium

None

4 - Low

Reviewed by HH and AD 17/01/22. No changes. Need to confirm current assessment v appetite position as with no further mitigations listed, these metrics should be the same.

Cllr Coppinger  
Cllr Carroll  
Cllr Stimson  
Cllr Clark and  
Cllr Cannon

Hilary  
Hall/Andrew  
Durrant

#### **HOF0006 Effectiveness of the council's financial strategy**

Historically, the council's financial strategy has not been effective in dealing with pressures. The CIPFA action plan along with a robust MTFS and improved budget management (as detailed in the last two budgets) have stabilised matters. Addressing the impact of several years of low CTax bills is a concern. It is expected the council should soon be in a position to boost its reserves.

Confidence level: strong degree of confidence that the assessments accurately capture the current position in risk terms.  
Timescale: as at Spring 2022, our aim is that within 2-3 years the impact of our mitigations will result in sufficient resilience.

- long term COVID pressures on income budgets e.g. parking, leisure.
- inflation pressures. Possible inflation and/or interest impacts.
- service pressures cannot be controlled or mitigated;
- reduction in income due to recession - fees/charges/interest/severe income disparity across the borough;
- savings plans not achieved;
- cost of demand led services rises significantly beyond expectation;
- reduced resilience for services meeting strategic challenges (for instance, demographic pressures;
- increased number of child referrals and child specific placements.
- impact of changes driven by Social Care Bill (this requires a separate set of mitigations for this risk presently being addressed by Hilary Hall)
- Local Government reform and funding

1. Action plan completed on the outstanding issues arising from the CIPFA report.

8  
Medium

2. Robust MTFP in place. Approved by Cabinet 22/07/21. Cabinet approved draft 22/23 budget Nov 21.

4 - Low

3. Director of resources' annual assessment of the need to retain reserves based on the key risk register financial exposures.

4. Budget manager bi-monthly forecasts proving effective and reported to cabinet alongside the finance adjusted forecast figure.

5. Finance management has a closely monitored corporate savings tracker noted monthly at CLT and reported bi monthly to Cabinet.

6. New team of business partners commenced Jan 22.

7. Increased focus on monitoring debt recovery programme.

1. 5 year savings plans commencing 2021.

2. Continue to make improvements to budget build and review scope for business partner arrangements.

3. Reconstruct MTFS and align to corporate plan.

Reviewed 06/04/22 - added local Cllr Hilton  
govt reform and funding to  
scope of influencing factors.

Andrew  
Vallance

#### **HSG0006 Inadequate strategic planning between children's services, adults and health.**

1. Lack of joint early planning between children's services, adult social care and health can potentially lead to children and young people with high needs, who will need to transition to adult services, not being identified early enough for their ongoing costs to be built into future planning/Medium Term Financial Strategy.

2. Lack of early joint planning between children's and adult services may limit opportunities to prepare young people for adulthood and independence.

3. Lack of sufficient accommodation in the borough often leads to young people being placed out of borough in expensive placements leading to higher costs and loss of contact with their communities.

1. Implementation of robust management controls in Optalis to manage funding packages and spend.

8  
Medium

2. New operational procedures in place to plan and manage transitions between children's and adult services.

6 - Medium  
Low

3. Adult social worker based in CYPDS to manage transition cases.

4. Supported housing needs assessment completed in December 2021.

5. Improved "forward look" of cases in place to inform future years' budget planning.

1. Commissioning plan for supported housing being developed – for June 2022.

2. Transitions Strategy being developed – for April 2022.

Reviewed by DASS and DCS  
February 2022. Risk reshaped  
in light of implemented controls

Cllr Carroll  
Hilary Hall and  
Kevin McDaniel

6. Annual transitions census day to review each case of young people >14 with additional needs to inform planning/commissioning.

**RBWM00 Covid 19 response**  
**16**

The novel coronavirus (COVID 19) outbreak was declared a Public Health Emergency of International Concern in January 2020 and a pandemic in March 2020. It presents a significant challenge for the country and local authorities. This pandemic has exposed a vulnerability to whole-system emergencies – that is, emergencies that are so broad that they engage the entire system.

There is not a single area of local government that is not affected by the COVID 19 pandemic so a separate risk register details the works being done in this area.

Note the current risk rating and appetite metrics will vary depending on the area of impact. Thus the values depicted here should be read with that in mind.

The council's response to the COVID emergency is testament to the robustness of the Council's emergency planning.

1. RBWM Outbreak Control Plan.

8  
Medium

None

No changes.

2. There is an extensive risk register in support of the controls and detailed threats (contents deemed a Part 2 reporting matter).

8 - Medium

Hilary  
Hall/Kevin  
McDaniel/  
Stuart  
Lines/David  
Scott

**CMT0039 Security**

The UK is facing threats and not just from groups inspired by al Qaida e.g, far right extremists, disenfranchised groups. There is the risk of security and community problems putting residents and visitors at risk of personal injury arising from the actions and behaviour of such groups, particularly in the area around Windsor. This is due to the high volume of visitors, the military and ceremonial links to the town centre and castle as well as being under the flight path.

Clause 26 of the Counter Terrorism and Security Act requires LAs to establish panels (in RBWM's case, the Channel Panel) to assess the extent to which identified individuals are 'vulnerable to being drawn into terrorism'.

1. Permanent, integrated hostile vehicle mitigation measures in Windsor to ensure the safety of residents, phase 1a complete.

8  
Medium

None

No changes.

Cllr Cannon  
David Scott

2. Counter Terrorism Local Profile used to help inform and shape our local understanding of threat levels/risks and thus plans.

8 - Medium

3. Evacuation plan for Windsor in place.

4. Community safety partnership strategy and action plan in place, updated annually.

5. Channel Panel and Prevent Delivery Board meet regularly and membership has been updated.

6. Update reports from DVS to the CLT on Channel arrangements and Prevent provided annually to the CLT.

7. Close partnership working with police and military to share intelligence and ensure risks are reduced.

8. TOR for Channel Panel, (administered and chaired by DVS) who assess risk and decide on support packages, refreshed in 18/19.

