



WOKINGHAM BOROUGH COUNCIL

A Meeting of the **AUDIT COMMITTEE** will be held in David Hicks 1 - Civic Offices, Shute End, Wokingham RG40 1BN on **WEDNESDAY 6 NOVEMBER 2019 AT 7.00 PM**

Susan Parsonage
Chief Executive

Published on 29 October 2019

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

MEMBERSHIP OF THE AUDIT COMMITTEE

Councillors

Chris Smith (Chairman)
Maria Gee
Imogen Shepherd-DuBey

Dianne King (Vice-Chairman)
Angus Ross

Rachel Burgess
Daniel Sargeant

ITEM NO.	WARD	SUBJECT	PAGE NO.
43.		APOLOGIES To receive any apologies for absence	
44.	None Specific	MINUTES OF PREVIOUS MEETING To confirm the Minutes of the Meeting held on 25 September 2019.	5 - 12
45.		DECLARATION OF INTEREST To receive any declarations of interest	
46.		PUBLIC QUESTION TIME To answer any public questions A period of 30 minutes will be allowed for members of the public to ask questions submitted under notice. The Council welcomes questions from members of the public about the work of this committee. Subject to meeting certain timescales, questions can relate to general issues concerned with the work of the Committee or an item which is on the Agenda for this meeting. For full details of the procedure for submitting questions please contact the Democratic Services Section on the numbers given below or go to www.wokingham.gov.uk/publicquestions	
47.		MEMBER QUESTION TIME To answer any member questions	
48.	None Specific	UPDATE ON FINANCIAL STATEMENTS 2018/19 To receive a verbal update on the 2018/19 financial statements	
49.	None Specific	CORPORATE RISK REGISTER To receive an update on the corporate risk register	13 - 30
50.	None Specific	INTERNAL AUDIT AND INVESTIGATION Q2 PROGRESS REPORT 2019/20 To receive the Internal Audit and Investigation Q2 progress report for 2019/20	31 - 38

51. None Specific	FORWARD PROGRAMME 2019-2020 To consider the forward programme for the remainder of the municipal year.	39 - 40
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Any other items which the Chairman decides are urgent

A Supplementary Agenda will be issued by the Chief Executive if there are any other items to consider under this heading

CONTACT OFFICER

Madeleine Shopland Democratic & Electoral Services Specialist
Tel 0118 974 6319
Email madeleine.shopland@wokingham.gov.uk
Postal Address Civic Offices, Shute End, Wokingham, RG40 1BN.

Agenda Item 44.

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD ON 25 SEPTEMBER 2019 FROM 7.00 PM TO 8.55 PM

Committee Members Present

Councillors: Chris Smith (Chairman), Dianne King (Vice-Chairman), Rachel Burgess, Maria Gee, Angus Ross, Daniel Sargeant and Imogen Shepherd-DuBey

Other Councillors Present

Councillors: Gary Cowan

Also Present

Michael Bateman, Business Analyst
Andrew Moulton, Assistant Director Governance
Susan Parsonage, Chief Executive
Neil Carr, Democratic and Electoral Services Specialist
Jackie Whitney, Lead Customer Manager
Stephen Wood, Complaints Manager

32. APOLOGIES

There were no apologies for absence received.

33. MINUTES OF PREVIOUS MEETING

The Minutes of the meeting of the Committee held on 24 July 2019 were confirmed as a correct record and signed by the Chairman.

34. DECLARATION OF INTEREST

There were no declarations of interest submitted.

35. PUBLIC QUESTION TIME

There were no Public questions.

36. MEMBER QUESTION TIME

In accordance with the agreed procedure, the Chairman invited Members to submit questions to the appropriate Members.

36.1 Gary Cowan asked the Chairman of Audit Committee the following question:

Question:

On the 4th of September, I asked the Chairman of the Health Overview & Scrutiny Committee the following question: Does the Council support the CCG policy on its provision of healthcare in which rural communities will certainly suffer as a result of their one size fits all policies?

The answer was as follows; 'As service provider the CCG decide how health provision is to be delivered and as partners Wokingham Borough Council aim to work with the CCG to facilitate their needs where this is possible.'

This would suggest that the Council sees working with the CCG as being more important than working to deliver residents actual needs.

Then on the 18th September, I asked the Chairman of Overview and Scrutiny Management Committee the following question; 'There is a general public perception that

the Council's planning department is not fit for purpose. Most Councillors have experienced residents' disquiet on decision-making, enforcement actions and the protection or lack of protection of trees especially those with TPO's on them or where protective TPO's are not considered when trees are at risk to development or have a community value. This perception is also evident by articles in the press.

Whether there is any truth in this or not a review would be beneficial, as it would have two effects; one it would be to assure residents that the department functions correctly in a transparent manner or two it might identify areas where the service could be improved for the benefit of all....'

The reply I got suggested there was not a problem to which my supplementary was I would reply in more detail in writing.

Yet the Audit Committee Annual Complaints Report states under Key Themes.

- As with recent years, the services which have received the highest volume of complaints are Housing and Development Management.
- The majority of these complaints are in relation to decisions reached on planning applications and planned/reactive housing repairs.
- Whilst the number of formal complaints received at Stage 1 has increased it is not by a number that should be a cause for concern with only 15 more cases being recorded in 2018/19, in comparison with 2017-'18.
- It should also be noted that whilst the number of Stage 1 cases have increased, the number of Stage 2 cases and LGSCO referrals have remained consistent which indicates that we are continuing to resolving cases at an early a stage as possible.

My question is in the light of the answers I got at the other O+S meetings and the comments above it would indicate that this level of complaints is considered acceptable by this Council. Is this so?

Answer:

I am a bit confused with your first part as you say that the Council sees working with the Clinical Commissioning Group as being more important than delivering residents' actual needs. The CCG are the ones that are responsible for delivering the residents' needs in this respect and so we need to be working with them as a Council, to do this. I am also a bit concerned because I thought that you were the Deputy Executive Member for Planning and Enforcement, is that still the case?

At this point Gary Cowan stated the following:

No, I resigned after Keith Baker said things about me in the press.

Answer continued:

I would say that I find the department absolutely fit for purpose. It responds and it is good. I think we can see on appeals that they do make sure that we are kept in line with what we should be doing.

From Planning, we have a volume of complaints from around 25 per annum over the last few years. Around a third are escalated to Stage 2 each time, and this is where a resident is not satisfied with our response, not something we do automatically. To date the Council has had around 15 level 1 complaints, of which one has gone to the Ombudsman, and the Council, it was found in our favour. I think these 15 complaints and 25 complaints per

annum need to be seen in context. The Council has thousands upon thousands of interactions with residents a day; such as today, about 12,000 sets of bins were emptied in Earley alone. I think we have had nearly 2,500 planning applications in 2019 so far, so only having 15 complaints reaching level 1 is a comparatively small volume.

I personally do not want to see any complaints against the Council, and I am committed to making sure we provide a high quality service for every resident. I mean sometimes we get things wrong, but that is what the complaints process is there for; to ensure that peoples' complaints are handled fairly, responsibly and can hopefully get to a situation that everyone agrees with and there is also the independent Ombudsman if that satisfaction cannot be reached at a local level.

