

AUDIT COMMITTEE

PART I (PUBLIC COMMITTEE)

AGENDA

1. APOLOGIES

To receive apologies for non-attendance submitted by Committee Members.

2. DECLARATIONS OF INTEREST

Members will be asked to make any declarations of interest in respect of items on this Agenda.

3. MINUTES

(Pages 1 - 8)

To confirm the minutes of the meeting held on 27 June, 2007.

4. CHAIR'S URGENT BUSINESS

To receive reports on business which, in the opinion of the Chair, should be brought forward for urgent consideration.

5. AUDIT COMMITTEE FORWARD WORK PLAN

(Pages 9 - 12)

The Director of Corporate Resources will submit the Audit Committee's work plan to September, 2008.

6. AUDIT COMMISSION ANNUAL GOVERNANCE REPORT

TO FOLLOW

The Audit Commission will report on Audit Matters of Governance Interest (ISA 260) in relation to the Council's Financial Statements 2006/07.

7. PLYMOUTH CITY COUNCIL RESPONSE TO ANNUAL GOVERNANCE REPORT

TO FOLLOW

The Director of Corporate Resources will provide a response to the Audit Commission's Annual Governance Report, outline changes made to the Statement of Accounts 2006/07, and ask Audit Committee to re-approve the Accounts.

8. STRATEGIC RISK REGISTER - MONITORING REPORT

(Pages 13 - 64)

The Director of Corporate Resources will provide a summary of the strategic risk monitoring exercise completed for the period January to July, 2007.

9. INTERNAL AUDIT STRATEGY AND CHARTER (Pages 65 - 74)

The Director of Corporate Resources will submit a report on the updated Internal Audit Strategy and Charter.

10. WHISTLEBLOWING POLICY (Pages 75 - 84)

The Director of Corporate Resources will submit a report updating the Council's policy "Public Interest Disclosure Act 1998 – Confidential Reporting Code".

PART II (PRIVATE COMMITTEE)

AGENDA

MEMBERS OF THE PUBLIC TO NOTE

that under the law, the Committee is entitled to consider certain items in private. Members of the public will be asked to leave the meeting when such items are discussed.

Nil

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Audit Committee

Wednesday 27 June, 2007

PRESENT:

Councillor Stevens, in the Chair.

Councillors Drean, Fox, Hutchings and Stark (substitute for Councillor Savery).

Independent Members: Messrs. Clarke and Fletcher.

Apology for absence: Councillor Savery.

Also in attendance: Councillor Bowyer, Cabinet Member for Budget and Asset Management, Revenues and Benefits, Governance.

The meeting commenced at 2.30 p.m. and concluded at 5.35 p.m.

1. DECLARATIONS OF INTEREST

The following declaration of interest was made in accordance with the Code of Conduct in relation to an item under discussion at this meeting –

Name	Subject	Reason	Interest
Councillor Stevens	Devonport Regeneration Community Action Plan (minute 13)	Employee of Devon and Cornwall Constabulary	Non-prejudicial

2. MINUTES

Resolved that the minutes of 26 March, 2007 (AC 1 07/08), be approved.

CHAIR'S URGENT BUSINESS

3. Welcome

The Chair welcomed those present to the first meeting of the Committee and asked everyone to introduce themselves.

4. Councillor Savery

The Chair referred to the ongoing indisposition of Councillor Savery.

Resolved that the best wishes of the Committee be extended to Councillor Savery for a speedy recovery.

(In accordance with Section 100(B)(4)(b) of the Local Government Act, 1972, the Chair brought forward the above items because of the need to inform Members.)

5. APPOINTMENT OF INDEPENDENT MEMBERS

The Chief Auditor advised that the tenures of the three existing Independent Members, Messrs Archer, Clarke and Fletcher had expired and needed to be renewed. In this regard, Messrs Clarke and Fletcher had indicated their willingness to continue to serve for another four years but Mr. Archer was no longer able to provide the commitment required.

Resolved that –

- (1) the tenures of Messrs Clarke and Fletcher be renewed for a further four-year period, subject to annual review;
- (2) on behalf of the Committee, the Chair write to Mr. Archer thanking him for his support to the Committee over the last four years;
- (3) arrangements be put in hand to advertise for and recruit a new Independent Member.

6. STATEMENT OF ACCOUNTS 2006/07

The Director of Corporate Resources presented the Statement of Accounts for 2006/07 (AC 2 07/08) indicating –

- (i) a report on the Council's revenue and capital outturn for the financial year had been reported to Cabinet on 12th June, 2007;
- (ii) the report represented the statutory form of accounts – the 'Statement of Accounts' – which the Council was required to produce for audit and publication;
- (iii) the Accounts and Audit Regulations required that the accounts be available for public inspection for four weeks with the period of inspection commencing on 2 July. 2007. The audit was due to commence at the same time;
- (iv) the Draft Statement of Accounts for 2006/07 was attached;
- (v) that unfortunately, due to new financial systems being implemented by one of the Council's group members, there had been a delay in finalising the Group Accounts resulting in their separate circulation to Members. A number of other amendments had been made, the Accounts were circulated, and the Director of Corporate Resources took members through those amendments, tabling a new draft for approval;
- (vi) the Accounts must be prepared in accordance with the Code of Practice on Local Authority Accounts (SORP);
- (vii) the Statutory Accounts differed from the Outturn report in four areas;
- (viii) the changes to the SORP applicable to the 2006/07 accounts.

Members were further advised that the –

- (ix) deadline for approval of the Statement of Accounts was 30 June 2007;
- (x) net expenditure for 2006/07 was £168.271m against an original budget of £169.660m being a favourable variation of £1.389m;
- (xi) Council's total reserves were £19.581m.

Following presentation of the report, Members raised a number of questions to which the Officers' responded as follows –

- (a) there had been better capture of Section 106 contributions this year;
- (b) there was a £250m deficit on the Local Government Pension Scheme. The Local Authority's position on pensions was reviewed every 3 years, by an independent Advisory, with a review due in 2007. It was anticipated that the pension fund would continue to be valued on a 25-year basis;

- (c) the value of the museum's assets was guaranteed, as assets were at historic cost or insurance value. They were not reflective of current market value but this was likely to be more than the Balance sheet value;
- (d) the listing of the Civic Centre as a Grade II Listed building had to be included in the Statement of Accounts and the Statement of Internal Control as a Contingent Liability. This indicated that the event was significant but not a quantifiable liability. Should the listing stand this would then become a Genuine Liability.

The Chair thanked the Director for Corporate Resources for his presentation and asked that the panel's thanks also be passed to the staff within the Finance Department for all their hard work.

Resolved that the Statement of Accounts for 2006/07 be approved.

7. **STATEMENT ON INTERNAL CONTROL**

The Director of Corporate Resources submitted a report (AC 3 07/08) indicating that-

- (i) Regulation 4 of the Accounts and Audit Regulations 2003 required a Statement on Internal Control (SIC) to be published with the annual Statement of Accounts;
- (ii) the purpose of the SIC was to provide evidence of a continuous review of the Council's internal control and risk management processes, to provide assurance as to their effectiveness and to produce a management action plan to address any key weaknesses identified;
- (iii) the Accounts and Audit (Amendment) (England) Regulations 2006 had introduced a new requirement to include an annual review of the effectiveness of the internal audit system and this had now been incorporated into the SIC;
- (iv) the report outlined the process followed in order to produce the SIC for 2006/07 and recommended approval of the Statement prior to signature by the Leader, the Chief Executive and the Director of Corporate Resources;
- (v) the proposed Statement for 2006/07 was attached to the report;
- (vi) future submissions of the report would be presented in a different format and would be entitled the 'Annual Governance Statement', guidance on which was still being developed.

Resolved that –

- (1) the processes adopted for the production of the 2006/07 Statement on Internal Control, as required by the Accounts and Audit Regulations 2003, be noted;
- (2) the adequacy and effectiveness of the system of internal audit be endorsed (see also minute 16);
- (3) the Statement be approved prior to signature by the Leader, Chief Executive and Director of Corporate Resources;
- (4) the Audit Committee continue to monitor the review of Financial Regulations and Contract Standing Orders in line with their constitutional responsibilities.

8. OPERATIONAL RISK REGISTER

The Director of Corporate Resources submitted the Operational Risk Registers monitoring report (AC 4 07/08). The report provided an update on the –

- (i) formal monitoring of service-specific Operational Risk Registers for the period from July 2006 to March 2007, which showed a reduction in red risks from four to two and an overall reduction in the number of risks from 291 to 276 across all Services;
- (ii) work undertaken to develop more consistent links between risk registers and the Service Planning process.

Members were further advised that –

- (iii) 70% of risks had been effectively managed by controls in place;
- (iv) the two 'red' risks that had been identified were in respect of –
 - Development – Condition of the Hoe Foreshore
 - Community Services - Identification of a new site for Plymouth and West Devon Record Office (PWDRO)
- (v) with regard to (iv) above –
 - money was now available for the development of the Hoe foreshore site and there would be another review of its status on the Operational Risk Register in September. The Hoe foreshore must remain high risk until work there was completed
 - the PWDRO would only cease to be a 'red' risk once the office had been relocated
- (vi) some departments were making good progress in establishing effective links between their risk registers and their Service Plans. However, this was not being carried out consistently across all Services and therefore further development work was now being undertaken with the Head of Corporate Planning for use with the 2008/09 Service Plans;
- (vii) the change of status from 'red' to 'amber' occurred during the formal monitoring process which took place every six months. However, in the interim, departments were responsible for monitoring and implementing the necessary actions to reduce those risks;
- (viii) should the Grade II-listed status of the Civic Centre stand, it would appear on the future Operational Risk Register monitoring reports.

Resolved that –

- (1) an update in respect of the two 'red' status items on the register, including the Civic Centre, be provided to the Audit Committee members at the next meeting;
- (2) the report be noted.

9. REVIEW OF RISK MANAGEMENT STRATEGY

The Director of Corporate Resources submitted a report (AC 5 07/08) on the Review of Risk Management Strategy. The report –

- (i) indicated that the current Risk Management Strategy dated from 2003 and had been revised in 2005 to reflect corporate and management restructuring;
- (ii) proposed the adoption of a revised Strategy and Policy Statement that more fully aligned the strategy with the role risk management played in the delivery of key corporate and strategic objectives;
- (iii) proposed a "Rough Guide to Risk Management" for distribution to all staff, a copy of which was tabled for members' consideration.

Members were further advised that –

- (iv) action was taken on 'amber' risks, they were not left until they turned 'red';
- (v) the 'Rough Guide to Risk Management' had been produced in order to raise levels of awareness of the role of risk management amongst all staff, not just senior operational managers.

Resolved that –

- (1) the revised Risk Management Strategy be approved;
- (2) the proposal to produce a 'Rough Guide to Risk Management' be approved, subject to the word 'Rough' being dropped.

10. **RISK MANAGEMENT ANNUAL REPORT**

The Director of Corporate Resources submitted the Risk Management Annual Report (AC 6 07/08). The report –

- (i) summarised the work carried out during 2006/07 to develop the Council's approach to risk management and covered –
 - Corporate and Operational Risk Management Groups
 - Risk Registers
 - Performance Management and Service Planning
 - Statement on Internal Control
 - Risk Financing Strategy
 - Risk Management Strategy Review
 - CPA Use of Resources Assessment
 - Comprehensive Area Assessment
- (ii) provided information on the focus of proposed risk management activity for the next 12 months in preparation for the transition from Comprehensive Performance Assessment of local government to Comprehensive Area Assessment form 2009.

Resolved that the report be noted.