9. RBWM works closely with the One Borough group to build and maintain public inter-faith confidence in preventing all extremism.

**TECHANO IT Infrastructure failure 001**

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.

Several large consecutive and concurrent projects are scheduled for 22/23 and 23/24.

Details are within the IT risk register of which this is a summary.

**Causes:**

External cyber threats e.g. distributed denial of service (DDOS) attacks.  
Loss/damage/denial of access to primary, secondary or hosted data centres.  
Accidental or deliberate loss of data or physical/logical failure to disk drive.  
Lapse of accreditation to Public Services Network.  
Physical or virtual server corruption or failure.

**This could lead to:**

- increased costs of downtime in the event of insufficient back up  
- expensive emergency service to rectify at short notice.

1. Multiple data centres provides increased resilience.

2. £900k investment in modern workplace project phase 1. Completed March 2020.

3. Line of business systems hosted either on local servers or on remote cloud-hosted servers.

4. Council networks are protected by multiple security layers using firewall and other control technologies.

5. Physical Infrastructure controls - access controls, remote access capability, environmental monitoring, generator and UPS.

6. DDOS protection in place.

7. Phase 2 of modern workplace project concluded

8. Disk drives are configured to use RAID technology.

9. Diverse routing of external network links supplied and supported by tier-one UK network suppliers.

6  
Medium/Low

6 - Medium  
Low

1. Business Continuity/Disaster Recovery. All services' IT usage is understood. JEPU to steer next steps based on org'l needs.

2. Network redesign and hardware replacement commenced with capital in 22/23 budget.

Reviewed 06/04/22. A few changes to controls regarding forthcoming projects 22/23 and beyond.

Cllr Rayner  
Nikki Craig

**FOI0006 Data protection**

Statutory breach arising from non-compliance with the Data Protection Act 2018 and the UK General Data Protection Regulation 2016 leads to reputation damage e.g. naming and shaming and fines potentially up to €20m (that level of fine is unlikely to be applied to a local authority although low 6 figure fines from the ICO in that regard have occurred) as well as legal action costs following judicial remedies.

Adequacy status was granted to the UK in June 2021 meaning all data processing with the EU/EEA will continue as it did before EU withdrawal.

Non-compliance can only be identified if a breach actually occurs. The type of information breach is key - only if significant harm is likely to arise from the breach are fines expected to be punitive.

Regulators can also issue enforcement action in the form of temporary or permanent bans on processing.

Confidence level in accuracy of current risk assessment: medium.

DPA requirements are:

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.

Where the UK sends data to a non-EEA country, UK GDPR rules apply and standard contractual clauses should be used.

The UK GDPR took effect from 1 January 2021. This is, in essence, the UK version of the existing EU GDPR which continues to apply to the rest of the European Union and has been modified to reflect the UK-specific context.

1. Update and keep maintained the corporate register of processing activities as per article 30 of GDPR.

2. Services are responsible for ensuring their own policies align to the UK Data Protection Act 2018 and the UK GDPR.

3. Reviewed information assets. Continuing development of the information asset register and updating entries by info asset owners

4. SIRO attended a one day SIRO training course 05/02/2020.

5. Officers required to undertake annual GDPR online training.

6. Online form to enable staff to easily and quickly report data security breaches.

7. Security induction and annual training procedure embedded in HR procedures and the appraisal process.

8. All RBWM-issued mobile devices are controlled by our mobile device management solution, Microsoft Intune.

9. Review all partnership agreements and determine the information sharing arrangements, updating as necessary.

10. Optalis and AfC data sharing and handling arrangements in place and part of contract management with major partners.

11. DPO and SIRO meet monthly to discuss any breaches and where necessary identify issues to be raised at CLT (by the SIRO).

12. Services are responsible for complying with applicable statutory retention timescales in their information asset registers.

13. GDPR - data protection risk overview reviewed monthly by DPO and SIRO. The contents are aligned to GDPR Articles and RAG rated.

6  
Medium/Low

6 - Medium  
Low

1. Services to ensure they have complete registers of their held data at Iron Mountain guided by applicable retention schedule.

2. Establish with SIRO how the file categorisation at Iron Mountain can be improved so that data is not held unnecessarily.

3. Further develop service's privacy notices to ensure uniformity.

4. Improved Member online GDPR training (over 95%), Mandatory with reminders sent and completion details sent to Group leaders.

Reviewed by KS 07/01/22. Updated to reflect receipt of adequacy status and current assessment now medium because of this factor.

Cllr Rayner

Karen  
Shepherd

14. Reporting of any partner org data breaches is a regular reporting item to the monthly operational commissioning board meetings.

15. DPO role currently vacant; deputy is acting up whilst team structure reviewed. Updated DP Policy so DPO is a mandatory role.

**FOI0003 IT security breach**

(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.

1. Security awareness of officers and external service providers who use our IT.

6  
Medium/Low

1. Enhanced password policy to enforce industry best-practice.

Reviewed by Nikki Craig  
07/01/22 - no changes.

Cllr Rayner  
Nikki Craig

2. Secure remote working with computers, encrypted area for sensitive laptop data.

8 - Medium

2. Enable multi-factor authentication on Microsoft cloud services.

3. Develop, publish and communicate information security policies.

4. Audit use of all Council laptops and obtain management authorisation for their use.

5. DPO/SIRO to check and take action when inappropriate external transmissions of data are reported.

6. Mandatory annual security induction and training procedure embedded in HR procedures and the appraisal process.

7. Disposal of confidential waste papers. Specific bins are in place to ensure such waste is locked and secure at all times.

8. All data security breaches are investigated. Intel shared with organisational development team to weave into future learning.

9. Exchange of data and information with other organisations. Policies, procedures and declarations available to increase security.

10. HR complete ICT change form when an employee leaves - triggers responses by system owners to close off access.

11. Implement a robust exit strategy with accountabilities when staff leave the organisation or return surplus IT equipment.