I would note that the complaints report is something that is on our agenda tonight so I cannot answer your final question as to whether it is an acceptable level or not until we as a committee have discussed this, but you are welcome to attend and listen to that part of the discussion.

Supplementary Question:

The comments with respect to the Health and Overview Committee are pretty straightforward, in terms of how the Council sees it work with the CCG. The point I was making there is that it can be at the residents' expense. It is very clear where the partnership lies there.

The Chairman of Overview and Scrutiny asked if the Planning department was fit for purpose at the last meeting of that, and the answer I got there was a resounding yes. Yet in your Audit Committee report here, there are issues where elements within the Council were failing. The point I am really trying to make is that it is never good enough if there are any complaints in any department. Residents expect the overview and scrutiny health committee to work for them and not just for the CCG. The Audit Committee will discuss this. My question therefore really is, and you have half answered; health and management overview scrutiny and even this Audit Committee, are they all fit for purpose as they are working now, because there are quite a few complaints listed in your report, and the comments seem to be that it is ok.

Supplementary Answer:

I think I will refer to the context. We have had nearly 2,500 planning applications so far this year, of which there have been 15 complaints reaching Stage 1. 2,500 applications, many of them attract hundreds of comments, particularly some of the most recent, like the quarry one. I will say that in terms of it, we do have complaints and I agree that any complaint must be taken seriously and I want to move to a target of zero, but as I say, we have hundreds of thousands of interactions with residents each year.

My rubbish is picked up every single week. There are 52 things that could go wrong there, across Earley, which is 11,000 houses. That is half a million. Let us be honest that is almost a million potential interactions just on our collection of waste, a year alone, excluding what we do around our fantastic schools, our adult social care, how we do sports, planning, and everything else. I fully agree; I want us to move to zero complaints. I want everything to be handled there but we are in a situation of that is a comparatively small number of those interactions. I think it is ISO 9000, which is the international compliant standard which is that good organisations have a success rate of 99.998%. If we are having 100 complaints over many millions of interactions, I do not know the statistics off there, but I agree we should be working towards nothing. That is why we

bring the complaints here, and that is why we as councillors are able to see what is going on and understand precisely where the complaints are; are there any particular departments? We can hold the officers to account on behalf of residents. In an ideal world, yes, this report would have a single page, which would have a zero on it, and I would love to be there, but I cannot see us getting there ever, if I am honest.

37. UPDATE ON FINANCIAL STATEMENTS 2018/19

The Committee received an update on the Financial Statements 2018/19. The Chairman stated that the Council was waiting for Deloitte to sign off on the Royal Berkshire Pension Fund before Ernst and Young would sign off on the Council's accounts. They had two potential issues relating to longevity contracts and convertible bonds

Councillor Gee commented that she noted the difference in the pension fund account and that it would have a 1.8-1.9% decrease in the value of assets. She questioned what the monetary value would be of the reduction in value of the assets. Councillor Gee questioned where the impact would be seen on the Council's accounts. It was agreed that a written answer would be provided.

In response to a question from Councillor Burgess as to whether an extraordinary Audit Committee meeting would be required in order to sign off the accounts, Councillor Smith stated that a meeting would be held as soon as possible to sign off the accounts. The Committee's next scheduled meeting would be 6 November 2019. He believed that pension scheme accounts had 7 months to be signed off or they were non-compliant.

RESOLVED: That the update on the Financial Statements 2018/19 be noted.

38. ANNUAL COMPLAINTS REPORT

The Committee received an updates on complaints and compliments.

During the discussion of this item, the following points were made:

- Michael Bateman advised that the number of Stage 1 complaints received had increased slightly compared to the last two financial years. However, this was not a cause for concern.
- The number of complaints that had been escalated to Stage 2 and the Ombudsman remained steady.
- The services that had received the highest volume of complaints had been Housing and Development Management. The majority of these complaints related to decisions reached on planning applications and planned/reactive housing repairs. However, the number of complaints was small when compared with the total overall interactions with residents.
- Officers agreed that benchmarking on complaints data could be a useful exercise. Councillor Smith requested that feedback be provided on benchmarking prior to the next meeting.
- Members were informed of the difference between Stage 1 and 2 complaints. Michael Bateman explained that any complaint received was initially put to Stage 1. The relevant service was given the opportunity to address the concerns raised. Stage 1 complaints had to be responded to within 15 working days and Stage 2, 20 working days.
- Jackie Whitney emphasised that every effort was made to first seek a resolution via early resolution, where possible.

- Councillor Shepherd-DuBey asked how less routine complaints were dealt with. Jackie Whitney indicated that as much information as possible was captured to facilitate the process.
- In response to a question from Councillor Gee, it was suggested that information regarding Children's Services complaints be included in the Executive Summary of future complaint reports.
- Councillor Ross asked whether complaints were from businesses or residents. Michael Bateman commented that complaints tended to be from individual residents.
- Councillor Burgess commented that it was good to see the reasons for the complaints. These could then be crosschecked with the KPIs for the different services.
- Members were informed that there was now a dedicated webpage for children's services complaints, which made the process more accessible.
- In Q1 (April- end of June) there had been a decrease in Children's Services complaints. There had been an increase in Q2. Projected figures were below those of last year's.
- Members suggested that information on historical trends and reasons for them be included in future reports. Councillor Sargeant also suggested that future reports include an explanation of what was a Stage 1 and 2 complaint.
- Councillor Sargeant questioned whether a procedure was in place to ensure that positive comments received were fed back to the relevant officers.
- Councillor Gee queried why there was no trend data for Customer and Localities.
- Councillor Gee went on to ask whether action plans were created and feedback provided to the services. Michael Bateman explained the action taken. Susan Parsonage indicated that she discussed with Jackie Whitney what lessons could be learnt and how processes could be improved.

RESOLVED: That the update on complaints and compliments be noted.

39. DATA PROTECTION UPDATE

Members were updated on data protection within the Council.

During the discussion of this item, the following points were made:

- The level of staff awareness around data protection had increased.
- The Council had a good relationship with the Information Commissioner. There had been three breach complaints made to the Information Commissioner in 2018/19, none of which had been upheld.
- Andrew Moulton outlined data breach themes including post, email and technology and communications process.
- With regards to breaches involving post, Councillor Smith questioned whether there were any possible technological or physical fixes. He also questioned whether autocomplete should be disabled on email to help avoid mistakes. Andrew Moulton commented that any additional controls needed to be cost effective and not make the process overly complex.
- It was noted that Internal Audit would be auditing data protection.
- Councillor Sargeant commented that the review of the subject access review process was potentially a large project, and asked which officer would be leading on this. Andrew Moulton indicated that he was the Council's Data Protection Officer.

A small team of officers would be working with the Directors and Chief Executive to take forward actions.