11. **AUDIT COMMISSION PROGRESS REPORT**

The Audit Manager presented the Audit Commission's Progress Summary up to 19 June, 2007 (AC 7 07/08). Members were advised –

- (i) that since the last meeting of the Committee, the following reports had been finalised –
 - Annual Audit and Inspection Letter (incorporating Direction of Travel summary)

- IT review
- Use of resources 2006 action plan
- Progress in partnership working through Plymouth 2020
- Agreement of Audit Commission element of Audit and Inspection Plan 2007/08 (joint plan with RSM Robson Rhodes LLP) – see also minute 12

(ii) of work in progress on –

- Interim audit review work 2006/07
- Accounts audit planning 2006/07
- Data quality management arrangements
- Grant claims work/certification
- Investigating complainant issues

(iii) that a number of actions were recommended to the Council as follows –

- to continue to focus on and monitor the impact of improvement efforts on weaker services such as Children's Services
- to pursue greater consistency in value for money achieved by services through the transformational change programme and other initiatives
- to monitor closely outcomes of the transformational change programme to ensure that it delivered planned efficiencies and savings, and that the finance was available to deliver future plans
- to continue to focus on performance management at all levels and develop further performance reporting, corporate target setting and other areas of performance management that required strengthening
- to review how access to services could be improved and develop further the Council's strategic approach to community cohesion and diversity
- to ensure that improvements in arrangements for managing Use of Resources were embedded and that existing policies, processes and training were reviewed in the areas highlighted by the Audit Commission's reports

In response to queries raised, Members were further advised that –

- (iv) the 'Front Office/Back Office' system was not fully embedded but was understood by Corporate Management Team and operational Heads;
- (v) legislation regarding data sharing was changing and hence a review of data sharing protocol was under way. It was necessary to inform citizens what data items were being used for and the Council was currently working alone on this matter. Work was, however, being done in order to enable future liaison with other agencies such as the Police and the Health Service.

Resolved that the report be noted.

12. **JOINT AUDIT AND INSPECTION PLAN 2007/08**

The Audit Manager and RSM Robson Rhodes LLP submitted a joint report (AC 8 06/07) setting out the audit and inspection work planned for 2007/08. Members were advised that –

- (i) the external audit role would now be undertaken by RSM Robson Rhodes LLP on behalf of the Audit Commission. This appointment was somewhat significant as the role had been undertaken by either the Audit Commission or District Auditor since the 1850's;

- (ii) RSM Robson Rhodes LLP had been formed in the 1980's and had years of auditing experience which included working with local government. On 1 July 2007, it would be merging with Grant Thornton making it the fifth largest accountancy firm in the South West;
- (iii) the Public Sector would have to fully comply with the relevant International Financial Reporting Standards (IFRS) for accounting periods ending March 2009, therefore the format and presentation of future reports would be changing to reflect this;
- (iv) RSM Robson Rhodes LLP and the Audit Commission would continue to work with the Council on Risk Management to ensure that risks incurred were minimised and standards maximised;
- (v) the total indicative Audit and Inspection Fee for 2007/08 was approximately £100,000 less than for 2006/07, and RSM Robson Rhodes LLP would endeavour to reduce this figure year-on-year.

Members noted the report and thanked the Audit Manager for his work to date.

13. **DEVONPORT REGENERATION COMMUNITY PARTNERSHIP ACTION PLAN**

The Directors of Corporate Resources and Community Services submitted a joint report (AC 9 07/08) on the combined Plymouth City Council and Devonport Regeneration Community Partnership (DRCP) Action Plan. The report advised that –

- (i) the DRCP was one of 39 New Deal for Communities (NDC) projects nationwide which would run for a period of 10 years to 2010/11 and receive a total of £48.725m in government funding;
- (ii) Plymouth City Council, as the Accountable Body, worked with the DRCP to ensure there were systems in place to enable the partnership to deliver the programme in accordance with the terms and conditions of the NDC grant. The Accountable Body was also responsible for the claiming and disbursement of grant;
- (iii) a report of a review undertaken by the Audit Commission on DRCP had been submitted to the Audit Committee on 7 February, 2007, where it had been resolved that officers would draft and implement an action plan in response to the recommendations for improvement;
- (iv) the Internal Audit Service had also undertaken a planned review of the DRCP and the role of Plymouth City Council as Accountable Body;
- (v) its purpose was to present the combined action plan in response to the recommendations arising from both the Audit Commission and Internal Audit reports.

Resolved that the combined action plan be noted.

(Councillor Stevens declared a non-prejudicial interest in respect of the above item.)

14. **AUDIT COMMITTEE FORWARD PLAN**

The Chief Auditor submitted the Committee's work programme for 2007/08 (AC 10 07/08).

Resolved that –

- (1) the work programme be noted;

- (2) the date of the Committee's first meeting for 2008/09 be provisionally set as 30 June, 2008, at the latest.

15. **EXEMPT BUSINESS**

Resolved that under Section 100(A)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 7 of Part 1 of Schedule 12A of the Act, as amended by the Freedom of Information Act 2000.

16. **INTERNAL AUDIT ANNUAL REPORT 2006/07**

The Director of Corporate Resources submitted the Internal Audit Annual Report for 2006/07(AC 10 07/08) which -

- (i) summarised the work undertaken by the Internal Audit Service during 2006/07;
- (ii) reviewed the performance and effectiveness of the internal audit service;
- (iii) provided an audit opinion on the adequacy of internal controls.

Members were further advised that the Department had been experiencing difficulties with recruitment, especially to high-level positions.

Resolved that –

- (1) the report be noted;
- (2) the adequacy and effectiveness of Plymouth's system of internal audit for the year ended 31 March, 2007, be endorsed (minute 7 also refers);
- (3) the thanks of the Committee be extended to the Chief Auditor and her staff for their continued good work.



PLYMOUTH CITY COUNCIL

AUDIT COMMITTEE

**WORK PROGRAMME
SEPTEMBER 07 - SEPTEMBER 08**

Work Plan 2007/08

		2007				2008								
Cabinet Member/ Lead Officer		S	O	N	D	J	F	M	A	M	J*	J	A	S*
Annual Governance Report (ISA 260)	External Auditors	24												29
Plymouth City Council Response to Annual Governance Report	Cllr Bowyer / DoCR	24												29
Audit Commission Annual Audit and Inspection (Management) Letter	Audit Commission/ External Auditors							31						
External Audit - Progress Report	External Auditors				17			31			30			29
Internal Audit - Annual Plan	Cllr Bowyer / DoCR							31						
Internal Audit - 6 Monthly Progress Report	Cllr Bowyer / DoCR				17									
Internal Audit Annual Report	Cllr Bowyer / DoCR										30			
Internal Audit Strategy and Charter	Cllr Bowyer / DoCR	24												
Audit Committee Forward Work Plan	Chief Auditor	24			17			31			30			29
Whistleblowing Code	Cllr Bowyer/DoCR	24												

Work Plan 2007/08

		2007				2008								
	Cabinet Member/ Lead Officer	S	O	N	D	J	F	M	A	M	J*	J	A	S*
Operational Risk Register - Monitoring Report	Cllr Bowyer / DoCR				17						30			
Strategic Risk Register- Monitoring Report		24						31						
Risk Management - Policy and Strategy Update	Cllr Bowyer / DoCR										30			
Risk Management - Annual Report	Cllr Bowyer / DoCR										30			
Risk Financing / Insurance Strategy	Cllr Bowyer / DoCR				17									
Statement of Accounts 2006 / 2007	Cllr Bowyer / DoCR	24												
Accounts Memo	External Auditors				17									
Statement of Accounts 2007 / 2008	Cllr Bowyer / DoCR										30			
Statement of Internal Control	Cllr Bowyer / DoCR										30			

Work Plan 2007/08

		2007				2008								
	Cabinet Member/ Lead Officer	S	O	N	D	J	F	M	A	M	J*	J	A	S*
BVPP	External Auditors				17									
Direction of Travel Statement - External Auditors	External Auditors							31						
External/Internal Audit Protocol	External Auditors				17									
Interim Audit Memo	External Auditors										30			
Data Quality Report	External Auditors				17									
Financial Statements Opinion & VFM conclusion	External Auditors													29
UoR Report					17									

* Audit Committee dates to be confirmed

CITY OF PLYMOUTH

Subject: Strategic Risk Register - Monitoring Report

Committee: Audit Committee

Date: 24th September 2007

Cabinet Member: Cllr Ian Bowyer

CMT Member: Director of Corporate Resources

Author: Mike Hocking, Risk and Insurance Manager

Contact: mike.hocking@plymouth.gov.uk
Tel : 01752 - 304967

Ref: RIM/MJH

Part: I

Executive Summary:

This report provides a summary of the latest formal monitoring exercise completed for the Strategic Risk Register for the period January – July 2007. The total number of strategic risks reported has increased from 29 to 33. Appendix A to the report includes a traffic light summary showing the current status of each risk, the movement in risk scores compared with previous monitoring periods and explanatory commentary on the key issues for each risk.

Corporate Plan 2004/07:

The Strategic Risk Register includes links to Corporate Plan objectives – monitoring of control action for strategic risks therefore contributes to the delivery of the Council's core objectives.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

None arising specifically from this report but control measures identified in risk registers could have financial or resource implications.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk

Management etc.

None arising specifically from this report but community safety and health and safety issues and risks are taken into account in the preparation of risk registers.

Recommendations & Reasons for recommended action:

The Audit Committee is recommended to :

- Note and endorse the results of monitoring of the Strategic Register .
-

Alternative options considered and reasons for recommended action:

Effective risk management processes are an essential element of internal control and as such are an important element of good corporate governance. For this reason alternative options are not applicable.

Background papers:

Plymouth City Council Risk Management Strategy and Policy Statement
Strategic Risk Register and associated working papers
Previous reports on risk management to Audit Committee

Sign off:

Head of Fin	SW	Head of Leg	DS	Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating CMF Member : Director of Corporate Resources											

**Report of Director of Corporate Resources to Audit Committee
– 24th September 2007**

Strategic Risk Register Monitoring

1. Introduction

1.1 The position with regard to the Strategic Risk Register was last reported to this Committee on 18th December 2006 and this report now provides a summary of the latest monitoring exercise covering the position as at 31st July 2007.

2. Strategic Risk Register – Monitoring Summary

2.1 In accordance with the strategy requirement for twice-yearly monitoring, the latest monitoring exercise was completed during July 2007 with the results discussed and agreed by CMT on 3rd September 2007 and Cabinet Planning on 11th September 2007.

2.2 Attached to this report at Appendix A is a traffic-light summary showing the current status of each risk and any movement in risk scores compared with previous monitoring periods together with explanatory commentary on the key issues for each risk.

2.3 Also attached for information at Appendix B is a copy of the full Risk Register, amended to take account of the latest changes outlined in this report.

3. Headline Issues

3.1 The total number of risks has increased from 29 to 33 with the addition of four new risks :

- Structural condition of North Prospect Estate
- Civic Centre Listing
- Taxi Licensing
- Concessionary Fares

3.2 The table below shows the movement in the number of risks in each category since the last monitoring period.

	Dec 06	July 07
Red	7	9
Amber	10	9
Green	12	15
TOTAL	29	33

3.3 Whilst there has been a net increase of two in the number of red risks, three risks have moved from priority red or amber into green reflecting effective control

action and these are:

- Service to Children at Risk (Risk 26)
- Overall IT Strategy (Risk 30)
- Local Development Framework (Risk Risk 40)

3.4 The unchanged score for four of the red risks, namely Housing Stock, Landfill Allowances, Pay & Reward Strategy and Business Continuity Planning reflects the longer term nature of these risks.