# **Royal Borough Windsor and Maidenhead**

## **Approach to Management of Risk**

### **1 April 2022 – 31 March 2023**

**Date: 1 April 2022**

Our corporate plan sets out an overarching vision of 'Creating a sustainable borough of innovation and opportunity' and is framed around three key objectives:

- **Thriving Communities:** Where families and individuals are empowered to achieve their ambitions and fulfil their potential.
- **Inspiring Places:** Supporting the borough's future prosperity and sustainability.
- **A Council trusted to deliver its promises.**

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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. 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 considered is the impact and whatever reaction is required to deal with it.

### **Risk**

1.6 RBWM's approach to risk management stems from the Alarm<sup>1</sup>/Airmic<sup>2</sup>/IRM<sup>3</sup> enterprise risk management approach also adopted by FERMA<sup>4</sup>.

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. It is important that the identification of risks is timely to support effective service delivery.

1.9 RBWM manages specific project work through a stand-alone system 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 policy<sup>5</sup>.

1.8 How successful RBWM is in dealing with the risks it faces can have a major impact on the achievement of the council's strategic priorities. When management of risk goes well it often remains unnoticed. When it fails the consequences can be significant and high profile, for example, inefficient use of or wasted resources,

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<sup>1</sup> Alarm is the primary voice for public sector risk management in the UK.

<sup>2</sup> Airmic promotes the interests of insurance buyers and those involved in enterprise risk management.

<sup>3</sup> The IRM (Institute of Risk Management) provides risk management related education.

<sup>4</sup> The Federation of European Risk Management Association.

<sup>5</sup> <https://rbwm.sharepoint.com/sites/intranet/our-council/health-and-safety>

financial loss, service disruption, adverse publicity, litigation or failure to meet objectives. Hence the need for effective risk management.

## 2. THE COUNCIL'S 2022/23 RISK MANAGEMENT POLICY

2.1 This policy is fundamental to the council being less risk averse i.e. accepting greater levels of risk. Successful organisations are not afraid to take risks; unsuccessful organisations take risks without understanding them.

2.2 The objective of risk management is not to 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 essential to good business strategy.
- Risk management is an effective means to enhance and **protect the council**.
- **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.
- All risks are to be **identified, assessed, measured, monitored** and reported on in accordance with this 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 encompasses both 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 regulations<sup>6</sup> in relation to the publication of an annual governance statement<sup>7</sup>. 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.

2.6 CIPFA<sup>8</sup> in their 2018 publication “audit committees – practical guidance for local authorities and police” emphasise that a core function of the audit committee is to review the effectiveness of the risk management arrangements. This role is fulfilled by the remit of RBWM's Audit and Governance Committee.

---

<sup>6</sup> Regulation 6 of the Accounts and Audit Regulations 2015. The council's financial management arrangements similarly conform to the governance requirements set out in CIPFA's 'the role of the chief financial officer' (2016).

<sup>7</sup> The latest governance statement covering 18/19 was signed off in November 2019.

<sup>8</sup> “Chartered Institute of Public Finance and Accountancy”. The only UK professional accounting body that specialises in the public sector.

### **Internal influences**

- 2.7 The council's risk register draws together all the potential consequences of failing to deliver service and strategic 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 Governance Committee<sup>9</sup> 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 management commentaries as part of reports to members and corporate leadership team ensures that any risks inherent in a decision or situation are more noticeable and hence subject to improved scrutiny. The report template requires writers to reference any relevant risks from the corporate risk register.
- 2.10 Risk management therefore requires:
- A consistent management framework on how best to manage risk.
  - Risk being everyone's business. All staff must be competent in and accountable for managing risk within their area of responsibility.
  - Relevant legislative requirements and political, social, environmental and economic environments to be considered in managing risk.
  - Good quality information.

### **3. RISK MANAGEMENT FRAMEWORK AIMS AND OBJECTIVES 2022/23**

- 3.1 The risk management framework aims to achieve an environment in 2022/23 where risk management becomes an integral part of strategy, management processes and the general culture.
- 3.2 It will achieve this through implementing the following objectives:
- 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 owned/operated assets.
  - Providing a sound basis for the corporate risk financing strategy.
  - 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.

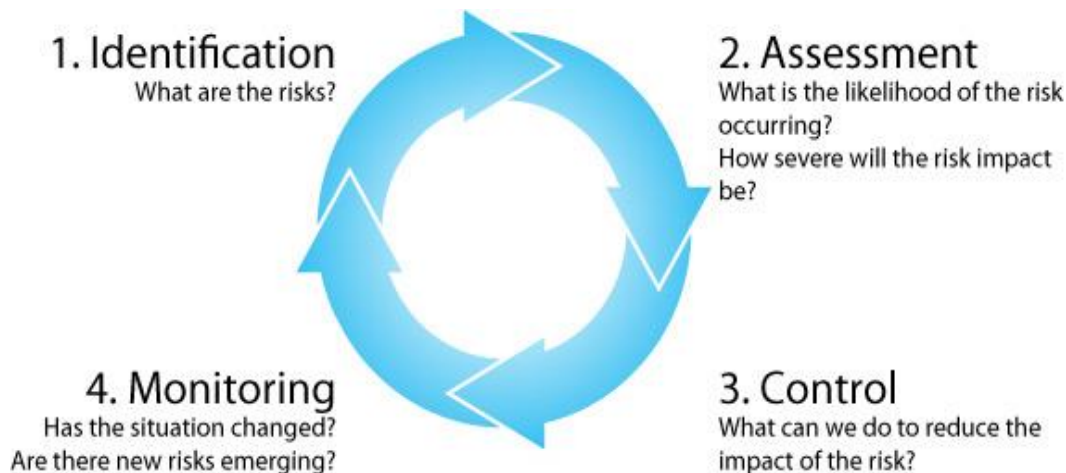
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<sup>9</sup> B11 in the RBWM Constitution.

## 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**



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

**Stage 2:** Evaluate the likelihood, impact, confidence level in these assessments along with the appetite position for the risk:

- 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).
- 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.

4.2 In terms of assessing each risk the assessment is detailed in four 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.
- Appetite - 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.

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

## Diagram 2: Risk assessment heat map

**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.

**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 owner<sup>10</sup>. 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.
- 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.

4.4 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.