- Members were informed that the Council did have the ability to charge for complex subject access requests. Councillor Smith stated that charging for subject access requests would represent a big change in Council policy and if this was to be progressed he would like the proposal to be considered by the Executive or the Audit Committee first.
- Councillor Shepherd-DuBey asked whether anyone had asked about the right to be forgotten and if there were a process in place for this. She was informed that they had not and there was not currently.
- Councillor Shepherd-DuBey asked how the Council responded to data breaches and also how learning was fed back across the Council. Andrew Moulton commented that the Council needed to improve in collating information and identifying trends and patterns. Individual cases were dealt with on a case by case basis and assessed as to whether it was reportable to the Information Commissioner. Action would be taken to mitigate the data breach. Councillor Shepherd-DuBey asked if there was a process for auditing departments or individuals for data protection breaches. Andrew Moulton indicated that it was currently on a more ad hoc basis. The internal audit was likely to flag up the need to standardise the monitoring process.
- Councillor Shepherd-DuBey asked how paper data was tracked. Members were informed that a lot of work had been undertaken in 2017/18 as part of a data audit to understand what data the Council had, both analogue and digital, and to ensure that data was not being retained longer than necessary.
- Councillor Smith asked for an update, in particular next steps to be taken, at the Committee's February meeting.
- In response to a question from Councillor Ross regarding training, Andrew Moulton indicated that staff undertook mandatory online training. E-learning was also available to Members.

RESOLVED: That the update on data protection be noted.

40. CORPORATE RISK REGISTER

The Chief Executive presented the Corporate Risk Register.

During the discussion of this item, the following points were made:

- With regards to Risk 1 Budgeting and financial management, a Commercial Council Programme Board had been introduced, which was chaired by the Chief Executive and Deputy Chief Executive. It looked at medium and long-term actions for mitigating financial challenges going forwards, such as demand management and contracts. It was noted that Overview and Scrutiny were scrutinising the budget setting process.
- Councillor Gee questioned why commercial investment was considered an existing control for Risk 1.
- Susan Parsonage informed the Committee that there would be a new Assistant Director Adult Safeguarding.
- There was a new risk around the adult social care provider market.
- Mitigation work was being undertaken with regards to the potential impact of Brexit. Councillor Smith commented that risks generally appeared to have increased in impact and likelihood. He asked whether this was the result of a change to the risks

or the way in which the assessments were made. Susan Parsonage commented that it was a mixture of both.

- Councillor Burgess questioned why climate emergency was not included on the Risk Register. Susan Parsonage indicated that she would look into this. In addition, Councillor Burgess stated that she felt that carbon emission should be included in the Corporate Risk Register.
- Members discussed Children's Services and the budget setting process.
- With regards to financial risks, Councillor Gee questioned how increasing borrowing was a control.
- In response to a question from Councillor Burgess about demand management, Susan Parsonage stated that the Council looked at where demand for particular services came from and ways in which this could be addressed. Investing to save could help reduce demand at a later stage and lead to better outcomes.
- With regards to Risk 2 Corporate Governance (including Political Governance), Councillor Burgess asked for an update on the LGA Peer Review action plan. Andrew Moulton advised that there would be a further review next year.
- Councillor Burgess questioned why lobbying was considered an action to mitigate risk around the Local Plan. She felt that further detail was required in the Risk Register.
- The Committee discussed the risks around Brexit and questioned why the risk level had increased and what the Council was doing to prepare. Susan Parsonage stated that there was an officer group looking at Brexit, which was focusing on business continuity. The group fed into a local resilience forum at Thames Valley level. Central Government required every local authority to have a lead officer on Brexit.
- Councillor Smith questioned whether any issues had been found with the Council's business continuity arrangements and was informed that there had not. Services were updating their business continuity plans.
- Councillor Ross asked about the risk of unexpected weather events and their potential impact on services.
- Councillor Gee asked a number of questions relating to corporate governance. It was clarified that the Audit Committee reported annually to Council. Internal Audit reports were presented quarterly to the Audit Committee.
- Councillor Gee queried the line management arrangements in place around corporate governance. Susan Parsonage stated that the Monitoring Officer role reported to the Deputy Chief Executive who was also the S151 Officer. This was not unusual. The Monitoring Officer had access to the Chief Executive to raise any concerns.

RESOLVED: That the update be noted.

41. EQUALITIES ACT TRAINING

Members received training on the Equalities Act.

During the discussion of this item, the following points were made:

- Andrew Moulton outlined the Council's equality duties and objectives.
- The Council needed to relook at the equality objectives. Further information would be presented to the Executive and the Overview and Scrutiny Management Committee.

- Although Equality Impact Assessments were not a legal requirement, the Council felt that they were a good, structured way of demonstrating the Council's compliance with the equality duties. The most recent Executive reports, did where appropriate, include Equality Impact Assessments.
- There was mandatory e-learning for staff on equality and diversity at work. There was also e-learning on equality impact assessments for managers.
- Internal Audit were currently undertaking an audit of equalities, the outcome of which would be presented to the Committee.
- With regards to the pregnancy and maternity protected characteristic, Councillor Smith questioned whether this included adoption and duty of care. Andrew Moulton agreed to check.
- Councillor Smith asked how mandatory staff training was monitored. Andrew Moulton commented that mandatory training was monitored at Directorate level and by the Corporate Leadership Training.
- In response to a Member question, Andrew Moulton indicated that he was not aware of any decisions that had been changed as a result of an equality impact assessment being undertaken.
- Councillor Burgess stated that the Council's equality objectives needed to be SMART.
- Officers could find guidance on undertaking equality impact assessments on the intranet. The Strategy and Commissioning team could also provide advice if required.

42. FORWARD PROGRAMME 2019-2020

The Committee considered the forward programme for the remainder of the municipal year.

Members asked that Matt Pope, Director Adult Social Care, be invited to the Committee's next meeting to discuss key risks in adult social care.

RESOLVED: That the forward programme be noted.

Agenda Item 49.

TITLE	Corporate Risk Register
FOR CONSIDERATION BY	Audit Committee on 6 November 2019
WARD	None Specific
LEAD OFFICER	Chief Executive - Susan Parsonage

OUTCOME / BENEFITS TO THE COMMUNITY

Enterprise Risk Management (ERM) provides for robust and transparent decision-making. Effective ERM is therefore an integral part of the Council's control environment and helps demonstrate the effective use of resources and sound governance. The Council's Corporate Risk Register (CRR) demonstrates that the council is pro-actively identifying and managing its significant business risks.

RECOMMENDATION

That the Audit Committee note the update.

SUMMARY OF REPORT

The Corporate Risk Register is regularly reviewed by the Corporate Leadership Team.

Since the last report to the Committee on 25 September, an additional risk has been added on Climate Emergency.

There are 13 corporate risks being carefully monitored details of which can be found at Appendix 1.

The Director of Adult Services will attend the meeting to explain the major risks in the Council and the key actions being taken to mitigate these risks.

Background

The roles and responsibilities of Members and Officers with respect to Risk Management are detailed in the Council's Enterprise Risk Management Policy (ERMP) which was approved by the Audit Committee. The ERMP states that CLT is responsible for identifying and managing the Council's risks and opportunities, and for setting an example to staff. CLT is also responsible for identifying, analysing and profiling high-level strategic and cross-cutting risks on a regular basis.

The Audit Committee is required to seek confirmation that the Council's strategic risks are being proactively managed. Strategic risks are essentially those risks that might occur and could prevent the Council from achieving its objectives as detailed in its Vision, Priorities and Corporate Plan.