3.5 The summary at Appendix A gives more detailed commentary for each risk but the headline issues are:

- Condition of properties on North Prospect estate a new red risk as a potentially significant capital pressure point for HRA
- Concessionary Fares a new red risk due to significant projected overspend on operator reimbursements
- Civic Centre listing a new red risk with potentially significant cost implications of future refurbishment/disposal options
- Housing Stock options remains a significant risk in view of corporate impact of any proposed transfer
- Landfill Allowance Trading Scheme still a potentially significant long term risk
- Pay and Reward Strategy (JE) remains red due to ongoing uncertainty over financial implications of JE implementation
- Financial management arrangements showing improved longer term position via the Medium Term Financial Plan
- Reported improvements in review processes for Significant Partnerships risk now reflected in positive direction of travel for this risk
- **Significant improvements in Service to Children at Risk means that this risk has moved from red to green**
- Taxi Licensing Account a new amber risk (plans in place to bring account back into balance within three years)
- **IT Strategy moved from amber to green**
- **Local Development Framework moved from amber to green**
- Progress with implementing Business Continuity Planning has stalled reflected in an unchanged risk score (but consultants now engaged to implement by March 08)
- Improved position with regard to Asbestos Management arrangements
- Health and Safety Management showing positive direction of travel

5. Summary and Conclusion

5.1 The Council's success in dealing with the risks that it faces can have a major impact on the achievement of key promises, objectives and ultimately, therefore, the level of service to the people of Plymouth.

5.2 The risk management framework now in place enables managers to view, manage and respond to risk, both in terms of opportunities and threats, in a robust, systematic and documented way.

- 5.3 Risk Registers are now being routinely updated across the Council at both strategic and operational level.
- 5.4 There is therefore now good evidence, providing assurance to Members and stakeholders, that risks are being managed effectively and consistently across the Council.
- 5.5 The next review of the Strategic Register will take place in January 2008.

6. Recommendation

The Audit Committee is invited to :

- 6.1 Note and endorse the results of monitoring of the Strategic Risk Register

Adam Broome

Director for Corporate Resources

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Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		CHANGE IN RISK SCORE	COMMENTS	LEAD OFFICER			
			March 05		April 06		Dec-06		Jul-07							
			*P	*I	*P	*I	*P	*I	*P	*I						
1	50	Structural condition of properties on North Prospect Estate					New		5	5	25	Solution required to the significant structural problems identified on the estate. Strategic Urban Futures appointed to work with residents on the estate. Estimated £20m to deal with structural issues on council owned properties.	Clive Turner / Andrew Cobb			
2	47	Concessionary Fares					New		4	5	20	Significant budget pressure point due to projected overspend due to reimbursement rates to operators. Legal challenges to the Council's Concessionary Fares Scheme may further exacerbate the financial implications.	Nigel Pitt/Chris Sane			
3	35	Housing stock transfer options.	3	5	15	3	5	15	4	5	20	4	5	20	Housing stock transfer has been identified as the most realistic means of meeting decent homes standard within a realistic timescale. Project Director, Manager and Group identified. Project plan and risk register in place & regularly reviewed.	Clive Turner / Gary French / Frances Turner
4	43	Risk of exceeding Landfill Allowances				New			4	5	20	4	5	20	The risk of exceeding our LATS allocation from 2009/10 onwards remains although the scale of exposure has been reduced by good recycling and waste minimisation performance and some LATS credit purchase.	Nigel Pitt / Mark Turner
5	23	Pay & Reward Strategy (Job evaluation, equal pay, workforce capacity, recruitment & retention).	5	4	20	5	4	20	5	4	20	5	4	20	In excess of 1400 analyst interviews now completed. Pay negotiations have commenced in a changing legal climate and extended discussions with trade unions have meant a delay in implementation of JE project until February 2008 - therefore no change to score.	Gill Martin
6	08	Business continuity planning in line with Civil Contingencies Act 2004 statutory responsibilities.	4	5	20	4	5	20	4	5	20	4	5	20	Specialist BCP consultant appointed to assist Steering Group with gap analysis by end of September. Business Impact Analysis to be carried out in November with target date of March 08 for production of plans.	Giles Perritt / Scott Senior
7	49	Listing of Civic Centre						New				4	5	20	Potentially significant cost implications for refurbishment/disposal options which are being reviewed with support of QC and specialist advisers.	Nalin Seneviratne / Andrew Jarrold
8	21	MTFP issues.	4	5	20	4	5	20	4	5	20	4	5	20	Gershon savings on target. Budget monitoring in place. Budgetary Control Project Phase 1 implemented and Phase 2 planned. Business planning for next 3 years commenced. Internal Service Review Programme - planned focus on VFM issues.	Adam Broome
9	45	Financial and liability implications of significant partnership arrangements				New			4	5	20	4	5	20	Agreements for significant partnerships subject to regular on-going review, eg. LSP Delivery Plan, DRCP Accountable Body Review, Risk Registers in place for Local Area Agreements, NRF and SSCF. Internal control systems reviewed as part of Group Accounts process.	Adam Broome and relevant Director
10	48	Taxi Licensing						New				4	4	16	Proposed fees increase report going to Licensing Committee to introduce new fees from Nov 07. Annual review of fees thereafter to bring account back into balance within 3 years.	Nigel Pitt / Robin Carton
12	46	Information Governance - compliance with statutory requirements, information sharing Internal & External				New			4	4	16	4	4	16	There is scope for change over the next 12 months as ICT has allocated funds for temp staff to undertake an audit of our information asset as a springboard for whole system development (although this is on hold due to the JE process.)	Neville Cannon / Richard Woodfield
11	42	Health & Safety Management.				New			4	4	16	3	5	15	H & S cross-cutting issue for 2007/08 Service Planning. New corporate H & S policy implemented. Corporate Health, Safety & Wellbeing Action Plan in place. Nominated Director for H & S appointed.	Louise Turner

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		CHANGE IN RISK SCORE	COMMENTS	LEAD OFFICER				
			March 05		April 06		Dec-06		Jul-07								
			*P	*I	*P	*I	*P	*I	*P	*I							
13	36	Management of Employee Stress	3	5	15	3	5	15	3	5	15	3	5	15	—	Revised stress policy to be implemented 1st October 2007.	Louise Turner
14	24	Violence to staff/lone working.	4	5	20	3	5	15	3	5	15	3	5	15	—	Revised violence and aggression policy to be implemented 1st October 2007 and new Loneworking Performance Standard to be implemented 1st October 2007.	Louise Turner
15	13	Asbestos management arrangements.	3	5	15	3	5	15	3	5	15	3	5	15	↘	Asbestos Policy requires Corporate implementation. PIC training being organised. Technical training of surveyors completed. Initial awareness sessions completed.	Adam Broome / Nalin Seneviratne / Dave Pollock
16	31	Replacement of HR / Payroll System.	3	4	12	3	5	15	3	5	15	3	5	15	—	Phase 1 delivered - EHR Team now working on preparation of the Payroll aspect of the system to support the introduction of new pay and grading arrangements following Job Evaluation. This will delay Phase 2.	Adam Broome / Gill Martin
17	34	Schools PFI.	3	5	15	3	5	15	3	4	12	3	4	12	—	Project risk register in place with significant risks reported to Project Board. Financial close successfully achieved 27.03.07.	Martin Pollard / John Cremins
19	41	Local Area Agreement development and delivery.	New			3	4	12	3	4	12	3	4	12	—	Score unchanged - awaiting monitoring information.	Karen Kay
18	30	Overall IT strategy/resources/current systems.	3	5	15	3	5	15	3	4	12	3	3	9	↘	Unix hardware installed and first applications migrated. Slow Speed Storage Area installation almost complete. 1200 PCs scheduled for replacement from September 07. Data migration to SAN completed. Service now almost fully operational to ITIL standards.	Neville Cannon
20	14	Fraud	2	5	10	2	5	10	2	5	10	2	5	10	—	Internal Audit Fraud Manual developed for auditors - launched 11/07/07. Whistleblowing Policy currently being reviewed by IA. Fraud Awareness Training for Officers & Members to be developed.	Adam Broome / Sue Watts
21	19	Having no means of waste treatment & disposal.	4	5	20	4	5	20	2	5	10	2	5	10	—	Chelson Meadow will remain open until March 2008 and the interim landfill contract is being mobilised for March 2008 start. The refuse transfer station construction is nearing completion and the long-term treatment solution procurement has commenced.	Nigel Pitt / Steve Moore
22	26	Service to children at risk as assessed by Commission for Social Care Inspection.	4	5	20	4	5	20	4	5	20	2	5	10	↘	CSCI Action Plans all implemented. Improvements identified in JAR inspection implemented.	Bronwen Lacey / Mairead MacNeil / Linda Jones
23	32	Benefits / Council Tax System.	3	4	12	3	4	12	3	3	9	3	3	9	—	Installation of core system completed early August. Upgrade to latest version of DIPS system further delayed until Oct 2007 due to build-up of work over year end.	Adam Broome / Gary Edwards
24	25	Management of independent sector residential market.	4	4	16	3	3	9	3	3	9	3	3	9	—	No significant change - to be reviewed in October 07.	Clive Turner / Pam Marsden
25	10	Civil Emergencies.	3	3	9	3	3	9	3	3	9	3	3	9	—	Training underway for CMT and Key Respondants. Validation of plan commenced. Devonport off-site emergency plan completed.	Giles Perritt / Scott Senior

Row No.	RISK REF	POTENTIAL RISKS IDENTIFIED	RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		RESIDUAL RISK RATING		CHANGE IN RISK SCORE	COMMENTS	LEAD OFFICER				
			March 05		April 06		Dec-06		Jul-07								
			*P	*I	*P	*I	*P	*I	*P	*I							
26	33	Schools re-organisation.	3	4	12	3	4	12	3	3	9	3	3	9	—	No changes reported.	Bronwen Lacey / Verity Jones / Linda Jones
27	44	Financial & liability implications of Members & Officers serving on Outside Bodies.				New			3	3	9	3	3	9	—	Register of Outside Bodies maintained and updated. Insurance cover in place in line with Local Authorities (Indemnities for Members and Officers) Order 2004.	David Shepperd
28	40	Failure to deliver LDF programme and to satisfy "test of soundness".	New			3	4	12	3	4	12	2	4	8	→	From 362 planning authorities now working on creating development frameworks only seven area action plans have been approved by the planning inspectors and three belong to Plymouth. Plymouth is also first major urban area to have core strategy accepted as "sound" by inspectors.	Nigel Pitt / Jonathan Bell
29	22	Absence management.	3	3	9	3	3	9	3	3	9	2	3	6	→	BVPI 1.2 2006/07 recorded absence levels at 8.2 days per fte which was on target. This figure has been reducing over the last three years and demonstrates the organisation is currently managing absence effectively and in line with Council Policy.	Gill Martin
30	06	Procurement practice.	3	4	12	2	4	8	2	3	6	2	3	6	—	Review of Contract Standing Orders and corporate frameworks for works contracting complete. On-going programme of letting Corporate Contracts. Audit procurement projects to be undertaken by Autumn 07.	John Cremins
31	01	Internal communication.	4	3	12	4	2	8	2	3	6	2	3	6	—	Regular newsletters published for past three years plus Staff Room Intranet site re-launched in 2006 and Handbook sent to all managers. Monthly Team Briefings launched in September 2006. Internal Communications Framework launched as part of Organisational Development Strategy. Regular management conferences (Team Plymouth and SMT).	Richard Longford
32	16	Decision making process.	2	3	6	2	3	6	2	3	6	2	3	6	—	Scheme of Delegation to be reviewed.	David Shepperd
33	28	Looked after children service.	3	5	15	3	5	15	2	5	10	2	3	6	→	Foster Care Service reconfiguration completed. Placement Panel Working Group operating effectively.	Bronwen Lacey / Mairead MacNeil / Linda Jones

* P = Probability Rating (1 = Low, 5 = High)
 * I = Impact Rating (1 = Low, 5 = High)
 Maximum Score 5 x 5 = 25
 NB. Risks scored 12 or above will be the subject of priority monitoring

