

Committee: Accounts, Audit and Risk Committee
Date: Wednesday 17 December 2008
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

Councillor Ken Atack (Chairman)	Councillor Timothy Hallchurch MBE (Vice-Chairman)		
Councillor John Donaldson	Councillor George Parish	Councillor Lawrie	
Councillor Simon Holland	Councillor Devena Rae	Stratford	
Councillor Alastair Milne Home	Councillor Trevor Stevens	Councillor Rose	Stratford

Substitutes Any member from the relevant political group

AGENDA

1. **Apologies for Absence and Notification of Substitute Members**

2. **Declarations of Interest**

Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.

3. **Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

4. **Urgent Business**

The Chairman to advise whether they have agreed to any item of urgent business being admitted to the agenda.

5. **Minutes** (Pages 1 - 5)

To confirm as a correct record the Minutes of the meeting of the Committee held on 27 October 2008.

6. **External Audit Report** (Pages 6 - 27)

** please note the report on Final Accounts 2007/8 is to follow**
Report of Strategic Director – Customer Service and Resources

Summary

The external auditor will provide Members of the Committee with reports on:-
Opinion Audit 2007/08; and Use of Resources 2007/08

Recommendations

The Committee is Recommended to consider and accept Final Accounts Report 2007/08;
and the Use of Resources Report 2007/08

7. **Internal Audit Summary Report** (Pages 28 - 39)

Report of Interim Chief Internal Auditor

Summary

The purpose of this report is to provide the Committee with a report summarising progress
made against the internal audit plan for 2008/09 which is being presented to this meeting
for approval.

Recommendations

The Accounts, Audit and Risk Committee is **RECOMMENDED** to consider this progress
report and to make any comment that it considers necessary.

8. **Review of Strategic Risks** (Pages 40 - 49)

Report of Strategic Director – Customer Service and Resources and Head of Exchequer

Summary

To update the Committee on the management of the Council's Strategic Risks in
accordance with the approved rolling reporting Cycle.

Recommendations

The Accounts, Audit and Risk Committee is **RECOMMENDED** to:
consider and approve the reports relating to the management of the strategic risks in Cycle
2 and F01.0398 from Cycle 3 , set out in section 5.3 of this report, reporting any concerns
arising to the Executive.

9. **Risk Management Strategy** (Pages 50 - 54)

Report of Strategic Director – Customer Service and Resources and Head of Exchequer

Summary

To provide Members of the Accounts, Audit and Risk Committee with an updated Risk
Management Strategy for the Council for 2009 -2010.

Recommendations

The Accounts and Audit Committee is **RECOMMENDED** to endorse the updated Risk
Management Strategy and to recommend it to the Executive for adoption.

10. The Council's Risk Management Working Group (RMWG) (Pages 55 - 60)

Report of Strategic Director – Customer Service and Resources and Head of Exchequer

Summary

To update the Committee on the progress being made by the Risk Management Working Group (RMWG).

Recommendations

The Accounts, Audit and Risk Committee is **RECOMMENDED TO:** consider and approve the report relating to the embedding work of the Risk Management Working Group, reporting any concerns arising to the Executive.

11. Verbal Updates

- a) Internal Audit Tender Process and Closedown Planning Update – Chief Accountant to report
- b) Overview and Scrutiny – Chairman to report
- c) Accounts, Audit and Risk Committee member Training – Chairman to report

Information about this Agenda

Apologies for Absence

Apologies for absence should be notified to democracy@cherwell-dc.gov.uk or 01295 221587 prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item. The definition of personal and prejudicial interests is set out in Part 5 Section A of the constitution. The Democratic Support Officer will have a copy available for inspection at all meetings.

Personal Interest: Members must declare the interest but may stay in the room, debate and vote on the issue.

Prejudicial Interest: Member must withdraw from the meeting room and should inform the Chairman accordingly.

With the exception of the some very specific circumstances, a Member with a personal interest also has a prejudicial interest if it is one which a Member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest.

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

Queries Regarding this Agenda

Please contact James Doble, Legal and Democratic Services james.doble@cherwell-dc.gov.uk
(01295 221587)

Mary Harpley
Chief Executive

Published on Tuesday 9 December 2008

Agenda Item 5

ACCOUNTS, AUDIT AND RISK COMMITTEE

Minutes of a meeting of the Accounts, Audit and Risk Committee held at Bodicote House, Bodicote, Banbury, on 27 October 2008 at 6.30 pm.

Present: Councillor Ken Atack (Chairman)

Councillor John Donaldson
Councillor Andrew Fulljames
Councillor Timothy Hallchurch
Councillor Simon Holland
Councillor Alastair Milne Home
Councillor George Parish
Councillor Devena Rae
Councillor Trevor Stevens
Councillor Lawrie Stratford
Councillor Mrs Rose Stratford

Officers: Julie Evans (Strategic Director, Customer Service and Resources)
Karen Curtin (Chief Accountant)
Chris Dickens (Interim Chief Internal Auditor)
Rosemary Watts (Risk Management and Insurance Officer)
David Spilsbury (Audit Team Leader)
David Best (Senior Democratic Services Officer)

Apologies for absence: an apology for absence was received from Mary Harpley (Chief Executive).

RESOLUTIONS

MATTERS NOT OF AN EXEMPT OR CONFIDENTIAL NATURE

AC.27 MINUTES

The Minutes of the meeting of the Committee held on 18 September 2008 were approved as a correct record and signed by the Chairman subject to (i) the name of Councillor Milne Home being added to the list of Members in attendance at that meeting; and (ii) "2007/2009" being amended to "2007/2008" in the second line of the first paragraph of Minute No. AC23.

AC.28 REVIEW OF STRATEGIC RISKS

Further to Minute No. AC.9 the Committee received a report of the Strategic Director, Customer Service and Resources which provided an update on the management of the Council's strategic risks (Cycle 1) in accordance with the approved rolling reporting cycle.

The report set out the results of the quarterly review/scoring exercise which showed that there were two strategic risks with a red gross risk score, four strategic risks with amber gross risk scores and that all six strategic risks currently had amber net risk scores. The approved revised planned cycle for reporting during 2008/2009 showed:-

- (1) Cycle 1: September 2008 (slipped to this meeting) -Strategic Risk Nos. FO1.0397 and FO1.0347;
- (2) Cycle 2: December 2008 - Strategic Risk Nos. FO1.0350 and FO.0355;
- (3) Cycle 3: March 2009 - Strategic Risk Nos. FO1.0398 and FO1.0399.

The Committee then considered:-

- (1) the report of the Chief Executive on Strategic Risk No. FO1.0347 (The Council fails to meet its community leadership role) as set out in Annex B to the report. The Strategic Director, Customer Service and Resources agreed to circulate a copy of the Council's Partnership Protocol 2008 to all Members of the Committee;
- (2) the report of the Strategic Director, Customer Service and Resources on Strategic Risk No. FO1.0397 (Failure to have robust financial arrangements in place to deliver the Council's strategic agenda) as set out in Annex C to the report.

The Strategic Director, Customer Service and Resources agreed to (i) consider increasing the amount of information provided in the individual strategic risk reports submitted to this Committee; (ii) provide Members with details of the controls used to manage and monitor risks; (iii) investigate the practicalities of providing Member access to the Risk Register; and (iv) circulate details of the Briefing Note on the impact of the Icelandic banking situation on the Council's financial position which had formed part of the Member briefing held prior to the Council meeting on 20 October 2008.

The Committee agreed that Strategic Risk No. FO1.0398 (Failure to adapt to the economic issues and pressures in the District (Strategic Director, Planning, Housing and Economy)) should be brought forward from reporting Cycle 3 to Cycle 2 given the current economic situation.

RESOLVED

- (1) that the reports relating to the management of the strategic risks in Cycle 1, as set out in section 5.3 of the report, be approved;
- (2) that Strategic Risk No.FO1.0398 be brought forward from Cycle 3 to Cycle 2;
- (3) that no concerns be raised with the Executive at this time.

AC.29 THE COUNCIL'S RISK MANAGEMENT WORKING GROUP (RMWG)

Further to Minute No. AC.10 the Committee received a joint report of the Strategic Director, Customer Service and Resources and the Head of Exchequer which provided an update on the progress achieved by the recently formed Risk Management Working Group (RMWG) as part of embedding the risk management process across all levels of the Council.

The report detailed (i) the officer membership of the RMWG which was chaired by the Risk Management and Insurance Officer (the minutes of the first meeting held on

28 August 2008 had been circulated to all Members of the Committee); (ii) the work undertaken in encouraging staff in all business units to participate in the risk management process; (iii) the training carried out by the Risk Management and Insurance Officer for members of the RMWG and on the use of Magique (the Council's Risk Register); (iv) health and safety was part of risk management and was to be a standing item on all RMWG agendas; and (v) that RMWG Members were to ask their respective Heads of Service to include risk management as an item on all internal Team Meeting agendas; part of the embedding process was to listen to staff concerns so issues however minor could be addressed.

The Committee noted that RMWG meetings were to be held on 11 November 2008 and 9 February and 12 May 2009. The outcome of the RMWG meeting in November would be presented to the next meeting of this Committee on 17 December 2008.

RESOLVED that the report relating to embedding the work of the Risk Management Working Group be noted and no concerns be raised with the Executive at this time.

AC.30 **INTERNAL AUDIT PROGRESS REPORT 2007/08**

Further to Minute AC.7 the Interim Chief Internal Auditor submitted a report on progress on Internal Audit activity against the 2007/2008 Audit Plan for the period 1 April 2008 to date.

The Committee noted that the work on the Internal Audit Plan for 2007/2008 had been completed. There was no change to the Audit Opinion as a result of the completion of the outstanding work; details of the audits completed during the reporting period were submitted for information purposes.

RESOLVED that the progress report be noted.

