



# WOKINGHAM BOROUGH COUNCIL

A Meeting of the **AUDIT COMMITTEE** will be held in the Council Chamber - Civic Offices, Shute End, Wokingham RG40 1BN on **WEDNESDAY 28 JULY 2021 AT 7.00 PM**

A handwritten signature in black ink, appearing to read 'Susan Parsonage', written in a cursive style.

Susan Parsonage  
Chief Executive

Published on 20 July 2021

**Note:** Although non-Committee Members and members of the public are entitled to attend the meeting in person, space is very limited due to the ongoing Coronavirus pandemic. You can however participate in this meeting virtually, in line with the Council's Constitution. If you wish to participate either in person or virtually via Microsoft Teams, please contact Democratic Services. The meeting can also be watched live using the following link:  
<https://youtu.be/Ued3OSs4URU>



# WOKINGHAM BOROUGH COUNCIL

## Our Vision

***A great place to live, learn, work and grow and a great place to do business***

### Enriching Lives

- Champion outstanding education and enable our children and young people to achieve their full potential, regardless of their background.
- Support our residents to lead happy, healthy lives and provide access to good leisure facilities to complement an active lifestyle.
- Engage and involve our communities through arts and culture and create a sense of identity which people feel part of.
- Support growth in our local economy and help to build business.

### Safe, Strong, Communities

- Protect and safeguard our children, young and vulnerable people.
- Offer quality care and support, at the right time, to prevent the need for long term care.
- Nurture communities and help them to thrive.
- Ensure our borough and communities remain safe for all.

### A Clean and Green Borough

- Do all we can to become carbon neutral and sustainable for the future.
- Protect our borough, keep it clean and enhance our green areas.
- Reduce our waste, improve biodiversity and increase recycling.
- Connect our parks and open spaces with green cycleways.

### Right Homes, Right Places

- Offer quality, affordable, sustainable homes fit for the future.
- Build our fair share of housing with the right infrastructure to support and enable our borough to grow.
- Protect our unique places and preserve our natural environment.
- Help with your housing needs and support people to live independently in their own homes.

### Keeping the Borough Moving

- Maintain and improve our roads, footpaths and cycleways.
- Tackle traffic congestion, minimise delays and disruptions.
- Enable safe and sustainable travel around the borough with good transport infrastructure.
- Promote healthy alternative travel options and support our partners to offer affordable, accessible public transport with good network links.

### Changing the Way We Work for You

- Be relentlessly customer focussed.
- Work with our partners to provide efficient, effective, joined up services which are focussed around you.
- Communicate better with you, owning issues, updating on progress and responding appropriately as well as promoting what is happening in our Borough.
- Drive innovative digital ways of working that will connect our communities, businesses and customers to our services in a way that suits their needs.

## MEMBERSHIP OF THE AUDIT COMMITTEE

### Councillors

Maria Gee

Imogen Shepherd-DuBey

Ian Shenton

Angus Ross

Shahid Younis (Vice-Chairman)

Daniel Sargeant (Chairman)

Abdul Loyes

ITEM NO.	WARD	SUBJECT	PAGE NO.
12.		<b>APOLOGIES</b> To receive any apologies for absence	
13.		<b>MINUTES OF PREVIOUS MEETING</b> To confirm the Minutes of the Meeting held on 2 June 2021.	5 - 12
14.		<b>DECLARATION OF INTEREST</b> To receive any declarations of interest	
15.		<b>PUBLIC QUESTION TIME</b> 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 <a href="http://www.wokingham.gov.uk/publicquestions">www.wokingham.gov.uk/publicquestions</a>	
16.		<b>MEMBER QUESTION TIME</b> To answer any member questions	
17.	None Specific	<b>EY - VERBAL UPDATE ON 2019/20 AND 2020/21 AUDITS</b> To receive a verbal update on the EY 2019/20 and 2020/21 audits.	Verbal Report
18.	None Specific	<b>ANNUAL CORPORATE COMPLAINTS REPORT 2020 - 21 WOKINGHAM</b> To receive the Annual Corporate Complaints Report 2020 - 21 Wokingham.	To Follow

<b>19.</b>	None Specific	<b>CORPORATE RISK REGISTER</b> To receive the Corporate Risk Register.	<b>13 - 38</b>
<b>20.</b>	None Specific	<b>2021/22 INTERNAL AUDIT AND INVESTIGATION QUARTER 2 WORK PROGRAMME AND QUARTER 1 PROGRESS UPDATE</b> To receive the 2021/22 Internal Audit and Investigation Quarter 2 Work Programme and Quarter 1 Progress Update.	<b>39 - 46</b>
<b>21.</b>	None Specific	<b>AUDIT COMMITTEE TRAINING &amp; DEVELOPMENT PROGRAMME</b> To receive the Audit Committee Training & Development Programme.	<b>47 - 50</b>
<b>22.</b>	None Specific	<b>FORWARD PROGRAMME</b> To consider the forward programme for the remainder of the municipal year.	<b>51 - 52</b>

**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**  
**Tel**  
**Email**  
**Postal Address**

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

**MINUTES OF A MEETING OF THE  
AUDIT COMMITTEE  
HELD ON 2 JUNE 2021 FROM 7.00 PM TO 8.15 PM**

**Committee Members Present**

Councillors: Angus Ross, Daniel Sargeant (Chairman), Imogen Shepherd-DuBey, Shahid Younis (Vice-Chairman), Abdul Loyes and Ian Shenton

**Other Councillors Present**

Councillors: Prue Bray

**Also Present**

Helen Thompson, Ernst and Young  
Stephan Van Der Merwe, Ernst & Young  
Madeleine Shopland, Democratic & Electoral Services Specialist  
Catherine Hickman, Lead Specialist, Audit and Investigation  
Steve Moore, Interim Director Place and Growth  
Andrew Moulton, Assistant Director Governance  
Bob Watson, Assistant Director Finance

**1. APOLOGIES**

There were no apologies for absence.

**2. MINUTES OF PREVIOUS MEETING**

The Minutes of the meeting of the Committee held on 22 March 2021 were confirmed as a correct record and signed by the Chairman.

**3. DECLARATION OF INTEREST**

Councillor Imogen Shepherd-DuBey declared a Personal Interest regarding Item 6 Wokingham Borough Council Outline Audit Plan year ended 31 March 2021 on the grounds that she had money in the Berkshire Pension Fund.

Councillor Daniel Sargeant declared a Personal Interest in Item 6 Wokingham Borough Council Outline Audit Plan year ended 31 March 2021 on the grounds that he was Non Executive Director of Wokingham Housing Limited and Berry Brook Homes.

Councillor Shahid Younis declared a Personal Interest in Item 6 Wokingham Borough Council Outline Audit Plan year ended 31 March 2021 on the grounds that he was a Non Executive Director of Wokingham Housing Limited and Berry Brook Homes.

Councillor Gee questioned whether it was appropriate that Audit Committee members were Non Executive Directors of subsidiary companies. The Chairman indicated that the Monitoring Officer had confirmed that it was not a Prejudicial Interest.

**4. PUBLIC QUESTION TIME**

There were no Public questions.

**5. MEMBER QUESTION TIME**

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

**5.1 Prue Bray asked the Chairman of the Audit Committee the following question:  
Question**

During the recent local elections, the Conservatives issued leaflets that said “Ernst & Young’s independent audit states WBC’s debt is £83 million”. Where can I find Ernst & Young’s report which shows this?

**Answer**

Thank you for your question.

Ernst & Young have confirmed that the assurance they provide the Council in their statutory role of external auditors does not include the quoted statement.

However, it is not within the remit of this Committee to comment on election literature produced by any political party.

**Supplementary Question:**

In my view this episode shows a woeful lack of understanding of Audit on the part of a number of Conservative councillors, some of whom are in senior roles, and at least one of whom I believe, calls himself an accountant. To prevent this kind of thing happening again, can a briefing note be sent to all councillors on the role of the external auditors and of the Audit Committee, including in it that the external auditors should not be dragged into party political campaigns, particularly when the claim being made about them is untrue?

**Supplementary Answer:**

Yes, I think that is probably a reasonable request. It is always good that councillors have an understanding of the role of the Audit Committee and the external auditors and how they interact with risk management in the Council. That will be fine, and we can arrange for that to take place.

**6. WOKINGHAM BOROUGH COUNCIL OUTLINE AUDIT PLAN YEAR ENDED 31 MARCH 2021**

The Committee received an update on the Wokingham Borough Council Outline Audit Plan year ended 31 March 2021.

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

- Helen Thompson indicated that the 2019/20 audit was not yet completed but it was important that Members had sight of the risks that were considered relevant for the 2020/21 audit.
- Stephan Van Der Merwe indicated that the risks remained largely unchanged. The misstatement due to fraud and error and the risk of fraud in revenue and expenditure recognition, were inherently fraud risks and would be audited as significant risks. The valuation of land and buildings remained a significant risk and E&Y would be focusing on the properties that were largely influenced by market conditions; properties that were carried at estimated useful value and the investment properties that were under fair value. Other properties carried at depreciated replacement cost and the Housing Revenue Account properties that were influenced to some degree by the market conditions, would be audited as an inherent risk and would be an area of audit focus.
- The pension liability remained an area of focus.
- The going concern disclosure remained an area of focus due to the ongoing market conditions because of Covid.