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PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
01	Internal Communication	Lack of understanding of objectives, targets and priorities	5	4	20	Cllr Delia Ford, Corporate Communications Manager, Richard Longford	Internal Comms. Task & Finish Group Staff Newsletter. Team Briefings. Team Plymouth Management Conferences. Corporate Management Forum. Staff Room page on Intranet Chief Exec & Leader bulletins	2	3	6
<p><i>Links to Corporate Plan:</i></p> <p>Corporate Objective – Improving our capacity to deliver together</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	<p>Staff survey to gauge staff motivation/knowledge of vision & objectives and how well the organisation is communicating. Monthly magazine to be re-launched in Dec 2006.</p> <p>Internal communications framework/Communications strategy.</p>						<p>Est. cost if done externally – £8 – £10K Not enough budget to provide printed copy to staff without pcs.</p>			

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Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
06	Procurement Practice	<p>Failure of Partner/Contractor</p> <ul style="list-style-type: none"> Financial Performance Compliance <p>Schemes not delivered on time or over budget. Damage to reputation. Failure of PFI contracts.</p>	3	5	15	Cllr Delia Ford, Head of Strategic Procurement – John Cremins	<p>Best Value Review – procurement. Revised Procurement Strategy. Financial Regulations / Standing Orders. Appointment of Head of Strategic Procurement. New framework Contracts covering the municipal & school estate established. 85% of top 100 suppliers influenced by Strategic Procurement Unit. Standard terms & conditions adopted by council on website. Monthly monitoring of suppliers established. Project Boards established for 10 major projects. Contract Standing Orders</p>	2	3	6	
<p><i>Links to Corporate Plan:</i></p> <p>Corporate Objective – Improving our capacity to deliver together</p>							<p><i>Link to Service Plan Objectives:</i></p>				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	

	<p>Procurement training programme – 70 staff trained, schools module to be delivered April 2007. Contract Management training to be delivered in Autumn 2007. Audit on procurement projects to be undertaken Autumn 2007.</p>				
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PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
08	Business continuity planning.	In event of denial of access to key premises, major disruption to service. Financial impact – increased cost of working. Damage to reputation.	5	5	25	Cllr Delia Ford Head of Continuous Improvement, Giles Perritt Civil Protection Manager, Scott Senior	Mainframe software & data backed up & stored off-site. Civic Centre Disaster Recovery Plan in draft. Prince Rock Disaster Recovery Plan in place. Appointment of BC champion and project team. All critical services identified and approved. Strategic BC plan & 6 dept. plans 60/70% complete.	4	5	20
<p><i>Links to Corporate Plan:</i></p> <p>Strategic Objective – Maintaining a clean and sustainable environment Corporate Objective – Improving our capacity to deliver together</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	New project team to be formed with a view to appointing support consultants.							3	3	9

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
10	Civil Emergencies.	Incidents such as flooding, storms, fire in nightclub, terrorist attack/nuclear fall-out.	3	5	15	Cllr Delia Ford Head of Continuous Improvement, Giles Perritt Civil Protection Manager, Scott Senior	Emergency Planning Unit. Suspicious packages advice. Staff awareness training. Chevron Ltd off-site plan complete and in operation. ConocoPhillips Ltd off-site plan complete. Training for CMT & Key Respondants. Devonport off-site emergency plan.	3	3	9	
<p><i>Links to Corporate Plan:</i></p> <p>Strategic Objectives - Improving health and well-being</p> <ul style="list-style-type: none"> - Promoting Community Safety - Maintaining a clean and sustainable environment 							<p><i>Link to Service Plan Objectives:</i></p>				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
13	Asbestos Management Arrangements	Prosecution under asbestos legislation – HSE. Direct action via public or other organisations. Failure in duty of care to employees. Damage to reputation.	5	5	25	Cllr Ian Bowyer, Director of Corporate Resources, Adam Broome Head of Asset Management, Nalin Seneviratne	Officer expertise. New Policy written & presented to Corporate Health & Safety Committee/CMT – and now being implemented. Technical Training of surveyors completed. Asbestos surveys of PCC Corporate properties complete.	3	5	15	
<i>Links to Corporate Plan:</i> Strategic Objectives – - Improving health and well-being - Promoting Community Safety - Maintaining a clean and sustainable environment							<i>Link to Service Plan Objectives:</i> Statement for Asset Management in place.				
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	
	PIC (Duty Holder) Training being organised. Roll out awareness sessions to Team Plymouth/CMF.										

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
14	Fraud	Misappropriation of Council Resources. (not always financial).	5	5	25	Cllr Ian Bowyer, Director for Corporate Resources – Adam Broome, Chief Auditor – Sue Watts	Financial Regulations. Standing Orders. Prosecution deterrent. Internal Checks/controls. Scheme of delegation. Internal Audit. External Auditors. Whistle-blowing Code. Fraud/Corruption Response Plan. National Fraud Initiative. Bank reconciliation. IT Firewall. IT security/passwords. IA Fraud Manual HB Fraud Team	2	5	10	
<p><i>Links to Corporate Plan:</i></p> <p>Corporate Objective – Providing excellent and efficient services</p>							<p><i>Link to Service Plan Objectives:</i></p>				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
16	Decision making process	Financial cost. Judicial reviews/Legal challenges. Demands on legal and service department time. Loss of reputation.	4	3	12	Cllr Vivien Pengelly, Head of Legal Services – David Shepperd & appropriate Head of Service	Complaints procedures. Ombudsman. Legal process. Mediation. Council policy of open and honest response to complaints. Constitutional Rules & Procedures in relation to decision making.	2	3	6	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Corporate Objectives – Improving our capacity to deliver together											
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	
	New Financial Regulations & Contract Standing Orders to be adopted. Delegation Scheme to be reviewed. Portfolio Holders delegated powers clarified. Review Officer delegated decision making procedures.										

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
19	Waste Treatment & Disposal	Substantial increased financial costs of waste disposal. Potential fines.	5	5	25	Cllr Michael Leaves, Director of Development, Nigel Pitt	Consultancy on future treatment & disposal options. Waste transfer station. Extension to Chelson Meadow secured with Environment Agency Approval to March 2008. Alternative landfill disposal contract due to commence in Feb 2008 for 7 years.	2	5	10	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Strategic Objective – Maintaining a clean and sustainable environment											
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	Contingency arrangements being considered re: alternative disposal options. Potential waste sites reviewed & identified in LDF document – potential treatment options being considered.						Significant capital and/or revenue costs.				

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
21	MTFP	Failure of Budget Forecasting/targeting of budget to service priorities. Budget variance. Failure to deliver corporate objectives. Ineffective service planning.	4	5	20	Cllr Ian Bowyer, Director of Corporate Resources, Adam Broome	Budget monitoring process. Medium Term Financial Plan Project. Capital Strategy. Asset Management Plan. Capital & Procurement Board to meet monthly. 18 priority workstreams being monitored by CMT Monitoring reports presented to Cabinet and Scrutiny every two months.	4	5	20
<i>Links to Corporate Plan:</i> Corporate Objective – Providing excellent and efficient services							<i>Link to Service Plan Objectives:</i>			
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>
	Link to Strategic & Operational Risk Registers. 18 Priority Workstreams to be monitored by CMT.						Contained within existing budget. Unknown at this stage.	3	3	9

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
22	Absence management	Lack of productivity. Poor morale. Impact on service delivery. Financial cost.	4	3	12	Cllr Delia Ford, Head of Human Resources, Gill Martin	Managing absence procedures. New Managing Attendance Policy. Monthly monitoring of absence levels. Training Strategy. Muscular-skeletal Project Plan Implementation of new HR IT System Intro. Of "Manager Self-Service" (access to absence stats.) Counselling service in place. New Occupational Health provide in place and contract monitoring set up.	2	3	6
<p><i>Links to Corporate Plan:</i></p> <p>Corporate Objective – Improving our capacity to deliver together</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Review of Managing attendance policy due in 2007 to ensure relevance. Enhanced sickness statistic reporting from new E.H.R system to be implemented – project team required.									

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
23	Pay & Reward Strategy (Job evaluation, equal pay, workforce capacity, recruitment & retention).	Impact on service delivery. Impact on achievement of corporate objectives. Failure to modernise. Ineffective use of human resources. Inappropriate deployment of staff - Surplus capacity in one area and shortage in others. Impairment of service delivery. Financial cost. Lack of workforce briefings. Failure to comply with legislation. Impact on service delivery. Loss of reputation. Increased stress/absence. Impacts on staff morale & retention.	5	5	25	Cllr Delia Ford, Head of Human Resources – Gill Martin	People Strategy & Action Plan. Introduction of Competency Framework for Social Workers. Use of agency staff in some areas. Outsourcing of work and recruitment overseas in some cases. South West Peninsula Working Party developing proposals for recruitment & retention of Social Workers. CMT Objectives. Experienced Manager Programme. HR Restructure to provide capacity for New People Strategy. Introduction of Corporate Appraisal System. Job Evaluation Scheme Equal Pay Organisational Development Strategy. Progress mapped at head officer group, CMT and Cabinet.	5	4	20	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Corporate Objective – Improving our capacity to deliver together											
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	

	Action plan focused on national pay and workforce strategy requirements.				
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PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
24	Violence to staff / lone working.	EL Claims. Injuries to staff. Higher absence levels.	5	5	25	Cllr Delia Ford, Assistant Head of Human Resources, Louise Turner	Violence & Aggression policy. Revised H & S Policy to be implemented. H & S Project Plans. Risk Assessments. Corporate Health, Safety & Welfare Committee. Quarterly information exchange days with trade unions. 133 employees trained for period 1/10/05 – 30/09/06.	3	5	15	
<p>Links to Corporate Plan:</p> <p>Strategic Objective – Improving health and well-being</p>							<p>Link to Service Plan Objectives:</p>				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	<p>Conflict resolution, physical intervention and risk assessment training programmed for 2007/08. (159 employees trained for period 1st Oct 06 – 30th June 07)</p>						<p>To be delivered “in house” by Health & Safety team</p>				

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
25	Management of independent sector residential market.	Residents become homeless. Social & Housing Services will have responsibility to re-locate. Hospital discharge delays will result in increased costs re: reimbursement to NHS.	4	4	16	Cllr David Salter, Director of Community Services, Clive Turner	Monitoring of closures via Care Standards Commission. Regular meetings with representatives of Trade Associations. Regular review of contractual arrangements & payment levels which must be linked to medium term Financial plan. Expansion of domiciliary care market. "Managing the Market" Group re-instated.	3	3	9
<p><i>Links to Corporate Plan:</i></p> <p>Strategic Objective – Improving health and well-being</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures					Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	Scrutiny looking at options for in-house homes. Negotiations being re-opened on Fair Charging.									

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26	Service to children at risk as assessed by Social Services Inspectorate.	Risk of harm to vulnerable children	5	5	25	Cllr Grant Monahan, Director of Children's Services, Bronwen Lacey	Performance Management. Action Plan (Social Services Inspectorate). Action Plan following Self Assessment (Victoria Climbié Inquiry). Improvement Board. JAR improvements implemented. CSCI Action Plans implemented. Safeguarding Board and Manager appointed.	2	5	10	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Strategic Objective – Improving health and well-being											
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	Research Best Practice and continue to revise policies. Ongoing monthly reporting for Children & Families Management Meeting.										