AC.31 **INTERNAL AUDIT RISK ASSESSMENT AND AUDIT PLAN 2008/2009**

The Interim Chief Internal Auditor submitted the Internal Risk Assessment and Draft Operational Plan 2008/2009 for approval.

The Committee noted that in order to ensure that the Council's internal audit resources were effectively utilised use had been made of the current assessment of the most significant risks as part of the process for the preparation of the Annual Audit Plan 2008/2009. This approach was in line with current Internal Audit Standards and the CIPFA Code of Practice for Internal Audit in Local Government in the UK.

The Internal Audit Risk Assessment was a key factor in deciding how to allocate the resources available to internal audit. This ensured that resources were focused on the areas which could be of most benefit to the Council by providing assurance to this Committee and the management on controls over key risks. The document set out the key risks and the responses of the internal auditors.

The Committee was also reminded that during the current financial year an Interim Chief Internal Auditor had been appointed for the period ending on 31 March 2009. The intention after that date was to outsource the internal audit function; two members of the in-house internal audit team had left the Council during the year. This meant that an additional resource would be required to fulfil the Audit Plan and

PricewaterhouseCoopers was to provide this. The intention was to deliver the Audit Plan by the end of March 2009.

RESOLVED that the Internal Audit Risk Assessment and Draft Operational Plan for 2008/2009 be approved as submitted.

AC.32 INTERNAL AUDIT PROGRESS REPORT 2008/09

The Interim Chief Internal Auditor submitted a report summarising the progress made against the Internal Audit Plan for 2008/2009 (Minute No. AC.31 above also refers).

The Committee was aware that there had been a significant overrun in completing the Internal Audit Plan 2007/2008. This had resulted in limited activity in relation to the 2008/2009 Plan. The revised Internal Audit Plan approved under Minute No. AC.31 recognised the need to complete almost a full year's Internal Audit Plan in the remaining 5/6 months of the current financial year. The intention, as mentioned above, was to deliver the 2008/2009 Audit Plan by 31 March 2009 by utilising external resources which were to be provided by PricewaterhouseCoopers.

RESOLVED that the progress report be noted.

AC.33 INTERNAL AUDIT CHARTER

The Interim Chief Internal Auditor submitted the Internal Audit Charter for approval.

The Committee was advised that the CIPFA Code of Practice for Internal Audit in Local Government 2006 required the Council to formally define the purpose, authority and responsibility of internal audit; an Audit Strategy and Terms of Reference had been approved by the Committee at its meeting on 15 September 2007 (Minute No.22/07 refers). The submitted Internal Audit Charter sought to build on the Audit Strategy and Terms of Reference and to set out clearly the role of internal audit within the Authority. The Charter was to be communicated to all staff. The Charter would be reviewed regularly to ensure that it reflected current requirements.

The Committee in considering the Audit Charter asked the Interim Chief Internal Auditor to consider the inclusion in Section 5 (Authority) of (i) reference to reporting to the Chief Executive (and the Leader of the Council as appropriate) where an issue was serious enough to require that course of action and (ii) the need to call special meetings of the Accounts, Audit and Risk Committee again if the issue was serious enough to warrant such action. The Committee also agreed that reference should be included to the Fraud and Corruption Reporting Policy in Section 4 (Responsibility).

RESOLVED that, subject to the amendments referred to above, the Internal Audit Charter be approved.

AC.34 VERBAL UPDATES

The Committee received the following verbal updates on various matters which fell within its purview:-

- (a) **Corporate Governance**

The Strategic Director, Customer Service and Resources advised the Committee of the recommended Audit Commission scores relating to Use of Resources as part of the closedown of the accounts. The scores were very encouraging although they were still subject to moderation and would not be official until the New Year.

The Committee placed on record its congratulations to the Strategic Director, Customer Service and Resources and her team on the outcome of the provisional Use of Resources scores.

The Chief Accountant also advised Members that with regard to the accounts (i) a balance sheet had been prepared for September which had been reconciled although there were several matters which were subject to checking; and (ii) the accounts were to be subject to closedown in December and an update would be available for the meeting on 17 December. The intention was to reduce the period for the closedown of the accounts for the current (2008/2009) financial year by two weeks.

(b) VFM Review of Internal Audit

The Chief Accountant reported that the companies who had expressed an interest in tendering for the Council's internal audit service had submitted nine Pre Qualification Questions. Following this, arrangements had been made for a meeting of tenderers at Oxford City Council on 10 November 2008. This presented the opportunity for all interested companies to ask questions on matters relating to the procurement process for outsourcing the internal audit function; all companies would receive a copy of the relevant answers to all questions raised whether or not they were present at the meeting. The current timetable provided that the tender documents would be issued in December.

(c) Overview and Scrutiny

The Chairman of the Overview and Scrutiny Committee (Councillor John Donaldson) briefed Members on the scrutiny review of concessionary fares. The review was to be conducted in two phases. Phase 1 would look at the cost of concessionary fares to the Council. The conclusions of Phase 1 had to be reported to the Executive in December as part the 2009/2010 budget process. Phase 2 in early 2009 would look at the accuracy of financial claims from the bus companies which might be of interest to this Committee.

(d) Accounts, Audit and Risk Committee - Member Training

The Committee noted that a briefing session had been held on the requirements of the International Financial Reporting Standards (IFSA).

The meeting ended at 8.02 pm.

Agenda Item 6

**CHERWELL DISTRICT COUNCIL
ACCOUNTS, AUDIT AND RISK COMMITTEE**

17 DECEMBER 2008

REPORT OF STRATEGIC DIRECTOR – CUSTOMER SERVICE AND RESOURCES

EXTERNAL AUDIT REPORT

1 Introduction and Purpose of Report

- 1.1 The external auditor will provide Members of the Committee with reports on:-
1. Opinion Audit 2007/08; and
 2. Use of Resources 2007/08

2 Wards Affected

- 2.1 None

3 Effect on Policy

- 3.1 The content of the reports may lead Members to review policies if appropriate

4 Contact Officer(s)

- 4.1 Karen Curtin (Ext 1551).

5 Final Accounts Report 2007/08

- 5.1 The Code of Audit Practice requires that the Audit commission give an opinion on the Council's annual financial statements as well as document and test the core financial systems on which those statements are based.
- 5.2 The Audit Commission was able to issue an unqualified opinion and certificate on the statutory deadline of 30 September 2008. They commented that the quality of the accounts this year was a significant improvement on previous years and that this was reflected in a considerably lower number of amendments and issues arising. The report concludes that officers acted proactively in relation to previous years issues and that there was a strong focus on SORP compliance.
- 5.3 The Opinion Report is appended at Annex 1 and contains an agreed action plan at Annex 2 to deal with the issues identified.

6 Use of Resources 2007/08

- 6.1 The report is appended at Annex 3 and provides the detailed scores at both Theme and Key Line of Enquiry level. The report concludes that the Council has consolidated its

performance in a number of areas, particularly around financial management, financial standing and internal control. There has been improvement in financial reporting and achievement of value for money.

		Score 2007	Score 2008
KLOE 1	Financial Reporting	2	3
KLOE 2	Financial Management	3	3
KLOE 3	Financial Standing	3	3
KLOE 4	Internal Control	3	3
KLOE 5	Value for Money	2	3

- 6.2 The Council is preparing for the 2008/09 assessment which will form part of the Corporate Area Assessment and will be evaluated against new criteria.

7 Risk Assessment, Financial Effects and Contributions to Efficiency Savings

- 7.1 The following details approved by Karen Curtin (Ext 1551).

7.2 Risk assessment

The reports provide an independent, external assessment of the Council's performance in key areas of financial management. The findings will help inform and shape improvements in the Council's financial arrangements, reducing the risk of financial failings.

7.3 Financial effects

No direct expenditure effects but the reports will influence future financial management arrangements.

7.4 Efficiency savings

None

8 Recommendation

- 8.1 The Committee is Recommended to consider and accept
1. Final Accounts Report 2007/08; and
 2. the Use of Resources Report 2007/08

Background Papers:

- (a)

Use of Resources

Cherwell District Council

Audit 2007/08

Date

DRAFT

Contents

Introduction	3
Use of resources judgements	5
Theme summaries	6
Conclusion	13

DRAFT

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Introduction

- 1 The Use of Resources assessment evaluates how well councils manage and use their resources. This is the fourth assessment carried out at the council and is the last under the CPA framework. Next year there will be a new assessment which will form part of the Comprehensive Area Assessment. The assessment Use of Resources focuses on the importance of having strategic financial management, sound governance and effective financial reporting arrangements. These should support your Council in the achievement of its priorities and improving services, whilst delivering value for money.
- 2 This assessment relates to the financial year 2007/08 and is based on the key lines of enquiry for 2008. Changes to the criteria underpinning the key lines of enquiry were consulted on in April 2007 and the final key lines of enquiry were published in August 2007. These changes were made to:
 - reflect developments in professional guidance, legislative requirements and best practice; and
 - signal some of the changes proposed for the new use of resources under CAA, smoothing the transition to CAA.
- 3 The overall use of resources assessment is made up of five themes. Judgements have been made for each theme using the Audit Commission's scale, see Table 1 below. This scale is used across its inspection and performance assessment frameworks.

Table 1 Standard scale used for assessments and inspections

1	Below minimum requirements – inadequate performance
2	Only at minimum requirements – adequate performance
3	Consistently above minimum requirements – performing well
4	Well above minimum requirements – performing strongly

- 4 In forming our assessment, we have used the methodology set out in the Use of Resources Guidance for Councils 2008, which can be found on the Commission's web site. We have also taken account of our findings and conclusions from previous years' assessments and updated these for any changes and improvements to the Council's arrangements.
- 5 The five theme scores for Cherwell District Council are outlined overleaf. These scores are still subject to confirmation by our national quality control process. This seeks to ensure consistency across all suppliers and on a national basis. Consequently we are informing you that the scores reported here may change as a result of national quality control and should not be taken to be final. Following completion of national quality

control, the Commission will notify you of your Council's overall score for use of resources and supporting the theme scores. This is scheduled for 8 December 2008.