Analysis of Issues

The main changes to the CRR since last reviewed by the Audit Committee are:-

- the addition of a new risk on Climate Emergency – risk no. 13
- updates to Workforce risk (risk no. 3) with the launch of the employee engagement survey
- updates to the BREXIT risk (risk no. 11)

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£Nil	Yes	Revenue
Next Financial Year (Year 2)	£Nil	Yes	Revenue
Following Financial Year (Year 3)	£Nil	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

There are no financial implications to be noted as a result of this update. However there are risks within the register that should they materialise, would have a significant financial impact on the authority.

Cross-Council Implications

A risk is an unexpected event or action that can adversely affect the Council's ability to achieve its objectives and successfully execute its strategies. Risk Management is about managing opportunities and threats to objectives. Therefore good risk management will assist the Council in delivering its services and achieving its priorities.

Reasons for considering the report in Part 2

Not applicable

List of Background Papers

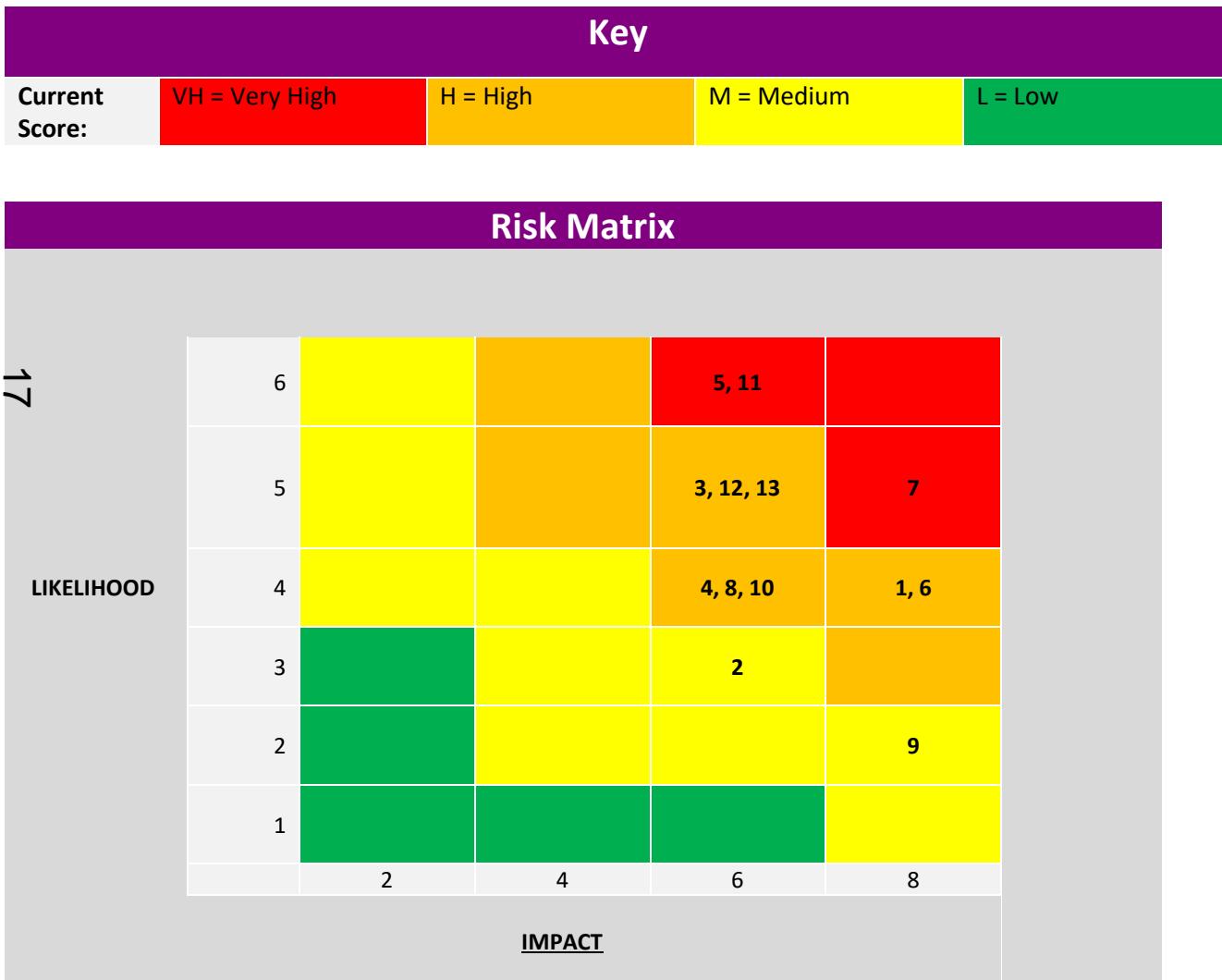
Corporate Risk Register Enterprise Risk Management Strategy and Policy

Contact Andrew Moulton	Service Governance
Telephone No Tel: 07747 777298	Email andrew.moulton@wokingham.gov.uk

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Corporate Risk Register
Summary Page
Updated 14/10/19

APPENDIX A



Summary of Corporate Risks

- 1 Budgeting & financial mgt (inc forecasting demand & investment and commercial strategy)
- 2 Corporate Governance
- 3 Workforce
- 4 Local Plan (including five year land supply)
- 5 Delivering SEND Reforms
- 6 Safeguarding Children and Young People
- 7 Safeguarding Adults
- 8 Information and Data Management
- 9 Health and Safety
- 10 BREXIT
- 11 Inspections Regulatory
- 12 Adult Social Care Provider Market
- 13 Climate Emergency

Key to Abbreviations

JH	Councillor John Halsall
PJ	Councillor Pauline Jorgensen
PB	Councillor Parry Baath
SM	Councillor Stuart Munro
UC	Councillor Ullakarin Clarke
JK	Councillor John Kaiser
CM	Councillor Charles Margetts
WS	Councillor Wayne Smith
CHT oo	Councillor Charlotte Haitham Taylor
SP	Susan Parsonage, Chief Executive
GE	Graham Ebers, Director of Corporate Resources & Deputy Chief Executive
SH	Sarah Hollamby, Director of Locality & Customer Service
CC	Carol Cammiss, Director of Children's Services
MP	Matt Pope, Director of Adult Social Services
AC	Audit Committee
O&S	Overview & Scrutiny Management Committee