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

<i>Risk Ref</i>	<i>Risk Title/Description</i>	<i>Consequence</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Raw Risk Rating</i>	<i>Lead Member and Officer</i>	<i>Existing Control Procedures</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Residual Risk Rating</i>
28	Looked after children service.	Inability to control placements. Budgetary overspend. Loss of reputation. Poor outcome for children.	3	5	15	Cllr Grant Monahan, Director of Children's Services, Bronwen Lacey	Reconfiguration of Foster Care Service to ensure adequate in-house placements. Placement Panel Working Group operating effectively.	2	3	6
<i>Links to Corporate Plan:</i> Strategic Objective – Improving health and well-being							<i>Link to Service Plan Objectives:</i>			
<i>Risk Ref</i>	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

<i>Risk Ref</i>	<i>Risk Title/Description</i>	<i>Consequence</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Raw Risk Rating</i>	<i>Lead Member and Officer</i>	<i>Existing Control Procedures</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Residual Risk Rating</i>
30	Overall IT strategy/resources/ Current systems.	Disruption to Business Continuity. Failure of Key Systems. Failure to implement appropriate responses ie. Egovernment. Damage to reputation.	5	5	25	Cllr Delia Ford, Head of ICT, Neville Cannon	Neville Cannon reviewing ICT Strategy. Procurement Board. Introduction of new hardware procurement arrangements. Business resilience a requirement of all IT projects. Upgrade of LAN/WAN improving comms & replacement of older switch equipment - COMPLETED. Completion of data migration to SAN will reduce risk of failure of servers - COMPLETED. Senior appointments into new structure applying to better monitoring of service - COMPLETED. PC replacement project will reduce risk of desktop failure. Implementation of ITIL standards & availability & capacity management.	3	3	9

<i>Links to Corporate Plan:</i>		<i>Link to Service Plan Objectives:</i>			
Corporate Objectives – Providing excellent and efficient services - Improving our capacity to deliver together					
<i>Risk Ref</i>	<i>Options for additional/replacement control procedures</i>	<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>
	Slow speed storage area hardware being installed & configured completion due Q3 2007. Development of disaster recovery plans business case to be produced.	Significant costs could be required if business continuity requirements from business units exceed current resilience levels.			

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
31	Replacement of HR / Payroll System.	Not paying staff. Extra resources required for paper-chasing. Ineffective budget monitoring. Poor Management information. Financial implication of failure to integrate with financial systems.	4	4	16	Cllr Delia Ford, Director of Corporate Resources, Adam Broome, Head of Human Resources, Gill Martin	External Project Manager and Project Team. Project Board Prince 2 Project Management Payroll module implemented of new SAP software. Additional work being undertaken to improve input for schools.	3	5	15
<p><i>Links to Corporate Plan:</i></p> <p>Corporate Objective – Providing excellent and efficient services</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Phase 1 delivered – EHR Team now working on preparation of the Payroll aspect of the system to support the introduction of new pay and grading arrangements following job evaluation n. This will delay Phase 2. Project Plan being reworked to reflect this.									

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
32	Replacement of Benefits / Council Tax System.	Incorrect Billing Benefits not paid Reputational damage	4	4	16	Cllr Ian Bowyer, Director of Corporate Resources, Adam Broome	External Project Manager and Project Team appointed. Project Board. Prince 2 Project Management. Data Cleansing complete. Installation of core system completed early August 06.	3	3	9
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>			
Corporate Objective – Providing excellent and efficient services										
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Upgrade to latest version of DIPS system delayed until Oct 2007. Contingency plan for dealing with any backlog of work associated with conversion to new system.						Overtime working if required to maintain work situation. Budget earmarked if required.	2	3	6

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
33	Schools Re-organisation.	Increase in surplus places Ineffective use of budget Loss of confidence in service	5	4	20	Cllr Grant Monahan, Director of Children's Services, Bronwen Lacey	10 Year Plan "Ideas for Change". Strategy launched July 04. Schools Liaison Meetings. PFI Project. "Building Schools for the Future" project. DFES monitoring. CPAG in place.	3	3	9
<p><i>Links to Corporate Plan:</i></p> <p>Strategic Objective – Raising educational achievement</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Building Schools for the Future – Plymouth's inclusion not anticipated before 2015.						Unknown at this stage.	3	3	9

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
34	Schools PFI.	Financial costs Effect on quality of educational standards Loss of reputation	5	5	25	Cllr Grant Monahan, Head of Strategic Procurement, John Cremins	Appointment of consultants PFI Board appointed DFES monitoring Project Risk Register in place. Preferred bidder appointed. Full business case submitted to Treasury.	3	4	12
<i>Links to Corporate Plan:</i> Strategic Objective – Raising educational achievement							<i>Link to Service Plan Objectives:</i>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Council owned risk regarding discovery of additional asbestos has been realised, with a contractual claim submitted by the Contractor at the end of April 2007. The extent of the claim is currently being determined.									

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
35	Housing stock transfer options.	Damage to Reputation. ODPM/Government Office South West intervention.	5	5	25	Cllr Peter Brookshaw, Clive Turner, Director of Community Services	Stock Options. Steering Group (monthly) Regular liaison with ODPM / Government SW. Advice & support from experienced Housing Consultants. Widening housing choice. Independent tenant advisor appointed. Members group established.	4	5	20
<p><i>Links to Corporate Plan:</i></p> <p>Corporate Objective – Building Plymouth’s future</p>							<p><i>Link to Service Plan Objectives:</i></p>			
Risk Ref	Options for additional/replacement control procedures					Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	<p>Options appraisal “Signed Off” by GOSW Aug 2005. Transfer to an RSL projected for Sept 2009. Lead and other Consultants under review. Independent tenant advisor for phase 1 completed task in July 05 – Phase 2 arrangements being negotiated with tenants. Project Team drafting Change Management Plans. Briefings to Housing staff commenced.</p>									

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
36	Management of Employee Stress	Poor morale. Cost of absence. Impact on service levels. Potential compensation claims.	3	5	15	Cllr Delia Ford, Assistant Head of Human Resources, Louise Turner	Absence management procedures Counselling service Stress Policy Stress Risk Assessment tool developed & implemented.	3	5	15
Links to Corporate Plan: Corporate Objective – Improving our capacity to deliver together							Link to Service Plan Objectives:			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Stress risk assessment and wellbeing training programme in place for 2007/08. All service areas to identify health & safety learning needs. Revision of stress policy included in Health Safety & Wellbeing Action Plan.						Training to be carried out in-house.	2	5	10

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

<i>Risk ref.</i>	<i>Risk title / description</i>	<i>Consequence</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Raw Risk Rating</i>	<i>Lead Member and Officer</i>	<i>Existing Control Procedures</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Residual risk rating</i>
40	Failure to deliver LDF programme and to satisfy “test of soundness”.	<p>1. Failure to meet BVPI 200 and 205 and have in place strategic planning framework for the city.</p> <p>2. Failure to achieve ODPM Target PSA 6 leading to possible intervention.</p> <p>3. Failure to deliver Vision for Plymouth.</p> <p>4. Failure to deliver capital receipts programme to support Capital Programme.</p> <p>5. Reduction and removal of Planning Delivery Grant.</p> <p>6. Likely knock on consequences for planning application performance and failure to meet BVPI 109.</p>	4	4	16	Cllr Ted Fry, Jonathan Bell, Head of Strategy	<p>Project management approach to LDF documents.</p> <p>Weekly monitoring at management meetings.</p> <p>Robust work prioritisation.</p> <p>Regular meetings with Portfolio Holder and Head of Service scheduled.</p> <p>Proactive staff development.</p> <p>New structure for Planning & Regeneration Service agreed – with additional staff resources for LDF.</p> <p>Partnering consultants appointed to assist with workload.</p> <p>Partnership working used where possible to</p>	2	4	8

							<p>add value to available resources. Work programme reappraised in light of Inspector's decisions on Lichfield and Stafford Core Strategies regarding the "test of soundness". Plymouth first major urban area to have core strategy accepted as "sound".</p>			
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Options for additional/replacement control procedures	Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
<p>Develop “grow your own planner” approach in response to national shortage of town planners. This is however a long term solution. Improve skills transference to current staff in order to reduce dependency on key staff – through mentoring programme to be developed once team fully staffed, and proactive staff development.</p>	<p>Dependant on agreement of resources for staff development; Service wide assessment of Learning Needs for 2006/07 has been developed.</p> <p>Failure to meet “test of soundness” could set back LDF programme 2 years, at significant cost. Programme amendments can be delivered within current budgetary provision.</p>			

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
41	Local Area Agreement development and delivery.	Adverse CPA opinion; potential loss of funding opportunities; potential 'engagement' with GOSW.	3	4	12	Cllr Ted Fry, Head of Corporate Planning, Karen Kay	Project Manager in post. Regular Project Management meetings. GOSW satisfied with progress to date.	3	4	12
<p><i>Links to Corporate Plan:</i></p> <p>Strategic Objective – Developing a prosperous economy Corporate Objective – Improving our capacity to deliver together</p>							<p><i>Link to Service Plan Objectives:</i></p> <p>Key objective for Policy and Performance unit and for LSP team.</p>			
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating
	Obtain feedback from GOSW; need to pro-actively engage Lead Officers.						Within planned resources.	1	4	4

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
42	Health & Safety Management.	Increased risk of prosecution (civil and criminal). Increased risk of employer conceding employer liability (EL) claims. Fines & financial losses. Absenteeism associated with occupational ill health & accidents will increase. Failure to comply with legislation.	5	5	25	Cllr Delia Ford, Louise Turner	Health & Safety crosscutting issues and PI's included in business planning across organisation – 2007/08. Corporate HSW action plan in place that addresses key health & safety organisational risks and includes prioritised actions to reduce risks. Corporate Health & Safety Policy (& supporting performance standards) implemented.	3	5	15	
<p>Links to Corporate Plan: A Healthy place to live and work, A safe and strong city (visionary goals). Improving health & wellbeing, promoting community safety (shared strategic objectives). Improving our capacity to deliver together (corporate objective). Have a safe and healthy environment in which to work (corporate values).</p>							<p>Link to Service Plan Objectives: HR Service Priority 5 – Improving the Health, Safety & Wellbeing of the workforce and wider community – actions to be undertaken to reduce risk outlined in HR Appendix 5 of HR Service Plan.</p>				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	Additional HR Advisor to be recruited to increase HSW capacity.						Additional staffing – Approx. £50K	3	3	9	

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
43	Risk of exceeding allocated Landfill Allowances	Financial Penalties from Central Government which based on current projections may result in potential fines each year from 2009/10 (fines estimated at £2.6m in 2009/10 rising to £6.1m in fines by 2012/13 and £8.9m in fines by 2019/20).	5	5	25	Cllr Michael Leaves, Director of Development, Nigel Pitt, Mark Turner, Waste Products & Commercial Developments Manager	1.Reduce amount of waste to landfill by increasing overall percentage of household waste recycled and composted 2. Reduce the amount of residual waste collected for landfill disposal 3. Provide long-term disposal/treatment solution other than landfill 4. Purchase landfill credits to cover shortfall 5. Establish high level monitoring and increase service capacity to deliver solutions	4	5	20	
<i>Links to Corporate Plan:</i> Corporate Objective: Providing Excellent and Efficient Services – mitigating the above risk links to Best Value principles and providing an efficient service Strategic Objective 7: Maintaining a clean and sustainable environment – mitigating the above risk also links to providing a sustainable service							<i>Link to Service Plan Objectives:</i>				
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	

	<p>Continue with a range of projects and initiatives including; education and awareness initiatives; and reduce CA site abuse. Take Waste DPD through to adoption; progress background studies on acquired site; complete new waste management strategy action plan; continue procurement of long-term solution.</p>				
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PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
44	Financial and liability implications of Members & Officers serving on outside bodies.	Failure to meet corporate, service & manifesto objectives. Inadequate SLA's and potentially poor performance, service failure & reputational damage. Increased potential for litigation & ultra vires action.	5	5	25	Cllr Ian Bowyer, Head of Legal Services, David Shepperd	Register of Outside Bodies. Member training on roles & responsibilities provided in Feb 04 by Ashfords. Insurance cover in place in line with provisions of Local Authorities (Indemnities for Members and Officers) Order 2004.	3	3	9	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	
	Further Member training required – need to include work programme for Member training schedules. Ashfords possibly to assist with updating guidelines. Consider possibility of Legal Expenses insurance for Members in respect of alleged Code of Conduct breaches.										