- 6 This summary sets out our key findings in relation to each theme and key areas for improvement.

DRAFT

Use of resources judgements

Table 2 Summary of scores at theme and KLOE level

Key lines of enquiry (KLOEs)	Score 2008	Score 2007
Financial reporting	3	2
1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.	2	1
1.2 The Council promotes external accountability.	4	3
Financial management	3	3
2.1 The Council's medium-term financial strategy, budgets and capital programme are soundly based and designed to deliver its strategic priorities.	3	3
2.2 The Council manages performance against budgets.	3	3
2.3 The Council manages its asset base.	3	3
Financial standing	3	3
3.1 The Council manages its spending within the available resources.	3	3
Internal control	3	3
4.1 The Council manages its significant business risks.	3	3
4.2 The Council has arrangements in place to maintain a sound system of internal control.	3	3
4.3 The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	3	3
Value for money	3	2
5.1 The Council currently achieves good value for money.	3	2
5.2 The Council manages and improves value for money.	2	2

Theme summaries

- 7 The key findings and conclusions for each of the five themes are summarised in the following tables.
- 8 Areas where performance could be strengthened have been highlighted as part of the key findings and conclusions. However focusing on these areas alone won't necessarily lead to an improved score for 2008/09. This is due to upcoming changes to the kloes to reflect the move from Comprehensive Performance Assessment (CPA) to Comprehensive Area Assessment (CAA).

Financial reporting

Theme score	
Key findings and conclusions	
Performance has shown a huge improvement and this is through the efforts of council officers and members to ensure that their accounts and reporting meet the standard required in the kloes.	
<p>KLOE 1.1 The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.</p>	<p>The overall quality of the accounts has improved. There were significantly less errors and the format of the accounts made them easier to follow.</p> <p>The authority demonstrated planning for and implementation of the new SORP requirements.</p> <p>There was good liaison running up to audit between audit and the authority ensuring that all the prior year issues were addressed.</p> <p>There was one amendment just below materiality which with a few other amendments kept this score down.</p> <p>The Council need to think through key events in the year and the impact that they will have on current and future financial statements to ensure that they have been properly accounted for.</p>
<p>KLOE 1.2 The Council promotes external accountability.</p>	<p>The annual report produced was strong and showed notable practice.</p> <p>Among the strengths was liaison with local residents and businesses.</p> <p>A summary of the report was provided to all</p>

Theme summaries

Theme score	
	<p>residents in a local magazine and a variety of formats are available on request.</p> <p>The council need to consider what more they can do to evidence and enhance community involvement ,especially liaison on finances. They then need to continue to demonstrate how they acted upon the feedback received.</p>

DRAFT

Financial management

Theme score	
Key findings and conclusions	
This kloe shows further embeddedness in 07/08. The council have managed their budget and asset base in line with the medium-term financial strategy.	
KLOE 2.1 The Council's medium-term financial strategy (MTFS), budgets and capital programme are soundly based and designed to deliver its strategic priorities.	<p>Service and financial planning showed another year of embeddedness in the areas of process, budget holder involvement and member involvement.</p> <p>The (MTFS) needs to be refreshed to reflect the current economic climate and relevant partnerships in line with corporate priorities.</p>
KLOE 2.2 The Council manages performance against budgets.	<p>The authority has a process in place for dealing with budget underspends. Budget underspends had decreased in 06/07 and these were further reduced in 0708.</p> <p>Major budget variances in the year were managed appropriately without an impact on services via good use of reserves and the MFTS.</p> <p>The Dash board budget monitoring system is now embedded and now provides quick and timely reporting.</p> <p>Although the partnership working group framework has been agreed, financial and governance monitoring of partnerships needs to be developed further .</p>
KLOE 2.3 The Council manages its asset base.	There is an updated Asset Management Plan which links the assets to the strategic objectives and corporate priorities. More needs to be done on the efficiency and effectiveness of assets to support decision making on investment and disinvestment in property.

Financial standing

Theme score	
Key findings and conclusions	
The council manages spending within available resources and has made appropriate use of reserves.	
KLOE 3.1 The Council manages its spending within the available resources.	The ongoing review of efficiencies and reallocation for budget throughout the year led to little underspend. Further challenge delivered on reserves and appropriate use of reserves Stronger information on income recovery and effectiveness now embedded with the financial management panel. Ongoing adjustments will be needed to assess the financial position due to the current change in interest rates and the effect on investments.



Internal control

Theme score	
Key findings and conclusions	
The council has a sound system of internal control, which has become more embedded in 07/08.	
KLOE 4.1 The Council manages its significant business risks.	<p>Good methodology to manage significant business risks.</p> <p>Strong IT support system</p> <p>The Strategic Risk Register is fully up and running and reviewed.</p> <p>There is a risk panel now developed as part of the Accounts, Audit and Risk committee focusing on the council's significant business risks.</p> <p>The Council needs to use the new Risk Management Group to further embed risk management within business processes.</p>
KLOE 4.2 The Council has arrangements in place to maintain a sound system of internal control.	<p>There was good early consideration of the Annual Governance statement by the Accounts, Audit and Risk committee.</p> <p>Establishment of panels to look at specific issues such as the accounts shows good challenge by members and a strengthening of the system of internal control.</p> <p>There is continuing work on partnerships from a framework and protocol being established to an Internal Audit review of significant systems relating to partnerships.</p> <p>The outsourced Internal Audit function is to be established.</p> <p>Looking to the future, more consistent and focused challenge from the Accounts, Audit and Risk Committee, that it has shown enthusiasm for, will enhance its impact.</p>
KLOE 4.3 The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	<p>New code of conduct brought in as required.</p> <p>An in-house monitoring system to review compliance has been brought in.</p> <p>Further work has been carried out on fraud through a data protection exercise, asset register review and a review of temporary</p>

Theme summaries

Theme score	
	staff. The Accounts, Audit and Risk committee needs to strengthen its role in terms of fraud and corruption now that the context of this role has been strongly laid out for them.

DRAFT

Value for money

Theme score	
Key findings and conclusions	
The Council has succeeded in demonstrating the improvement required to increase this headlining score.	
KLOE 5.1 The Council currently achieves good value for money.	<p>The Council has enhanced its management and understanding of VFM through improved corporate processes</p> <p>It has demonstrated high and improved value for money in priority areas such as waste, developments control, strategic housing and housing benefit.</p> <p>Cost reductions have been secured in central services.</p> <p>Best Value reviews in high cost areas have provided stronger information and understanding regarding the value for money of the services.</p> <p>Government Office for the South East (GOSE) recognised improvement in homelessness services.</p>
KLOE 5.2 The Council manages and improves value for money.	<p>A broad VFM action plan is being implemented across council however greater outcomes from this work need to be demonstrated at a service level.</p> <p>Greater outcomes need to be seen from the corporate procurement processes.</p> <p>Improvements in data quality arrangements need to be secured providing comprehensive and up to date information in all services areas.</p>

Conclusion

- 9 The Council's has consolidated its performance in a number of areas and then gone on to improve in other key areas particularly around financial reporting and the value for money conclusion. Notable practice has been agreed for the annual report recognising not only the user friendly format but also the wide circulation of the information and the notable methods of wider engagement such as liaison with local residents and business forums and also the opportunities for stakeholder feedback scattered throughout communications.
- 10 This has been a good year for the Council in terms of the Use of Resources assessment. The council is now turning its attention to the 2008/09 use of resources framework and needs to ensure that the new KLOEs and focus on outcomes are addressed.

Use of resources 2008/09

- 11 From 2008/09, the auditors' assessment of use of resources will be based on new key lines of enquiry and will form part of the new performance assessment framework for local government and its partners, known as Comprehensive Area Assessment (CAA).
- 12 Key lines of enquiry for use of resources were published in May 2008 following consultation. These reflect the needs of CAA and incorporate a number of improvements including: a clearer focus on value for money achievements and further emphasis on commissioning of services, outcomes for local people and partnership working.
- 13 The assessment is structured into three themes:
- managing finances: sound and strategic financial management;
 - governing the business: strategic commissioning and good governance; and
 - managing resources: effective management of natural resources, assets and people.
- 14 The approach to use of resources will continue to be risk based and proportionate, drawing on evidence from previous years where relevant. Not all key lines of enquiry in the managing resources theme will be assessed each year. For district councils, auditors will assess work force planning.
- 15 The Commission will specify each year in its annual work programme and fees document which key lines of enquiry will be assessed in that year.

Appendix 1 – Summary of Key Issues from Final Accounts and Interim Audits.