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<sup>10</sup> An individual officer, who is closely involved with the risk, can monitor the risk and has sufficient authority to initiate action if the risk becomes more serious.



- 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. CONFIDENCE LEVEL

6.1 A metric is ascribed to the level of conviction the risk assessor has in the assessment score. By showing a confidence level the risk assessor can mitigate the problem that the decision makers, members etc. may be expecting precise numerical calculations because (unless told otherwise by the risk assessor) the assessments get interpreted as completely accurate depictions of the risk.

6.2 Low confidence level (score between 0-25%)

- Assessment is based on purely subjective opinion, is qualitative and not especially well documented because we don't have the data.
- No scientific consensus exists on estimating approach.
- Scores are, on balance, quite arbitrary and could be off by more than one measure (high vs high/medium vs medium vs. medium/low v low). It is no more probable that the reported score is correct than a lower or higher score is correct.

6.3 Medium Confidence Level (26% - 60%)

- Assessment is based on similar conditions observed previously and/or qualitative analysis. Qualitative analysis is based on unverified models and/or data.
- Expert opinion might fall in here but should be treated with caution if that's all there is. Some documentation exists.
- Literature relying on this estimating approach exists. We are confident that, if scores above are wrong, they are, on balance, only off by one ordinal.

6.4 High Confidence Level >60%

- Assessment is based on testing, modelling or simulation, use of prototype or experiments.
- Qualitative analysis is based on verified models. Quantitative assessment is based on an historical basis and/or data. Impact estimate is quantitative and well documented.
- Scientific consensus exists on estimating approach. It is highly probable that the reported score is correct (this could, for example, mean within one standard deviation).

## **7. RISK MANAGEMENT ROLES AND RESPONSIBILITIES**

### **7.1 Chief Executive**

The Chief Executive takes overall responsibility for RBWM risk management performance and ensures that:

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

### **7.2 Cabinet members**

- take reasonable steps to consider the risks involved in their decisions;
- understand the key risks falling within their portfolio.

### **7.3 Audit and Governance Committee**

- 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.

### **7.4 Head of Finance**

- ensures that a risk management policy and strategy is developed and reviewed annually to reflect the changing nature of the council;

- champions the process of risk management as good management practice and a valuable management tool.

#### **7.5 Executive Directors and the Corporate Leadership Team**

- challenges the contents of the corporate risk register to ensure 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 strategy;
- identify any service specific issues relating to risk management which have not been explicitly addressed in the strategy;
- disseminate the detail of the strategy and allocate responsibilities for implementation to service managers and staff;
- understand the risks facing the council.

#### **7.6 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 governance committee, head of finance and the senior leadership team;
- provide a clear and concise system for reporting risks to elected members.

#### **7.7 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 predetermined scale so they can be included in the risk register.

#### **7.8 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 and ensure that all employees are aware of the risk assessments appropriate to their activity;
- be responsible for production and testing of business continuity plans.

#### **7.9 All staff**

- identify emerging or changing risks in their job and feed this back to their line manager.

## **8. CORPORATE RISK FINANCING STRATEGY**

- 8.1 RBWM uses its risk financing arrangements to protect it from the financial implications of unexpected accidental events. This helps in providing continuous services in the event of serious losses.
- 8.1 The level of cover bought will depend on the council's appetite for risk, based on its ability to self-fund claims and the strength of its risk management.
- 8.2 RBWM is exempt from most requirements regarding compulsory insurance<sup>11</sup>. Nevertheless, most public sector organisations purchase external insurance. Without this, we will fund all such exposures from our own resources.
- 8.3 If RBWM were to insure without taking substantial excesses against most of the risks that it faces then this would incur significant annual premiums.
- 8.4 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.
- 8.5 **Objectives**
- Provide financial protection to the council's assets, services and employees.
  - Maintain appropriate balance between external cover and internal risk retention.
  - 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.
- 8.6 **Achieved by**
- Using claims modelling and other risk assessments to determine exposures.
  - Monitoring changes in legislation, civil justice protocols and case law.
  - Maintaining claims handling protocols in line with statutory requirements.
  - Undertaking periodic actuarial fund reviews.
- 8.7 **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.

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<sup>11</sup> Under the Local Government Act 1972 the only insurable aspect of the council's operations it is obliged to make specific financial provision for is against the risk of financial fraud by staff.

## **9. APPENDICES**

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

## Appendix 1: Impact scoring

Factor	Score	Effect on level of service	Effect on quality of service	Embarrassment/reputation	Failure to provide statutory duties/meet legal obligations	Financial loss
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 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

Appendix 1: Likelihood scoring

<b>FACTOR</b>	<b>SCORE</b>	<b>THREATS - DESCRIPTION</b>	<b>INDICATORS</b>
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 (a 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 or never before.

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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) as can be depicted in the following diagram.

<b>I M P A C T</b>	4	4	8	12	16
	3	3	6	9	12
	2	2	4	6	8
	1	1	2	3	4
		1	2	3	4
		<b>LIKELIHOOD</b>			



## Appendix 2 – risk classifications

### 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 contexts

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.

### Appendix 3 – Qualitative and quantitative risk appetite statements.

#### Risk definitions

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
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 definitions

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
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 arrangement

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
Accept	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.**

**1. Maximum tolerance for losses**

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
<p>Costing &lt;£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 &gt;£500K, &lt;£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**

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
£10M upwards	Between £5M - £10M	Between £2M - £5M	Between £1M and £2M	<£1M, >500K

**3. Minimum cash balance**

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
At least £5M	Between £2.5M and £5M	Between £1M and £2.5M	Between £500K and £1M	No lower than £500K

#### 4. Regulatory risk

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
<p>In the event any statute is breached, it carries little damaging financial or reputational impact i.e. fines &lt;£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 &gt;£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

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
<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>Could take up to a month to restore credibility.</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>Reputation tarnished in longer term. Senior officers criticised for actions undertaken by the council.</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> <p>Reputation is massively damaged and confidence lost towards senior officers and elected members.</p>