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating
45	Financial & Liability implications of significant partnerships.	<p>Failure to meet corporate, service & manifesto objectives. Inadequate SLA's and potentially poor performance, service failure & reputational damage.</p> <p>Inadequate contract conditions/ dispute resolution procedures.</p> <p>Increased potential for litigation & ultra vires action.</p> <p>Failure of partnership arrangement.</p> <p>Conflict with existing in-house services, service provision & existing partnerships.</p> <p>Financial over-commitment by the Council (as Accountable Body or major funder) and potential for clawback of Government funding.</p>	5	5	25	Cllr Ian Bowyer, Director of Corporate Resources, Adam Broome	Risk Registers in place for some major partnerships. Financial monitoring where Plymouth City Council is the accountable body.	4	5	20

<i>Links to Corporate Plan:</i>		<i>Link to Service Plan Objectives:</i>			
<i>Risk Ref</i>	<i>Options for additional/replacement control procedures</i>	<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>
	More consistent approach needed where PCC is accountable body.				

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
46	Information Governance – compliance with statutory requirements. Information sharing – Internal & External	Risk of regulatory action due to services not complying with statutory requirements for information. Risk of not supporting partnership working & shared services with external partners. Risk of corporately held information not being used efficiently.	5	4	20	Cllr Delia Ford, Head of ICT, Neville Cannon & Corporate Information Manager, Richard Woodford	Corporate Information Manager in post. SSD have Information Access Officer in post. Directorates have a Freedom of Information representative. IG compliance requirements identified. Compliance incorporated into all Service plans. Privacy & commercial sensitivity issues identified.	4	4	16	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	

<p>Information Audit – Central Register to be established & maintained. Establish central database for Publication Scheme. Access to Information Policy – policies, procedures & guidance to be prepared. Internal review process for compliance with information legislation & response to Commissioner investigations. Implementation of Human Rights Act principles by all teams. Egov required actions are being progressed – departments need to assign responsibility for records management. Corporate Citizen Relationship Management system – Egov requirement. Asset details and staff details and responsibilities to be linked. Confidentiality and Information Security, sub policies, procedures and guidance to be in place. Internal Review process for compliance with information legislation and response to Commissioner investigations.</p>				
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PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
47	Concessionary Fares – increased take up of concessionary travel above forecast	Budgetary pressure annually of c. £570k	5	5	25	Cllr Kevin Wigns, Assistant Director of Transportation, Infrastructure & Engineering, Chris Sane	Annual review of reimbursement rate. Recalculation of rate subject data for Member and Head of Finance approval. Submission of evidence regarding scheme and process for determining appropriate rate.	4	5	20	
Links to Corporate Plan: Strategic Objective 6 – Develop an Effective Transport System 6.1 Facilitate convenient transport choices for all.							Link to Service Plan Objectives:				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	Promotion of a national scheme (led by TCAs and the LGA) by the DfT that would set a national rate for reimbursement. This may reduce costs if funds/claims were made centrally.							1	2	2	

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
48	Taxi Licensing	Income from license fees less than expenditure. 360K predicted overspend – ongoing	5	5	25	Cllr Glenn Jordan, Director of Development, Nigel Pitt & Asst Head of Environmental Services, Robin Carton	Proposed fees increase report going to Licensing Committee to introduce new fees – Nov 07. Annual review of fees to bring account back into balance within 3 years.	4	4	16	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	
							None				

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
49	Listing of Civic Centre	Significant increased capital cost to Council.	5	5	25	Cllr Ian Bowyer, Head of Asset Management, Nalin Seneviratne	Reviewing options with support of QC & specialist advisers.	4	5	20	
Links to Corporate Plan: Making the best use of our land and assets.							Link to Service Plan Objectives: Wealth creation for PCC as per A.M. Plan.				
Risk Ref	Options for additional/replacement control procedures						Cost/Resources	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Potential Residual Risk Rating	
	Undertake full repairs and refurbishment.						Financial Cost £45m	5	2	10	

PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER FIVE

Risk Ref	Risk Title/Description	Consequence	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Raw Risk Rating	Lead Member and Officer	Existing Control Procedures	Probability (5=high, 1=low)	Severity (5=high, 1=low)	Residual Risk Rating	
50	Structural condition of properties on North Prospect Estate	Solution required to the significant structural problems identified on the estate.	5	5	25	Cllr Peter Brookshaw, Director of Community Services, Clive Turner	Strategic urban futures appointed to work with residents on the estate to a) arrive at consensus about need for change in North Prospect – i.e. a shared understanding of the problems of the area; b) to agree upon a set of actions/priorities for change – the solution(s) to the problems of North Prospect c) recommendations for a sustainable delivery mechanism.	5	5	25	
<i>Links to Corporate Plan:</i>							<i>Link to Service Plan Objectives:</i>				
Risk Ref	<i>Options for additional/replacement control procedures</i>						<i>Cost/Resources</i>	<i>Probability (5=high, 1=low)</i>	<i>Severity (5=high, 1=low)</i>	<i>Potential Residual Risk Rating</i>	
	Estimated £20m to deal with structural issues on council owned properties – this does not include any homeloss or demolition costs, nor any work to owner occupied properties. Guesstimate of around £60m to deal with structural issues across the estate. Work with residents and potential funders to identify options and ultimately a solution to the problems. Identify impact on owner occupiers. Identify suitable delivery vehicle. Assess potential impact on whole stock transfer.										

AMENDMENTS TO PLYMOUTH CITY COUNCIL STRATEGIC RISK REGISTER

Amendment Date	Reason	Version Number
25.1.05	Changes approved by CMT on 5.10.04	3
21.3.05	Amendments agreed by CMT/Portfolio holders on 22.03.05	4
02.9.05	Re-assignment of responsible officers following senior management restructure	5
09.11.05	Amendments following Autumn 05 monitoring exercise	Register 3 Version 1
07.03.06	Amendments agreed by CMT/Cabinet Planning	Register 3, Version 2
12.04.06	Risks linked to revised Corporate Plan 2006 - 2009	Register 3, Version 3
30.11.06	Amendments agreed by CMT on 27.11.06	Register 4, Version 1
18.12.06	Amendments agreed by Cabinet Planning & Audit Committee	Register 4, Version 1
30.08.07	Amendments following July 07 monitoring	Register 5, Version 1
04.09.07	Amendments agreed by CMT on 3.9.07	Register 5, Version 2

CITY OF PLYMOUTH

Subject: Internal Audit Strategy and Charter
Committee: Audit Committee
Date: 24th September 2007
Cabinet Member: Cllr Bowyer
CMT Member: Director of Corporate Resources
Author: Sue Watts, Chief Auditor
Contact: Tel 01752 (30)6710
email : sue.watts@plymouth.gov.uk
Ref: AUD/SW
Part: I

Executive Summary:

The Code of Practice for Internal Audit in Local Government (the Code) issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) lays down the professional standards to which Plymouth City Council's Audit Service works in providing an internal audit service to the Authority.

Following amendments made to the Accounts and Audit Regulations in 2006, CIPFA has revised the 2003 version of the Code. The new Code reflects changes in corporate governance practice that further emphasises the importance of Internal Audit to the proper management of organisations. In addition it more closely aligns practice with current approaches of internal auditors, particularly in respect of recent developments in risk management and the impact on internal audit planning. Ethics are also now included as one of the Standards in the Code.

There are two key documents referred to in the Code which specifically require approval by the Authority. These are the **Internal Audit Strategy**, and the Internal Audit Charter (Terms of Reference). The Code defines the Audit Strategy as "the high-level statement of how the internal audit service will be delivered and developed in accordance with the terms of reference". The Code also requires that "the purpose, authority and responsibility of Internal Audit must be formally defined" in **Terms of Reference** consistent with the Code.

The Audit Committee last approved the current Internal Audit Strategy and Charter (Terms of Reference) in April 2005, which were based on guidance provided in CIPFA's 2003 Code. Procedures and practices within Internal Audit continue to comply with the new Code, but the documents have now been updated to bring them into line with the latest requirements.

Revised versions of the Internal Audit Strategy, and Internal Audit Charter and Terms of Reference are included in Appendix 1 and 2. The changes are not significant and have been **highlighted in bold text** for ease of reference.

Corporate Plan 2007-2010:

The work of Internal Audit assists the Authority in maintaining high standards of public accountability and probity in the use of public funds. The Section has a role in promoting

high standards of service planning, performance monitoring and review throughout the organisation.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

None

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

None

Recommendations & Reasons for recommended action:

Audit Committee are recommended to approve the proposed revised Internal Audit Strategy and Internal Audit Charter (Terms of Reference) attached to this report.

Alternative options considered and reasons for recommended action:

None. The Authority needs to adopt an Audit Strategy, and Terms of Reference which comply with the CIPFA Code of Practice for Internal Audit in Local Government. Failure to do so would be contrary to the requirements of the Accounts & Audit Regulations 2003 (as amended), and would fail to meet the mandatory KLOE's for the CPA Use of Resources Assessment

Background papers:

CIPFA Code of Practice for Internal Audit in Local Government 2006
 Plymouth City Council Constitution
 Accounts & Audit Regulations 2006 (as amended)
 Report AC25 04/05 to Audit Committee 4th April 2005

Sign off:

Head of Fin	AB 20/8/ 07	Head of Leg		Head of HR		Head of AM		Head of IT		Head of Strat Proc	
Originating SMT Member S W											

1.0 BACKGROUND

1.1 The Code of Practice for Internal Audit in Local Government (the Code) issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) lays down the professional standards to which Plymouth City Council's Audit Service works in providing an internal audit service to the Authority.

1.2 Following amendments made to the Accounts and Audit Regulations in 2006, CIPFA has revised the 2003 version of the Code. The new Code reflects changes in corporate governance practice that further emphasises the importance of Internal Audit to the proper management of organisations. In addition it more closely aligns practice with current approaches of internal auditors, particularly in respect of recent developments in risk management and the impact on internal audit planning. Ethics are also now included as one of the Standards in the Code.

2.0 REQUIREMENTS OF THE CODE OF PRACTICE

2.1 There are two key documents referred to in the Code which specifically require approval by the Authority. These are the Internal Audit Strategy, and the Internal Audit Charter (Terms of Reference).

2.2 The Code defines the **Audit Strategy** as "the high-level statement of how the internal audit service will be delivered and developed in accordance with the terms of reference." The Code also indicates that the Audit Strategy should include:-

- Internal Audit objectives and outcomes
- how the Head of Internal Audit will form and evidence his or her opinion on the control environment to support the annual Statement of Internal Control
- how Internal Audit's work will identify and address significant local and national issues and risks
- how the service will be provided, ie internally, externally, or a mix of the two
- the resources and skills required to deliver the strategy.

2.3 The Code also requires that "the purpose, authority and responsibility of Internal Audit must be formally defined" in **Terms of Reference** consistent with the Code which should:-

- establish the responsibilities and objectives of Internal Audit
- establish the organisational independence of Internal Audit
- establish the accountability, reporting lines and relationships between the Head of Internal Audit and:
 - (i) those charged with governance
 - (ii) those to whom the Head of Internal Audit may report
- recognise that Internal Audit's remit extends to the entire control environment of the organisation
- identify Internal Audit's contribution to the review of the effectiveness of the control environment
- require and enable the Head of Internal Audit to deliver an annual audit opinion
- define the role of Internal Audit in any fraud-related or consultancy work
- explain how Internal Audit's resource requirements will be assessed

- establish Internal Audit's right of access to all records, assets, personnel and premises, including those of partner organisations, and its authority to obtain such information and explanation as it considers necessary to fulfil its responsibilities.

2.4 The Audit Committee last approved the current Internal Audit Strategy, and Charter (Terms of Reference) in April 2005, which were based on guidance provided in CIPFA's 2003 Code. Existing procedures and practices within Internal Audit continue to comply with the new Code, but the documents have now been updated to bring them into line with the latest, 2006 version of the Code.

2.5 Revised versions of the Internal Audit Strategy, and Internal Audit Charter and Terms of Reference are included in Appendix 1 and 2. The changes are not significant and have been ***highlighted in bold italic text*** for ease of reference.