Table 1 Action Plan

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
Creditors It was found while performing a walkthrough on the creditors system, that purchase orders are not always being raised for the ordering of goods and services.	Raise purchase orders for all goods and services as it is part of the authority's procedures.	Low	Ongoing	Ruth Hopkins A reminder has been issued on 21/10/08 to all departments to reinforce the need for PO's. This will be monitored quarterly and further reminders will be issued where necessary.
The cheque payment run is not reviewed prior to cheques being printed and sent out.	Review and evidence the cheque payment run in order to ensure payments made are valid.	Medium	31 December 2008	Jessica Lacey Procedure to be reviewed and set up as per the BAC's run approvals
Car Parking The authority keeps a record of all car park tickets from the machines that are emptied by the external security firm. These tickets are numbered consecutively to provide	Follow up missing cash receipts from car park machines to provide assurance all income is accounted for.	Low	31 March 2009	Jo Harwood Procedure to be reviewed and track follow up

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
<p>an audit trail. However where gaps are noted in the monitoring document these are not followed up by the authority.</p>	<p>Risk of fraud if reasons for gaps in the monitoring spreadsheet are not investigated.</p>			
Council Tax				
<p>Although independent checks of the accuracy of the input of Band D Council Tax Rates to I-World were carried out for 2007/08, this was not evidenced.</p>	<p>Retain documentation to demonstrate that the input of Band D Council Tax rates is subject to an independent check of accuracy</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>Andy Taplin Procedure Update - supporting evidence is to be included in the annual billing procedure in the future.</p>
<p>Review of the final RRV411 run as part of the 2007/08 CTAX billing run identified that there were 486 items classified as "Unbanded without Request". Staff were not readily able to identify why there were this number of items or what the classification meant.</p>	<p>Review all accounts classified as "Unbanded without Request" and take appropriate action as required, (e.g. bill, delete account)</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>Andy Taplin Procedure update - the RRV411 report is to be checked for any discrepancies as part of the annual billing process.</p>
<p>The authority carries out checks on information processed on I-world by staff. However for work carried out in May 07 the checks weren't performed until Jan 08. The lack of timeliness of the checking reduces its value as any issues arising, e.g. incorrect processing are not promptly identified and addressed.</p>	<p>Ensure that sample checking of staff's work is carried out on a prompt basis</p>	<p>Medium</p>	<p>Ongoing</p>	<p>Andy Taplin These checks are time consuming and work is being carried out to make the process timelier. As and when issues are identified individuals are informed and training issues addressed.</p>

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
<p>National non-domestic rates</p> <p>Whilst we were informed that the input of NDR multipliers for 2007/08 onto I-World was subject to an independent check of accuracy, no supporting evidence to show this important check was prepared/retained.</p>	<p>Prepare/retain documentation to substantiate independent review of accuracy of input of NDR multipliers</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>Ray Cox Evidence of 2008/09 has been retained. This will be part of the annual billing process in the future.</p>
<p>Treasury Management</p> <p>Whilst we were informed that Counterparty confirmations received are checked to details of the loan, interest rate, etc. held on LOMAS, this check is not documented</p>	<p>Retain evidence of the check of LOMAS back to third party confirmations. This should show who did the check and what details were checked and results.</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>Karen Curtin Procedure to be reviewed and treasury management Manual to be amended accordingly.</p>
<p>Payroll</p> <p>There is no regular confirmation from budget holders about the names, grade, cost centre and salary of their staff. This increases the risk that payroll costs are inaccurate.</p>	<p>Ensure that budget holders confirm the pay of their staff on a regular basis. i.e. Six monthly</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>HR/Karen Curtin The details are checked annually as part of the budget process and the creation of the salary working papers. Procedure to be reviewed to consider a further review as part of 6 or 9 month projections and budget monitoring.</p>

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
<p>Bad Debt Provision</p> <p>The bad debt provision is zero on all debts under 60 days - this includes some items from debtors control and some debtors accruals 'provisional debtors'</p> <p>The reasoning for this is that the level of write offs at CDC is negligible but still unless collection is 100% they need to ensure that the BDP continues to reflect overall collection rates on new debts.</p>	<p>Keep under review the BDP and ensure that the zero BDP on new debts is justified.</p>	<p>Low</p>	<p>31 March 2009</p>	<p>Jessica Lacey Bad debt policy is reviewed annually and current circumstances relating to write offs and collection rates is used to evaluate BDP.</p>
<p>Community Assets</p> <p>Woodgreen leisure centre currently classed as a community asset.</p> <p>However this needs to be reassessed when it is developed and it becomes part of CDC services</p>	<p>Reassess classification of Woodgreen leisure centre when developed</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>Jessica Lacey This will be picked up as part of the asset review and ongoing asset register management. Liaison on PWC technical helpline and Audit commission prior to Closedown to agree treatment in light of expenditure relating to the pool.</p>

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
<p>Prior Year Amendments</p> <p>The Council had considered the appropriateness of prior year adjustments with the auditors prior to issuing the draft statements. However detailed consideration revealed that adjustments put through on the accounts were not FRS3 compliant</p>	<p>Ensure that all prior year amendments are FRS 3 compliant; either a change in accounting policy or a fundamental error in a prior year period that needs correcting</p>	<p>Medium</p>	<p>31 March 2009</p>	<p>Karen Curtin Noted – all further adjustments will fall within the 2 categories.</p>
<p>Impairment</p> <p>Impairments have been made on investments properties in the accounts, this entry is not allowed on the Whole of Government accounts return.</p>	<p>Resolve the appropriateness of charging impairment on investment properties.</p>	<p>Medium</p>	<p>31 January 2009</p>	<p>Jessica Lacey Noted – this will be reviewed as part of the trial closedown in December 2008 and procedures will be updated for the 2008/09 closedown.</p>
<p>Disclosure</p> <p>The disclosure of the exceptional items in the Income and Expenditure account was not fully SORP compliant. All items were put below the net cost of services line. Items that relate to specific service need to be disclosed separately, but just below the service line so that it is clear that the service does contain</p>	<p>Ensure that the disclosure of exceptional and extraordinary items is SORP compliant</p>	<p>Medium</p>	<p>31 May 2009</p>	<p>Karen Curtin Noted – all disclosures will be recorded as per SORP guidelines.</p>

Finding	Recommendation	Priority	Target Date	Response/Responsible Officer
<p>an exceptional item. Where exceptional items are not allocated to a particular service, this needs to be shown below the individual services but above the net cost of services line.</p>				
<p>Redundancy and Retirement costs, Due to the reorganisation future early retirement and redundancy costs have been incurred but not taken into account within the financial statements.</p>	<p>When accounts are compiled ensure that key events are appropriately reflected. For example the £1.3m or early retirement and redundancies,</p>	High	31 January 2009	<p>Karen Curtin Noted – any key events in 2008/09 will be reviewed as part of the December trial closedown and accounting treatment will be considered prior to Closedown and discussed as necessary with Audit Commission.</p>
<p>Whole of Government Accounts This was received close to the deadline and contained a number of errors which increased the time being spent on the work.</p>	<p>Ensure that the Whole of Government Accounts is provided on a timely basis and agree to the figures in the accounts.</p>	High	August 09	<p>Jessica Lacey An agreed timetable for the provision of the WGA will be agreed at the start of the audit. This will allow adequate time to complete and ensure a review period that will reduce the minor errors.</p>

Agenda Item 7

CHERWELL DISTRICT COUNCIL

ACCOUNTS, AUDIT AND RISK COMMITTEE

17 DECEMBER 2008

REPORT OF THE INTERIM CHIEF INTERNAL AUDITOR

INTERNAL AUDIT SUMMARY REPORT

1 Introduction and Purpose of Report

- 1.1 The purpose of this report is to provide the Committee with a report summarising progress made against the internal audit plan for 2008/09 which is being presented to this meeting for approval.

2 Wards Affected

- 2.1 All wards are affected.

3 Effect on Policy

- 3.1 None.

4 Contact Officer(s)

- 4.1 Chris Dickens (extension 7928)

5 Further Supporting Information

- 5.1 The report is produced to inform the Committee on internal audit activity in the current year up to the date of the Committee meeting. The report will give an update on reports issued and recommendations made as well as highlighting any issues that are considered appropriate to bring to the attention of the Committee.

6 Risk Assessment, Financial Effects and Contributions to Efficiency Savings

- 6.1 The following details approved by Chris Dickens (extension 7963):

6.2 Risk Assessment

The progress of the Audit Plan approved by this Committee is monitored as part of the Council's Performance Monitoring Framework. Any failures to not achieve the audit plan could result in a risk that independent assurance will not be provided on the internal control environment as required, and could be seen to undermine the effectiveness of the Internal Audit team. Failure to achieve the audit plan could lead to adverse comment from the external auditors. This risk has been assessed on the Council's risk register, entry number 0264.

6.3 Financial effects

There are no financial effects resulting from this report.

6.4 Efficiency savings

There are no efficiency savings resulting from this report.

9 Recommendation

- 9.1 The Accounts, Audit and Risk Committee is **RECOMMENDED** to consider this progress report and to make any comment that it considers necessary.

Internal audit
summary report
for Accounts,
Audit and Risk
Committee

December 2008



Contents

Section

1. Plan outturn	3
2. Reporting and activity progress	4
3. Summary of key risks	5
4. Other issues.....	6
Appendix One.....	7
Appendix Two.....	9
Appendix Three	10

1. Plan outturn

2008/09 Audit Plan

We have undertaken work in accordance with the 2008/09 Internal Audit Plan which was approved by the Accounts, Audit and Risk Committee at its meeting in October 2008.

An outturn statement detailing assignments undertaken and actual activity for the year is shown in Appendix One. This shows that we have now commenced a number of reviews and reports are now being issued either in draft or final. We have also begun planning in a number of reviews over the next couple of months. At present we have completed 129 days out of a total planned 287 (45%)

It is our intention to complete the full internal audit plan before the end of the financial year in order that the annual internal audit report can be produced in time to inform the Annual Governance statement (AGS). Future progress reports will continue to give an update on the percentage of the audit plan completed or commenced and will indicate whether or not the objective of completing the audit plan in year is likely to be achieved.

2. Reporting and activity progress

Final reports issued

The following reports have now been issued in Final.

- **08_09 5 Corporate Governance** – During the review we noted that the governance arrangements in the Council are sound; there are many examples of good governance arrangements when demonstrating compliance with the CIPFA framework. When surveyed, Members and Officers generally agreed or strongly agreed with the positive statements being posed in respect of corporate governance and are clear about the Council's priorities and desired outcomes; roles, responsibilities and decision taking and the Council has set a clear set of objectives that is driving improvement. Consequently, we have given a **GOOD** audit opinion for this area.

A copy of the final report will be available at the meeting for members to review.