- Accounting for the Covid grant was a new area of focus due to the significant level of government funding received in relation to Covid.
- Accounting for Public Finance Initiative and Group Accounts were also highlighted.
- With regards to the value for money assessment, Helen Thompson informed Members that a new code of practice was in operation. There were now three specified reporting criteria instead of a single criterion. A more detailed initial risk assessment against each of these reporting criteria, was now required. Each criterion was broken down into a set of specific arrangements. From the risk assessment the external auditors could either identify a weakness in the proper arrangements or conclude that proper arrangements were in place for the criteria and the sub arrangements. More work was required if a significant weakness was identified. The risk assessment would be reported to the Committee at its July meeting. Members were informed that if EY were not satisfied that there were proper arrangements in place then this would be referred to by exception in the audit report.
- From the 2020/21 audit, an Annual Audit Letter would no longer be produced. An Annual Auditor report would be produced instead which would contain the reporting around the value for money.
- With regards to the Groups Accounts, Councillor Gee asked whether there was now greater standardisation of the accounting policies.
- With regards to assets at depreciated replacement costs, Councillor Gee asked if it was likely that there would be a difference in opinion regarding valuation costs. Helen Thompson explained that the risks attached to these assets were different to those valued at market value. Conversations would be had with officers to ensure that any issues were identified and addressed at the start of the audit.
- Councillor Shepherd-DuBey queried whether the former Marks and Spencer's building was considered Property, Plant and Equipment or Commercial Property. The Assistant Director Finance agreed to provide a written response. He believed that most of the regeneration work around Peach Place were still classed as assets under construction. Helen Thompson assured the Committee that no assets would fall outside of the audit remit.
- With regards to the changes in looking at the capital assets, Councillor Ross asked if there would be any changes where construction was underway at the end of the year. Helen Thompson explained that assets that were under construction would be considered under the audit as before.
- In response to a question from Councillor Gee, Helen Thompson explained the value for money work and how it was reflected in the audit fee.

**RESOLVED:** That the update on the Wokingham Borough Council Outline Audit Plan year ended 31 March 2021 be noted.

## **7. UPDATE ON CHANGES TO ACCOUNTING POLICIES**

The Assistant Director Finance updated the Committee on changes to the accounting policies.

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

- It was best practice to bring changes to the accounting policies to the Audit Committee prior to the closure of accounts.
- There were two significant changes to the policies.
  - Revaluations policy – a new, 'basket of goods' approach would be taken. This would allow greater benchmarking within the asset class.

- Date assets valued at – going forwards valuations would be started earlier, with an aim to value as at 1 January of the year to which the accounts related.
- The changes had been discussed with the external auditors.
- Councillor Sargeant welcomed the new valuations approach which had been discussed by the Committee in the previous municipal year.
- Councillor Gee questioned what would happen should conditions change and a valuation had to be amended, and whether that would have an impact on the valuation of other assets within its class. The Assistant Director Finance commented that if there was significant change to an asset it would indicate that officers would either need to revalue the other assets within the class or to use the asset that was revalued as a proxy for a desktop revaluation of all the other assets in the class.
- In response to a question from Councillor Younis regarding the valuation classes, the Assistant Director Finance clarified that the designation of classes was under the CIPFA Code and the accounting policies was a decision of the council.

**RESOLVED:** That the revised Statement of Accounting Policies be approved for adoption and inclusion in the Statement of Accounts for the year ended 31 March 2021.

## **8. ANNUAL GOVERNANCE STATEMENT 2020/21**

The Committee considered the Annual Governance Statement 2020/21.

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

- Members were reminded of the Committee's role in relation to the Annual Governance Statement (4.4.3.2.g of the Constitution).
- The action plan of the previous Annual Governance Statement had had six actions, five of which had been completed. The action relating to Human Resources had been carried forwards.
- Councillor Gee suggested that an action around the function of the Audit Committee be added to the action plan. The Assistant Director Governance agreed that it would help to add focus.
- Councillor Shepherd-DuBey asked if there was a service level agreement in place around the consideration of Member Code of Conduct complaints. She went on to state that the Equalities Sector Duty work was an ongoing process.
- With regards to Members Code of Conduct complaints, the Assistant Director Governance felt that it was important that it was part of the AGS. A piece of work would be going through the Standards Committee regarding the quick processing of any complaints. There had been some issues regarding capacity in the past. Equalities had been part of the 2019 action plan and was now being carried forwards. Following the agreement of the updated Equality Plan at Full Council in March 2021, it was time to bed in and implement the plan.

**RESOLVED:** That the Audit Committee note the report and:-

- 1) Considers the draft 2020/21 AGS, identifying any specific matters which should be brought to the attention of Council or Executive;
- 2) Recommends the 2020/21 AGS to the Leader of the Council and Chief Executive for signature and publication with the council's Statement of Accounts, subject to the amended action plan;



- 3) Requests that update reports be provided to the Audit Committee summarising progress in achieving the governance action plan on those areas identified as requiring action in the AGS Improvement Plan.

## **9. CORPORATE RISK REGISTER**

The Committee considered the Corporate Risk Register.

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

- The Committee was reminded that the focus should be on satisfying itself that the Council's process of risk identification and risk mitigation, was sound, as opposed to the detail of the individual risks.
- Some improvements had been made with regards to risk management but there was more work to be undertaken. The Corporate Leadership Team would be holding a workshop to consider how the risk management arrangements could be further developed.
- There were no new risks but the risks around the end of the EU transition and the elections had been removed. Members were informed that Overview and Scrutiny would receive an update on lessons learnt in relation to the elections.
- Changes to individual assessments to individual risks were highlighted.
- The Interim Director Place and Growth emphasised that the risk regarding the Local Plan had moved from red to amber status, primarily due to the fact that the Council now had a process to Regulation 18 stage by the autumn. The Council was within the timetable to seek examination of its Local Plan prior to the introduction of planning reform.
- Regular conversations took place with Housing Developments.
- The Interim Director Place and Growth highlighted the Climate Emergency risk. Work continued around the Action Plan which he felt to be very comprehensive. The review, progress and implementation of the plan would be monitored.
- The Interim Director Place and Growth highlighted the need for a smooth transition from the joint Public Protection Partnership to a standalone service.
- The Committee was informed that as more people worked from home, domestic waste disposal had increased.
- Councillor Ross questioned whether returning to physical meetings as the pandemic continued had an impact on governance. The Assistant Director Governance indicated that a lot of work had been undertaken in a very short timescale following the announcement that the virtual meeting regulations would cease in May. Contingency planning was in place around the July Council meeting. The Council had a good technology solution in place to enable hybrid meetings. The matter would be part of the Governance risk register.
- Councillor Shepherd-DuBey questioned whether the transition from the PPP should be included on the risk register. The Interim Director Place and Growth suggested that it would be included going forwards. He assured the Committee that it was being closely monitored and he met regularly with his counterparts in West Berkshire and Bracknell. Some project management expertise had also been recruited which reported directly to the Interim Assistant Director of Place.
- Councillor Gee questioned why Risk 4 was a medium risk and the inclusion of some of the existing controls for this risk. The Interim Director Place and Growth commented that conversations had been continuing with officers, looking at other sites' availability, which formed a new timetable, a local development scheme document, which was due to go to Executive in July.

- With regards to the Climate Emergency risk, Councillor Gee felt that the further action to mitigate risk concerning the internal audit, should be reworded. She also stated that it would be helpful to have an Executive Member with specific responsibility identified for Climate Emergency. The Assistant Director Governance explained that the audit of the Climate Emergency Action Plan was within the Internal Audit Plan and was scheduled for Quarter 1. A lot of work was being carried out to find the correct resources and expertise to deliver that. Some external expertise would be sourced to assist. The point regarding the clarity of lead Member responsibility would be taken forward.

**RESOLVED:** That the risks and mitigating actions of the Council's Corporate Risk Register be noted.

## **10. 2020-21 ANNUAL INTERNAL AUDIT AND INVESTIGATION REPORT**

The Committee received the 2020-21 Annual Internal Audit and Investigation Report.

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

- The original annual Audit and Investigation Plan had been agreed in February 2020 but due to the impact of Covid the Committee had later agreed to an in year review of the Plan. The revised Plan had been agreed in September 2020.
- As part of the review, new audit priorities had been agreed and the team's work had been refocused and reprioritised.
- The review had resulted in a number of audits being deferred. However, Internal Audit work had been enhanced in other areas. There had been a focus on areas that had previously attracted a Category 3 Internal Audit opinion, including debtors, housing rents and Public Health.
- A specific piece of work had been undertaken regarding risk management. Work had also increased in areas where there had been increased expenditure due to Covid or where there had been the payment of Government grants which had had to be paid within tight timescales.
- The Chief Audit Executive's opinion was that the governance, risk management and internal control framework was substantially complete and effective, but that there were some areas where improvement was required.
- Councillor Gee asked about conclusions reached with regards to the presentation of Treasury Management reports. The Lead Specialist Audit and Investigation agreed to feed back.
- Councillor Gee noted that Housing Rents had received a rating of 3 and had also been rated 3 the previous year. She questioned whether the same issues remained outstanding. The Lead Specialist Audit and Investigation indicated that the audit had had a different scope. It had improved to a Category 2 but because of the expanded scope and issues identified, it had moved to a Category 3 opinion.
- In response to a question from Councillor Loyes, the Lead Specialist Audit and Investigation indicated that there had been one audit that had been received a Category 1 opinion, the Payroll audit.
- The Assistant Director Governance reminded the Committee of the improvement actions around rents in the Annual Governance Statement.
- Councillor Ross commented that the work around the Covid grant fund was a good news story. The Lead Specialist Audit and Investigations indicated that the team had worked closely with the Revenues team to put controls in place to prevent fraud.
- It was noted that the table detailed in 4.2 was incorrect.