3.0 RECOMMENDATIONS

3.1 Audit Committee are recommended to approve the proposed revised Internal Audit Strategy and Internal Audit Charter (Terms of Reference) attached to this report.

PLYMOUTH CITY COUNCIL INTERNAL AUDIT SERVICE

INTERNAL AUDIT STRATEGY

INTRODUCTION

1. This strategy document is a statement of how the Internal Audit Service will be delivered as per its terms of reference. Those “terms of reference” are contained within the Internal Audit Charter that has been approved by the Council’s Audit Committee. The key objective of Plymouth’s Internal Audit Service is to provide a high quality and cost-effective internal audit service that meets the professional standards laid down in the CIPFA Code of Practice for Internal Audit in Local Government. This strategy will be reviewed and updated as appropriate to meet any changing requirements or priorities.

SERVICE DELIVERY AND PLANNING

2. The Internal Audit Service will continue to be delivered internally, where possible, with a continuing commitment to demonstrating that this represents a cost-effective means of providing a high quality and professional service. Evidence to support this will continue to be provided from a variety of sources, which will include benchmarking comparisons with other authorities, quality reviews and satisfaction surveys from clients. Other key evidence will be available from initiatives such as the Comprehensive Performance Assessment, and the external auditor’s annual review of Internal Audit. ***The Chief Auditor will report on the results of the performance management and quality assurance programme in the annual Audit Report to Audit Committee.***
3. With the growing emphasis on partnership arrangements, internal audit partnership arrangements will be encouraged and developed as appropriate to avoid duplication, ensure consistency of approach and maximise cost-effectiveness. In such arrangements the aim will be that partners should place reliance on the work of whichever internal audit service carries out the work.
4. Where internally provided audit resources are inadequate to deliver the annual audit plan, or there are not the required skills available, then external contractors may be employed to cover shortfalls in specific areas.
5. There will also be continued liaison with the Council’s external auditors, to ensure that they can place reliance on the work of Internal Audit, with joint working where appropriate, so that the overall audit service for the Council is delivered as efficiently, effectively and economically as possible.
6. ***Risk Registers will be used, where appropriate, to identify areas of potential audit coverage which link to the Authority’s objectives and priorities.*** Annual ***risk-based*** audit plans will be drawn up and agreed with Service Directors and their senior managers, ***prior to submission to the Audit Committee for review and approval. Audit plans will be fixed for a period of no longer than one year and will be flexible to reflect the changing priorities of the Authority.***
7. This planned audit work will lead to individual assignment reports to relevant managers, and periodic summary reports to Service Directors. The findings and opinions from these audits and reports will contribute to the Council’s annual Statement on Internal Control (or Corporate

Governance Report), which will consider key internal control systems, corporate governance, performance management and risk management arrangements.

8. The Chief Auditor will submit periodic reports and a formal annual report to the Audit Committee, which will include an audit opinion on the overall adequacy, and effectiveness of the Council's internal control, risk management and corporate governance environment, and will draw attention to any issues which are considered relevant to the preparation of the Council's Statement on Internal Control.

RESOURCES AND SKILLS

9. The staffing structure of Internal Audit will comprise a mix of qualified, technician and trainee posts with a mix of professional specialisms to reflect the varied functions of the service.
10. In order to deliver the agreed annual audit plan, the appropriate level of resources will be made available to the audit team, which will include the required mix of skills and specialisms. This will include general audit skills in respect of reviews of internal control, risk and governance arrangements, and appropriate specialisms in areas such as computer, contract audit and the investigation of frauds and irregularities.
11. Where audits require access to specialist expertise and knowledge that is not available within the audit team (e.g. legal, health and safety matters) advice and input will be sought from the wide range of specialists and experts employed within the City Council or from suitably experienced external contractors.
12. A programme of training will be provided to team members as appropriate, to meet training needs identified through the Corporate Appraisal Scheme and to ensure that team members are able to deliver a professional service in line with current best practice. The training will be delivered through the most appropriate mix of internal Plymouth City Council courses, internal training within the Internal Audit Service, and external courses and seminars.

ALLOCATION OF AUDIT RESOURCES

13. Allocation of audit resources will be facilitated through an audit needs assessment across the whole Authority, which will be based on auditor knowledge and experience, and liaison with Directors and other managers. Risk assessments will be undertaken to prioritise internal audit coverage taking into account the relative risks of the Council's various activities and systems. The Chief Internal Auditor will also liaise with the Council's External Auditor, in order to co-ordinate their individual plans and ensure the effective allocation of overall audit resources and avoid duplication of effort.
14. Whilst some audit reviews will be carried out on a regular cyclical basis (e.g. schools' audits), audit resources will, increasingly, be allocated on the principle of continuous planning which takes into account key risks as they emerge.
15. By its nature, fraud-related work is unpredictable in terms of its timing and extent. All reported irregularities will be investigated in line with the established strategies and protocols. Audit resources will be allocated within the audit plan for this demand-led and variable activity based on best estimates available from previous years' work. ***In addition, pro-active fraud testing will be covered dependent upon assessed risk and resource availability.*** In alternate years, when the Audit Commission's National Fraud Initiative (NFI) takes place, an appropriate level of additional resource will be allocated for this fraud-related work.
16. Audit resources will be allocated to other consultancy work in the annual audit plan based on best estimates available from previous years' work. Where there are conflicting demands on

audit resources from planned assurance work, investigations and other consultancy projects, resources will be allocated on the basis of risk, sensitivity and other priorities.

PLYMOUTH CITY COUNCIL

INTERNAL AUDIT CHARTER AND TERMS OF REFERENCE

This Charter describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Section.

OBJECTIVES

Internal Audit is an assurance function that primarily provides an independent and objective opinion to Plymouth City Council on the **internal** control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the Council's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.

STATUTORY ROLE

Internal Audit is a statutory service in the context of the Accounts and Audit Regulations 2003 (**as amended**), which state in respect of Internal Audit that:

"A relevant body shall maintain an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper internal audit practices"

Section 151, Local Government Finance Act 1972

Section 151 of the 1972 Act requires every local authority to designate an officer to be responsible for the proper administration of its financial affairs. In Plymouth City Council the Director of Corporate Resources is the "Section 151 officer" and one of the ways this duty is discharged is by maintaining an adequate and effective internal audit service.

REPORTING LINES AND RELATIONSHIPS

The Chief Auditor has line management responsibilities to the **Head of Finance, Governance and Planning, and the** Director of Corporate Resources. The Council has an Audit Committee whose terms of reference include responsibility for monitoring the performance of Internal Audit and approving its annual audit programme. The Chief Auditor reports to it on a six monthly basis and the reports include an 'opinion' on the standard of internal control within the authority. The Audit Committee is responsible for endorsing the Audit Plan, and the six-monthly reports from the Chief Auditor show progress against the Plan through a summary of audit work carried out over the period.

INDEPENDENCE AND ACCOUNTABILITY

Internal Audit is independent of the activities, which it audits to ensure the unbiased judgments essential to its proper conduct and impartial advice to management. To ensure this, Internal Audit operates within a framework that allows unrestricted access to senior management, reporting in its own name and segregation from line operations

The existence of Internal Audit does not diminish the responsibility of management to establish systems of internal control to ensure that activities are conducted in a secure, efficient and well-ordered manner.

ACCESS

Internal Audit shall have unrestricted access to all Council records (whether manual or computerised systems), cash, stores and other property, to obtain explanations and to enter Council property or land. Such access shall be granted on demand and not subject to prior notice.

RESPONSIBILITIES

Service Directors and the Assistant Chief Executive are responsible for ensuring that internal control arrangements are sufficient to address the risks facing their Services.

Internal Audit responsibilities include but are not limited to:

- Examining and evaluating the soundness, adequacy and application of the Council's systems of internal control, risk management and corporate governance arrangements;
- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- Reviewing the systems established to ensure compliance with those policies, plans, procedures and regulations which could have a significant impact on operations;
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets;
- Investigating alleged fraud and other irregularities referred to the service by management, or concerns of fraud or other irregularities arising from audits, where it is considered that an independent investigation cannot be carried out by management.
- Appraising the economy, efficiency and effectiveness with which resources are employed and the quality of performance in carrying out assigned duties including the Best Value programme, and Value for Money Studies;
- Working in partnership with other bodies to secure robust internal control that protect the Council's interests.

In meeting its responsibilities, Internal Audit activities will be conducted in accordance with Council strategic objectives and established policies and procedures. In addition, Internal Auditors shall comply with the Council's Code of Conduct and the Code of Practice for Internal Audit in Local Government promulgated by the Chartered Institute of Public Finance and Accountancy and other such professional bodies of which internal auditors are members.

REPORTING

A written report will be prepared for every internal audit project and issued to the appropriate manager accountable for the activities under review. Reports will include an 'opinion' on the **risk and** adequacy of controls in the area that has been audited, **which, together, will form the basis of the annual audit opinion on the control environment.**

The Manager will be asked to respond to the report in writing, within 30 days, although this period can be extended by agreement. The written response must show what actions have been taken or are planned in relation to each recommendation. If a recommendation is not accepted by the manager, this must also be stated. The Chief Auditor is responsible for assessing whether the manager's response is adequate.

Every Internal Audit report is subject to a follow-up, normally within six months of its issue, in order to ascertain whether the action stated by management in their response to the report has been implemented.

The Chief Auditor will submit periodic reports to the Audit Committee summarising key findings of reviews and the results of follow-ups undertaken.

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CITY OF PLYMOUTH

Subject: Whistleblowing Policy

Committee: Audit Committee

Date: 24 September 2007

Cabinet Member: Cllr Bowyer

CMT Member: Director of Corporate Resources

Author: Brenda Davis, Audit Manager

Contact: Tel: (01752 (30) 6713
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Ref: AUD/BD

Part: I

Executive Summary:

Since its launch, the Committee on Standards in Public Life headed by Lord Nolan, has continued to highlight the role whistleblowing plays “both as an instrument of good governance and a manifestation of a more open culture”. In a report on whistleblowing best practice published in May 1996, the Committee stated that “all organisations face the risks of things going wrong or of unknowingly harbouring malpractice. Encouraging a culture of openness within an organisation will help: prevention is better than cure.”

The Council’s “Public Interest Disclosure Act 1998 – Confidential Reporting Code” was implemented in June 2000 as a result of The Public Interest Disclosure Act 1998 which came into force on July 1999. This policy has been reviewed and updated in line with best practice and re-named the Whistleblowing Policy. The revised version is included in Appendix 1.

Corporate Plan 2007-2010:

The work of Internal Audit assists the Authority in maintaining high standards of public accountability and sound governance. The Section has a role in promoting good governance and works to deter and facilitate early detection of malpractice.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land**

None.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

None.

Recommendations & Reasons for recommended action:

The Audit Committee are recommended to approve the proposed Whistleblowing Policy attached to this report.

Alternative options considered and reasons for recommended action:

None. The Authority needs to maintain a Whistleblowing Policy which complies with best practice. Failure to do so would be contrary to the requirements of the Public Interest Disclosure Act 1998, and would fail to meet the mandatory Key Lines of Enquiry (KLOE's) for the CPA Use of Resources Assessment.

Background papers:

Public Interest Disclosure Act 1998.
 PCC Policy – “Public Interest Disclosure Act 1998 – Confidential Reporting Code”
 June 2000

Sign off:

Head of Fin	AB	Head of Leg	DS	Head of HR	GM	Head of AM		Head of IT		Head of Strat Proc	JC
Originating SMT Member Chief Auditor											

1. Background

- 1.1 Plymouth City Council is committed to the highest possible standards of openness, probity and accountability in all of its activities. In line with this commitment, the Public Interest Disclosure Act 1998 – Confidential Reporting Code, which was implemented in June 2000 as a result of The Public Interest Disclosure Act 1998, has been reviewed and updated in line with best practice and re-named the Whistleblowing Policy.
- 1.2 This policy supports the Council's Anti Fraud and Corruption Policy, and makes it clear that concerns can be raised without fear of reprisals. It is intended to encourage and enable employees and contractors working for the Authority to raise serious concerns within the Council, irrespective of seniority or status, rather than overlooking a problem or reporting the matter externally. The policy aims to ensure that employees are protected from possible reprisals or disadvantage where they have raised a concern or disclosed information in good faith.