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
1	<p>Budgeting and financial Management (inc forecasting demand & investment and commercial strategy).</p> <p><i>Budgeting</i> - Effectively and efficiently achieving outcomes for the community as per the Council's Plans and Priorities.</p> <p>Risks: a budget that is:-</p> <ul style="list-style-type: none"> a. Value for money b. Achieves priorities c. Meets statutory duties d. Sustainable in the long term e. Owned and managed by those responsible and accountable f. Controlled and monitored to targets set <p><i>Demand</i> - Effectively preventing and managing demand-led services in areas such as Adult Social Care and Children's Social Care and special needs.</p> <p>Risks:-</p> <ul style="list-style-type: none"> a. Forecasting and profiling the demand for the long term. b. Managing increasing public expectations to be realistic to the resources available c. Prevention strategies based on analyses of nature of demand d. Reviewing existing services and/or placements to reduce demand and enable independent living <p><i>Investment and Commercial Strategy</i></p> <p>Risk that the Council fails to deliver key investment priorities through insufficient resources or inadequate planning</p> <p>The Council has significant investment aspirations including Strategic Development Locations (SDL's), Town Centre Regeneration, school rebuilds and housing provision. This is in the context of limited</p>		<ul style="list-style-type: none"> • Medium term financial (MTFP) planning processes over three years. • Budget management and monitoring controls as set out in financial regulations • Internal Audit programme covering major financial systems • Reduce capital programme in line with delay in receipts • Increase borrowing • Closer monitoring of on-site schemes • Quarterly refresh of capital programme • Refreshed corporate asset management plan • Annual capital bidding system and capital programme in place • Programme Board for Town Centre Regeneration Project • Forward Funding • Asset Review Programme • Meeting the Council's strategic capital requirement, incorporating Strategic 	<ul style="list-style-type: none"> • Performance management framework implemented and embedded covering Council Plan, Executive Priorities, Services Plans, individual staff appraisals • Continuous Improvement Programme (CIP) for ASC to incorporate risks including increasing demand. • Continuous Improvement Programme (CIP) for Children's Services to incorporate risks including increasing demand. • Ongoing response to internal/external audits and sources of external assurance including implementation of recommendations. • Launch of "Commercial Council" programme (from Sept 2019) • Overview & Scrutiny to consider budget (from Sept 2019) <p>Audit Committee to monitor progress</p>	SP	JH	8	4	H	L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
20	<p>resources and a complex funding source. The Council needs to ensure it guards against any unmet critical needs and prioritise its aspirations over the long term.</p> <p>Risk that the Council fails to deliver key investment priorities through insufficient resources or inadequate planning.</p> <p>Risks:-</p> <ul style="list-style-type: none"> • Insufficient school places for children with additional needs within the Borough • Financial shortfall • Negative PR • Loss of rental income • Scheme slippage / downsizing <p>This is a permanent, long-term risk to the Council.</p>		<p>Development Locations (SDL) in the medium term financial plan.</p> <ul style="list-style-type: none"> • Resource planning for Strategic Development Locations (SDL) infrastructure needs. • £100m commercial investment approved. • Establishment of Capital Review Group (CRG) and Investment Group with appropriate senior representation. • Establishment of healthy reserve balances in line with good practice. 							
2	<p>Corporate Governance (inc Political Governance)</p> <p>Governing effectively to ensure achievement of the Council's purpose and priorities within the resources available and achieving value for money.</p> <p>Risks:-</p> <ol style="list-style-type: none"> a. Assurance framework for carrying out different types of assurance activity that is understood and discharged effectively b. Leadership culture and tone models good governance (i.e. Nolan principles of standards in public life) c. Effective risk management d. Effective decision making tools that inform value for money proportionate to the risk e.g. evidenced in business cases 		<ul style="list-style-type: none"> • Council and Borough Plan processes. • Code of Local Corporate Governance • Constitution (e.g. Member/Officer protocol, delegations, Code of Conducts etc) • Staff training (Code of Conduct e learning Nov 18) 	<ul style="list-style-type: none"> • Internal Audits of Corporate Governance, Performance Management and Risk Management and implementation of recommendations. • LGA Peer Review action plan completion from 2017 and consideration of new Peer Review. <p>Audit Committee to monitor progress</p>	SP	JH	6	3	M	L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
21	e. Effective arrangements for the safe delivery of services and programmes for the delivery of projects. Effective political governance that sets priorities to deliver purpose, allocate resources, and holds to account through development of policies and strategies Risks:- a. Leadership and culture sets the tone that models and holds to account, motivates, and learns from delivery b. Quality decisions that are based on balancing evidence, public perceptions and political considerations c. Effective monitoring of priorities, risks and business cases d. Effective Administration and effective political opposition supported to achieve outcomes for the community e. Members partake in development and training to effectively discharge their responsibilities f. Clarity of officer/member boundaries and relationships to avoid politicisation of officers.	This is a permanent, long-term risk to the Council.								
3	Workforce (inc Capacity) A workforce that is stable, motivated and attracted to work for the Council with an organisational workload that is aligned to capacity available. Resources are allocated proportionate to priority and risk. Risks:- a. Reward and recognition policies b. Recruitment policies c. Value for money d. Sustainable e. Career development opportunities f. Clarity of roles		<ul style="list-style-type: none"> • People strategy • Corporate People Dashboard • Management training 	<ul style="list-style-type: none"> • Updated People strategy including HR continuous improvement plan. • Employee Engagement Survey launched on 14 October with results (and associated Action Plan) to be published later in year <p>Overview & Scrutiny to monitor (through oversight of Performance reports)</p>	GE	JK	6	5	H	L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
	<ul style="list-style-type: none"> g. Empowerment – staff have appraisal and development that gives clarity to objectives, nurtures and develops, in addition to holding to account. h. Clarity of offer i. (Over)Reliance on key members of staff j. Capacity on the front-line <p>This is a permanent, long term risk to the Council.</p>								H	L
4	<p><u>Local Plan (including five year land supply)</u></p> <p>Reputational, financial and legal risks associated with the process of producing the latest Local Plan.</p> <p>This is a temporary, shorter-term risk to the Council.</p>		<ul style="list-style-type: none"> • Project plan in place • Resources allocated to deliver project plan. • Public consultation on housing numbers held in summer 2109 	<p>Ongoing monitoring.</p> <p>Government lobbying on housing numbers.</p>	SH	WS	6	4	H	L
22										
5	<p><u>Delivering SEND Reforms</u></p> <p>Role of the Council in SEND in an environment of academies and national formulas for education budgets, and increasing special needs.</p> <p>Risks:-</p> <ul style="list-style-type: none"> a. Relationship with education partners and schools b. Future services and delivery models that are fit for purpose c. School places meeting the growth in population d. Managing special needs demand and public expectations of Council resources e. Financial. <p>This is a permanent, long term risk to the Council.</p>			<p>SEND strategy consultation from 31 January 2019 with the aim of agreeing final strategy in autumn or earlier. Will include plans to reduce High Needs Block overspend.</p> <p>Children's Services Overview & Scrutiny to monitor</p>	CC	UC	6	6	VH	L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
6 23	Safeguarding children and young people		<ul style="list-style-type: none"> Berkshire West Safeguarding Partnership Children's Overview & Scrutiny Committee Policies and Procedures in place Staff appraisal, Supervision, training Practice Framework implementation Quality Assurance System and framework Recruitment and retention strategy embedded 	Children's Services Overview & Scrutiny to monitor -	CC	UC	8	3	H	L
	<p>Risk of serious or significant harm to a vulnerable child or young person with whom the council is working.</p> <p>WBC has a duty to care for the needs of, and to provide safeguarding services for the most vulnerable children and young people in the Borough.</p> <p>Risks:-</p> <ul style="list-style-type: none"> Avoidable harm to a vulnerable child Damage to reputation Litigation Low staff morale – loss of staff, unstable workforce – poor outcome for future children, impact on budget. Impact of being judged inadequate by Ofsted could lead to statutory/government intervention. Not managing the transition to Adult Services <p>This is a permanent, long-term risk to the Council.</p>									
7	Safeguarding adults		Policies and Procedures (multi-agency) in place <ul style="list-style-type: none"> Referral system and assessment processes Management and supervision of staff Staff Training and awareness Berkshire West Safeguarding Board operating effectively 	<ul style="list-style-type: none"> Set up new ASH, Adult Safeguarding Hub. Implement actions from the safeguarding risk assessment. Implement safeguarding actions from Peer Review. ASH will lead to process change PSW to train on evidence management oversight Increased capacity by appointing Locums 	MP	CM	8	5	VH	L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
24	<ul style="list-style-type: none"> Possible external intervention from statutory agencies such as DH, CQC or Police) Disruption of service provision Litigation Impact on staff morale Recruitment and retention problems Removal and replacement of senior managers Not managing the transition from Children's Services <p>This is a permanent, long-term risk to the Council.</p>		<ul style="list-style-type: none"> Optalis contract as emergency provider in case of external provider failure Care Governance Quality Assurance system for providers Market Failure Protocol in place Appointment of Principal Social Worker to provide additional tier of scrutiny and oversight to lead to improved quality of safeguarding policy and practice. Risk assessment for safeguarding completed. LGA Peer Review covered safeguarding. 						Orange	Green
8	<p>Information and Data Management</p> <p>Risk of a significant fine and reputational damage due to loss of confidential/ sensitive data.</p> <p>The Council holds information of a confidential and sensitive nature. There have been past breaches of information security and it is an area under intensive scrutiny from the Information Commissioner. The primary risk is likely to concern paper based documents.</p> <p>Loss of confidential or sensitive data, leading to a significant fine and reputational damage for the council, with a potentially damaging impact on the resident/ customer to which the information relates.</p> <p>Risks:-</p> <ul style="list-style-type: none"> • Imposition of a substantial fine • Reputational damage/ bad media coverage 		<ul style="list-style-type: none"> Information Security Management System - governance for this area including SIRO & IGG roles Encrypted IT equipment Secure storage/ lockers at council offices Robust policies in this area Mandatory refresher programme recently undertaken 	<p>Internal compliance review of information and data management arrangements.</p> <p>Audit Committee monitoring of data protection performance - ref 25/9 Audit Committee and report back to Committee in Feb 2020.</p> <p>Online data protection training being updated.</p>	GE	JK	6	4	M	L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating		
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score
25	<ul style="list-style-type: none"> Breach of contract and payment of damages Loss of future business Increased number of complaints Loss of trust from partner organisations/contractors. <p>This is a permanent, long-term risk to the Council.</p>		<ul style="list-style-type: none"> Archiving of physical records Training for staff on document / information handling and basic information security practice Secure e-mail solution Document marking scheme GDPR implemented for 25/5/18 to address new obligations Training for new members Additional resource to deal with Subject Access Requests and FoI requests 						
9	<p><u>Health and Safety</u></p> <p>If the council fails to protect the health and safety of its employees and other persons who come into contact with the services provided by the authority there is a risk of serious injury or death.</p> <p>There is a risk that a health and safety failing could result in an intervention by a relevant enforcement agency and potential enforcement action or conviction.</p> <p>Risks:-</p> <ol style="list-style-type: none"> Enforcement notices and HSE fines for intervention Unlimited fine Custodial Sentence 		<ul style="list-style-type: none"> Risk profile - Awareness of high risk areas Ongoing compliance with statute policies and procedures Seeking Assurance programme Compliance with Health and Safety policies and procedures Management and Member performance monitoring reporting 	<p>Training for managers and staff who procure and manage contracts to ensure that the Council as a client discharges its H&S duties.</p> <p>To set up a Lone Working and Work-related Violence Task & Finish Group with representatives from all services to develop a short term and long term improvement plan.</p> <p>Latest statutory Health & Safety report for 2018/19 refers to current plans – see 27/6/19 Executive for details.</p>	GE	JK	8	2	M L

