

Audit Working Group Meeting

On Zoom at 7.00 pm on Thursday 30 October 2021.

Agenda

Present: Councillor Steve Masters (Chair), Martin Colston and Gary Norman.

1. Apologies

Councillor Vaughan Miller

2. Review of the Strategic Risk Register

The meeting noted that the annual review is scheduled for Policy & Resources on 11 October and that the Audit Working Group reviews the Register and makes recommendations to P & R.

The meeting agreed that arising from the implications of, and lessons learned from, the pandemic, that there were significant changes to the Register:

- I. Our business continuity depends more and more on our IT infrastructure and our staff.
- II. There are growing risks to the health of our staff and increased risks that we will lose some key staff.
- III. The recruitment market seems to be very tight at the moment.
- IV. There are also growing concerns in the supply chain - contractors are very busy, resulting in delays to various projects and some materials are also difficult to source and deliver.
- V. The changing role of the Town Hall as staff become more adaptable to remote and flexible working.

The meeting reviewed the draft SRR presented by the CEO and made the changes shown tracked on the attached.

The meeting also agreed an actions plan to take forward some of the proposals in the mitigating plans shown on the SRR. (attached)

Newbury Town Council Strategic Risk Register

	Risk or Trigger Event	Impact*	Probability	Inherent Risk Score **	Current Controls	Mitigating Plans	Revised Impact	Revised Probability	Residual Risk ***
R.01	Contractors not supplying agreed services	8	7	56	All tasks are controlled by defined contracts and/or service level agreements. All contracts/agreements are monitored with corrective action taken and reported as required. Written procurement procedures are used and credit checks made on all potential suppliers.	Review, and extend, if possible, the list of preferred suppliers. created. To be used to find alternatives quickly.	6	56	3036
R.02	Council action(s) having unintended negative impact on other parties	7	3	21	Transparent procedures and processes in place to minimise risk in day-to-day service operations. Effective project management, action-planning and risk management procedures for all defined projects, events and services. Regular inspections of all assets and facilities to which the public have access. Insurance in place. Councillors available to discuss any issues at any time. Expert advice sought when appropriate.	Incidents discussed and analysed at Leader/Chief Exec. Meetings and at management team meetings. Risk assessments completed. Any recommendations tabled at appropriate Council Committee. Training an development for members and officers.	48	2	168
R.03	Malicious misrepresentation and Media Misreporting	6	7	42	Relevant senior Councillors made available to issue statements and meet journalists. Use of the procedure for dealing with persistent and abusive complainers. Press Releases issued whenever possible to announce projects/events. Relevant Councillors made available to issue statements, meet journalists. Better reports presented to decision-making meetings and available to the public and the media	Make "Handling the press" training available to relevant Councillors and staff, <u>within the next 6 months.</u> Record instances of media misreporting in a log. Review and assess significance of this risk.	5	5	25
R.04	Significant change in funding, sudden large unexpected expenditure	65	86	4830	Reserves policy in place. Insurance to cover major identifiable risks. Reserves position frequently monitored. Four-year budget planning in place.	Use of Public Works Loan Board and other sources to obtain funds. Use reserves. Increase precept. Increase income from services. <u>Longer-term financial planning</u>	34	57	1528

	Risk or Trigger Event	Impact	Probability	Inherent Risk Score *	Current Controls	Mitigating Plans	Revised Impact	Revised Probability	Residual Risk *** —
R.05	Disaster impacting on the town	6	4	24	Emergency contact list and list of resources maintained by the Community Services Team. Key individuals will make themselves available. Active monitoring of information sources. Accept instructions from Category 1 responders, i.e. emergency services, West Berkshire Council.	Take part in consultations and exercises run by Category 1 responders. Initiate and/or take part in post-incident reviews. Undertake Counter-terrorism training.	5	4	20
R.06	Sudden loss of key staff	8	6	48	Use of agencies, locums etc	Train up other members of staff to do part of role and identify possible alternatives. Purchase outside expertise	6	6	36
R.07	Fraud, misconduct, gross underperformance	6	3	18	Preventative measures in place, including payments authorisation, quarterly internal audits, spot checks. Audit reports reviewed. Insurance cover for identifiable risks. Performance management procedures in place, including monthly reviews and annual appraisals. List of payments and Income and Expenditure presented quarterly to P & R.	Review of recruitment process effectiveness. Consider obtaining news management service if an incident occurs. Additional management performance training. <u>Risks covered by insurance</u>	4 6	2	8 12
R.08	Sudden loss of staff	7	4	28	Flexible allocation of tasks to create ease of workload sharing. Succession planning in place. Annual review/updating of job descriptions. Updating of succession plans. Staff development to increase resilience.	Continue preparing/ reviewing manuals for each service function. Cross training of staff. <u>Ask the Council's HR service about the counselling services provided, and about an attitude/morale/health and wellbeing survey.</u> <u>Arrange more all-staff events.</u>	5	4	20
R.09	One off activities - experiencing problematic delivery or unexpected consequences	6	4	24	One-off activities given individual risk assessment, risk management plans, discussed with WBC Safety Advisory Group. Expert/professional advice sought when appropriate.	Ensure post-event reviews are always undertaken and, where appropriate, measures introduced to prevent recurrence. Insurance to mitigate impacts	4	2	8
R.10	Confidential or sensitive information being disclosed	5	4	20	Councillor and staff induction and training in place. Security measures in place, e.g. use of safe(s), shredder. (Very little confidential information is held).	Regular review of training to ensure it is up-to-date with latest advice. Regular review of the impact on processes arising from changes in procedures, e.g. credit card payments, on-line banking. Councillor training needed for new Data Protection Regs and use of	5	3	15