Draft reports

Between the date of writing this report and the meeting of the Accounts, Audit and Risk Committee we expect to have issued the following reports in draft format:-

- 08-09 6 Establishment visits
- 08_09 7 Health and Safety
- 08_09 8 Civil Emergency Arrangements
- 08_09 16 Concessionary Travel
- 08_09 10 Debtors
- 08_09 11 Bank reconciliations
- 08_09 12 Cash collection (Cashiers)
- 08_09 18 NDR

Fieldwork commenced

Between the date of writing this report and the meeting of the Accounts, Audit and Risk Committee we expect to have commenced fieldwork in the following areas:-

- 08-09 13 Creditors
- 08_09 15 Housing Benefits
- 08_09 20 Data Quality
- 08_09 14 Council Tax
- 08_09 17 General Ledger

3. Summary of key risks

Overview

Our final reports include a number of recommendations and a breakdown of these can be found in Appendix Two, which summarises the risk ratings associated with each finding and recommendation. Further information is provided in the individual reports which can be produced in full if required. No high priority recommendations have been made to date.

4. Other issues

Other work performed

- Following comments made at the October meeting of the AAR Committee, the Internal Audit Charter has been updated to include reference to the Council's anti fraud and corruption arrangements and to the Chief Internal Auditor's reporting arrangements including access to the Chief Executive.
- We have produced a protocol document which covers the relationship between internal and external audit and how they contribute towards the overall assurance provided to the Council. This is now with the external auditors for their consideration and will be shared with the AAR Committee when finalised. The intention is for this protocol to be owned by the Council and for it to be applicable whoever is providing the internal or external audit service.
- Internal audit are currently completing a self-assessment against the CIPFA Code of Practice for Internal Audit in Local Government. When completed this will be shared with the external auditors and the AAR Committee.
- Future progress reports will include details of the Benefit Fraud Investigations (BFI) team's activity and also a recommendation tracking report, highlighting outstanding audit recommendations.
- A training session has been arranged for CDC Councillors on International Financial Reporting Standards (IFRS). This will take place in January and will be facilitated by an IFRS expert from PricewaterhouseCoopers. The session will be open to Councillors from other Oxfordshire authorities.

Appendix One

Planned activity	Planned days	Actual days	Status
1. Fundamental assurance			
OP1.1 General Ledger/ Fin. accounting	10	2	Fieldwork commenced
OP1.2 Debtors	10	8	Draft report
OP1.3 Creditor payments	5	1	w/c 8 th December
OP1.4 Payroll	10	2	w/c 5 th January
OP1.5 Budgetary Cont./ Fin. accounting	10	1	Terms of reference drafted
OP1.6 Council Tax	10	2	w/c 15 th December
OP1.7 National Non Domestic Rates	5	4	Draft report
OP1.8 Bank Reconciliations	10	8	Draft report
OP1.9 Cashiers	5	4	Draft report
OP1.10 Treasury Management	10	1	To be arranged
OP1.11 Housing Benefits	10	2	w/c 8 th December
OP1.12 Fixed Assets	10	1	w/c 2 nd February
OP1.13 IFRS Health check	5	1	To be arranged
OP1.14 VAT	10	1	To be arranged
OP 1.15 Risk management	10	1	To be arranged
OP 1.16 Governance	10	10	Final report
OP 1.17 Establishment visits	10	9	Fieldwork completed

Planned activity	Planned days	Actual days	Status
2. Operational system reviews – risk based assurance			
OP 2.1 Partnership working	10	0	To be arranged
OP 2.2 Insurance	5	0	To be arranged
OP 2.3 FOI and Data Protection	5	0	To be arranged
OP 2.4 Concessionary Fares	5	4	Draft
OP 2.5 Health and safety	10	8	Draft
OP2.6 ICT audits	25	2	Initial planning commenced
OP 2.7 Civil Emergency Planning	5	3	Fieldwork completed
OP 2.8 Performance Indicators	11	11	Final report
OP 2.9 Building Control fees	11	11	Final report
OP 2.10 Data Quality	5	1	w/c 15 th December

Planned activity	Planned days	Actual days	Status
4. Other			
OP 4.1 General follow up	10	3	To be arranged
OP 4.2 Audit Management	35	28	Ongoing
Total	287	129	

Appendix Two

Summary of recommendations (final reports only)

Assignment	High	Medium	Low	Total	Overall opinion
08_09 1 BVPI's	0	4	0	4	FAIR
08_09 4 Building Regulation Fees	0	0	6	6	N/A
08_09 5 Corporate Governance	0	0	7	7	GOOD
Total	0	4	13	17	

Appendix Three

Our assessment criteria are shown below:

Each of the issues identified has been categorised according to risk as follows:

Significance	
High	A significant and serious control weakness, which must be referred to the Internal Control Working Group via the Service Unit Manager's quarterly Assurance Statement on the effectiveness of internal control. Immediate action is required.
Medium	A weakness that could undermine the system of internal control and compromise its operation. Action is required as soon as possible.
Low	An improvement to comply with best practice or which offers efficiency savings. Action date to be agreed within a maximum of 12 months.

Overall opinion rating:

Level of assurance	Description
GOOD	Internal Audit can confirm that the significant risks in the areas reviewed have been identified and mitigated to an acceptable level, and that controls are robust and are operating effectively. Those charged with governance can gain substantial assurance on the effectiveness of the internal control environment.
FAIR	Internal Audit can confirm that whilst overall controls are operating at an acceptable level in the areas reviewed, there is still further scope for improvement in either the application or operation of some controls or the identification and mitigation of risks. Those charged with governance can gain moderate assurance on the effectiveness of the internal control environment.
WEAK	Internal Audit can confirm that either there are significant weaknesses in the application or operation of some controls in the areas reviewed, or that there are significant risks which have not been identified or mitigated to an acceptable level. Those charged with governance can gain limited assurance on the effectiveness of the internal control environment.

Agenda Item 8

CHERWELL DISTRICT COUNCIL

ACCOUNTS, AUDIT AND RISK COMMITTEE

17 DECEMBER 2008

REPORT OF THE STRATEGIC DIRECTOR - CUSTOMER SERVICE & RESOURCES AND THE HEAD OF EXCHEQUER

REVIEW OF STRATEGIC RISKS

1 Introduction and Purpose of Report

- 1.1 To update the Committee on the management of the Council's Strategic Risks in accordance with the approved rolling reporting Cycle.

2 Wards Affected

- 2.1 All wards.

3 Effect on Policy

- 3.1 None.

4 Contact Officer(s)

- 4.1 Rosemary Watts (extension 1566)

5 Background Information

- 5.1 At its meeting on 2 April 2007, the Executive approved a proposal that the Accounts, Audit and Risk Committee should receive and consider a report on the management of strategic risks as a standing item on the agenda of each of their meetings and should report any concerns arising to the Executive.
- 5.2 At its meeting on 16 April 2008, the Corporate Management Team re-considered the Council's Strategic Risks originally identified in 2007/2008 and a number were re-allocated to senior management to monitor and review. With new risks identified, this left six high level Strategic Risks for the Corporate Management Team to monitor and review.
- 5.3 The Accounts Audit & Risk Committee approved the revised planned Cycle for reporting to during 2008-2009 at its meeting on 28 May 2008 as detailed below:
- Cycle 1 : September 08 - Strategic risk numbers F01.0397; F01.0347
Cycle 2 : December 08 - Strategic risk numbers F01.0350; F01.0355
Cycle 3 : March 09 - Strategic risk numbers F01.0398; F01.0399
- 5.4 However, at its meeting on 27 October 2008, the Accounts Audit & Risk Committee (Reserve) agreed that Strategic Risk No. FO1.0398, "Failure to adapt to the economic issues and pressures in the District" should be brought forward from reporting Cycle 3 to Cycle 2 given the current economic situation.

5.5 This report therefore provides an update on the management and review of the Council's strategic risks in Cycle 2 and F01.0398 from Cycle 3.

6 Strategic Risks

6.1 Using a 5 x 5 matrix, the strategic risk owners score each of the strategic risks for both 'gross' and 'net' likelihood and impact (i.e. *gross* = before considering any controls or mitigating factors which may already be in place; *net* = after considering the existing controls and mitigating factors).

The current results of this quarterly reviewing / scoring exercise of strategic risks are attached (Annex A).

6.2 The Council operates a '*red, amber, green*' or 'RAG' system to classify its risks. The summary at Annex A indicates that :

- there are 2 strategic risks with a **red gross risk score**, and **4 with amber gross risk scores**
- all 6 strategic risks currently have **amber net risk scores**.

7 Risk Assessment, Financial Effects and Contributions to Efficiency Savings

7.1 The following details approved by Karen Curtin, Chief Accountant, 01295 221551 and Rosemary Watts, Risk Management & Insurance Officer, 01295 221566.

7.2 Risk assessment

There are no direct risks associated with this report. However, if strategic risks are not regularly monitored and reviewed there is a danger of the Council not achieving its corporate objectives and receiving a poor Use of Resources assessment.

7.3 Financial effects

None resulting directly from this report.

7.4 Efficiency savings

None resulting directly from this report.

8 Recommendation

8.1 The Accounts, Audit and Risk Committee is **RECOMMENDED** to: consider and approve the reports relating to the management of the strategic risks in Cycle 2 and F01.0398 from Cycle 3 , set out in section 5.3 of this report, reporting any concerns arising to the Executive.