## 6. Council services

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
<p>Has low level impact on the council's ability to deliver key services.</p> <p>May affect an aspect of performance management but overall target likely to remain unaffected. 1 day disruption.</p>	<p>Moderate impact on the delivery of any key service.</p> <p>Recoverable but will be delays of up to 2-3 days in returning to normal.</p>	<p>Has a medium level impact on the council's ability to deliver key services.</p> <p>Recoverable but will be delays of up to a week in returning to normal.</p>	<p>Impacts one key element of the council's strategic plan.</p> <p>Takes over a week but less than a fortnight to recover and return to pre-risk occurrence state.</p>	<p>Has a high level impact on the ability of the council to deliver more than one key element of the council's strategic plan.</p> <p>Over a fortnight to return to normal.</p>

## 7. Operational risks in the execution of business plans

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
<p>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</p>	<p>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.</p> <p>Small delays to major project.</p>	<p>Would have a major uncontrolled impact at the directorate level that may possibly lead to a wider council impact.</p> <p>Key milestones to major project or initiative slip.</p>	<p>Would have a major uncontrolled impact at the directorate level and with clear reasons that would likely lead to a wider council impact.</p> <p>Key milestones to major project or initiative slip.</p>	<p>Significant council wide impact.</p> <p>Major failing in the delivery of a key project or initiative.</p> <p>Would meet criteria for key operational risk.</p>

## 8. Risk related decision making, especially in relation to new business opportunities

<b>low appetite</b>	<b>low/medium appetite</b>	<b>medium appetite</b>	<b>medium/high appetite</b>	<b>high appetite</b>
<p>Many such opportunities undertaken at local levels. Clear precedents exist with apparent transparent benefits.</p> <p>Little or no change to council's existing business structure.</p>	<p>Reasonably common area of business but without a vast number of competitors e.g. &lt;10.</p> <p>Council required to make minor adjustments to address new ways of working.</p> <p>Tolerance for risk taking limited to those events where there is</p>	<p>New area of business with a small number of precedents.</p> <p>Moderate adjustments to address new ways of working.</p> <p>Some moderate staffing level changes.</p>	<p>Only one or two examples of similar work undertaken in the local authority environment.</p> <p>Significant modifications to address new ways of working.</p> <p>Considerable changes to staffing levels/methods.</p>	<p>Completely new business area never assumed by any public sector organisation.</p> <p>Benefits cannot be based on previous experience because there isn't any.</p> <p>Appetite to take decisions that are likely to bring scrutiny of the council but where potential benefits are huge.</p>

Minimal tolerance for any decisions which could lead to scrutiny of the council	no chance of any significant repercussions for the council		Appetite to take decisions with the potential to expose the council to additional scrutiny.	Desire to break the mould and challenge current practices.
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Report Title:	Waste Contract Amendment
Contains Confidential or Exempt Information	No - Part I
Cabinet Member:	Councillor Coppinger, Cabinet Member for Planning, Environmental Services and Maidenhead
Meeting and Date:	Cabinet – 10 February 2022
Responsible Officer(s):	Andrew Durrant Executive Director, Place Emma Duncan, Monitoring Officer
Wards affected:	All



## **REPORT SUMMARY**

*The report identifies action needed to ratify a decision made under delegated authority in relation to a contract change notice to the Serco Waste Contract.*

### **1. DETAILS OF RECOMMENDATION(S)**

**RECOMMENDATION:** That Cabinet notes the report and:

- i) Ratifies the contractual amendment dated 28 September 2021**
- ii) Notes and endorses the actions proposed and taken in respect of future decision making.**
- iii) Recommends that the Audit and Governance Committee to review the suggested improvements to process identified in the report.**

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

- 2.1 The waste and recycling collections contract was procured via a full OJEU compliant competitive tender during 2018/19. The initial contract term is 8 years followed by the potential of an 8-year extension. The contract was procured on the basis of a weekly collection service and contained a contract change mechanism.
- 2.2 Once procured, the operation of the contract is an executive function meaning that Cabinet (or an officer, using delegated powers) are able to make decision of the contract provided they remain within the budgetary framework.
- 2.3 At Cabinet during discussions on the 2021/22 Budget on 4<sup>th</sup> February 2021, the Cabinet Member for Planning, Environmental Services and Maidenhead noted a projected £175,000 saving and that *“he should have introduced fortnightly black bin collection as soon as the Council declared a climate emergency. Those councillors who wanted to achieve carbon neutrality by 2030 should have demanding a change in the frequency of waste collection. It was now proposed to collect black bins fortnightly but everything else would remain the same.”*

- 2.4 At Council on 23 February 2021 the budget was debated which contained the proposed saving. Councillor Coppinger explained *“that not every property would move to a fortnightly collection. There were 64,000 properties in the borough and 18,000 would stay on a weekly collection... Councillor Coppinger recognised that the administration did promise to keep a weekly bin collection, but all had learnt so much more about the planet and what each person could do to save it. It was a sign of good governance to be nimble and adapt to changing circumstances. He therefore proposed that the council continue with the change without modification because all knew it to be the right thing to do.”*
- 2.5 During the summer of 2021 officers of the Council discussed with the provider the introduction of a new fortnightly waste collection in line with the direction given by Cabinet which resulted in a change to be agreed using the contract change provisions in the contract. This was a complicated process and involved setting off potential income streams within the waste budget, however the net increase to budget provision was identified at £500,000. The Cabinet Member and Cabinet were consulted and engaged through the contract change mechanism process.
- 2.6 In these circumstances officers (under the Council’s Contract Standing Orders and delegated authority) are able to make variations to contracts up to £500,000 subject to consultation requirements with officers and the Cabinet Member. If the change proposed is over £500,000 then it becomes a decision to be exercised by Cabinet and will be a key decision requiring inclusion on the Forward Plan.
- 2.7 On this basis the contract change mechanism within the existing contract was used and completed on 28 September 2021.
- 2.8 The financial implications were addressed by the Finance Update considered by Cabinet on 25 November 2021;

