



Audit Committee (Supplement Agenda)

Date: 28 February 2019
Time: 7.00 pm
Venue: Committee Room 1
District Council Offices, Queen Victoria Road, High Wycombe Bucks

Membership

Chairman: Councillor M Appleyard
Vice Chairman: Councillor R Scott

Councillors: G Hall, M Hanif, A Lee, Ms C Oliver, N Teesdale and R Wilson

Standing Deputies

Councillors P R Turner, D A C Shakespeare OBE, C Whitehead and K Ahmed

Agenda

Item		Page
9	STRATEGIC RISK REGISTER MONITORING REPORT - QUARTER 3 (To Follow)	1 - 13

For further information, please contact Iram Malik on 01494 421204, committeeservices@wycombe.gov.uk



Report For:	Audit Committee
Meeting Date:	Audit 31 January 2019
Part:	Part 1 - Open
If Part 2, reason:	Choose a reason

Title of Report:	Strategic Risk Register - Quarter 3 Monitoring Report
Officer Contact: Direct Dial: Email:	Michael Howard 01494 421357 Mike.howard@wycombe.gov.uk
Ward(s) affected:	All
Reason for the Decision:	<p>Risk Management is the process of identifying and addressing the risks that either impact on the long term direction and sustainability of the Council (strategic risks), or arise from the delivery of objectives as set out on the Councils Corporate plan (corporate /operational risks).</p> <p>Risk Management forms part of the Wycombe District Council's approach to effective governance and is an essential element of good management.</p> <p>The Strategic Risk Register contains the most significant risks that could have an effect or impact on the delivery of the Councils' Corporate plan and in doing so damage the Councils financial standing and its reputation.</p> <p>During the reporting period, Strategic Management Board (SMB) agreed to the inclusion of a new risk, (SR08) - Unitary District Council Status (Pre-Structural Change Orders) and this has replaced SR04 - Local Government Re-Organisation.</p> <p>In addition, SMB also reconsidered the inclusion of Brexit and it was agreed that the risk would be included in the SRR as a subset of SR02 External and Internal Regulatory Framework, with applicable Service based risks being escalated via the operational risk register process (where applicable).</p>

Proposed Decision/Recommendation:	The Committee is asked to NOTE the Quarter 3 Monitoring for the Councils Strategic Risk Register (SRR), attached at Appendix A).
Sustainable Community Strategy/Council Priorities – Implications.	Risk: not applicable Equalities: not applicable Health & Safety: not applicable
Monitoring Officer/ S.151 Officer Comments	Monitoring Officer: No direct Legal implications S.151 Officer: No direct financial implications.
Consultees:	None
Options:	None
Next Steps:	None
Background Papers:	None
Abbreviations: SRR - Strategic Risk Register SMB – Strategic Management Board.	

Appendices to this report are as follows:

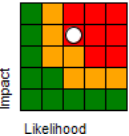
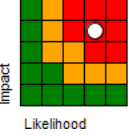
Appendix A - Strategic Risk Register - Quarter 3 Monitoring Report

Strategic Risk Report

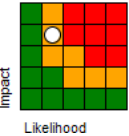
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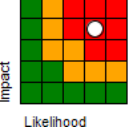


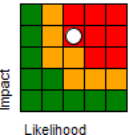
Risk	Current Risk	Key risk indicators	Consequences	Internal Controls	Supporting Description Internal Controls	Assurance Level	Evidence of Assurance	Actions	Action Actual Start Date	Latest Note	Assigned To
SR01 Workforce skills and knowledge		<ul style="list-style-type: none"> Recruitment levels Training needs analysis Competence framework Increased requests for partnership working 	<ul style="list-style-type: none"> Work is not completed to expected quality standards Loss of key staff Increase in complaints Poor or inconsistent services Projects not delivered on time / budget / quality Unrealistic workloads leading to absence/ increased sickness levels. Failure to attract, recruit and retain suitable staff Loss of knowledge and expertise 	Key specialist roles identified and service resilience plan in place	<ul style="list-style-type: none"> Key specialist roles identified, based on role (legal requirement) or single manning role and service resilience plan in place e.g. Identification and assessment of role(s) Detailed work instructions. Up to date work plan for specialist role Centralised record retention. 	Level 1 - Operational Management (Policies & Procedures)	<ul style="list-style-type: none"> Quarterly performance reporting to Strategic Management Board, Personnel and Development Committee. 	Progress Programme Board to consider the need to identify key specialist roles.		<p>Mike Howard 25-Jan-2019. The Head of HR, ICT & SSS has confirmed the content of this risk for the purpose of Quarter 3 monitoring.</p>	Head of HR, ICT and SSS
					NB - link to SR08 - Unitary District Council Status (Pre-Structural Change Order)						
				Up to date policies accessible to officers	All Officers are made aware of Councils Policies with specific emphasis given to those relevant to service provision.			The 5 Councils have introduced the Vacancy Management Protocol	10-Dec-2018		
				Service based performance management information	<ul style="list-style-type: none"> Services have developed robust and reliable performance management system(s) that reflects the activities of the respective service including complaints, comments and FOI requests. Performance system to include meaningful comparison to external bench marking 			<ul style="list-style-type: none"> Locally, may need to consider retention payments to key post holders (need to define key post holders) : Back filling posts as necessary to support the delivery of customer services 			