Ref	Risk Detail	Risk Owner	Due Date	Gross Impact	Gross Likelihood	Gross Risk	Gross Score	Net Impact	Net Likelihood	Net Risk	Net Score
F01	Strategic Risks										
	Strategic Risks										
0347	<p>Council fails to deliver its community leadership role</p> <p>Changes resulting from Local Government White Paper and new emphasis on improved 2 tier working fail to deliver the best outcome for local residents and other stakeholders in terms of improved service and/or increased efficiencies.</p>	CEO/Comm & Corporate Planning Manager	19/12/08	3 Moderate	5 Highly Probable	Medium	15 3 Moderate	3 Possible	3 Possible	Medium	9
0350	<p>Failure to deliver fair and equitable access to services to everyone (SDEC)</p> <p>Failure to deliver fair and equitable access to services to everyone and meet legislative requirements and CPA expectations re equality and accessibility</p>	SD Environment & Community	18/03/09	3 Moderate	3 Possible	Medium	9 3 Moderate	2 Unlikely	2 Unlikely	Medium	6
0355	<p>Failure to demonstrate continuous improvement/meet public expectations for a cleaner</p> <p>Failure to demonstrate continuous improvement and to meet public expectations for a cleaner District.</p>	SD Environment & Community	16/03/09	4 Major	3 Possible	Medium	12 4 Major	2 Unlikely	2 Unlikely	Medium	8
0397	<p>Failure to have robust financial arrangements in place to deliver the Council's Strategic Agenda</p> <p>As the Council's available capital reduces with investment so must our dependency on interest to support revenue expenditure and our capital assets will need to be rebuilt to fund future infrastructure investments,</p>	SD Customer Services & Resources	17/12/08	4 Major	4 Probable	High	16 3 Moderate	3 Possible	3 Possible	Medium	9

Ref	Risk Detail	Risk Owner	Due Date	Gross Impact	Gross Likelihood	Gross Risk	Gross Score	Net Impact	Net Likelihood	Net Risk	Net Score
0398	<p>Failure to adapt to the economic issues and pressures in the District (SD PHE)</p> <p>General economic conditions create a more or less favourable backdrop to Council activities.</p>	Strategic Director (PHE)	20/03/09	4 Major	4 Probable	High	16 3	Moderate	4 Probable	Medium	12
0399	<p>Failure to adapt to social issues and pressures in the District (SDEC)</p> <p>Failure to understand the needs and issues facing the Council's diverse communities and lack of effective engagement with hard-to-reach groups. Failure to fulfil the community leadership role in the event of a significant social issue (eg closure of large employer in the district, review of healthcare provision, etc)</p>	Strategic Director Environment & Community	16/03/09	4 Major	3 Possible	Medium	12	2 Minor	3 Possible	Medium	6

Page 43

Number of Risk : 6

CHERWELL DISTRICT COUNCIL

STRATEGIC RISK REPORT TO THE ACCOUNTS, AUDIT AND RISK
COMMITTEE

17 DECEMBER 2008

Risk No: F01.0398	Failure to adapt to the economic issues and pressures in the District
Risk Category:	S2. Economic
Responsible Officer	Strategic Director Planning, Housing & Economy
Risk last reviewed:	Autumn 2008
Risk detail	General economic conditions create a more or less favourable backdrop to Council activities
Any amendment to the nature of the risk?	No
Consequence	Not applicable
Gross rating before controls	Severity 4 (Major) x Probability 4 (Probable) = 16 (Red)
Control descriptions in full, with details of the effectiveness of each control:	<p>The Council works in partnership on immediate and longer term economic development issues. The details of the partnership approach are set out in the Economic Development Strategy. This is “owned” by both the Cherwell Community Planning Partnership and the Council. It also links to the work of the formal South East Economic Development Agency (SEEDA) through its recognised sub regional partnership body (Oxfordshire Economic Development Partnership).</p> <p>This partnership work can have only limited “control” over the influences of global and national economic change on the local economy and our services. The focus has to be on realistic adjustment or mitigation.</p> <p>There are also organisation specific controls applied by the Council at service / business level - in the form of performance management reporting and detailed service and financial planning processes and actions.</p>
Any changes to the controls?	No
Net rating after controls	Severity 3 (Moderate) x Probability 4 (Probable) = 12 (Amber)
Report of the Strategic Director Planning, Housing & Economy:	<p>Circumstances in respect of external economic conditions have changed dramatically since previous reports on this risk.</p> <p>There are some significant impacts on the Council’s services and performance that are now being reported in detail in service and financial planning and performance reports.</p>

	<p>In summary:</p> <ul style="list-style-type: none"> • Inflation impacts are changing • Costs in some areas are rising • Income in some areas is declining • There are serious impacts in the housing, property development/regeneration and waste disposal/recycling sectors <p>The local economy is also showing impacts, with unemployment, insolvency and benefits claims evident.</p> <p>The situation needs to be carefully monitored. Some significant strategy changes will be needed. National policy changes will be the key trigger if significant action is to be taken locally. Opportunities in this respect will emerge gradually.</p> <p>Executive has received full reports on budget and specific service issues for CDC.</p> <p>CCPP will be considering a report on Economic Development Strategy responses in February 2009.</p> <p>Executive will be examining emerging housing issues in January 2009.</p>
Signature & Date:	John Hoad 03.12.08

CHERWELL DISTRICT COUNCIL

STRATEGIC RISK REPORT TO THE ACCOUNTS, AUDIT AND RISK COMMITTEE

17 DECEMBER 2008

Risk No: F01.0355	Failure to demonstrate continuous improvement and to meet public expectations for a cleaner District
Risk Category:	S6. Environmental
Responsible Officer	Strategic Director Environment & Community
Risk last reviewed:	December 2008
Risk detail	Failure to demonstrate continuous improvement and to meet public expectations for a cleaner District
Any amendment to the nature of the risk?	None
Consequence	Lower and declining levels of customer satisfaction and failure to deliver a strategic priority.
Gross rating before controls	Severity 4 (Major) x Probability 3 (Possible) = 12 (Amber)
Control descriptions in full, with details of the effectiveness of each control:	<p>The Service has received additional investment initially of £50,000 per annum in 2005/06 increasing to a total of over £250,000 per annum by 2008/09. This was in response to concerns of residents, Neighbourhood Action Groups and local businesses and has resulted in the following actions:</p> <ul style="list-style-type: none"> ▪ extended cleaning hours – starting earlier and finishing later including weekends ▪ increased village cleans to three times a year ▪ targeted Blitz activity – by neighbourhood area and in the winter months ▪ additional chewing gum & graffiti removal ▪ 2 additional litter enforcement staff ▪ introducing on-street recycling bins. <p>The increased investment has already resulted in improved performance. Customer satisfaction has continued to increase since 2003/04, with satisfaction up 11% to 72% in the 3 yearly national survey (conducted in 2006/07) and up 7% across the Council's three Annual Satisfaction Surveys rising to 66% in 2008 from 59% in 2006.</p> <p>The performance of the service is captured through the Council's PMF. Most of the above initiatives contribute directly to the retained BVPIs and the new NIs</p>
Any changes to the controls?	Additional actions arising from the VFM Review Improvement Plan and captured through the PMF
Net rating after controls	Severity 4 (Major) x Probability 2 (Unlikely) = 8 (Amber)
Report of the Strategic Director	The Council's street cleansing service is at the embryonic stage of the improvement cycle. This service has a

<p>Environment & Community:</p>	<p>significant contribution to make between now and 2011/12 in helping the Council achieve its aim to “Keep streets and open spaces clean and free from litter, graffiti and abandoned vehicles and well maintained”. In particular, this service has a target of delivering an increase in customer satisfaction to 72% by 2011/12, measured by the annual satisfaction survey, which is an ambitious target and would be a most significant achievement for this Council on behalf of its residents and business community.</p> <p>It is against this backdrop that the VFM Review recommended that the Council should seek to maintain its current level of investment, and continually improve the productivity and performance it is getting for that investment. An Improvement Plan is now in place which introduces further 2008 and 2009 actions whilst maintaining current levels of resource and is intended to maintain the trend of continuous improvement in service performance and customer satisfaction.</p>
<p>Signature & Date:</p>	<p>Ian Davies, 2 December 2008</p>

CHERWELL DISTRICT COUNCIL

STRATEGIC RISK REPORT TO THE ACCOUNTS, AUDIT AND RISK
COMMITTEE

17 DECEMBER 2008

Risk No: F01.0350	Failure to deliver fair and equitable access to services to everyone
Risk Category:	S6. Environmental
Responsible Officer	Strategic Director Environment & Community
Risk last reviewed:	December 2008
Risk detail	Failure to deliver fair and equitable access to services to everyone and meet legislative requirements and CPA expectations regarding equality and accessibility
Any amendment to the nature of the risk?	None
Consequence	Unfairness to individuals and communities regarding access to services. Challenge by a member of public who is disadvantaged by the Council's policies and/or services.
Gross rating before controls	Severity 3 (Moderate) x Probability 4 (Probable) = 12 (Amber)
Control descriptions in full, with details of the effectiveness of each control:	<p>The Council has already agreed its Equality and Diversity Policy. This is supported by six strategies for Race, Disability, Age, Gender, Sexual Orientation and Faith. It is the combination of these strategies and the policy document that forms the Council's Corporate Equality Plan.</p> <p>In 2008, all services have undertaken an equality and diversity screening. Arising from this, the need for 40 full Equality Impact Assessments have been identified and it is these which are now underway. The achievement of the national Equality level 3 out of 4 requires three year action plans for each of the six strategies. These action plans will be derived from the actions arising from the Equality Impact Assessments for services. These are planned to be completed by the last quarter of 2008/09.</p> <p>The actions arising from these service assessments will form part of annual Service Plans which in turn are monitored through the Council's PMF.</p>
Any changes to the controls?	None
Net rating after controls	Severity 3 (Moderate) x 2 (Unlikely) = 6 (Green)
Report of the Strategic Director Environment & Community:	The recent CPA re assessment process highlighted the Council's approach to equality and response to diversity as a potential weakness. In particular, the degree of embeddedness and effectiveness across the Council was questioned. However, when providing evidence of

	<p>achievement to the CPA inspectors, it was clear that there were many excellent examples from across most Council services that the application of equality was undertaken routinely in response to the District's diverse communities and the differing needs.</p> <p>The evidence gathering and presentation of information for CPA purposes did highlight a number of small weaknesses which are being addressed eg routine reporting and member involvement.</p> <p>An Equality and Access Advisory Panel consisting of community representatives of hard to reach groups has been set up to act a sounding board for the equitable delivery of Council services. This Panel has already proved very valuable in contributing to the outcomes from the Equality Impact Assessments.</p> <p>The thorough approach to the Equality Impact Assessments combined with the established policy framework and consultation mechanism means that the Council has a systematic approach to the delivery of fair and equitable access to services to everyone supported by a track record to demonstrate it actually delivers.</p>
Signature & Date:	Ian Davies, 2 December 2008

Agenda Item 9

CHERWELL DISTRICT COUNCIL

ACCOUNTS, AUDIT & RISK COMMITTEE

17 DECEMBER 2008

REPORT OF THE STRATEGIC DIRECTOR CUSTOMER SERVICE & RESOURCES AND THE HEAD OF EXCHEQUER

RISK MANAGEMENT STRATEGY

1 Introduction and Purpose of Report

- 1.1 To provide Members of the Accounts, Audit and Risk Committee with an updated Risk Management Strategy for the Council for 2009 -2010.