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	Risk or Trigger Event	Impact	Probability	Inherent Risk Score *	Current Controls	Mitigating Plans	Revised Impact	Revised Probability	Residual Risk ***
R.11	Loss of I.T. facilities	9	3	27	Disaster recovery service in place. Daily data back-up in place. Hardware replacement service in place. All documents and emails in 'the Cloud' Accounts software hosted with a provider	Regular testing of disaster recovery service and data backup Warranty in place for onsite server with NBD Response Email Backup in place for testing 1 spare laptop to provide to a affected user	3	1	3
R.12a	Physical Loss of Town Hall due to fire, flood or similar major event	3	1	3	Management Team called together to agree priorities. Set up short term recovery in an alternative location. Establish medium/long term plan to return to Town Hall. Insurance in place to cover costs. 'the Cloud' in use so staff can work remotely.	Staff have technology to enable flexible and remote working. Some meetings can be virtual Other venues can be used	2	1	2
R.12b	Loss of access to Town Hall	3	4	12	Zoom/ Virtual events	Zoom/ remote working. Covid-secure measures	3	4	12
R.13	Loss of Town Hall contents including civic regalia	5	2	10	All contents including regalia insured. Most valuable regalia kept in alarmed Town Hall safe. Attendant with Mayor at all times when full chain is worn. All regalia and contents insured with up to date valuations. All important paperwork scanned and in cloud. CCTV installed in Town Hall		4	1	4
R.14	Loss of non-precept income	2	10	20	Accounting procedures	Budget adjustments CIL money to be ring-fenced to cover the PWLB loan repayments on the VP Cafe, to avoid affecting the precept. <u>Use of reserves.</u> <u>Debt recovery.</u>	2	10	20
R.15	Loss of telecommunications	8	2	16	Incoming call routing on main number is handled in the cloud, so has resilience built in. Additionally, routing can easily be deployed to a backup cloud instance if required..	Routing of main number via multiple IVR options terminates on mobiles, and can be rerouted to alternative mobile numbers as required	4	1	4

*The impact relates solely to the impact on Newbury Town Council as a corporate body.

** Inherent Risk is the product of Impact multiplied by Probability. Both Impact and Probability are assessed on a scale of 1 to 10, where 1 is a low score and 10 the highest. Therefore the higher the Inherent Risk Score, the more significant it is thought to be. Inherent Risk Score provides a means of prioritising management time and effort by highlighting areas of concern on a numerical scale. Subsequent experience and changes in circumstances over time can result in the need to re-value the scores for Impact and Probability.

***Residual Risk is the perceived risk remaining after planned actions have been taken. While good controls and mitigating plans are essential in managing strategic risks, some risks cannot be completely eliminated or may take some time to control following an incident.

Considered by Audit Working Group 30.09.21

Newbury Town Council Strategic Risk Register Action Plan

	Risk or Trigger Event	Current Controls	Mitigating Plans	Specific Actions	Who	By when
R.01	Contractors not supplying agreed services	All tasks are controlled by defined contracts and/or service level agreements. All contracts/agreements are monitored with corrective action taken and reported as required. Written procurement procedures are used and credit checks made on all potential suppliers.	Review, and extend, if possible, the list of preferred suppliers. To be used to find alternatives quickly.	Review, and extend, if possible, the list of preferred suppliers.	The Community Services team.	31/12/21
R.03	Malicious misrepresentation and Media Misreporting	Relevant senior Councillors made available to issue statements and meet journalists. Use of the procedure for dealing with persistent and abusive complainers. Press Releases issued whenever possible to announce projects/events. Relevant Councillors made available to issue statements, meet journalists. Better reports presented to decision-making meetings and available to the public and the media	Make "Handling the press" training available to relevant Councillors and staff, within the next 6 months. Record instances of media misreporting in a log. Review and assess significance of this risk.	Make "Handling the press" training available to relevant Councillors and staff, within the next 6 months.	CEO	31/03/22
R.04	Significant change in funding, sudden large unexpected expenditure	Reserves policy in place. Insurance to cover major identifiable risks. Reserves position frequently monitored. Four-year budget planning in place.	Use of Public Works Loan Board and other sources to obtain funds. Use reserves. Increase precept. Increase income from services. Longer-term financial planning	Longer-term financial planning	CEO	February 2024
R.08	Sudden loss of staff	Flexible allocation of tasks to create ease of workload sharing. Annual review/updating of job descriptions. Updating of succession plans. Staff development to increase resilience.	Continue preparing/ reviewing manuals for each service function. Cross training of staff. Ask the Council's HR service about the counselling services provided, and about an attitude/morale/health and wellbeing survey. Arrange more all-staff events.	Ask the Council's HR service about the counselling services provided, and about an attitude/morale/health and wellbeing survey. Arrange more all-staff events.	CEO CEO	October 2021 ongoing