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					information (where available).						
				Periodic formal quality reviews undertaken by Management	System of periodic quality reviews are in place that allows for compliance with operational procedures, data integrity and accuracy.						
				Procedures reflect application of policy							
SR02 External and internal regulatory framework (Brexit)		12	<ul style="list-style-type: none"> Strategic Risk Register action plan slippage. Legal challenges to decisions. Issues from annual assurance review not being addressed or slippage. Audit recommendations not being implemented, 	<ul style="list-style-type: none"> Wrong or illegal decisions taken (Ultra Vires) Complaints (justifiable) Reputational damage Breach of legislation 	Published contract register used for contract renewal	Level 2 - Internal Governance (Risk / Performance Management)	Complaint monitoring and reporting to SMB quarterly			Mike Howard 25-Jan-2019 The Head of DLP has confirmed the content of the risk entry for the purpose of Quarter 3 monitoring.	Head of DLP
					Legal Service support						
SR03 Reduction in Government funding		16	<ul style="list-style-type: none"> Budget Monitoring External Networks and External Advisor Memberships highlighting emerging issues / policy changes Relationship Manager with Valuation Office Service Performance Information in relation to demand for services 	<ul style="list-style-type: none"> Reduction in budgets Loss / reduction of discretionary services Reduction in service level for statutory services Reputational damage Inability to realise corporate plan/ priorities / transformation programme. 	Monthly budgetary control reports	Level 3 - Independent Assurance (Internal Audits, HSE)	External Audit through statutory assessment of value for money (VFM). Quarterly budget reports to Cabinet. Monthly budget reports to Strategic Management Board			Mike Howard 25-Jan-2019 The Head of Finance and Commercial has confirmed the content of this risk entry for the purpose of Quarter 3 monitoring.	Head of Finance and Commercial
					Service based performance management information						

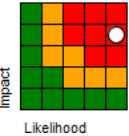
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		or lower usage			<p>management system(s) that reflects the activities of the respective service including complaints, comments and FOI requests.</p> <p>Performance system to include meaningful comparison to external bench marking information (where available).</p>		Audit Committee report on Statement of Accounts and Value for Money Opinion.				
				Medium Term Financial Plan	<p>Compilation of Medium Term Financial Plan, which is based on the financial implications of the Corporate Plan, reviewed annually by Full Council, enabling Members to make informed amendments to the Corporate Plan based on the limitations of any funding constraints.</p> <p>Financial forecasting and scenario planning</p>						
				Income Maximisation	Application of the Price Is Right guidance, led by the Finance Team to ensure that Services review their income streams as part of budget setting process.						
				Assessed budget volatility	Head of Service submission of a business justification for seeking release of						

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					additional funding In year budget volatility managed through the use of Contingency and Equalisation Funds reported to Cabinet if it occurs on quarterly basis. Reserves Policy in place subject to annual review by Section 151 Officer and reported as part of the Budget Setting process. Subject to review by External Audit.						
SR05 Partnership working		8	<ul style="list-style-type: none"> Issues arising from Member/officer involvement with partners/partnerships. Breakdown of working relationships. Wycombe District issues not being adequately addressed. 	<ul style="list-style-type: none"> Missed opportunities for funding streams (LEP) Restricted range of services offered Failure to realise economies of scale Duplication of work Impact on public perception of the wider public sector 	<p>Regular contract meetings/ dialogue</p> <p>Contract meetings are held in line with contractual agreement.</p> <p>Agenda and minutes taken to ensure contractual terms and conditions are being achieved.</p>	Level 1 - Operational Management (Policies & Procedures)	Strategic Management Board receive periodic updates on partnership relations			<p>Mike Howard 25-Jan-2019</p> <p>The Head of DLP has confirmed the content of this risk entry for the purpose of Quarter 3 monitoring.</p> <p>For Quarter 4, the Head of DLP is considering the relevance of this risk as part of the Councils SRR given the number and range of partnerships that the Council participates in.</p>	Head of DLP
				Periodic formal quality reviews undertaken by Management	System of periodic quality reviews are in place that allows for compliance with operational procedures, data integrity and accuracy.						
				Partnership oversight	Compliance with a Partnership protocol (or similar) with has clearly defined governance arrangements that provide clear oversight as to the number of partnerships and the relationship from inception / formation, through delivery and						