2. Revision of Policy

- 2.1 One of the objectives in revising the policy has been to take into account the requirements of the CPA Use of Resources, Internal Control Key Lines of Enquiry (KLOE's) 2006/07 which specify:-

Level 2 (Mandatory): "There is a whistleblowing policy which has been communicated to staff and those parties contracting with the Council."

Level 3 (Mandatory): "The whistleblowing policy is publicised within the council and demonstrates the council's commitment to providing support to whistleblowers."

Level 4: "The council has a track record for effective action in response to whistleblowing disclosures. There are periodic reviews of the effectiveness of the whistleblowing arrangements, and there are effective arrangements for receiving and acting upon disclosures from members of the public."

- 2.2 The wording in the proposed policy has been simplified and the title changed from Public Interest Disclosure Act 1998 – Confidential Reporting Code to Whistleblowing Policy so that it is more easily identified and understood.
- 2.3 The proposed policy has been compared with those of London Borough of Bexley, Dorset County Council and Sunderland City Council, all 4-star authorities whose CPA direction of travel has been assessed as 'improving well'.

3. Consultation

- 3.1 The Head of Legal Practice, the Head of Human Resources, the Audit Commission and Grant Thornton, the newly appointed external auditors to the Authority, have all been consulted on the content of the proposed Whistleblowing Policy.
- 3.2 The Audit Commission have reviewed the document and compared it against their Public Interest Disclosure Act guidance and, their own Whistleblowing Policy, and are satisfied that it includes all the requisite information.
- 3.3 Grant Thornton also confirmed that the main headings and contents were satisfactory but did recommend that the policy should include “Review and Monitoring”, “Approval for Policy” and any “Related Policies and Documents”. These details have been added at paragraphs 10, 11 and 12 of the document.
- 3.4 The trade unions will also be consulted before the proposed policy is presented to Audit Committee for approval.

4. Communication

- 4.1 If approved by Audit Committee, Corporate Communications have agreed to launch the policy on Staffroom, in the Upfront newsletter and to include details in the next available Team Briefing.

5. Monitoring and Review

- 5.1 The policy is to be reviewed and monitored every two years and will be presented to Audit Committee for approval.
- 5.2 The number of concerns raised by whistleblowers will be monitored and will be included in future reports to Audit Committee.

6. Recommendations

- 6.1 Audit Committee are recommended to approve the proposed Whistleblowing Policy attached to this report.

WHISTLEBLOWING POLICY

1. POLICY STATEMENT

This policy has been devised in accordance with the provisions of the Public Interest Disclosure Act 1998 and supports the Council's Anti Fraud and Corruption Policy.

Plymouth City Council is committed to the highest possible standards of openness, probity and accountability in all of its activities. It also expects a high standard of conduct and integrity from employees.

Any employee who has a serious concern about any aspect of the Council's work or the actions of its employees should voice their concerns through established internal channels, without fear of harassment or victimisation.

The Council aims to encourage all its employees to feel confident in raising serious concerns and provide appropriate avenues for dealing with them. It aims to ensure that employees are protected from possible reprisals or disadvantage where they have raised a concern or disclosed information in good faith.

2. AIMS AND SCOPE OF THE POLICY

2.1 This Policy aims to:

- encourage employees to feel confident in raising concerns and to question and act upon their concerns;
- provide avenues for employees to raise these concerns and receive feedback on any action taken;
- allow employees to take the matter further if they are dissatisfied with the Council's response; and
- reassure them that they will be protected from reprisals or victimisation for whistleblowing in good faith in accordance with this procedure.

2.2 This policy applies to all employees and those contractors working for the Council. Employees include staff working for the Council on a temporary basis, casual or seasonal workers and trainees. It also covers agency workers and suppliers and those providing services under a contract with the Council in their own premises.

2.3 There are existing procedures in place to allow staff to lodge a grievance relating to their own employment within the Council's [Grievance Policy and](#)

[Procedure](#). The Council also has a separate [Whistleblowing Policy](#) for Foster Carers.

2.4 This policy is intended to cover reasonably serious concerns that fall outside the scope of other procedures. That concern may be about the following:

- A criminal offence that has been, is being, or is likely to be committed;
- Fraud and Corruption;
- Unauthorised use of Public Funds;
- A failure to comply with a legal obligation;
- A health and safety risk relating to any individual;
- A miscarriage of justice;
- A damage to the environment;
- Actions that are contrary to the Council's Standing Orders, Financial Regulations or any other approved policies;
- Actions or behaviour that falls below established standards of practice;
- Abuse and welfare of clients and/or staff;
- Harassment or victimisation of either staff or clients;
- Any actions or concerns regarding practice that could result in a financial loss to the Authority;
- The deliberate concealment of information relating to any of the above matters;
- Other unethical conduct.

(This list is not exhaustive)

3. SAFEGUARDS

3.1 Harassment or Victimisation

The Council recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for, or suspected of, the malpractice. The Council will not tolerate harassment or victimisation and will take action to protect staff when they raise a concern in good faith. This does not mean that if a member of staff is already the subject of disciplinary or redundancy procedures, those procedures will be halted as a result of their 'Whistleblowing'.

3.2 Confidentiality

The Council will do its utmost to protect an individual's identity when they raise a concern and do not want their name to be disclosed. It must be realised and appreciated, however, that the investigation process itself may well reveal the source of the information, and, depending on the outcome, a formal statement by the individual may be required as part of the evidence.

3.3 Anonymous Allegations

This policy is designed to encourage staff to put their names to allegations. Concerns expressed anonymously are much less powerful, but they will be considered at the discretion of the Council. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

3.4 Untrue Allegations

If a member of staff makes an allegation in good faith, but it is not confirmed by the investigation, no action will be taken against them. If, however, individuals make malicious or vexatious allegations, disciplinary action may be considered and implemented.

4. RAISING A CONCERN

4.1 Employees are encouraged to report any concerns to one of the following persons. They are listed in order of preference. However, if the employee believes that any of these persons are implicated in the concern they are raising they should feel free to report to the next most preferred person:

1. Line Manager;
2. Head of Service;
3. Director;
4. Chief Executive.

4.2 Employees who are unsure about reporting or do not feel at ease raising the concern through the above route are encouraged to seek advice from one of the following:

- The Chief Auditor on 306712 or 306711;
- The Head or Assistant Head of Legal Services on 306116 or 306113;
- The Head of Human Resources on 304890.

4.3 Employees may also invite their Trade Union or professional association to raise the concern on their behalf.

4.4 Concerns are better raised in writing. The background and history of the concern, giving names, dates and places where possible, should be set out and the reason why the individual is concerned about the situation. Those who do not feel able to put their concerns in writing may raise the matter verbally with the appropriate officer.

4.5 Although staff are not expected to prove the truth of their concern, they will need to demonstrate to the person contacted that there are sufficient grounds for concern.

5. HOW THE COUNCIL WILL RESPOND

5.1 Within 10 working days of a concern being received, the Council will write to the employee

- Acknowledging that the concern has been received;
- Indicating how it proposes to deal with the matter;
- Telling the employee whether any initial enquiries have been made;
- Telling the employee whether further investigations will take place, and if not, why not.

5.2 The action taken by the Council will depend on the nature of the concern.

The matters raised may

- Be investigated internally;
- Be referred to the Police;
- Be referred to the External Auditors;
- Form the subject of an independent inquiry by the Ombudsman.

5.3 In order to protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of other, existing, procedures (e.g. child protection or discrimination issues) will normally be referred for consideration under those procedures.

5.4 Some concerns may be resolved without the need for investigation.

5.5 The amount of contact between the Managers considering the issues raised and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided.

5.6 When any meeting is arranged, staff have the right, if they so wish, to be accompanied by a Union or professional association representative or a friend who is not involved in the area of work to which the concern relates.

5.7 The Council will take steps to minimise any difficulties which staff may experience as a result of raising a concern. For instance, if members of staff are required to give evidence in criminal or disciplinary proceedings, the Council will advise them about the procedure.

5.8 The Council accepts that members of staff need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, members of staff will receive information about the outcomes of any investigations.

6. FOLLOWING UP CONCERNS RAISED

6.1 Whatever method of raising a concern has been chosen, effective and efficient communication and support systems are fundamental to the success

of the policy and in giving employees confidence that issues which they raise will be thoroughly and conscientiously investigated.

6.2 Managers, Councillors or Trade Union Representatives who have concerns raised with them should notify Internal Audit immediately, if the concern / allegation involves either potential fraudulent practice or activity that could result in a financial loss to the Authority.

6.3 Similarly, if a concern raises issues relating to employee or client welfare, Human Resources should be notified or issues of legality, Legal Services should be notified at the earliest possible opportunity.

7. RESPONDING TO CONCERNS RAISED

7.1 The Council will respond in any situation where individuals have raised a concern under the procedure outlined above. In order to protect individuals and any person(s) accused, initial inquiries will be made to establish whether a formal investigation is appropriate and, if so, what form it should take.

7.2 The initial inquiry will normally be conducted by the Manager with whom the concern was initially raised. Managers should consult with Internal Audit if they have any queries or wish to discuss the matters raised before taking any action.

7.3 The role of Councillors and Trade Union Representatives in this process will be to act as an independent contact point, receiving and passing on relevant information. It is not envisaged that Councillors or Trade Union Representatives will either lead, or be involved, in actual investigations, although they will be kept informed in respect of relevant progress made in respect of specific allegations.

7.4 Some concerns will be resolved without the need for a formal investigation. Where a formal investigation is required, it is likely to take the form of an investigation by a senior manager or Internal Audit. In certain cases, the matters raised may be referred to the Police or the Council's external auditors for investigation or an independent inquiry could be set up.

7.4 The overriding principle that the Council will consider in investigating any issue is the public interest. Concerns or allegations that fall within the scope of existing Council procedures, such as disciplinary matters or child protection, will normally be referred for consideration under those procedures.

8. ALTERNATIVE METHODS OF TAKING FORWARD A COMPLAINT

8.1 This policy is intended to provide staff with an avenue to raise concerns within the Council. If an individual feels it is right to take the matter outside this process, the following are possible contact points:

- The local Council member (if you live in the area of the Council);
- The External Auditor;

- Relevant professional bodies or regulatory organisations;
- Individuals' solicitors;
- A relevant charity or voluntary organisation; such as Public Concern at Work, who can be contacted on 0207 404 8009 or helpline@pcaw.co.uk
- The Police.

8.2 If a member of staff does take the matter outside the Council, they need to ensure that they do not disclose confidential information or that disclosure would be privileged. This should be checked with one of the designated contact points, Internal Audit, Legal Services , Human Resources or if preferred, an outside organisation such as the Ombudsman.

9. THE RESPONSIBLE OFFICER

9.1 The Chief Auditor has overall responsibility for the maintenance and operation of this policy.

9.2 The Chief Auditor will maintain a record of concerns raised and the outcomes (in an anonymous format) and will report as necessary to the Audit Committee.

10. REVIEW AND MONITORING

This policy is to be reviewed and monitored every 2 years. The next review date is September 2009. The Chief Auditor will monitor this policy.

11. APPROVAL FOR THIS POLICY

This policy was approved by the Audit Committee on .

12. RELATED POLICIES AND DOCUMENTS

- Anti Fraud and Corruption Policy
- Grievance Policy and Procedure
- Code of Conduct for Employees
- Complaints Policy
- Corporate Equalities Policy
- Employee Handbook
- Public Interest Disclosure Act 1998