2 Wards Affected

- 2.1 All wards are affected.

3 Effect on Policy

- 3.1 None.

4 Contact Officer(s)

- 4.1 Rosemary Watts (Ext 1566)

5 Further Supporting Information

- 5.1 The existing Risk Management Strategy was endorsed by the Accounts, Audit & Risk Committee on 19 December 2007 and adopted by the Executive on 2 June 2008.

- 5.2 It is good practice to review such strategies annually and to update them where necessary. A suggested Risk Management Strategy is attached at Appendix A, which reflects current practice and the advances the Council has made in seeking to further embed risk and opportunity management.

6 Risk Assessment, Financial Effects and Contributions to Efficiency Savings

- 6.1 The following details are approved by Rosemary Watts (Ext 1566) and Karen Curtin (Ext 1551)

6.2 Risk assessment

Risk Management is a fundamental part in the successful management of any organisation and forms a key element in the Audit Commission's Use of Resources Assessment of the Council. A failure to regularly review and update the Council's Risk Management Strategy could result in adverse comments from the Audit Commission and impact negatively on their assessment of the Council.

Financial effects

6.3 There are no direct financial effects arising from this report. Any implications arising from the need to further embed risk management are being met from within existing budgets.

6.4 Efficiency savings
There are no efficiency savings resulting from this report.

7 Recommendation

7.1 The Accounts and Audit Committee is **RECOMMENDED** to endorse the updated Risk Management Strategy and to recommend it to the Executive for adoption.

1. Introduction

The purpose of this document is to outline an overall approach to risk management that addresses the risks facing the Council in achieving its objectives, and which will facilitate the effective recognition and management of such risks.

Risk management will be embedded within the daily operations of the Council, from strategy and policy formulation through to business planning and general management processes. It will also be applied where the Council works in partnership with other organisations, to ensure that partnership risks are identified and managed appropriately.

Through understanding risks, decision-makers will be better able to evaluate the impact of a particular decision or action on the achievement of the Council's objectives.

Risk management will not focus upon risk avoidance, but on the identification and management of an acceptable level of risk. It is the Council's aim to proactively identify, understand and manage the risks inherent in our services and associated with our plans, policies and strategies, so as to support responsible, informed risk taking and as a consequence, aim to improve value for money. The Council will not support reckless risk taking.

Risk management is increasingly recognised as being concerned with both the positive and negative aspects of risk; that is to say opportunities as well as threats.

This strategy therefore applies to risk from both perspectives.

2. Objectives of the Strategy

- To maintain a risk register that identifies and ranks all significant risks facing the Council, which will assist the Council achieve its objectives through pro-active risk management,
- To rank all risks in terms of likelihood of occurrence and potential impact upon the Council,
- To allocate clear roles, responsibilities and accountability for risk management,
- To facilitate compliance with best practice in corporate governance, which will support the Annual Governance Statement which will be issued with the annual statement of accounts,
- To raise awareness of the principles and benefits involved in the risk management process, and to obtain staff and Member commitment to the principles of risk management and control.

3. Assessment and Review

This will involve consideration of all potential risks facing the Council, with risks broken down into strategic risks which could impact on the achievement of the Council's objectives, corporate risks which could impact across more than one service, and service risks which could impact upon the ability of service units to deliver their services or to achieve their service objectives.

All risks will be clearly defined together with the controls that currently exist to manage them. Consideration of the adequacy of the present control system will avoid duplication of resources as several of the identified risks may already prove to be effectively controlled.

It is important that the internal systems and procedures in place are adequate to manage the identified risk. Where control weaknesses are identified, these should be noted so that action can be taken to remedy such weaknesses.

The risk register will be reviewed and updated at least on a quarterly basis.

The Internal Audit section will focus audit work on significant risks, as identified by management, and will audit the risk management process across the whole Council to provide assurance on its effectiveness.

The Council will seek to learn from other organisations where appropriate, and to keep up to date with best practice in risk management.

4. Risk Ranking

All risks will be rated for the likelihood that they may occur and their potential impact. This will allow for risks to be ranked and prioritised, as not all risks represent equal significance to the Council.

5. Action Plan

Once risks have been identified and ranked, the next step is to control and manage them. This will involve the consideration of cost-effective action, which will be judged against risk rankings. The proposed action to be taken will then be mapped against the specified risk together with an implementation date, and a named person will be designated as responsible for 'owning' the risk.

6. Risk Appetite

The Council will use risk management to add value. It will aim to achieve a balance between under-managing risks (i.e. being unaware of risks and therefore having little or no control over them), and over-managing them (i.e. an obsessive level of management and control which could stifle innovation and creativity).

Appropriately managed and controlled risk-taking and innovation will be encouraged where it is in furtherance of the Council's objectives.

7. Managing Risk & Opportunity Handbook

The Council has established and will regularly update the Managing Risk & Opportunity handbook which sets out its detailed approach to risk management, and the processes and procedures to be followed.

8. Benefits of Risk Management

- Awareness of significant risks with priority ranking assisting in the efficient control of the risks,
- Recognition of responsibility and accountability for risks and associated existing controls and any actions required to improve controls,

- An aid to strategic and business planning,
- Identification of new opportunities,
- Action plan for the effective management of significant risks,
- An aid in effective partnership working.

9. Accountability

There will be clear accountability for risks. This will be achieved through an annual public statement on risk management, an Annual Governance Statement signed by the Chief Executive and the Leader of the Council, and by making the Council's risks and risk management process open to regular Internal Audit and external inspection (e.g. by the Audit Commission as the Council's external auditors).

The Accounts, Audit and Risk Committee will be responsible for monitoring the Council's risk management arrangements, for undertaking an annual review of this Strategy to ensure it remains current and up to date and reflects current best practice in risk management, and for making recommendations to the Executive if it is considered that any improvements or amendments are required.

Members of the Executive will be briefed regularly to ensure they are aware of significant risks affecting their portfolios and any improvements in controls which are proposed.

A Risk Management Improvement Group and Risk Management Working Group will meet regularly to ensure that risk management processes are being applied consistently, to promote risk management throughout all departments and to ensure continuous improvement in risk and opportunity management.

Councillor James Macnamara
Resources Portfolio Holder and
Member Risk Champion

Julie Evans
Strategic Director Customer
Services & Resources and
Officer Risk Champion

[To be Approved by the Executive January 2009]

CHERWELL DISTRICT COUNCIL

ACCOUNTS, AUDIT AND RISK COMMITTEE (RESERVE)

17 DECEMBER 2008

REPORT OF THE STRATEGIC DIRECTOR - CUSTOMER SERVICE & RESOURCES AND THE HEAD OF EXCHEQUER

THE COUNCIL'S RISK MANAGEMENT WORKING GROUP (RMWG)

1 Introduction and Purpose of Report

- 1.1 To update the Committee on the progress being made by the Risk Management Working Group (RMWG).

2 Wards Effected

- 2.1 All wards.

3 Effect on Policy

- 3.1 None.

4 Contact Officer(s)

- 4.1 Rosemary Watts (extension 1566)

5 Background Information

- 5.1 Until April 2008, the Risk Management & Improvement Group (RMIG) was Chaired and led by a single Strategic Director, with the remainder of the group being in the main, Heads of Service.
- 5.2 As the Council strives to continuously improve, it recognises that within our dynamic environment more effective risk management requires a reporting and review structure that ensures that risks are effectively identified and assessed and that appropriate controls and responses are put in place quickly.
- 5.3 The Corporate Management Team (CMT) has responsibility for determining the strategic direction of the Council and for creating the environment and the structures for risk management to operate effectively. In April 2008, CMT proposed to lead RMIG itself in order to embed risk management further across the whole of the Council. This was endorsed by the Accounts, Audit and Risk Committee on 28 May 2008.

5.4 CMT further proposed that a Risk Management Working Group (RMWG) should be formed to assist them with the continued embedding process. This again was endorsed by the Accounts, Audit and Risk Committee on 28 May 2008. The Risk Management & Insurance Officer is required to report to CMT on a quarterly basis.

5.5 Chaired by the Risk Management & Insurance Officer, RMWG is made up of officers below Head of Service level and from a wide range of business units:

Rosemary Watts (Chair)	Risk Management & Insurance Officer
Dave Bennett	Corporate Health & Safety Manager
Liam Didcock	Senior Recreation Facilities Officer
Tim Green	Landscape Officer
Jaqui Hurd	Customer Services Manager
Barrie Smith	Health & Safety Manager, Thorpe Lane Depot
Ros Holloway	Payroll & Performance Manager
David Hanger	Principal Engineer
Gillian Butterworth	Communications Administrator
Pauline McCreadie	Local Transport Co-ordinator
Sean Currell	Caretaker
Sarah Woodman	Assistant Building Surveyor
Liz Maule	Management Support Officer Finance/Exchequer
Steve Davis	Vehicle Parks & Town Warden
David Wade	Corporate Facilities Manager
James Burge	Loader, Thorpe Lane Depot

6 Risk Management Working Group (RMWG)

6.1 RMWG members are maintaining a communications network that facilitates free flow of information and promotes risk awareness amongst the business units. It is envisaged that a robust risk aware culture will be successfully and firmly established by encouraging staff at all levels across the organisation to participate in the risk management process.