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					<p>eventual closure of the partnership.</p> <p>Governance arrangements - will also have due regard to the contribution from the Council in terms of £ and officer time.</p>						
SR06 Investment in infrastructure		16	<ul style="list-style-type: none"> Corporate Plan objectives are not delivered due to lack of funding. Schemes are put on hold, pending determination, source and release of funding. Annual Report provides information as regards the success in delivering the Corporate Plan. 	<ul style="list-style-type: none"> Lack of investment in infrastructure could lead to issues as regards both the short and long term sustainability of the local community and economy. Deterioration of the Councils image and reputation as a place to live, work, visit and invest in. Restriction in economic growth could impact on service provision & funding through reduced business rate growth. Programmes /Project are funded by external borrowing rather than internal funds. 	<p>Periodic formal quality reviews undertaken by Management</p>	Level 1 - Operational Management (Policies & Procedures)				<p>Mike Howard 25-Jan-2019. The Corporate Director has confirmed the content of this risk entry for the purpose of Quarter 3 monitoring.</p> <p>In addition, from January 2019, the number of programme boards has been reduced from four - formerly Place & People, Prosperity, Princes Risborough and Progress to two programme boards - 2 Progress and Place & People.</p> <p>In parallel, the embedding of project management software will strengthen both programme and project management arrangements.</p>	Corporate Director;
				<p>Established Programme Boards</p>	<p>Established programme boards are in place that enables the progress of individual projects to be reported upon</p>						
				<p>Quarterly report to SMB</p>	<p>Quarterly report to SMB providing information as regards level of sickness absence and staff turnover compared to National /Sector benchmark(s).</p> <p>Used to monitor "health" of the Council.</p>						
				<p>Assessed budget volatility</p>	<p>Head of Service submission of a business justification for seeking release of additional funding?</p> <p>In year budget volatility managed through the use of Contingency and Equalisation Funds reported to Cabinet if it</p>						

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					occurs on quarterly basis. Reserves Policy in place subject to annual review by Section 151 Officer and reported as part of the Budget Setting process. Subject to review by External Audit.						
SR07 Data and Information security		12	<p>Internal Information Governance</p> <ul style="list-style-type: none"> Continuing data breaches of the same type. Trends and issues from complaints and Freedom of Information Act requests not being addressed. <p>External IT Governance</p> <ul style="list-style-type: none"> Performance against contractual performance targets for application and network availability. Performance reporting for resolving priority incidents in Service Level Agreement (SLA) Performance of implementing service requests / projects within SLA and /or agreed timescales Activity reports for Phishing and Malware incidents and threats. Issues from IT security checks (by Contactor or Third Party commissioned projects) not being resolved in a timely, efficient and effective way. 	<p>Internal Information Governance</p> <ul style="list-style-type: none"> Information Commissioners Office (ICO)infringements/fin es Criminal proceedings against the Council and individuals. Reputational damage Complaints leading to ICO findings against the Council. Complaints leading to Ombudsman findings against the Council. Loss of sensitive data Unlawful release of personal data <p>External IT Governance</p> <ul style="list-style-type: none"> Loss of IT services 	Internal Information Governance (Suite of Internal Controls)	<ul style="list-style-type: none"> Document Management approach across the Council Regular training for staff Information asset owners in each Service area. Appointed Senior Information Risk Owner (SIRO)-Head of Democratic, Legal and Policy Services. Annual certification process (information asset register). Up to date IT and resilience tools Responses from Annual Assurance Statement from each Head of Service. Annual Governance Statement with improvement actions. Council's complaints system. Designation of Statutory Officers. Information 	Level 2 - Internal Governance (Risk / Performance Management)	<ul style="list-style-type: none"> Implementation and embedding of changes relating to General Data Protection Regulations (GDPR) - (Legal) Staff reminded about the use of autofill in email addresses (Review Bucks Overarching Data Sharing Agreement to reflect General Data Protection Requirements (GDPR) Tier 2 Data Sharing Agreements to be determined which will allow data sharing on a correct legal basis for specific service based needs. 	02-Apr-2018 17-Jan-2019 29-Jan-2019	<p>Mike Howard 25-Jan-2019</p> <p>In relation to Internal Information Governance, the Head of DLP has confirmed the content of the risk entry for the purpose of quarter 3 monitoring.</p> <p>In relation to External IT governance, the Head of HR, ICT & SSS has confirmed the content of the risk entry for the purpose of quarter 3 monitoring.</p>	Head of DLP; ICT and SSS Head of HR