*“10.4 Areas of Risk and Opportunity (significant)*

*Neighbourhood Services – The hybrid fortnightly general waste collection enduring solution means that residual waste will be collected fortnightly while collections of recycling and food waste will remain weekly (green waste remains fortnightly). These changes to the waste collection contract have added £500,000 of pressures this year. To deliver this model, Serco requires additional resources in the form of vehicles and staff...*

*16. Capital Programme*

*16.4 Purchase of Waste Vehicles*

*16.4.1 The hybrid fortnightly general waste collection solution means that residual waste will be collected fortnightly while collections of recycling and food waste will remain weekly Green waste remains fortnightly.*

*16.4.2 To deliver this model, the contractor requires six additional waste vehicles. **Two vehicles will be purchased in the current financial year with a further four vehicles to be purchased during 2022/23.***

*16.4.3 Approval is sought to **vire £235,000** from the Infrastructure Delivery Programme budget to purchase two waste vehicles with no additional financial impact on the capital programme in the current financial year.”*

- 2.9 As identified above, revenue spend was dealt with as an in year pressure within the budget envelope through contingency arrangements and an additional in year capital spend of £235,000 was approved. It was also noted that capital provision would need to be made in 2022/23 for additional vehicles.
- 2.10 Subsequently it has come to light that whilst the net effect on the budget was correctly identified as £500,000, the adjustment to the contract was in excess of that, meaning that appropriate officer delegated authority was not in place at the time the change notification was completed. Additionally, the decision to vary the contract would have qualified as a key decision and therefore needed inclusion on the Forward Plan (whether a Cabinet or Officer decision). This is a complex issue, involving a number of officers and teams at the Council, however whilst the objectives were correct the decision-making process was not correctly followed.
- 2.11 As the officer delegated to make the decision had ostensible authority to bind the Council, the contract is binding, however there is a need to regularise the position to prevent future challenge.
- 2.12 Consequently Cabinet are asked to ratify the decision to vary the Waste Contract (dated 28 September 2021) in line with the financial implications in the Finance Update presented to Cabinet on 25 November 2021.
- 2.13 As a result of this issue coming to light, governance processes around delegated decision making and procurement have been reviewed. Cabinet should also note that a number of steps have been taken to prevent further procedural issues of this nature as follows;
- Contract Standing Orders have been revised to emphasise key decision limits.
  - The decision-making guidance covering key decision thresholds and delegated decisions has been reissued and will be discussed at Corporate Leadership Team.
  - A decision tracker has been implemented for papers submitted to Cabinet, so that there is clarity around if decisions are required and the constraints around the decision-making process.
  - Procurement already exists as an area for action within the Annual Governance Statement with a Procurement Toolkit and training planned and the reissued decision-making guidance will be promoted as part of this process.

## Options

**Table 1: Options arising from this report**

Option	Comments
To ratify the Contract Change Notice dated 28 September 2021 <b>This is the recommended option</b>	This is the preferred option as it resolves the governance issue and mitigates against risk of challenge.

Option	Comments
To not ratify the Contract Change Notice dated 28 September 2021	This is not the recommended action as it leaves the internal governance process unclear and exposes the Council to risk of challenge. This has no impact on the change to the service delivery, the contract extension or the budget impact.

### 3. FINANCIAL DETAILS / VALUE FOR MONEY

- 3.1 There are no direct financial consequences of the decision to ratify the contract change and any financial implications related to the change itself are considered in the main body of the report.

### 4. LEGAL IMPLICATIONS

- 4.1 The Monitoring Officer is making this report under section 5A of the Local Government and Housing Act 1989. The report has been sent to all Members and the Head of Paid Service and the Executive Director of Resources have been consulted. Cabinet must report to all Members of the Council saying what action it has taken, or proposes to take and the reasons for the action or taking no action and send it to all Members. The Monitoring Officer is satisfied with the actions taken and recommended and content that they will fully address the issues raised.

### 5. RISK MANAGEMENT

**Table 2: Impact of risk and mitigation**

Risk	Level of uncontrolled risk	Controls	Level of controlled risk
<b>Legal Challenge</b>	<b>Medium</b>	<b>Ratification of decision</b>	<b>Low</b>

### 6. POTENTIAL IMPACTS

- 6.1 Equalities. Equality Impact Assessments are published on the [council's website](#). The proposal does not have any equality impacts and a screening assessment has been completed
- 6.2 Climate change/sustainability. There are no impacts as a consequence of the decision.

6.3 Data Protection/GDPR. No personal data has been processed.

## 7. CONSULTATION

7.1 The Head of Paid Service, the Section 151 Officer, the Deputy Section 151 Officer and the Deputy Monitoring Officers have been consulted on the report.

## 8. TIMETABLE FOR IMPLEMENTATION

8.1 Implementation date if not called in:

The decision is whether or not to ratify the exercise of delegated authority, as opposed to an issue of approving a contract change.

## 9. APPENDICES

9.1 This report is supported by 1 appendix:

- Equality Impact Assessment

## 10. BACKGROUND DOCUMENTS

10.1 This report is supported by 0 background documents:

## 11. CONSULTATION

Name of consultee	Post held	Date sent	Date returned
<i>Mandatory: Statutory Officers (or deputies)</i>			
Adele Taylor	Executive Director of Resources/S151 Officer	210122	21/01/22
Emma Duncan	Deputy Director of Law and Strategy / Monitoring Officer	Author	
<i>Deputies:</i>			
Andrew Vallance	Head of Finance (Deputy S151 Officer)	210122	25/1/22
Elaine Browne	Head of Law (Deputy Monitoring Officer)	210122	21/1/22
Karen Shepherd	Head of Governance (Deputy Monitoring Officer)	210122	21/1/22
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Duncan Sharkey	Chief Executive	210122	21/1/22

Andrew Durrant	Executive Director of Place	<b>Author</b>	
Kevin McDaniel	Executive Director of Children's Services	<b>Information only</b>	
Hilary Hall	Executive Director of Adults, Health and Housing	<b>Information only</b>	
<i>Heads of Service (where relevant)</i>			
	Head of Neighbourhood Services	<b>210122</b>	
<i>External (where relevant)</i>			
N/A			