6.2 The enthusiasm of group members continues to be very encouraging. They are aware that Members and CMT need them to assist with the risk management embedding process, which must be established across the Council and at all levels.

6.2 The RMWG met again on 11 November 2008. The notes of that meeting are attached (Annex 1). They are also available on the Council's intranet. Jerry Fox, Risk & Insurance Consultant at Zurich Municipal, attended the meeting to offer advice and support and with renewals in mind, to ascertain how well the Council is progressing with the risk management embedding process. I am pleased to report that he was impressed with progress to date, which will hopefully reflect in the £% rates applied to sums insured on 1 April 2009.

The Group watched a 20 minutes training video ('Risk Maker – Risk Taker') which highlighted real events where risks had not been identified or had been managed inappropriately - tourist couple lost at sea; enquiry launched in patient deaths; shoppers injured in stampede; lives lost in a refinery explosion; demolition goes badly wrong; Concorde grounded after disaster.

6.4 In September 2009, the Risk Management & Insurance Officer gave group members individual training on the use of Magique (the Council's Risk Register) and the risk management process as a whole. They were asked to discuss departmental risks with

colleagues, line managers and Heads of Service. Risks identified on Magique were the starting point for this ongoing exercise.

- 6.5 Group members have asked their Heads of Service to include risk management as an agenda item at team meetings, perhaps using brain storming sessions as a means of identifying potential areas of concern. Part of the embedding process is to listen to staff concerns and so issues raised by staff, however minor, need to be addressed by management.
- 6.6 The Risk Management & Insurance Officer has already been invited to attend some team meetings to assist RMWG members promote risk awareness amongst colleagues. Both she and the Health & Safety Officer continue to offer support to group members and officers.
- 6.7 Health & Safety is part of the risk management process and is an agenda item at every RMWG meeting. The Corporate Health & Safety Manager arranged a health & safety training workshop for group members on 26 September 2008, covering the structure of the Council, Health & Safety awareness in general, induction procedures, work station assessments, workplace inspection sheets, RIDDOR and the reporting of accidents. A similar workshop will follow in January 2009 to cover those group members who were unable to attend the September session.

7 Future Risk Management Working Group Meetings

- 7.1 Future RMWG meetings are arranged for 10 February 09 and 12 May 09. Meetings will include further risk management and health & safety training, and will provide a forum for open and frank discussion on risk management issues and concerns raised by staff. The main agenda item for 10 February 2009 will be a presentation on Corporate Fraud.

Risk Assessment, Financial Effects and Contributions to Efficiency Savings

The following details approved by Karen Curtin (Ext 1551) (Financial) and Rosemary Watts (Extension 1566) (Risk).

Risk assessment

There are no direct risks associated with this report. However, if risk management is not embedded throughout the Council there is a danger of the Council not achieving its corporate objectives and receiving a poor Use of Resources assessment.

Financial effects

None resulting directly from this report.

Efficiency savings

None resulting directly from this report.

Recommendation

The Accounts, Audit and Risk Committee is **RECOMMENDED TO:** consider and approve the report relating to the embedding work of the Risk Management Working Group, reporting any concerns arising to the Executive.

Notes from meeting held on 11 November 2008

Present Rosemary Watts (Chair), David Bennett, Steve Davis, Barry Smith, Liam Didcock, Tim Green, Jacqui Hurd, Gillian Butterworth, Sean Currell, Sarah Woodman, Liz Maule, James Burge
 Guest: Jerry Fox, Risk & Insurance Consultant, Zurich Municipal

Apologies David Wade, David Hanger, Pauline McCreadie

ACTION

Rosemary welcomed James Burge to the group. James is a loader working on the freighters for Environmental Services. She also welcomed Jerry Fox of Zurich Municipal to the meeting. Jerry and Rosemary are already discussing 2009 -2010 insurance renewals and good risk management practices can favourably affect future premiums. Zurich Municipal offers a certain amount of risk management support as part of its insurance package and Jerry wanted to see where best this could be utilized in the future.

08/10 **Minutes of last meeting.**
 Agreed

08/11 **Accounts, Audit & Risk Committee (AARC) Meeting**
 A copy of the minutes from the meeting on 28 August 2008 had been presented to the AARC Committee Meeting on the 27 October 2008. Members welcomed the report and thanked the Working Group for helping to ensure risk management was being embedded in the day to day operations of the Council.

The minutes of today's meeting will be presented to the Committee on 17 December 2008.

08/12 **Report to Corporate Management Team 17 September 2008**
 Rosemary reported progress to CMT on 17 September 2008. The CEO and Strategic Directors had also passed on their thanks to the Group for the work they are undertaking in their own departments. Rosemary will issue a further report to CMT after today's meeting.

08/13 **Reports from Group Members/Areas of Concern**
 Rosemary thanked those group members who had invited her along to All team meetings since the last meeting. She and David Bennett are keen to be invited to all departments over the next few months to discuss risk management and any health & safety issues.

Members had prepared short reports covering areas of success or concern in their own departments. The group went on to discuss a number of these issues. It was agreed that communication is crucial to managing risks. We need to get out of the 'silo' mentality and consider what effect our actions have on other departments. The lead

should come from CMT, but communication is a two way process.

Communications – Gillian Butterworth has discussed risks with her colleagues. They had not identified many risks, but the main one would be to the reputation of the Council. Jerry Fox explained and gave examples of how important it is for Councils to nip inaccurate or mischievous stories in the bud. Proactive management of reputation risks is essential.

Car Park Wardens' Office – at the last meeting Steve Davis identified a risk regarding the collection of cash from public conveniences. Solutions are still being considered by Internal Audit. Steve had also raised concerns about the Fire Log at the Car Park Wardens' Office being out of date (testing fire alarms and emergency lighting). Dave Bennett has dealt with this oversight.

Annual PAT testing is being undertaken. Members were unsure whether their departments keep up-to-date inventories of electrical equipment. They were asked to remind staff that electrical equipment needs to be taken out of locked cupboards to allow the electrician access. They were asked to check equipment in their own departments to ensure none had been missed.

All

Urban and Rural Services – Tim Green had discussed risk issues with all three Teams and a number of new risks had been identified. Tim agreed that discussing risks as a team gave a much more balanced evaluation of the risk.

Environmental Services - Barrie Smith reported that the department had agreed to have risk management as an agenda item at all team meetings. Initial meetings had gone well and he had encouraged managers not only to focus attention on current risks but to consider risks not already identified.

He had organised individual meetings with managers and supervisors to discuss needs and concerns and to encourage brain storming sessions.

RW

He felt there might be an issue with risk management training for new line managers. Rosemary has one-to-ones with all new Heads of Service as part of their induction, but in some cases the risk management message does not filter down to line managers. Jerry Fox suggested that Zurich Municipal might be able to give support in this area - he would discuss further with Rosemary. He suggested that part of the remit of this group should be having brainstorming sessions with any new line managers so that they appreciate the importance that Cherwell places on Risk Management.

Building Control – Tony Brummell asked Rosemary to a team meeting, following which the team had identified a number of risks in their area, one being dealing with builders on site who do not have English as their first language. It is often difficult to communicate with them, potentially leading to poor builds. Jacqui Hurd agreed to give Sarah Woodman details of Language Line which might help in the short term. The group felt that this issue might be one that affects

RW/JH

other departments and Rosemary agreed to find out what the corporate approach is.

Recreation & Health - Liam Didcock had talked to all the teams and is having weekly meetings about Woodgreen Leisure. He is intending to do a 'brain storming' session with Woodgreen staff this week. More risk management issues would become evident once the future of Woodgreen Pool had been determined.

He had identified the need for an urgent health & safety audit at North Oxfordshire Academy. Dave Bennett and he completed this last week.

Liam has other meetings diarised for early December to discuss risk management with other teams in Recreation & Health, i.e. Sports Development, Animation Station and Museum.

Business Services – Tina Poke asked Rosemary to attend a meeting with all business services staff on 27 October to discuss the management of risk.

08/14 **Health and Safety**

Workstation Assessments – Dave Bennett will look at Work Station Assessments once the accommodation review is complete. He will arrange work station assessment training in conjunction with Chris Harvey (HR) for members on the Risk Management Working Group and for anyone else who is interested. Rosemary reminded the group that records of work station assessments should be kept electronically.

DB

Health and Safety issues were raised about Phase 1 of the accommodation review. Staff felt that the new lighting was causing health problems. Dave Bennett was currently taking light readings to ascertain levels. Lack of storage and congested walkways were other issues raised and Dave Bennett would also take this forward.

DB

Printers ground floor - staff were regularly queuing for work at both printers and this was wasting time, having an effect on morale and causing frustration. Rosemary agreed to contact Pat Simpson to see if she was aware of these issues.

RW

08/15 **Risk Management Training Video – 'Risk Maker – Risk Taker'**

The Group watched a 20 minutes training video which highlighted real events where risks had not been identified or had been managed inappropriately - tourist couple lost at sea; enquiry launched in patient deaths; shoppers injured in stampede; lives lost in a refinery explosion; demolition goes badly wrong; Concorde grounded after disaster.

All

This video can be made available for discussion at team meetings. Please contact Rosemary if you would like her to arrange this for you.

Date and Time of Next Meeting

10 February 2009, 2.00 pm in Room 163.