**RESOLVED:** That the Committee note the report, the Shared Audit and Investigation Service activity for the financial year ended 31 March 2021, and progress in achieving the 2020/21 Internal Audit and Investigation Plan.

#### **11. FORWARD PROGRAMME**

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

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

- Councillor Shepherd-DuBey requested that there be training for the Committee and other Members on the role of the Audit Committee. It was suggested that an update be provided at the July meeting.
- The outcome of the internal audit of the Climate Emergency Action Plan would be reported within the relevant Internal Audit quarterly report.
- Members asked for an update on the accounts. The Assistant Director Finance commented that they were virtually completed. Councillor Gee asked for an update at the July meeting should the accounts not be complete at that stage.

**RESOLVED:** That the forward programme be noted.

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<b>TITLE</b>	<b>Corporate Risk Register</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 28 July 2021
<b>WARD</b>	None Specific
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers

## **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 governance arrangements and helps demonstrate the effective use of resources and sound internal controls. The council's Corporate Risk Register (CRR) demonstrates that the council is pro-actively identifying and managing its significant risks.

## **RECOMMENDATION**

The Audit Committee is asked to consider and note the risks and mitigating actions of the Council's corporate risks as detailed in the attached CRR (Appendix A).

## **SUMMARY OF REPORT**

One of the roles of the Audit Committee is to provide assurance on the adequacy of the Council's Risk Management Strategy and associated control environment. It does this by periodically reviewing the Strategy, and evaluating the effectiveness of the Corporate Risk Register.

At its previous meeting on 2 June, the Audit Committee received an update on the latest Council Corporate Risk Register (CRR). Since the last meeting, Directors have updated their Directorate Risk Registers and considered any further changes to the CRR. The details of the CRR is attached to this report (Appendix A).

There have been one new risk added to the register since the last report to the Committee – this risk is around the Public Protection Partnership.

No risks have been removed.

## **Background**

- 1.1 The Council's Constitution sets out the remit of the Audit Committee as follows with regard to Risk Management.

*Extract from Constitution (paragraph 4.4.3.2 (d))*

*To provide an independent assurance of the adequacy of the Risk Management Strategy and the associated control environment. In particular:-*

- j) To receive the annual review of internal controls and be satisfied that the Annual Governance Statement properly reflects the risk environment and any actions required to improve it;*

*ii) To receive quarterly reports reviewing implementation of the Council's Risk Management Policy and Strategy to determine whether strategic risks are being actively managed;*

*iii) To review, revise as necessary and recommend adoption of the Risk Management Policy and Strategy to Executive when changes occur;*

*iv) To have the knowledge and skills requisite to their role with regard to risk management and to undertake awareness training in respect of Enterprise Risk Management (ERM) as and when specific training needs are identified.*

- 1.2 The Audit Committee has historically received a report on the Corporate Risk Register at each meeting (ii above). The remit of the Committee is to gain assurance on the risk management process as opposed to a detailed analysis of individual risks. In discharging this responsibility, the Committee is advised to focus its review in seeking assurance that the risk management framework ensures that new key risks are identified, that risk mitigations are in place and are effective, and that management action ensures a match with the risk appetite of the Council.

### **Corporate Risk Register**

- 2.1 The Enterprise Risk Management Policy (ERMP) states that the Corporate Leadership Team (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.
- 2.2 Since the June 2021 meeting of the Audit Committee, Directors and Assistant Directors have reviewed their directorate risk registers and considered whether any new risks have emerged. Changes made since the last meeting fall into the category of either presentational or new/removed risks.
- 2.3 The main changes to the composition of the register are as follows:-

#### **Changes to headline assessments of existing risks**

- Budgeting and Financial Management risk (no.1) has been updated to highlight the existing internal controls in place to management this risk together with two financially focused strategies to be considered at July Executive. Nevertheless, the risk remains "very high" due to the uncertainties around local government funding in 2023 and beyond, and also the ongoing financial risks of the impact of Covid-19.
- The Corporate Governance risk (no. 3) has been updated to reflect the forthcoming internal audit of this area, the Local Government Association's peer review of corporate governance, and the role of the Audit Committee in seeking assurance that the improvement actions arising from the Annual Governance Statement are implemented satisfactorily.
- The Local Plan risk (no. 4) has been updated in the light of the imminent report to the Executive setting out the local development scheme (i.e. the timetable for adoption of the plan).
- The Information & Data Management risk (no. 8) has been broadened to include cyber security.

- The description of the equalities risk (no. 17) has been revised to reflect the Covid-related impact to this risk noting the Council’s proposed approach to tackling poverty and new Equality Plan which was agreed by Council in March 2021.
- The Pandemic risk (no. 18) has been updated to reflect the Executive’s approval in June 2021 of the Council’s Recovery Plan.
- A new risk (no. 20) has been added – Public Protection Partnership.

## **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

<b>Other financial information relevant to the Recommendation/Decision</b>
Effective risk management mitigates financial risks associated with the Council achieving its objectives.

<b>Cross-Council Implications</b>
Risk management influences all areas of the Council – effective risk management is one of the ways assurance is provided that the Council’s key priorities and objectives will be achieved.

<b>Public Sector Equality Duty</b>
This is a report to note. An equalities impact assessment is not therefore required.

<b>Reasons for considering the report in Part 2</b>
Not applicable

<b>List of Background Papers</b>
Previous Corporate Risk Register papers to Audit Committee Enterprise Risk Management Strategy and Policy

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

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**Corporate Risk Register  
Summary Page  
Updated 16/7/2021**

**APPENDIX A**

**Key**

<b>Current Score (pre-mitigation):</b>	<b>VH = Very High</b>	<b>H = High</b>	<b>M = Medium</b>	<b>L = Low</b>
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**Risk Matrix**

17

LIKELIHOOD

6			1, 10	
5			3, 12	
4		19, 20	8	6, 7, 11, 13, 16
3		14	2	15, 5
2			9	4, 17, 18
1				
	2	4	6	8

IMPACT

Summary of Corporate Risks

- 1 Budgeting & financial mgt (inc forecasting demand & investment and commercial strategy)
- 2 Corporate Governance
- 3 Workforce
- 4 Local Plan Delays & Appeals (including five year land supply)
- 5 Delivering SEND Reforms
- 6 Safeguarding Children and Young People
- 7 Safeguarding Adults
- 8 Data Management & Cyber Security
- 9 Health and Safety
- 10 Inspections Regulatory
- 11 Adult Social Care Provider Market
- 12 Climate Emergency
- 13 High Needs Block
- 14 Telephony
- 15 IT Infrastructure
- 16 Equalities Duty
- 17 Pandemics
- 18 Housing Numbers
- 19 Market failure
- 20 Public Protection Partnership

### **Key to Abbreviations**

JH	Cllr John Halsall, Leader of Council
JK	Cllr John Kaiser, Dep Leader & Exec Member for Finance
PJ	Cllr Pauline Jorgensen, Exec Member for Highways & Transport
PB	Cllr Parry Batth, Exec Member for Environment & Leisure
SM	Cllr Stuart Munro, Exec Member for Business & Economic Development
GH	Cllr Graham Howe, Exec Member for Children's Services
CM	Cllr Charles Margetts, Exec Member for Health, Wellbeing & Adult Services
BS	Cllr Bill Soane, Exec Member for Neighbourhood & Communities
WS	Cllr Wayne Smith, Exec Member for Planning & Enforcement
GM	Cllr Gregor Murray, Exec Member for Resident Services, Comms & Emissions
SP	Susan Parsonage, Chief Executive
GE	Graham Ebers, Deputy Chief Executive & Director of Resources & Assets
SH	Keeley Clements, Director of Communities, Insight & Change
CC	Carol Cammiss, Director of Children's Services
SM	Steve Moore, Interim Director of Place & Growth
MP	Matt Pope, Director of Adult Social Services
AM	Andrew Moulton, Assistant Director Governance & Monitoring Officer
AC	Audit Committee
O&S	Overview & Scrutiny Management Committee

### **Key Priorities (from Community Vision and Council Plan)**

1. Safe, strong communities
2. Enriching lives
3. Right homes, right places
4. Keeping the Borough moving
5. A clean and green Borough
6. Changing the way we work
7. Be the best we can

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
1	<p><b><u>Budgeting and financial Management (inc forecasting demand &amp; investment and commercial strategy).</u></b></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> <ol style="list-style-type: none"> <li>Value for money</li> <li>Achieves priorities</li> <li>Meets statutory duties</li> <li>Sustainable in the long term</li> <li>Owned and managed by those responsible and accountable</li> <li>Controlled and monitored to targets set</li> </ol> <p><i>Demand</i> - Effectively managing demand-led services in areas such as Adult Social Care and Children's Social Care and special needs.</p> <p>Risks:-</p> <ol style="list-style-type: none"> <li>Forecasting and profiling the demand for the long term.</li> <li>Managing increasing public expectations to be realistic to the resources available</li> <li>Prevention strategies based on analyses of nature of demand</li> <li>Reviewing existing services and/or placements to reduce demand and enable independent living</li> </ol>		<p>Significant impact on additional costs for the vulnerable, loss of income e.g. car parking, and inability to enact in year savings targets. Also potential significant impact on capital funding.</p> <p>Measures in place includes a weekly monitoring report, ensuring we receive Government funding available and freezing expenditure where possible, particularly with regard to the capital programme. Despite this, the financial risks have inevitably increased.</p> <p>The report to Executive in June 2021 set out the outturn position for 2020/21, the latest position and forecast for 21/22.</p> <p>The Council meeting on 17<sup>th</sup> February will consider budget proposals for 2022/23.</p> <p>CLT has reassessed the risk as "very high" due to the uncertainties around local government funding from 2023</p>	<ul style="list-style-type: none"> <li>Chief Financial Officer's report (annual)</li> <li>MTFP approved by Council</li> <li>Revenue Budget Monitoring (quarterly report to Executive)</li> <li>Capital Strategy</li> <li>Treasury Management Strategy</li> <li>Financial Regulations (Section 12 of Constitution)</li> <li>Procurement and Contract Rules &amp; Procedures (Section 13 of Constitution)</li> </ul>	<ul style="list-style-type: none"> <li>Investing in the Community Strategy to be approved by Executive.</li> <li>Commercialisation Strategy to be approved by Executive.</li> <li>Overview &amp; Scrutiny (through Community &amp; Corporate Sub Committee) to review 2022/23 budget proposals and report to Council on 17/2/22</li> <li>Budget Council on 17/2/22 will consider "balanced budget" proposals for 2022/23</li> <li>Ongoing response to internal/external audits and sources of external assurance including implementation of recommendations.</li> <li>Lobbying re Local Government Finance Settlement for 2021 and</li> </ul>	29/7/21	GE	JK	6	6	VH
19						29/7/21	GE	JK			
						17/2/22	GE	JK			
						17/2/22	GE	JK			
						Ongoing	GE	JK			
						Ongoing					

