

Governance & Audit Briefing Note: Cross Reference of Identified Issues Against Strategic Risk Register

At the Governance & Audit Committee on 18th April 2017, Members considered the Council's strategic risks. Developing this conversation led to discussion on how specific matters are addressed which have been highlighted within the Combined Assurance Report, but are not included within the Internal Audit Plan for the year, or are not detailed as an identifiable strategic risk. An example was the reference within the Combined Assurance Report 16/17 to stress among managers as identified via the Council's annual stress survey.

For the example discussed, reference was made to the Council's strategic risk register and the inclusion of Corporate Health & Safety as a specific strategic risk. Included within this risk is a concern for the health and wellbeing of all staff and many mitigating actions are in place to mitigate potential issues from arising; including specific actions relating to preventing or reducing stress among staff.

Other examples might include Data Protection issues (referenced within the strategic risk relating to Information Governance) and Safeguarding (referenced with the strategic risk relating to Compliance with legislation).

It is considered appropriate to not disaggregate the strategic risks into component parts, but to rather take an overarching viewpoint and ensure specific matters are identified within the relevant strategic risk.

The discussion then moved onto the presentation at the previous Committee meeting of the Internal Audit plan for 2017/18. Some aspects included on the plan had been identified via the Combined Assurance Report, but Members queried how those matters raised by the Combined Assurance Report, which are not included in the audit plan, would be addressed. For example, a question was posed as to whether they should be detailed within the strategic risk register.

The response is multi-faceted as follows:

1. Some matters raised within the Combined Assurance Report are already referenced within the strategic risk register (stress example refers). The strategic risk register should be used to assess whether current mitigations are sufficiently robust, or is additional work required.
2. Some matters raised within the Combined Assurance Report are service related. They should be addressed within service (operational) risk registers and/or improvement plans and monitored through usual line management arrangements.
3. The Annual Governance Statement action plan can be used to address significant issues raised as a result of the Combined Assurance Report. Such issues must:
 - have arisen despite mitigating actions being implemented to reduce the risk of occurrence
 - be significant 'one-off' pieces of work of strategic importance to the Council and carry significant implications
 - be matters of critical importance that have been highlighted through the Combined Assurance Report as warranting significant attention and are not incorporated into the Internal Audit work plan, or are not being addressed via other means

4. Recent audits into the same or a similar area may have provided a positive finding. Therefore further audit work is not warranted at this particular time.
5. The issue raised is already under scrutiny by officers/Members and steps are in place to address matters e.g capacity and capability matters which may require a restructure/refocus of the service area in question.
6. The matter may be due to be included within a wider planned audit into the subject matter e.g. planning enforcement is to be reviewed within the scheduled development management audit.

Having reviewed the auditable areas highlighted within the Combined Assurance Report 16/17 as potentially requiring attention (assessed as red/amber in nature), that are not due to be audited in 17/18, explanations have been offered as to how assurance is being achieved within each respective area. Details are set out in the table below:

Auditable Area	Assurance Sought	Assurance Provided Via
Transactional Services		
Tourism	Service now sits under a new manager and new strategy and policy being developed for this service.	Work in place to ensure fit for purpose tourism service is provided by WLDC
Waste Other Traded Services	To provide assurance on the delivery of Commercial waste services and review the sustainability and effectiveness of the commercial model.	Incorporated within the Commercial related strategic risk. Audit relating to sales invoicing in 17/18 will review managers' understanding of the principles of traded services
Homeless Prevention	To ensure the implications of the Homelessness Prevention Bill are understood and the Council can respond and provide an effective service to customers	Possible inclusion in AGS 16/17 action plan
Safeguarding	Provide assurance that the Council's safeguarding systems are established and embedded throughout all relevant Council services. Confirm compliance with legislation and best practice.	Monitored via Compliance related strategic risk. Most recent Safeguarding related audit (Vulnerable People) in 2015 – substantial assurance
Car Parking	Review the Council's Car Park strategy, how it aligns to Commercial, Growth and Corporate plans to support town centre growth and income.	Strategy development and options presented to PCC – key Member and officer strategic oversight
Planning Enforcement	Provide assurance on the management of enforcement cases.	To be included as part of the development mgt audit Q1 17/18
Affordable Housing	Review plans for developing the service and its future direction. Confirm there are plans and resources to	Suggest this has been entered in error as Combined Assurance field work provided a