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for Planning, Environmental Services and Maidenhead	Yes
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## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>	<b>To follow item?</b>
Key decision First entered into the Cabinet Forward Plan: 120122	No	No

<p>Report Author:          Andrew Durrant Executive Director, Place andrew.durrant@rbwm.gov.uk          Emma Duncan, Monitoring Officer emma.duncan@rbwm.gov.uk</p>
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**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD  
EQUALITY IMPACT ASSESSMENT**

**EqlA : Waste Contract**

**Essential information**

Items to be assessed: (please mark 'x')

<b>Strategy</b>		<b>Policy</b>		<b>Plan</b>		<b>Project</b>		<b>Service/Procedure</b>	X
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<b>Responsible officer</b>	Emma Duncan	<b>Service area</b>	Governance/Law	<b>Directorate</b>	Governance, Law, Strategy
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<b>Stage 1: EqlA Screening (mandatory)</b>	Date created: 020222	<b>Stage 2 : Full assessment (if applicable)</b>	Date created : n/a
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**Approved by Head of Service / Overseeing group/body / Project Sponsor:**

*"I am satisfied that an equality impact has been undertaken adequately."*

**Signed by (print):** Emma Duncan

**Dated:**020222

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# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Waste Contract

#### Guidance notes

##### What is an EqlA and why do we need to do it?

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act.
- Advancing equality of opportunity between those with 'protected characteristics' and those without them.
- Fostering good relations between those with 'protected characteristics' and those without them.

EqlAs are a systematic way of taking equal opportunities into consideration when making a decision, and should be conducted when there is a new or reviewed strategy, policy, plan, project, service or procedure in order to determine whether there will likely be a detrimental and/or disproportionate impact on particular groups, including those within the workforce and customer/public groups. All completed EqlA Screenings are required to be publicly available on the council's website once they have been signed off by the relevant Head of Service or Strategic/Policy/Operational Group or Project Sponsor.

##### What are the "protected characteristics" under the law?

The following are protected characteristics under the Equality Act 2010: age; disability (including physical, learning and mental health conditions); gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

##### What's the process for conducting an EqlA?

The process for conducting an EqlA is set out at the end of this document. In brief, a Screening Assessment should be conducted for every new or reviewed strategy, policy, plan, project, service or procedure and the outcome of the Screening Assessment will indicate whether a Full Assessment should be undertaken.

##### Openness and transparency

RBWM has a 'Specific Duty' to publish information about people affected by our policies and practices. Your completed assessment should be sent to the Strategy & Performance Team for publication to the RBWM website once it has been signed off by the relevant manager, and/or Strategic, Policy, or Operational Group. If your proposals are being made to Cabinet or any other Committee, please append a copy of your completed Screening or Full Assessment to your report.

##### Enforcement

Judicial review of an authority can be taken by any person, including the Equality and Human Rights Commission (EHRC) or a group of people, with an interest, in respect of alleged failure to comply with the general equality duty. Only the EHRC can enforce the specific duties. A failure to comply with the specific duties may however be used as evidence of a failure to comply with the general duty.



# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqIA : Waste Contract

#### Stage 1 : Screening (Mandatory)

##### 1.1 What is the overall aim of your proposed strategy/policy/project etc and what are its key objectives?

The report relates to use of delegated decision making and record keeping, an existing process. The process is a statutory obligation. This is a compliance issue and will not have any impact in terms of the Equality Duty.

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**1.2 What evidence is available to suggest that your proposal could have an impact on people (including staff and customers) with protected characteristics? Consider each of the protected characteristics in turn and identify whether your proposal is Relevant or Not Relevant to that characteristic. If Relevant, please assess the level of impact as either High / Medium / Low and whether the impact is Positive (i.e. contributes to promoting equality or improving relations within an equality group) or Negative (i.e. could disadvantage them). Please document your evidence for each assessment you make, including a justification of why you may have identified the proposal as “Not Relevant”.**

**ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD**

**EQUALITY IMPACT ASSESSMENT**

**EqIA : Waste Contract**

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Waste Contract

Protected characteristics	Relevance	Level	Positive/negative	Evidence
<b>Age</b>	n/a			<i>Key data: The estimated median age of the local population is 42.6yrs [Source: <a href="#">ONS mid-year estimates 2020</a>]. An estimated 20.2% of the local population are aged 0-15, and estimated 61% of the local population are aged 16-64yrs and an estimated 18.9% of the local population are aged 65+yrs. [Source: ONS mid-year estimates 2020, taken from <a href="#">Berkshire Observatory</a>]</i>
<b>Disability</b>	n/a			
<b>Gender re-assignment</b>	n/a			
<b>Marriage/civil partnership</b>	n/a			
<b>Pregnancy and maternity</b>	n/a			
<b>Race</b>	n/a			<i>Key data: The 2011 Census indicates that 86.1% of the local population is White and 13.9% of the local population is BAME. The borough has a higher Asian/Asian British population (9.6%) than the South East (5.2%) and England (7.8%). The forthcoming 2021 Census data is expected to show a rise in the BAME population. [Source: 2011 Census, taken from <a href="#">Berkshire Observatory</a>]</i>
<b>Religion and belief</b>	n/a			<i>Key data: The 2011 Census indicates that 62.3% of the local population is Christian, 21.7% no religion, 3.9% Muslim, 2% Sikh, 1.8% Hindu, 0.5% Buddhist, 0.4% other religion, and 0.3% Jewish. [Source: 2011 Census, taken from <a href="#">Berkshire Observatory</a>]</i>
<b>Sex</b>	n/a			<i>Key data: In 2020 an estimated 49.6% of the local population is male and 50.4% female. [Source: ONS mid-year estimates 2020, taken from <a href="#">Berkshire Observatory</a>]</i>
<b>Sexual orientation</b>	n/a			

# ROYAL BOROUGH OF WINDSOR AND MAIDENHEAD

## EQUALITY IMPACT ASSESSMENT

### EqlA : Waste Contract

#### Outcome, action and public reporting

Screening Assessment Outcome	Yes / No / Not at this stage	Further Action Required / Action to be taken	Responsible Officer and / or Lead Strategic Group	Timescale for Resolution of negative impact / Delivery of positive impact
Was a significant level of negative impact identified?	No			
Does the strategy, policy, plan etc require amendment to have a positive impact?	No			

If you answered **yes** to either / both of the questions above a Full Assessment is advisable and so please proceed to Stage 2. If you answered “No” or “Not at this Stage” to either / both of the questions above please consider any next steps that may be taken (e.g. monitor future impacts as part of implementation, re-screen the project at its next delivery milestone etc).