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20	<p>For further details, please refer to Chief Finance Officer's Report (section 6) as noted by Executive on 28/1/21.</p> <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 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"> <li>• Financial shortfall</li> <li>• Negative PR</li> <li>• Loss of rental income</li> <li>• Scheme slippage / downsizing</li> </ul> <p><b>This is a permanent, long-term risk to the Council.</b> <b>Key Priorities – 1 to 7</b></p>		and beyond, and the continuing financial uncertainty associated with the Covid-19 pandemic.		beyond (see letter attached to Chief Finance Officer's report to Executive – Jan 21)						

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2	<p><b>Corporate Governance (inc Political Governance)</b>            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"> <li>Assurance framework for carrying out different types of assurance activity that is understood and discharged effectively</li> <li>Leadership culture and tone models good governance (i.e. Nolan principles of standards in public life)</li> <li>Effective risk management</li> <li>Effective decision making tools that inform value for money proportionate to the risk e.g. evidenced in business cases</li> <li>Effective arrangements for the safe delivery of services and programmes for the delivery of projects.</li> </ol> <p>Effective political governance that sets priorities to deliver purpose, allocate resources, and holds to account through development of policies and strategies</p> <p>Risks:-</p> <ol style="list-style-type: none"> <li>Leadership and culture sets the tone that models and holds to account, motivates, and learns from delivery</li> <li>Quality decisions that are based on balancing evidence, public perceptions and political considerations</li> <li>Effective monitoring of priorities, risks and business cases</li> </ol>		<p>Clear governance arrangements for managing and responding to COVID-19 emergency including communications plan, engagement political group leader, maintenance of Council decision-making through virtual meetings.</p>	<ul style="list-style-type: none"> <li>Council and Borough Plan processes.</li> <li>Up to date Code of Local Corporate Governance</li> <li>Constitution (e.g. Member/Officer protocol, delegations, Code of Conducts etc)</li> <li>Staff training (Code of Conduct e learning Nov 18)</li> <li>Internal Audit reported results of Risk Management audit to Audit Committee in Sept 2020.</li> <li>Internal Audits of Corporate Governance, and Performance Management and implementation of recommendations.</li> </ul>	<ol style="list-style-type: none"> <li>Annual Governance Statement (and improvement action plan) in place.</li> <li>Internal Audit of Corporate Governance arrangements</li> <li>Audit Committee to review progress on AGS actions at its November meeting</li> <li>LGA Corporate Peer Review scheduled for autumn 2021.</li> </ol> <p><b>Audit Committee to monitor progress</b></p>	2/6/21	SP	JH	6	3	M

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
22 <sup>st</sup>	<p>d. Effective Administration and effective political opposition supported to achieve outcomes for the community</p> <p>e. Members partake in development and training to effectively discharge their responsibilities</p> <p>f. Clarity of officer/member boundaries and relationships to avoid politicisation of officers.</p> <p><b>This is a permanent, long-term risk to the Council.</b></p> <p><b>Key Priority – 7</b></p>										
	<p><b><u>Workforce (inc Capacity)</u></b></p> <p>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.</p> <p>Risks:-</p> <p>a. Reward and recognition policies</p> <p>b. Recruitment policies</p> <p>c. Value for money</p> <p>d. Sustainable</p> <p>e. Career development opportunities</p> <p>f. Clarity of roles</p> <p>g. Empowerment – staff have appraisal and development that gives clarity to</p>		<p>The workforce risks associated with COVID-19 are being managed and mitigated through the governance arrangements in place as described above (risk 2) and health &amp; safety arrangements (risk 9).</p>	<ul style="list-style-type: none"> <li>• People strategy</li> <li>• Corporate People Dashboard</li> <li>• Management training</li> <li>• Employee Engagement survey action plans</li> </ul>	<ul style="list-style-type: none"> <li>• Updated People strategy including HR continuous improvement plan.</li> </ul> <p><b>Personnel Board and Overview &amp; Scrutiny to monitor (through oversight of Performance reports)</b></p>	2021	KC	JK	6	5	H

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
	<p>objectives, nurtures and develops, in addition to holding to account.</p> <p>h. Clarity of offer</p> <p>i. (Over)Reliance on key members of staff</p> <p>j. Capacity on the front-line</p> <p><b>This is a permanent, long term risk to the Council.</b></p> <p><b>Key Priority - 7</b></p>										
423	<p><b><u>Local Plan Delays &amp; Appeals and 5 year housing land supply</u></b></p> <p>Increased number of speculative planning applications and appeals, with associated costs. Significant pressure on finance &amp; staffing resource Attraction/retention of qualified staff to robustly assess planning applications, defend appeals and undertake enforcement.</p>		<p>Difficulty in demonstrating a deliverable five-year housing land supply due to uncertainties in the rate of housebuilding and sales.</p> <p>Potential increased speculation by developers utilising the difficulty in demonstrating a five year housing land supply.</p> <p>Potential delays to preparation of evidence base supporting the preparation of a new local plan.</p>	<ul style="list-style-type: none"> <li>Project plan in place to prepare a new local plan.</li> <li>Resources allocated to deliver project plan for a new local plan.</li> <li>Executive approved consultation on Draft Local Plan on 15 Jan 2020.</li> <li>Regular monitoring of housing developments.</li> </ul>	Local Development Scheme (i.e. timetable for adoption of local plan) to be considered by Executive in July.	29/7/21	SM	WS	8	2	M
5	<p><b><u>Delivering SEND Reforms</u></b></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>The SEND Improvement Board is continuing to meet, but has temporarily scaled down membership.</p>	<ul style="list-style-type: none"> <li>CWD Team Review (post Ofsted)</li> <li>CIN 1 / 2 Review (post Ofsted)</li> </ul>	SEND strategy consultation with public closed 31 January 2021 with the aim	31/12/21	CC	GH	8	3	H

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
24	<p>Risks:-</p> <ol style="list-style-type: none"> <li>Relationship with education partners and schools</li> <li>Future services and delivery models that are fit for purpose</li> <li>School places meeting the growth in population</li> <li>Managing special needs demand and public expectations of Council resources</li> <li>Financial.</li> </ol> <p><b>This is a permanent, long term risk to the Council.</b></p> <p><b>Key priority - 1</b></p>		<p>All Task &amp; Finish Groups have delivered a business continuity plan in respect of continued activity during the Coronavirus Outbreak.</p>	<ul style="list-style-type: none"> <li>Move of Transitions team to ASC</li> <li>Team stability within CWD</li> <li>Development of Written Statement of Action (WSOA) (Post CQC/Ofsted)</li> <li>SEND Strategy Published</li> <li>Launch and Development of the SEND Improvement Board</li> <li>Key focus on Task &amp; Finish group work towards WSoA</li> <li>Increased engagement with parents &amp; carers via SEND Voices Wokingham and SENDIASS</li> <li>Improved relationships with statutory and non-statutory partners.</li> <li>Introduction of weekly performance tracker</li> <li>Introduction of annual review tracker to ensure outcome and provision in EHCP's are reviewed in line with SEND CoP.</li> </ul>	<p>of agreeing final strategy by end of year.</p> <p>Reduce High Needs Block overspend.</p> <p>SEND innovation &amp; improvement programme</p> <p><b>Children's Services Overview &amp; Scrutiny to monitor</b></p>						
6	<p><b><u>Safeguarding children and young people</u></b></p> <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</p>		<ul style="list-style-type: none"> <li>Reduction in agencies having contact and engagement with vulnerable children</li> <li>Increase in Domestic Abuse</li> </ul>	<ul style="list-style-type: none"> <li>BWSCP Child Protection Procedures and Safeguarding Partnership</li> <li>Staff Training: informed by professional knowledge and skills statement</li> </ul>	<ul style="list-style-type: none"> <li>Continuous Improvement Programme (CIP) for Children's Services to incorporate risks including increasing demand</li> </ul>	Ongoing	CC	GH	8	4	H



Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
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25	<p>vulnerable children and young people in the Borough.</p> <p>Risks:-</p> <ul style="list-style-type: none"> <li>• Avoidable harm to a vulnerable child</li> <li>• Damage to reputation</li> <li>• Litigation</li> <li>• Low staff morale – loss of staff, unstable workforce – poor outcome for future children, impact on budget.</li> <li>• Impact of being judged inadequate by Ofsted could lead to statutory/government intervention.</li> <li>• Not managing the transition to Adult Services</li> </ul> <p><b>This is a permanent, long-term risk to the Council.</b></p> <p><b>Key priority - 1</b></p>	<ul style="list-style-type: none"> <li>• Increase in mental health and emotional wellbeing issues/challenges</li> <li>• Reduction in direct home visits by children’s social care.</li> <li>• Impact on the quality of assessments and the judgments that people can make.</li> <li>• The ability to monitor and implement plans, as welfare becomes the primary focus</li> <li>• Increase in LAC numbers</li> <li>• Disruption of placements</li> <li>• Not being able to locate or source a placement</li> <li>• Staff Shielding</li> <li>• Staff becoming unwell/infected</li> </ul>	<ul style="list-style-type: none"> <li>• Case Reviews and learning from cases</li> <li>• Policy and Procedures up to date and easily accessible to all staff</li> <li>• Clear Practice Framework that is implemented by all social work staff</li> <li>• Regular and high quality Staff Supervision</li> <li>• Quality Assurance Framework embedded across service</li> <li>• Regular Case Audits</li> <li>• Recruiting and retaining a skilled workforce</li> <li>• Growth of budget based on growth of need</li> <li>• Increase in work force to reflect increase in workloads</li> <li>• Reduction of case loads</li> <li>• Increase in line managers, reduction in span of control</li> <li>• Increase in Practice consultants to support all social care staff</li> <li>• Grip and Grasp of placement spend and budget</li> <li>• OFSTED informed action plan to improve service delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing response to internal/external audits and sources of external assurance including implementation of recommendations.</li> <li>• Staff Supervision training and support</li> <li>• Strengthen partnership working to ensure thresholds are understood</li> </ul> <p><b>Children’s Services Overview &amp; Scrutiny to monitor</b></p>							

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
				<ul style="list-style-type: none"> <li>Children's Services Improvement Programme focussing on agreed priorities and projects within agreed timescales</li> </ul>							
26	<p><b>7</b> <u>Safeguarding adults</u></p> <p>Risk of avoidable serious harm or death of a vulnerable adult for whom the council has a responsibility.</p> <p>WBC has a statutory duty to meet the care needs of, and safeguard the most vulnerable adults in the Borough. It is vital to ensure continued focus on Safeguarding systems and procedures.</p> <p>Risks:-</p> <ul style="list-style-type: none"> <li>Damage to reputation and public confidence in services</li> <li>Possible external intervention from statutory agencies such as DH, CQC or Police)</li> <li>Disruption of service provision</li> <li>Litigation</li> <li>Impact on staff morale</li> <li>Recruitment and retention problems</li> <li>Removal and replacement of senior managers</li> <li>Not managing the transition from Children's Services</li> </ul> <p><b>This is a permanent, long-term risk to the Council.</b></p>	<p>ASC has reviewed and updated this risk due to the fundamental impacts of COVID-19</p>	<ul style="list-style-type: none"> <li>Policies and Procedures (multi-agency) in place</li> <li>Referral system and assessment processes</li> <li>Management and supervision of staff</li> <li>Staff Training and awareness</li> <li>Berkshire West Safeguarding Board operating effectively</li> <li>Optalis contract as emergency provider in case of external provider failure</li> <li>Care Governance Quality Assurance system for providers</li> <li>Market Failure Protocol in place</li> <li>Appointment of Principal Social Worker to provide additional tier of scrutiny and oversight to lead to improved quality of safeguarding policy and practice.</li> <li>Risk assessment for safeguarding completed.</li> <li>LGA Peer Review covered safeguarding.</li> </ul>	<ul style="list-style-type: none"> <li>Set up new ASH (Adult Safeguarding Hub).</li> <li>Implement actions from the safeguarding risk assessment.</li> <li>Implement safeguarding actions from Peer Review.</li> <li>ASH will lead to process change</li> <li>PSW to train on evidence management oversight</li> <li>Increased capacity by appointing Locums</li> </ul>		MP	CM	8	4	H	

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
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	<b>Key priority – 1</b>										
27	<p><b>8 Data Management &amp; Cyber Security</b>  Risk of a significant fine and reputational damage due to loss of confidential/ sensitive data. Risk of service disruption due to cyber-attack. 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"> <li>• Imposition of a substantial fine</li> <li>• Reputational damage/ bad media coverage</li> <li>• Breach of contract and payment of damages</li> <li>• Loss of future business</li> <li>• Increased number of complaints</li> <li>• Loss of trust from partner organisations/contractors.</li> <li>• Loss of access to systems to information</li> <li>• Financial loss through fraud</li> </ul> <p><b>This is a permanent, long-term risk to the Council.</b></p>		<p>Guidance from the Information Commissioner and Government on data/information management with regards to COVID-19 response is being applied across the Council ensuring continuing compliance with requirements.</p>	<ul style="list-style-type: none"> <li>• Information Security Management System - governance for this area including SIRO &amp; IGG roles</li> <li>• Information Security &amp; Acceptable Use of ICT Policy (Aug 2020)</li> <li>• Encrypted IT equipment</li> <li>• Secure storage/ lockers at council offices</li> <li>• Robust policies in this area</li> <li>• Mandatory refresher programme recently undertaken by all staff</li> <li>• Archiving of physical records</li> <li>• Training for staff on document / information handling and basic information security practice</li> <li>• Secure e-mail solution</li> <li>• Document marking scheme</li> </ul>	<p>Cyber Security Project</p> <p>Information Governance Group being re-established to take forward IG strategy.</p>	<p>Ongoing</p> <p>30/9/21</p>	<p>GE</p> <p>AM</p>	<p>JK</p> <p>JK</p>	<p>6</p> <p>4</p>	<p>4</p> <p>4</p>	H

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	<b>Key priority - 7</b>			<ul style="list-style-type: none"> <li>GDPR implemented for 25/5/18 to address new obligations</li> <li>Training for new members</li> <li>Audit Committee monitoring of data protection performance - ref 25/9 Audit Committee .</li> <li>Additional resource to deal with Subject Access Requests and FoI requests</li> </ul>							
9 28	<p><b>Health and Safety</b></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"> <li>Enforcement notices and HSE fines for intervention</li> <li>Unlimited fine</li> <li>Custodial Sentence</li> <li>Publicity Order (Corporate Manslaughter only)</li> <li>Remedial Order (Corporate Manslaughter and HSWA)</li> </ol>		<p>Exposure to virus and redeployed staff increases risk. Also, risk re mental health and even domestic abuse from isolation at home.</p> <p>Risk mitigation measures include; PPE, training, wellbeing calls, online support, guidance re physical and psychological protection.</p> <p>As part of the above, there is an overarching corporate health &amp; safety risk assessment.</p>	<ul style="list-style-type: none"> <li>Risk profile - Awareness of high risk areas</li> <li>Ongoing compliance with statute policies and procedures</li> <li>Seeking Assurance programme</li> <li>Compliance with Health and Safety policies and procedures</li> <li>Management and Member performance monitoring reporting from Health and Safety staff</li> <li>Contracts with third parties include a Health and Safety clause, setting out what the Council expects from the contractor in relation</li> </ul>	<p>Training for managers and staff who procure and manage contracts to ensure that the Council as a client discharges its H&amp;S duties.</p> <p>To set up a Lone Working and Work-related Violence Task &amp; Finish Group with representatives from all services to develop a short term and long term improvement plan.</p> <p>Latest statutory Health &amp; Safety report for 2018/19 refers to current plans – see 27/6/19 Executive for details.</p>	Ongoing	KC	JK	6	2	M

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29	<ul style="list-style-type: none"> <li>f. Publicity Order (Corporate Manslaughter only)</li> <li>g. Removal of key staff</li> <li>h. Reputational damage</li> <li>i. Service delivery loss due to depleted resources</li> <li>j. Damage to individuals wellbeing</li> <li>k. An avoidable death or injury</li> </ul> <p><b>This is a permanent, long-term risk to the Council.</b></p> <p><b>Key priority - 7</b></p>			<ul style="list-style-type: none"> <li>to Health and Safety obligations</li> <li>• Incident reporting, following Health and Safety process should death or serious injury occur</li> <li>• Training of managers and staff - Health and Safety training</li> <li>• Annual historical benchmarking review of all Corporate Manslaughter and relevant Health and Safety cases in order to identify the key risk area</li> <li>• Review across the Council of the arrangements in place to protect staff against violence at work</li> <li>• Health and Safety training included in the Management Induction Programme for all new managers.</li> </ul>	<p>Internal Audit follow-up review of Health &amp; Safety confirmed category 2 “good” level of assurance.</p> <p>Building maintenance of schools – discharging Council responsibilities.</p>							
10	<p><b><u>Regulatory Inspections</u></b></p> <p><b><u>Regulatory Inspections</u></b></p> <p>Children’s Services are inspected regularly by the regulators. ILACS is an inspection ‘system’ that</p>		All regulatory inspection ILACS, Local AREA SEND, JTAI and focus visits have recommenced (following suspension during COVID national lockdown). We	<ul style="list-style-type: none"> <li>• Performance data</li> <li>• Self-evaluation</li> <li>• Intelligence captured in relation to all forms of external scrutiny that help</li> </ul>	<ul style="list-style-type: none"> <li>• Address actions arising.</li> <li>• Wokingham Local Area SEND Written Statement of Action</li> </ul>	Ongoing	CC	GH	6	6	VH	