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
26	d. Publicity Order (Corporate Manslaughter only) e. Remedial Order (Corporate Manslaughter and HSWA) f. Publicity Order (Corporate Manslaughter only) g. Removal of key staff h. Reputational damage i. Service delivery loss due to depleted resources j. Damage to individuals wellbeing k. An avoidable death or injury	This is a permanent, long-term risk to the Council.	<p>from Health and Safety staff</p> <ul style="list-style-type: none"> • Contracts with third parties include a Health and Safety clause, setting out what the Council expects from the contractor in relation to Health and Safety obligations • Incident reporting, following Health and Safety process should death or serious injury occur • Training of managers and staff - Health and Safety training • Annual historical benchmarking review of all Corporate Manslaughter and relevant Health and Safety cases in order to identify the key risk area • Review across the Council of the arrangements in place to protect staff against violence at work <p>Health and Safety training included in the Management Induction Programme for all new managers.</p>	<p>Internal Audit of Health & Safety reported April 2018 giving a category 2 “good” level of assurance.</p> <p>Building maintenance of schools – discharging Council responsibilities.</p>					 	

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
			•							
10 27	BREXIT As the UK prepares to implement the result of the 2016 Referendum there is a risk that the Council fails to plan for the implications and impacts of BREXIT. There is also the risk that Government focus on Brexit, delays or postpones decisions on other areas e.g. Children's Services (SEND agenda), Adult Social Care, and local government financing. This is a temporary, shorter term risk to the Council.		<ul style="list-style-type: none"> Self-assessment of preparedness undertaken Corporate Working Group established to develop more detailed responses. Business Continuity Plans updated BREXIT risk register established 	<ul style="list-style-type: none"> Corporate Working Group meeting weekly to manage and mitigate risks <p>Overview & Scrutiny to monitor</p>	SP	JH	6	4	H	L
11	Regulatory Inspections Children's Services are inspected regularly by the regulators. ILACs is an inspection 'system' that includes: Annual Conversations between Ofsted & the Local Authority; Inspection at least every 3 years and possible Focussed Visits on identified themes. This means that Children's Services is under regular scrutiny from Ofsted that is carried out in a cyclical process. In addition the Local Area could be subject to a Joint Targeted Area Inspection focussing on a set theme. The Local Area is also inspected under the SEND inspection Framework. The directorate are not given notice of when the inspections will occur as they are unannounced. The SEND inspection took place in March 2019 and the Local Area had to produce a Written Statement of Action (WSoA) in response to 6 major areas identified to be requiring improvement. The WSoA was submitted to Ofsted & CQC in August 2019. The Local Area will be re-inspected under the SEND Inspection framework 18 months to 2 years		<ul style="list-style-type: none"> Performance data Self-evaluation Intelligence captured in relation to all forms of external scrutiny that help to drive improvement e.g. Peer Reviews & Audits 	<ul style="list-style-type: none"> The continuous improvement board set up from February 2019 to address actions arising. Wokingham Local Area SEND Written Statement of Action Wokingham SEND Improvement Board Children with Disabilities Improvement Board Service Plans for Children's Services 	CC	UC	6	6	H	