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					<p>Governance Strategy.</p> <ul style="list-style-type: none"> • Periodic review of Contract Standing Orders and Financial Regulations. 						
				External Information Governance (Suite of Internal Controls)	<ul style="list-style-type: none"> • Encrypted laptops; complex passwords required to access network accounts. • New user accounts implemented following submission of assigned acceptable user form guidelines. • Suspension of leaver accounts; • Anti-virus software applied to devices and network; • Monthly schedule of software patching; • Independent annual network penetration tests and PSN accreditation; • Mobile device management software applied to mobile devices; • Cloud based internet filtering • Configuration Management database (CMDB) record of devices and software deployed • Change control managed through weekly technical and client change control boards; • Scheduled and 			Develop and implement a cyber security action plan	04-Jan-2019		

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					regular data back-up routines; data held off-site; <ul style="list-style-type: none"> Majority of hardware located off-site in provider data centres and use of virtual technologies means services are less location dependent; Formal monthly performance service review meetings; Contractual penalties in the event of below contractual standard of services; Periodic inventory checks Secure disposal of redundant equipment 						
SR08 Unitary District Council Status (Pre Structural Change Order)		20 <ul style="list-style-type: none"> Increase in staff resignations. Decline in recruitment success. Increase in identified internal control weaknesses. Increase in reported and upheld complaints. Delay to governance and service improvements 	<p>Organisational - Communications</p> <ul style="list-style-type: none"> Scheduled meetings/workshops/briefings/newsletter not attended/produced, resulting in lack of awareness as regards Councils position. <p>Organisational - Staffing</p> <ul style="list-style-type: none"> Lack of staff capacity to deliver core business, resulting in services not being delivered Key officer commitment to supporting UDC preparation begins to conflict with business as usual requirements. Key officers starting to move to the new 	Key specialist roles identified and service resilience plan in place	<p>Key specialist roles identified, based on role (legal requirement) or single manning role and service resilience plan in place e.g.</p> <p>Identification and assessment of role(s)</p> <p>Detailed work instructions.</p> <p>Up to date work plan for specialist role</p> <p>Centralised record retention.</p>	Level 1 - Operational Management (Policies & Procedures)	<p>Organisational - Communications</p> <ul style="list-style-type: none"> Communication protocol established for Members and Officers. <p>Organisational - Staffing:</p> <ul style="list-style-type: none"> Detailed assessment and review of staff leaving the Authority from a Service by Service viewpoint and from a Council viewpoint. Undertaking Exit interviews to be 	Progress Programme Board to consider the need to identify key specialist roles.		Mike Howard 25-Jan-2019 Head of DLP has confirmed the content of this risk entry for the purpose of quarter 3 monitoring.	Head of DLP

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			<p>Authority (through direct appointment or secondment opportunity)</p> <ul style="list-style-type: none"> • During period of phased implementation there is a lack of ability to attract and recruit staff (replacing established and filling newly identified posts). • During period of phased implementation there is an increased expectation on the contribution that individual officers can make, with the potential of breaching contractual employment terms/ working time directive. <p>Organisational - Governance</p> <ul style="list-style-type: none"> • Failure to deliver the Corporate Plan priorities and governance arrangements. • Failure to deliver the Local Plan <p>Organisational - Financial</p> <ul style="list-style-type: none"> • Wider public "default" on making payments to the Council for goods and services provided. • Increase in the risk that individuals and organisations may 	<p>Procedures reflect application of policy</p> <p>Service continuity plan</p> <p>Quarterly report to SMB</p> <p>Customer complaints</p>	<p>with specific emphasis given to those relevant to service provision.</p> <p>Service continuity plans is in place, known to staff, periodically tested.</p> <p>Quarterly report to SMB providing information as regards level of sickness absence and staff turnover compared to National /Sector benchmark(s).</p> <p>Used to monitor "health" of the Council.</p> <p>1. Detailed insight as the validity, content and volume of service based customer complaints.</p>		<p>mandated (by Service or an exception basis by HR)</p> <ul style="list-style-type: none"> • Recruitment protocol established and disseminated across the Council. • Service resilience plans in place. <p>Organisational - Governance:</p> <ul style="list-style-type: none"> • Feedback on upheld complaints and lesson learned to be reported and information disseminated across the whole Council. • Existing Committee reporting structure in place to record decisions taken in respect of UDC status. <p>Organisational - Finance</p>				

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			<p>take the opportunity to try and defraud the Council during a period of un-presidential change.</p> <p>Organisational - Information</p> <ul style="list-style-type: none"> • Increase in the provision of requests for information without reference to data sharing protocols, hierarchy of consent /agreement. 				Organisational - Information				