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30	<p>includes: Annual Self-evaluation and an Annual Conversations between Ofsted &amp; the Local Authority. This leads to the Inspection activity being planned by Ofsted and includes a full ILACS graded outcomes Inspection at least every 3 years and potential Focussed Visits on identified themes in each calendar year, wider SEND inspection activity with a re-inspection due later this year or early next year. There is also a possibility of a JTAI (Joint Targeted Area Inspection) which takes place rotationally and are thematic in nature, Wokingham had it's last JTAI on the theme of Neglect in May 2017, therefore, we expect a further JTAI in the coming months.</p> <p>The directorate are not given notice of when the inspections will occur as they are all unannounced in nature.</p> <p>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 &amp; CQC in August 2019. The Local Area will be re-inspected under the SEND Inspection framework 18 months to 2 years 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>submitted our Annual Evaluation to Ofsted in February in line with the timeline for our Ofsted Annual Conversation which took place on 5<sup>th</sup> March. We have revised practice standards to reflect the lockdown requirements and how we have approached visits to families during these periods.</p> <ul style="list-style-type: none"> <li>The challenges remain, maintaining safeguarding activity during Covid-19 and the recovery could divert/deflect resources away from improvement activity</li> <li>Learning and development program needing to be re developed and delayed</li> <li>Diversion of people from Annex A activity to undertake other activities</li> </ul>	<p>to drive improvement e.g. Peer Reviews &amp; Audits</p>	<ul style="list-style-type: none"> <li>Wokingham SEND Improvement Board</li> <li>Children with Disabilities Improvement Board</li> <li>Service Plans for Children's Services</li> <li>Getting to Good Board</li> </ul>							

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	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
31	<p>Risks:-</p> <ol style="list-style-type: none"> <li>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</li> <li>Impact of being judged inadequate by Ofsted could lead to statutory/government intervention.</li> <li>Lack of evidence of improvement in services could lead to reputational damage</li> </ol>		<ul style="list-style-type: none"> <li>Diversion of people from Policy work to undertake other activities</li> <li>Delay in strategies being completed and delivery being affected.</li> <li>Improvement work delayed and the reframing of the direction of travel due to the journey we have taken due to Covid- 19</li> </ul>								
11	<p><b>Adult Social Care Provider Failure</b></p> <p>Stability and sustainability of the adult social care market is of major importance in order to ensure the continued safety, health and wellbeing of vulnerable adults with a range of eligible social care support needs.</p> <p>COVID-19 has had a significant impact on the adult social care provider market. The market has become more volatile, with providers facing increased costs (PPE and workforce) and reduced demand leading to greater financial pressure. Adult Social Care has seen an increase in the number of providers experiencing financial difficulties. This will only increase with the ongoing pressure of COVID-19 and economic downturn.</p>		<p>ASC has reviewed and updated this risk due to the fundamental impacts of COVID-19</p>	<ul style="list-style-type: none"> <li>Annual Uplift Process; agreed for 2020/21</li> <li>Quality Assurance Framework</li> <li>An improved funding deal for providers we contract with plus ability to apply for additional temporary funding (sustainability fund)</li> <li>Help with supply of PPE</li> <li>Regular advice and guidance</li> <li>Testing for staff with symptoms.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a rigorous contract management process that builds on provider engagement</li> <li>Develop and implement a rigorous contract management system (CMS)</li> <li>Review of the current commissioning pathway to ensure oversight of home care providers</li> <li>Establish a market sustainability strategy, including a long term</li> </ul>	Ongoing	MP	CM	8	4	H

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
	<p>Under the COVID Procurement Policy Notice, contracting authorities must ensure suppliers at risk are in a position to resume normal contract delivery once the outbreak is over. Adult Social Care retains a responsibility to ensure continuity of care if services are likely to fail.</p> <p>This applies to the whole market including self-funders which is a significant increase in responsibility to the local authority in Wokingham</p>			<ul style="list-style-type: none"> <li>Offer of access to staff in an emergency Infection control hotline established</li> </ul>	<p>financial support package</p> <ul style="list-style-type: none"> <li>Ensure flow of additional government COVID funding to providers in need</li> <li>Establish a market sustainability strategy (inc uplift policy)</li> </ul>						
12 32	<p><b>Climate Emergency</b></p> <p>On July 18<sup>th</sup> 2019, a motion was passed at council declaring a climate emergency. 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 council needs to both</p> <ul style="list-style-type: none"> <li>to reduce carbon emissions to slow climate change, and</li> <li>adapt to the impacts of extreme weather events brought on by climate change</li> </ul> <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>		<p>Meetings continue and further actions are being developed. Revised working practices across the borough have led to a positive impact on carbon emissions.</p> <p>Key issues include ensuring current changes in working behaviour can be maintained and built upon going forward. The positive impact on this Council objective means the risk of non-achievement has reduced.</p>	<ul style="list-style-type: none"> <li>Cross Council officer group established</li> <li>Cross party member climate emergency working group</li> <li>Appointed a climate emergency strategy officer to deliver the climate emergency action plan</li> <li>Climate Change Initial Action Plan approved by council on 23 Jan 2020</li> <li>On 23/7/20 the Council approved the Climate Emergency Action Plan, endorsing the targets where available for carbon dioxide reduction and the related actions proposed for Wokingham Borough Council</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing work of working group with further report back to Council in July 2021 on progress against targets.</li> <li>Internal Audit of Climate Emergency commissioned by Audit Committee for delivery in Q1 of 2021/22 with report of findings to future meeting of Committee.</li> </ul>	31/7/21	GE	GM	6	5	H



Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
	Key priority - 5			to play as full a role as possible in achieving a carbon neutral Borough by 2030, but notes that much more work needs to be done before it can hope to achieve that aim.							
13 33	<p><b>High Needs Block</b></p> <p>The high needs block spend forms part of the revenue dedicated budget for schools. Its purpose is to provide the necessary funding to support children with special educational needs or disabilities who have been assessed as requiring an Education, Health and Care Plan. This funding is ring fenced and cannot be used for other purposes. The budget provided by Government is significantly insufficient to meet the needs of Wokingham Borough children, the consequence of which means that year on year large deficit is carried forward. Most of the current expenditure is used to purchase special educational services from outside Wokingham Borough from independent school providers. Last year, the overspend on the budget was in excess of £1 million. This year it is projected to be significantly more.</p>		This was a pre-Covid-19 risk	<ul style="list-style-type: none"> <li>The Authority is currently in the process of expanding current special needs provision at Addington School from 200 to 250 places.</li> <li>In addition, the Council's pupil referral unit, is undergoing a major programme of refurbishment. This will improve facilities and provide resources that will reduce the need for agency placements.</li> <li>Seven specialist resources are currently provided by local primary and secondary schools. Work is underway to improve these resources and improve the current level of funding for these placements. This will when</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing discussions are being held with the Education and Skill Funding Agency to ascertain whether additional funding can be provided as part of a deficit recovery programme.</li> </ul>	Ongoing	CC	GH	8	4	H

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
34				<p>completed further reduce the need for expensive out of area placements.</p> <ul style="list-style-type: none"> <li>At its meeting of September 2020, the Executive approved a new special school at Winnersh Farm.</li> <li>Finally, the Council is in negotiation/discussion with the Department for Education to re-broker provision for Northern House School so as to introduce a new sponsor to improve provision for children with emotional and behavioural difficulties. This is a local specialist academy that has been judged by Ofsted as inadequate.</li> </ul>							
14	<p><b>Telephony</b></p> <p>There are a number of risks associated with telephony which include the age of the current kit, capacity issues and the location of the telephony hardware.</p> <p>The impact of failure in this area would be significant affecting one of the key customer channels and impacting the wider service delivery capability of the Council.</p> <p>Priority - 6</p>		<p>This risk has been acerbated by Covid-19 which is why it has been escalated to the Corporate Risk Register.</p>	<ul style="list-style-type: none"> <li>Operational monitoring of capacity</li> <li>Operational maintenance</li> <li>Additional investment in telephony as part of 2021/22 budget setting agreed by Council.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of telephony improvements during this financial year.</li> </ul>	2021/22	KC	JK	4	3	M

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
15	<p><b>IT Infrastructure</b></p> <p>There are a number of risks associated with the IT infrastructure including capacity. The impact of failure in this area would be very significant affecting all aspects of the wider service delivery capability of the Council.</p> <p>Priority – 6</p>		<p>This risk has been acerbated by Covid-19 which is why it has been escalated to the Corporate Risk Register.</p>	<ul style="list-style-type: none"> <li>Operational monitoring of capacity</li> <li>Operational maintenance</li> <li>Additional investment in the IT infrastructure as part of 2021/22 budget setting agreed by Council.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of IT infrastructure improvements during this financial year.</li> </ul>	2021/22	KC	JK	8	3	H
65	<p><b>Equalities Duty</b></p> <p>The Council has made significant progress with all key decisions taken in the context of Equality Impact Assessments.</p> <p>However, further embedding of the Public Sector Equality Duty is required including review of equality objectives which is required at least every 4 years – the objectives were last updated in March 2017.</p> <p>Priority – 6</p>		<p>The impacts of Covid-19 have been experienced differentially by different parts of the local community. The updated Equalities Plan together with the Council’s approach to tackling poverty (as agreed by Executive on 28/1/21) forms key parts of the Council’s response to this risk.</p>	<ul style="list-style-type: none"> <li>Equality Impact Assessments conducted to support decisions wherever appropriate.</li> <li>Equality Champions Group in place.</li> <li>Equality Plan signed off by Council in March 2021.</li> <li>Council approach to talking poverty agreed by Executive in Jan 2021.</li> <li>Internal Audit of Equalities completed</li> </ul>	<ul style="list-style-type: none"> <li>Implement Delivery Plan for Equalities through 2021/22 with project board and quarterly milestones in place.</li> </ul>	2021/22	KC	JH	8	4	H
17	<p><b>Planning for Pandemics</b></p> <p>The Council’s emergency planning and response arrangements have been tested in extremis during the previous 5 months and proved effective in enabling the Council to respond to the Covid-19 emergency.</p>		<p>The Covid-19 emergency has demonstrated our initial and ongoing response plans have been effective but also renewed focus on recovery and the need to ensure post</p>	<ul style="list-style-type: none"> <li>Emergency Plan in place and subject to periodic testing.</li> <li>See O&amp;S Management Committee report of 24 June setting out existing controls/mitigations.</li> <li>Overview &amp; Scrutiny review of Council wide response to</li> </ul>	<ul style="list-style-type: none"> <li>Covid-19 Recovery Plan in place and signed off by Executive.</li> </ul>	30/6/21 (in place)	SP	JH	8	2	M