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
28 12	<p>following the submission of the WSoA - so between Feb 2021 and August 2021.</p> <p>The ILACS inspection took place in June 2019 and the Local Authority was found to be Requiring Improvement to be Good.</p> <p>Risks:-</p> <ul style="list-style-type: none"> a. The embedding of improvements in services to be Good could be affected if resources and action plans are redirected due to a Focused Visit or other inspection activity b. Impact of being judged inadequate by Ofsted could lead to statutory/government intervention. c. Lack of evidence of improvement in services could lead to reputational damage 									
	<p><u>Adult Social Care Provider Market</u></p> <p>WBC has a duty to understand its local market of care providers and stimulate a diverse range of care and support services to ensure that people and their carers have choice over how their needs are met and that they are able to achieve the things that are important to them.</p> <p>Sustainability of the adult social care market is of major importance in order to ensure the safety, health and wellbeing of vulnerable adults with a range of eligible social care support needs. To support the financial sustainability of our local market, ASC has invested in local provision through the annual uplift process. There is, however, an ongoing pressure from care providers for an annual financial uplift, reflecting inflation, cost of living and the local market. Circa 4/8% pa.</p> <p>Adults Social Care has seen a significant number of providers (Home Care) return care packages as they are no longer viable, adding an additional cost pressure to the service.</p>	<ul style="list-style-type: none"> • Annual Uplift Process • Provider engagement • Quality Assurance Framework • Development of an MPS and Adult Social Care Strategy 	<ul style="list-style-type: none"> • Develop provider market relationship through rigorous contract management (CMS) • Review of the current commissioning pathway • Establish a true 'Cost of Care' with the local provider market • Establish a market sustainability strategy (inc uplift policy) 	MP	CM	6	5	H	L	

Ref	Risk		Existing controls	Further Actions to Mitigate Risk	Lead		Risk Rating			
	Cause	Consequence/ Impact			Officer	Member	Impact	Likelihood	Current Score	Appetite/ Target
13 29	<p>Climate Emergency</p> <p>On July 18th 2019, a motion was passed at council declaring a climate emergency. The council committed to making Wokingham Borough climate neutral by 2030. The council gave itself six months to establish the boroughs carbon footprint and develop an action plan setting how the council would achieve its targets by 2030.</p> <p>The world's leading climate scientists have warned there is only a 12 years to limit global warming to a maximum of 1.5C. This much earlier than the previously thought. Beyond this even half a degree will significantly worsen the risks of drought, floods and extreme heat</p> <p>The council needs to both</p> <ul style="list-style-type: none"> • to reduce carbon emissions to slow climate change, and • adapt to the impacts of extreme weather events brought on by climate change <p>There are an increasing number of extreme weather events, caused by climate change, affecting council services and the borough in general. This ranges from episodes of heavier more prolonged rainfall resulting in flooding or higher temperatures, which result in events such as heath fires or drought conditions.</p>		<ul style="list-style-type: none"> • Cross Council officer group established • Cross party member climate emergency working group 	<ul style="list-style-type: none"> • Climate Change Action Plan and carbon footprint to be presented to council in Jan 2020 • Regular monitoring and measurement of the action plan and targets to ensure targets will be achieved • Appointing a climate emergency strategy officer to deliver the climate emergency action plan • Develop mitigation measures to adapt to the impacts of extreme weather events on council services and activities 	GE	JH	6	5	H	L

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Agenda Item 50.

TITLE	2019/20 Internal Audit and Investigation Q2 Progress Report
FOR CONSIDERATION BY	Audit Committee on 6 November 2019
WARD	None specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

OUTCOME / BENEFITS TO THE COMMUNITY

The Internal Audit and Investigation Quarter 2 Progress Report details the work of the team from the 1 April 2019 to 30 September 2019. This is an update on the progress towards the formation of the Chief Audit Executive's annual audit opinion on the Council's internal control and governance framework, which forms part of the Annual Governance Statement. It provides assurance through the Audit Committee to the Council and the wider public that the Council is managing its key risks and identifies any weaknesses identified in the governance, risk management and internal control environment. This assurance supports the Council in the achievement of its vision, priorities, principles and objectives and provides for better and improved outcomes for our residents.

RECOMMENDATION

The Audit Committee is asked to note the 2019/20 Internal Audit and Investigation Quarter 2 Progress Report (attached).

SUMMARY OF REPORT

The report summarises the work completed by Internal Audit and Investigation during the period and enables the Committee to discharge its oversight function in relation to these activities.

The report provides the opportunity for the Assistant Director, Governance (and Chief Audit Executive) to provide details of the work undertaken this financial year and highlight any areas of weakness the Committee should be aware of.

Background

This Progress Report fulfils two functions for the Audit Committee:

- It enables the Committee to hold the Assistant Director, Governance (and Chief Audit Executive) to account for the performance of Internal Audit and Investigation.
- It facilitates the Audit Committee in holding management to account for managing weaknesses identified during the course of Internal Audit and Investigation activities.

Analysis of Issues

The Audit Committee should ensure that it receives the coverage, performance and results of Internal Audit and Investigation activity and any other appropriate additional assurances.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council continues to face severe financial challenges over the coming years as a result of reductions to public sector funding and growing pressures in our statutory services. It is estimated that Wokingham Borough Council will be required to make budget reductions of approximately £20m over the next three years and all Executive decisions should be made in this context

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Nil	Yes	Revenue
Next Financial Year (Year 2)	Nil	Yes	Revenue
Following Financial Year (Year 3)	Nil	Yes	Revenue

Other financial information relevant to the Recommendation/Decision

Nil

Cross-Council Implications

Not applicable

Public Sector Equality Duty

An EQIA is not required because this report is not a project, it is not changing policy and it is not a service change (WBC Equality Impact Assessment Guidance - Intranet)

Reasons for considering the report in Part 2

Not applicable

List of Background Papers

None

Contact Andrew Moulton Telephone No Tel: 0774 777 7298	Service Governance Email andrew.moulton@wokingham.gov.uk
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Appendix A

Shared Audit and Investigation Service
Wokingham Borough Council Performance Report
2019/2020 to 30 September 2019
Audit Committee 6 November 2019

2019/20 Quarterly Progress Report (to 30 September 2019)

1. Introduction

1.1 This report summarises the work of Internal Audit and Investigation to 30 September 2019.

2. Internal Audit

Performance against Audit Plan to 30 September 2019

- 2.1 Appendix A (I) presents progress made against the approved 2019/20 Internal Audit and Investigation Plan approved at the meeting of this Committee on 7 February 2019. We are reporting progress as at the 30 September 2019 and are actively managing the Audit Plan to take account of developments regarding the continual improvement programme to ensure that our audit work is focussed on assisting the organisation to achieve its objectives and to add value.
- 2.2 There were 12 audits carried forward from 2018/19, 9 are at final report stage, 2 at draft report stage and 1 is work in progress. For 2019/20 audits there are 6 that are at Draft Report stage and 6 are work in progress.
- 2.3 There is one audit since the Quarter 1 progress report submitted to the Audit Committee on 24 July 2019 completed to final report stage that attracted the third category of audit opinion (Range of Risk Mitigation Controls is incomplete and risks are not effectively Mitigated) in respect of Public Health. There are no audits falling into the fourth category of audit opinion (There is no effective Risk Management process in place).

2018/19 Public Health - The high risk concerns, and some of the concerns assessed as medium risks, relate to governance arrangements, as governance (accountability, responsibility, management, transparency, direction and control) underpins the service. A follow-up audit will be undertaken to assess the effectiveness of management actions.