	maintain an effective service.	green rating
Gainsborough Market	Review to provide assurance on management and monitoring of the markets and to review any improvement or action plans to address the decline in the market.	Strategy and options presented to PCC – key Member and officer strategic oversight. Work still in progress
Community Safety & Anti-Social Behaviour	Review and assess the effectiveness of Internal Control in this area and including safeguarding.	Recent enforcement review undertaken and recommendations being worked through
Governance		
Member Development	Provide assurance on the plans and policies for effective continuous Member development. Confirm that training and support based on a training plan, legislation and best practice in place.	Member development plan approved and monitored. Political Governance aspect proposed as part of AGS 16/17 action plan
Equality & Diversity	Review the Council's strategy and approach to E&D training and awareness across the Council. Provide assurance that plans are developed and in place and support officers in E&D management.	Work in development to ensure due attention is paid to this matter.
Emerging Risks		
Regulatory Services - Survey	Results of the latest stress survey this year done for managers. Some concern that managers are finding it difficult to balance delivery and performance	Monitored via Corporate Health & Safety related strategic risk.
Economic Development	Discussed the large scale projects and programmes that are currently developing in the growth service and highlighted overall Council capacity and resilience is a risk. Particularly the Property section and the planning section. Both these areas have a significant impact on the growth team's ability to deliver. One other risk was a reputational one as a lot of work is going on to redevelop Gainsborough and Market Rasen and Caistor are not getting a lot of attention.	Property/assets section restructure and refocus of work plan in place. Development management performance improvements realised. Appointment of Director of Economic and Commercial Growth brings all related disciplines under one umbrella to provide strategic direction and co-ordination. AGS 16/17 Action Plan contains reference to Delivery of Key Commercial and Community Based Projects.
Property & Estate Management	Resource is a real risk as highlighted in recent audits. The team has lost 3 members of staff without recruiting any replacements. The Council is not using the corporate landlord process which means different services are getting involved in asset	Whole restructure proposed and developed for this area to address skills and capacity issues. Proposed plans to work with ACIS did not materialise, nor did Team Manager leave the Council.

	<p>and property work.</p> <p>There is not the assurance that all these officers have the experience or knowledge to conduct this work.</p> <p>There is a plan to explore the possibility of joint working with ACIS but the team are not sure how this would fit in with commercial aims and where the priority for ACIS would be for commercial work.</p> <p>The loss of the team manager will be a loss of experience and system knowledge as other team members do not have the experience of using tech forge in detail. It is important that the system remains updated with asset information</p>	
Housing Property Commercial	<p>We identified that capacity was a serious emerging and strategic risk. Strategic in that a lack of capacity to complete projects will stop the Council achieving its Housing objectives and commercial aims. Emerging risk due to restructures in the Assets section where the team has lost several members of staff partly through retirement and partly through the restructure process.</p>	<p>Commercial aspect contained and addressed within the Council's commercial related strategic risk. Whole restructure proposed and developed for this area to address skills and capacity issues.</p>
Finance	<p>Growth – Assessed as amber due to the large scale of projects being considered. There are risks around the affordability of borrowing, the achievable returns and the capacity of finance team to manage £38m of developing projects and the possibility of changing priorities. This links to the property section where experienced staff are leaving and the service is under resourced.</p>	<p>Property related concerns addressed via restructure proposed and developed for this area to address skills and capacity issues. Growth Board in place to provide strategic direction, prioritisation and delivery of programme.</p>