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
	The risk is now focused on ensuring lessons are put in place as appropriate.  Priority – 1 & 7		emergency lessons are put in place.	Covid-19 including recovery programme reported to Executive on 18/2 identifying any improvements and/or learning.							
18	<p><b><u>Housing Numbers in the Borough</u></b> On 6 August 2020, the Government launched a 12 week consultation “Planning for the Future.” The proposals contained in the consultation indicate the possibility that the new house-building requirement in the Borough would increase from c800pa to 1,600pa.</p> <p>The potential impacts of this risk are financial (re-distribution of CIL/s106 across the country), on achieving climate emergency targets, and on the quality of life for residents if insufficient infrastructure is in place to support additional households.</p> <p>The Government announced amendments to their original proposals in December 2020. Priority – 1, 2, 3 &amp; 4</p>		There are no specific Covid-19 related impacts.	<ul style="list-style-type: none"> <li>• IEMD on 22/9/20 to respond to Government consultation</li> <li>• Leaflet drop to residents informing of the proposals</li> <li>• Lobbying through Govt Ministers</li> </ul>	Residual risk following mitigating actions to be kept under review.	Ongoing	SM	WS	8	2	M
36											
19	<p><b><u>Market Failure</u></b> Given the uncertain economic climate, there is a higher risk of failure of key providers of WBC services across the Council leading to potential impact of reduced/loss of service temporarily and additional financial cost to the Council.</p> <p>Priority – 1 to 6</p>		The Covid-19 pandemic has led to significant economic impacts across various markets on which the Council relies especially for the delivery of key services.	<ul style="list-style-type: none"> <li>• Financial risks monitored through ongoing revenue monitoring.</li> <li>• Service provision risks monitored at a Directorate level.</li> </ul>	Adopting processes to ensure early warning flags for key providers.	Ongoing	GE	JK	4	4	M

Ref	Risk		Impact of COVID	Existing controls	Further Actions to Mitigate Risk	Lead			Risk Rating		Current Score
	Cause	Consequence/ Impact on Key Priorities				Timescale	Officer	Member	Impact	Likelihood	
20	<p><b>Public Protection Partnership</b></p> <p>On 18 March 2021, Full Council decided that the regulatory services currently provided by the three borough Public Protection Partnership – hosted by West Berkshire Council – should be brought back in-house. The partnership operates under a contractually binding Inter Authority Agreement to which Wokingham is a signatory. This requires that a partner may leave under a no-fault basis, provided it gives 12-months written notice of their intention to terminate their participation in the partnership.</p> <p>The risk has been escalated to the Corporate Risk Register in recognition of importance of public protection services to residents and ensure the transition programme is delivered successfully.</p> <p>Priority – 1</p>		<p>There are no specific Covid-19 related impacts.</p>	<ul style="list-style-type: none"> <li>Transition programme plan in place.</li> <li>Lead Programme Manager in place.</li> </ul>	<p>Delivery of programme</p> <p>Community &amp; Corporate Overview &amp; Scrutiny monitoring this issue – see meeting of 21/7/21</p>	31/3/22	SM	PB/JK	4	4	M

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<b>TITLE</b>	<b>2021/22 Internal Audit and Investigation Quarter 2 Work Programme and Quarter 1 Progress Update</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 28 July 2021
<b>WARD</b>	None Specific
<b>LEAD OFFICER</b>	Andrew Moulton, Assistant Director, Governance

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Public assurance about the Council's risk, control and governance environment.

## **RECOMMENDATION**

The Audit Committee is asked to approve the 2021/22 Internal Audit and Investigation Quarter 2 Work Programme and note the progress of work against the Quarter 1 Work Programme (attached as Appendix A).

## **SUMMARY OF REPORT**

The Audit Committee approved the 2021/22 Audit and Investigation Strategy at its meeting on 22 February 2021. This included agreement to move to a quarterly planning cycle rather than an annual one. This report presents for approval, the 2021/22 Quarter 2 Audit and Investigation Work Programme, and asks the Committee to note the progress with the Quarter 1 Work Programme.

These recommendations are being made to ensure the Council has adequate Internal Audit and Investigation coverage for 2021/22 and to ensure that the Council meets its legislative requirements. In addition, the requirements of the Committee's Terms of Reference and to enable Internal Audit to give an overall opinion on the Council's internal control and risk framework at the end of the financial year.

## **Background**

These are unprecedented times and 2021/22 continues to be a period of uncertainty as Councils are starting their recovery from the Covid-19 pandemic and seeking manage the impact on their risk environment. This has continued to impact on the way Council staff work and this has included Audit and Investigation activity, the nature of the work we are able to carry out and the extent to which we are able to deliver our planned audit activities as Council staff respond to the pandemic.

At its meeting on 22 February 2021, the Committee agreed that for the 2021/22 financial year, Internal Audit would move to a quarterly planning cycle rather than an annual plan in order to better and more flexibly respond to emerging priorities and focus.

Developing the programme of work for Quarter 2 has followed a similar process that would be used to prepare the annual Audit and Investigation Plan, including management's assessment of risk and Internal Audit's risk assessment of the Council's

major systems and other auditable areas and work undertaken to date. It has involved consultation with officers, the review of risk registers and external guidance where appropriate, comparison with other authorities, and Internal Audit's knowledge of the impact of the pandemic on this organisation and the delivery of its services.

The proposed 2021/22 Audit and Investigation Programme of work for Quarter 2 covering the period from 1 July 2021 to 30 September 2021 is attached at Appendix A.

The Quarter 2 Work Plan at Appendix A also incorporates work an update on work undertaken in Quarter 1 and work carried forward. The start of the year has seen Internal Audit completing work carried forward from the 2020/21 financial year. There has also been an impact on commencing a number of audit reviews of key corporate risks that were planned for the period, although work has commenced in respect of discussing and scoping work with management in each of those areas. These audits are planned to continue during Quarter 2.

To date, for work completed during the period, there have been no audits where the audit assurance was less than level 2 i.e. internal controls "substantially complete and effective." For the work completed, there are no matters of significance to bring to the Committee's attention.

The Committee is asked to note that the Royal Borough of Windsor & Maidenhead has given notice that they will end the shared service with effect from 1 April 2022. This will need careful management through 2021/22 to mitigate any impact on the delivery of Wokingham Borough Council's internal audit plan.

## **FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £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** (how does this decision impact on other Council services, including properties and priorities?)

Not applicable



<b>Reasons for considering the report in Part 2</b>
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Not applicable
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<b>List of Background Papers</b>
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None
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<b>Contacts:</b> Andrew Moulton; Catherine Hickman	<b>Service:</b> Shared Audit and Investigation Service
<b>Telephone No:</b> 0774 777 7298; 07885 983378	<b>Email:</b> <a href="mailto:andrew.moulton@wokingham.gov.uk">andrew.moulton@wokingham.gov.uk</a> ; <a href="mailto:catherine.hickman@wokingham.gov.uk">catherine.hickman@wokingham.gov.uk</a>
<b>Date</b> 16 July 2021	<b>Version No.</b> 2

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**Details****Section 1- Corporate Risks**

With reference to the Council's Corporate Risk Register, these audits are intended to provide assurance to management that the expected mitigating actions and controls to manage risks are operating as expected. All key corporate risks are expected to be covered over a two-to-three-year period.

<b>Audit</b>	<b>Reason for Audit</b>	<b>Outline Scope</b>	<b>Q1 Progress and Q2 Planned Work</b>
Climate Emergency	Corporate Risk No. 12 (as at July 2021)	As proposed by Overview & Scrutiny and supported by Audit Committee, to provide objective assurance on the application and delivery of the Council's climate emergency programme.	Initial Scoping – engaging in an arrangement to enter a Framework Agreement to undertake a collaborative audit with subject matter expert.
SEND Reforms	Corporate Risk No. 5 (as at July 2021)	To provide assurance on the efficacy of the mitigating actions being taken to address this corporate risk.	Initial scoping meetings held. Audit deferred from Q1 due to two external inspections of Children's Services, outcomes from will taken into account in forthcoming internal audit.
Corporate Governance	Corporate Risk No. 2 (as at July 2021)	To provide assurance on the application and effectiveness of the Local Code of Corporate Governance (as approved by Council in November 2020).	To commence Q2
Adult Services - Safeguarding - Provider market	Corporate Risks No.s 7 & 11 (as at July 2021)	To provide assurance on the efficacy of the mitigating actions being taken to address these corporate risks.	Initial scoping meetings held; Terms of Reference being prepared and agreed
Diversity and Equality Follow Up	Corporate Risk No. 16 (as at July 2021)	To ascertain progress on implementing countermeasures from 2020/21 audit review	Work in progress.