- 2.4 Where concerns are classified as being Very High or High that have been tolerated by management, these are highlighted to the Audit Committee. There have been no cases in Quarter 2 of Very High or High concerns being tolerated by management.
- 2.5 Management is given one month between the draft and final reporting stage to address any countermeasures and, where applicable, improve the overall audit opinion. There was one audit (2018/19 Corporate Governance) during the quarter where the audit opinion was improved from the draft to final report stage. In this instance the audit opinion improved from the 3rd highest audit opinion to the 2nd highest audit opinion.

- 2.6 Progression of the 2019/20 Audit and Investigation Plan has been affected due to impacts of 21 CC changes and clarification of officer roles and responsibilities in relation to audit areas being reviewed. In addition, a number of audits have highlighted areas where controls need to be addressed from work undertaken areas affected by 21 CC. A list of these issues relating to Finance and HR has been compiled and is being considered by the Assistant Director, Business Services as part of the Council's Continuous Improvement Programme. In addition, there is long term sickness within the team and there are two vacancies which are currently being recruited to.

Delayed Responses

- 2.7 There is one 2018/19 audit where we are awaiting responses from management to enable finalisation (General Ledger). Responses are being co-ordinated with the Assistant Director, Business Services.
- 2.8 In addition, for one audit (Statutory Roles and Responsibilities), information is awaited from management to enable the commencement of the audit fieldwork.

Contingency

- 2.9 Contingency days to date have been spent on one piece of consultancy work in respect of Taxi Licensing.

3. Corporate Investigations

- 3.1 The second quarter of this year has been focussed on 2 Disciplinary cases, 2 Code of Conduct cases, 1 Whistleblowing case and 1 External Investigation.

Regulation of Investigatory Powers Act

- 3.2 No new investigations have been undertaken during Q2 2019/20 that have required Regulation of Investigatory Powers Act surveillance approval to be requested.

2019/20 Wokingham Borough Council Internal Audit Plan Status
(as at 30 September 2019)

AUDIT TITLE	DIRECTORATE	STATUS	DRAFT AUDIT REPORT	FINAL AUDIT REPORT
			OPINION	OPINION
<u>2019/20 Audits</u>				
<u>Key Financial Systems</u>				
Creditors	Corporate Services	WIP		
Cashiers	Corporate Services	WIP		
Payroll	Corporate Services	WIP		
Council Tax and NNDR	Locality and Customer Services	WIP		
BACS, CHAPS and Cheques*	Corporate Services			
<u>Key Corporate Risks</u>				
Corporate Health and Safety	Corporate Services	DRAFT	2	
<u>Key Operational Risks</u>				
Direct Payments – Adults	Adult Services	DRAFT	2	
Investment Strategy	Corporate Services	DRAFT	1	
Procurement Cards	Corporate Services	DRAFT	2	
Equality	Cross Cutting	DRAFT	3	
<u>Servicing the Business</u>				
Grazeley Primary School	Corporate Services	DRAFT	2	
Beechwood Primary School	Corporate Services	WIP		
Lambs Lane Primary School	Corporate Services	WIP		
Grants including; BSOG and LTP				C
<u>Consultancy</u>				
Taxi Licensing				N/A
<u>2018/19 Audits Carried Forward</u>				
<u>Key Financial Systems</u>				
Budgetary Control and Reporting	Corporate Services	FINAL	2	2
Capital Accounting	Corporate Services	FINAL	2	1
Debtors (follow up)	Corporate Services	FINAL	3	3
Fixed Asset Register	Corporate Services	FINAL	2	2
Housing Rents (follow up)	Corporate Services	FINAL	3	3
General Ledger	Corporate Services	DRAFT**	2	
<u>Governance Building Blocks</u>				
Project Management	Cross Cutting	FINAL	2	2
Corporate Governance	Cross Cutting	DRAFT	3	
Statutory Roles and Responsibilities	Cross Cutting	WIP****		

<u>Key Operational Risks</u>					
Public Health	Corporate Services	FINAL	3	3	
Shared Building Services (follow up)	Corporate Services	FINAL	3	3	
Town Centre Regeneration	Cross Cutting	FINAL	2	2	

*This audit area has been fragmented in to other Key financial Systems audits to ensure complete coverage.

**This audit is awaiting responses from management due to uncertainties around countermeasure responsibilities leading to a delay in finalising.

***These audits have not been started due to a request from management to defer.

****Awaiting information from management to enable the commencement of the audit fieldwork to take place.

<u>Audit Opinion – Legend</u>	
1. Complete and Effective	<ul style="list-style-type: none"> ◆ All necessary Treatment Measures are in place and are operating effectively. ◆ Residual risks have been reduced to an acceptable level ◆ There are no unacceptable financial implications. ◆ Concerns reported are minor. <p>(Risk management processes are strong and controls are adequate and effective).</p>
2. Substantially Complete and Generally Effective	<ul style="list-style-type: none"> ◆ Most key Treatment Measures are in place and these operate effectively. ◆ The majority of residual risks have been reduced to an acceptable level. ◆ There are some unacceptable financial implications. ◆ The majority of concerns are of a predominately moderate impact/liability. <p>(Risk management processes are good and controls are adequate although only partially effective).</p>
3. Range of Risk Mitigation Controls is incomplete and risks are not effectively mitigated	<ul style="list-style-type: none"> ◆ Not all key Treatment Measures are in place and / or do not operate effectively ◆ Residual risks have not all been reduced to an acceptable level ◆ There are some unacceptable financial implications associated with more than one risk mitigation control or because of a lack of risk mitigation control. ◆ There are a number of concerns that are predominantly of a major impact/liability. <p>(Risk management processes and controls are adequate but not effective in mitigating the identified risks).</p>
4. There is no effective Risk Management process in place	<ul style="list-style-type: none"> ◆ There are no appropriate Treatment Measures in place. ◆ Residual risks remain at an unacceptable level ◆ Reported concerns are predominantly of a catastrophic or major impact/liability. <p>(Risk management processes and controls are weak).</p>
C	Certification
E	Exempt from classification

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**WOKINGHAM BOROUGH COUNCIL'S AUDIT COMMITTEE FORWARD PROGRAMME –
2019/20 MUNICIPAL YEAR**

DATE OF MEETING	ITEM No.	ITEM DESCRIPTION	RESPONSIBLE OFFICER
Wednesday 5 February 2020	1.	Certification of Claims and Returns – Claims and Returns Organised by Local Authorities.	Graham Ebers, Deputy Chief Executive
	2.	Treasury Management Strategy 2019/20	Graham Ebers, Deputy Chief Executive
	3.	Corporate Risk Register Update	Graham Ebers, Deputy Chief Executive
	4.	Internal Audit and Investigation Q3 Progress Report 2019/20	Shared Audit and Investigation Service
	5.	Annual Audit & Investigations Plan 2020-21	Shared Audit and Investigation Service
	6.	External Audit Progress Report	Ernst & Young
	7.	2019/20 Audit Plan	Ernst & Young
	8.	Annual Audit Letter	Ernst & Young

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To be scheduled:

Statement of Accounts

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