## CABINET

THURSDAY, 10 FEBRUARY 2022

PRESENT: Councillors Andrew Johnson (Chairman), Stuart Carroll (Vice-Chairman), David Cannon, David Coppinger, Samantha Rayner, David Hilton, Gerry Clark, Donna Stimson and Ross McWilliams

Also in attendance: Councillor Christine Bateson, Councillor Julian Sharpe, Councillor Sayonara Luxton, Councillor John Bowden, Councillor Helen Price, Councillor Phil Haseler, Councillor Catherine del Campo, Councillor John Baldwin, Councillor Amy Tisi, Councillor Gurpreet Bhangra and Councillor Simon Bond.

Officers: Duncan Sharkey, Hillary Hall, Adele Taylor, Emma Duncan, Andrew Valance, Andrew Durrant, Kevin McDaniel, Louisa Freeth, Rebecca Hatch, Louisa Dean and David Cook

### WASTE CONTRACT AMENDMENT

Cabinet considered the report regarding a decision made under delegated authority in relation to a contract change notice to the Serco Waste Contract.

The Monitoring Officer informed Cabinet that officers of the Council discussed with the waste contract provider the introduction of a new fortnightly waste collection in line with the direction given by Cabinet which resulted in a change to be agreed using the contract change provisions in the contract. This involved setting off potential income streams within the waste budget, however the net increase to budget provision was identified at £500,000.

Under the Council's Contract Standing Orders and delegated authority officers were able to make variations to contracts up to £500,000 subject to consultation requirements with officers and the Cabinet Member. If the change proposed was over £500,000 then it becomes a decision to be exercised by Cabinet.

Whilst the net effect on the budget was correctly identified as £500,000, the adjustment to the contract was in excess of that when revenue pressures were taken into effect, meaning that appropriate officer delegated authority was not in place at the time the change notification was completed and thus it should have been a Cabinet decision. The contract was now binding but Cabinet were being asked to ratify the decision.

The Chief Executive apologised to Cabinet and said that this had been a mistake by officers and should have been picked up as a Cabinet decision, there were no financial implications but our processes would be reviewed and reported to the Audit and Governance Committee.

Cllr Bond said that he would have liked to have seen more detail within the report explaining the increase in the contract. He mentioned that Cabinet had been informed about the issue so that briefing note could have been attached as an appendix.

The Chief Executive informed that during lockdown domestic tonnage had increased, he agreed that the briefing note would be circulated.

Cllr Carroll reported that as he had left the room during the discussion he would not be voting on the recommendations.

**RESOLVED UNANIMOUSLY: That Cabinet noted the report and:**

- i) Ratified the contractual amendment dated 28 September 2021.**
- ii) Noted and endorsed the actions proposed and taken in respect of future decision making.**
- iii) Recommended that the Audit and Governance Committee reviewed the suggested improvements to process identified in the report.**

## WORK PROGRAMME – AUDIT AND GOVERNANCE COMMITTEE

<b>DIRECTORS</b>	<ul style="list-style-type: none"> <li>• Duncan Sharkey (Chief Executive)</li> <li>• Adele Taylor (Executive Director of Resources and S151 Officer)</li> <li>• Emma Duncan (Deputy Director of Law and Strategy)</li> </ul>
<b>LINK OFFICERS &amp; HEADS OF SERVICES</b>	<ul style="list-style-type: none"> <li>• External Auditors – Deloitte</li> <li>• Internal Auditors - SWAP</li> <li>• Steve Mappleby (Insurance and Risk Manager)</li> <li>• Andrew Vallance (Head of Finance)</li> <li>• Karen Shepherd (Head of Governance)</li> </ul>

### MEETING: 28<sup>th</sup> JULY 2022

ITEM	RESPONSIBLE OFFICER
Statement of Accounts 2019/20 and 2020/21 Update	<b>External Auditors</b>
Annual Governance Statement 2022/23 and Action Plan	<b>Emma Duncan, Deputy Director of Law and Strategy</b>
Internal Audit Progress Report	<b>Internal Auditors</b>
Treasury Management Outturn Report 2021/22	<b>Andrew Vallance, Head of Finance</b>
Work Programme	Panel clerk

### MEETING: 22<sup>nd</sup> SEPTEMBER 2022

ITEM	RESPONSIBLE OFFICER
Internal Audit Progress Report	<b>Internal Auditors</b>
Work Programme	Panel clerk

### MEETING: 20<sup>th</sup> OCTOBER 2022

ITEM	RESPONSIBLE OFFICER
Annual Governance Statement Action Plan Update	<b>Emma Duncan, Deputy Director of Law and Strategy</b>
Key Risk Report	<b>Steve Mappleby, Insurance and Risk Manager</b>
Council Trusts Report	<b>Karen Shepherd, Head of Governance</b>
Internal Audit Progress Report	<b>Internal Auditors</b>
Mid-year Treasury Management Report 2022/23	<b>Andrew Vallance, Head of Finance</b>
Draft Treasury Management Strategy 2023/24	<b>Andrew Vallance, Head of Finance</b>
Draft Capital Strategy 2023/24	<b>Andrew Vallance, Head of Finance</b>
Work Programme	Panel clerk

**MEETING: 16<sup>th</sup> FEBRUARY 2023**

<b>ITEM</b>	<b>RESPONSIBLE OFFICER</b>
Internal Audit Progress Report	<b>Internal Auditors</b>
Internal Audit Plan 2023/24	<b>Internal Auditors</b>
Work Programme	Panel clerk

**ITEMS SUGGESTED BUT NOT YET PROGRAMMED**

<b>ITEM</b>	<b>RESPONSIBLE OFFICER</b>