			In addition, two specific audits requested to be undertaken in Q3, at request of Director of Communities, Insights and Change
Data Management & Cyber Security	Corporate Risk No. 8 (as at July 2021)	To ascertain progress on implementing countermeasures from 2020/21 audit review	Work in progress
<b>Section 2- Key Financial Systems</b> The Service will be continually reviewing this coverage in consultation with the Deputy Chief Executive (section 151 officer) and Assistant Director Finance (Deputy S151 Officer) in year to ensure that audit coverage is relevant and focused correctly.			

Audit	Reason for Audit	Outline Scope	Q1 Progress and Q2 Planned Work
Purchase Ledger / Creditors Consultancy	Key financial system/management request	To provide advisory/consultancy review following the introduction of automatic invoice matching and the introduction of early payment programme (EPP), at the request of the Deputy S151 Officer	Completed
Benefits/CTRS Follow Up	Main financial system	To provide assurance on Benefit/CTRS operations.	To commence Q2
Council tax and NNDR Follow Up	Main financial system	To provide assurance on Council tax and NNDR collection and recovery processes.	To commence Q2

**Section 3 - Governance Building Blocks**

These reviews cover the key governance elements and are necessary for the formation of the Chief Audit Executive (CAE) and Annual Governance Statement (AGS)

<b>Audit</b>	<b>Reason for Audit</b>	<b>Outline Scope</b>	<b>Q1 Progress and Q2 Planned Work</b>
Annual Governance Statement 2020/21	Governance Building Block	To support and advise management on the completion of the AGS 2020/21 and provide assurance on the follow-up actions taken in respect of the 2019/20 AGS.	Co-ordination of process and Management Assurance Statements completed. Draft AGS presented to Audit Committee in June 2021.

**Section 5 - Fraud and Investigation**

<b>Activity</b>	<b>Outline Scope</b>	<b>Q1 Progress and Q2 Planned Work</b>
Reactive Investigations	To be confirmed but provision covers Member Code of Conduct investigations, Officer disciplinary, whistleblowing, procurement etc.	Fraud referrals including, Council Tax Reduction Scheme; Housing; whistleblowing; information referrals etc – ongoing
Proactive Investigations	Proactive counter fraud work in respect of new Government Covid-19 Business Rate Grants assurance work and associated risk assessments to support Revenues and Benefits Team)	Continued work on Government Covid-19 Grants and Restart Grants; Fraud risk assessments; Empty Property Relief exercise commenced in Q2
National Fraud Initiative	Management of Council's provision of data and investigation of matches.	Ongoing in Q2

**Section 6 - Auditor Judgement and Servicing the Business**

<b>Reason for Audit</b>	<b>Outline Scope</b>	<b>Q1 Progress and Q2 Planned Work</b>
Grant Certifications	Mandatory certification of grants received from central government e.g., Troubled Families Grants	Troubled Families Grant – Q1 Completed; Q2 Grant claims work programmed.
Advice on demand	Requests for ad-hoc advice on control, risk management and governance issues.	Ongoing in Q2
Racism at Work Council Workstream	Audit advice, at request of management, in reviewing all Council Diversity and Equalities Policies and setting up corporate training	Ongoing in Q2
Follow up countermeasures and testing)	Very high priority only.	Ongoing in Q2

<b>TITLE</b>	<b>Audit Committee Training &amp; Development Programme</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 28 July 2021
<b>WARD</b>	None Specific
<b>LEAD OFFICER</b>	Deputy Chief Executive - Graham Ebers

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Supports the development of the effectiveness of the Audit Committee.

## **RECOMMENDATION**

The Audit Committee is asked to consider and agree the proposed training programme.

## **SUMMARY OF REPORT**

Members of the Audit Committee should be provided with support in their training and development – this is set out in the Council's Constitution.

The Committee has previously agreed to undertake a self-assessment of its effectiveness which will be conducted in time for consideration at its September meeting. In the meantime, this report proposes a draft programme of training for the year for agreement by the Committee which can be shaped further following consideration of the self-assessment.

In addition, Members will be provided with a copy of CIPFA's periodic topical briefings for Audit Committees as part of a more structured and comprehensive approach to training and development.

## **Background**

1. Below is an outline of the areas relevant to the Audit Committee's Terms of Reference:
  - Statement of Accounts including Financial Reporting Standards;
  - Treasury Management;
  - The role of the Audit Committee in Local Government;
  - The role of Internal and External Auditors
  - Risk Management and Internal Control;
  - Corporate Governance including the Annual Governance Statement;
  - Internal Fraud and Corruption risks including Bribery Act and Money Laundering;
  - External Fraud risks; and
  - Confidential Reporting (Whistle Blowing).
2. The Council's Constitution sets out the remit of the Audit Committee as follows with regard to training.

*Extract from Constitution (paragraph 4.4.3.4)*

To identify training opportunities for Audit Committee Members and all Members of the Council in corporate governance issues and to make recommendations as appropriate.

And also, with regards risk management.....

*To have the knowledge and skills requisite to their role with regard to risk management and to undertake awareness training in respect of Enterprise Risk Management (ERM) as and when specific training needs are identified.*

3. Attendance and participation will provide Members with skills to:
- Understand how to be effective when sitting on an Audit Committee.
  - Increase their understanding of risk mitigations and the control environment.
  - Develop skills to effectively gain the levels of assurance they need.
  - Understand what is meant by the term governance and why this is important in local government.

### PROPOSED PROGRAMME

4. To continue to develop the skills and knowledge of Committee Members the following training programme is proposed for 2021/2022 with sessions to run at the start of each scheduled meeting of the Committee, or alternatively at a separately scheduled date if Members would prefer:

<b>Date</b>	<b>Topic</b>	<b>Presenter</b>
September 2021	Audit Committee terms of reference <ul style="list-style-type: none"> <li>• To ensure that Members understand the role of the Audit Committee.</li> <li>• An opportunity to review the terms of reference and identify any potential changes.</li> <li>• To consider the results of a self- assessment</li> </ul>	Assistant Director Governance
November 2021	Statement of Accounts <ul style="list-style-type: none"> <li>• To ensure that the Committee has the information it needs to effectively scrutinise the Statement of Accounts and ISA260.</li> </ul>	Assistant Director Finance
January 2022	The role of External Audit <ul style="list-style-type: none"> <li>• To ensure that the Committee understand the role of external audit. - To enable the Committee to understand how to interpret and ask questions about the report of the external auditor.</li> </ul>	EY



	<ul style="list-style-type: none"> <li>To explain some of the key 'jargon' used in external audit reports.</li> </ul>	
March 2022	Strategic Risk Management	To be confirmed

**FINANCIAL IMPLICATIONS OF THE RECOMMENDATION**

*The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.*

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

<b>Other financial information relevant to the Recommendation/Decision</b>
None.

<b>Cross-Council Implications</b>
The Audit Committee plays a key part in ensuring good governance which helps the Council ensure its key priorities and objectives will be achieved.

<b>Public Sector Equality Duty</b>
This is a report to note. An equalities impact assessment is not therefore required.

<b>Reasons for considering the report in Part 2</b>
Not applicable

<b>List of Background Papers</b>
CIPA briefings for Audit Committees

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

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## WOKINGHAM BOROUGH COUNCIL'S AUDIT COMMITTEE FORWARD PROGRAMME

DATE OF MEETING	ITEM No.	ITEM DESCRIPTION	RESPONSIBLE OFFICER
<b>Wednesday 22 September 2021</b>	1.	Corporate Risk Register Update	<b>Graham Ebers, Deputy Chief Executive</b>
	2.	Internal Audit and Investigation Q3 Plan	<b>Shared Audit and Investigation Service</b>
	3.	Risk Management Policy and Guidance review	<b>Graham Ebers, Deputy Chief Executive</b>
	4.	Update on 2020-21 audit	<b>EY</b>
	5.	Treasury Management Outturn Report	<b>Graham Ebers, Deputy Chief Executive</b>

DATE OF MEETING	ITEM No.	ITEM DESCRIPTION	RESPONSIBLE FFICER
<b>Tuesday 30 November 2021</b>	1.	Treasury Management Mid-Year Report 2021/22	<b>Graham Ebers, Deputy Chief Executive</b>
	2.	Corporate Risk Register Update	<b>Graham Ebers, Deputy Chief Executive</b>
	3.	Internal Audit and Investigation Q3 Plan	<b>Shared Audit and Investigation Service</b>
	4.	Annual Governance Statement	<b>Graham Ebers, Deputy Chief Executive</b>
	5.	Statement of Accounts (or February)	<b>Graham Ebers, Deputy Chief Executive</b>
	6.	Ernst & Young – Audit results report (or February)	<b>EY</b>

## WOKINGHAM BOROUGH COUNCIL'S AUDIT COMMITTEE FORWARD PROGRAMME

DATE OF MEETING	ITEM No.	ITEM DESCRIPTION	RESPONSIBLE OFFICER
<b>Wednesday 2 February 2022</b>	1.	Corporate Risk Register Update	<b>Graham Ebers, Deputy Chief Executive</b>
	2.	Internal Audit and Investigation Q4 Plan	<b>Shared Audit and Investigation Service</b>
	3.	2021-22 Outline Audit Plan	<b>EY</b>
	4.	2020-21 Annual Audit Letter	<b>EY</b>
	5.	Compliments and complaints	<b>Customer Services</b>
	6.	Treasury Management Strategy 2022/23	<b>Graham Ebers, Deputy Chief Executive</b>