

# Audit, Pensions and Standards Committee

## Supporting Documentation

Thursday 10 January 2013

7.00 pm

COMMITTEE ROOM 1 - HAMMERSMITH TOWN HALL

### MEMBERSHIP

Administration:	Opposition	Co-optees
Councillor Michael Adam (Chairman) Councillor Marcus Ginn Councillor Robert Iggulden Councillor Lucy Ivimy	Councillor Michael Cartwright Councillor PJ Murphy	Eugenie White

At its meeting on 9 December 2010, the Committee agreed that the appendices for the items on risk management and internal audit, be circulated to members separately to the main agenda. The relevant papers are attached, and are also available with the main agenda online.

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Reports on the open agenda are available on the [Council's website](http://www.lbhf.gov.uk/Directory/Council_and_Democracy):  
[http://www.lbhf.gov.uk/Directory/Council and Democracy](http://www.lbhf.gov.uk/Directory/Council_and_Democracy)

Members of the public are welcome to attend. A loop system for hearing impairment is provided, along with disabled access to the building.

Date Issued: 02 January 2013

# **Audit, Pensions and Standards Committee**

## **Supporting Documentation**


10 January 2013

<b><u>Item</u></b>		<b><u>Pages</u></b>
<b>10.</b>	<b>COMBINED RISK MANAGEMENT HIGHLIGHT REPORT</b>	<b>1 - 21</b>
	Appendix 1- Enterprise Wide Risk Register is attached.	

**HFBB ENTERPRISE WIDE CORPORATE RISK & ASSURANCE REGISTER**  
(Incorporating Tri and Bi Borough risks)

**Appendix 1.**

KEY RISKS (refer to note 1 at the end of the document)


No.	Business risk Perspective (Strategic, Change or Operational)	TriBorough BiBorough or Sovereign risk	Risk	Consequence	First line of defence (Management Controls)	Second line of defence (Independent Assurance)	Likelihood (L)	Impact (I)	Exposure = L x I	Risk Rating	Responsible Officer or Group	Review
1.	Strategic	Sovereign	<p><b>Managing budgets</b></p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li>• <b>NNDR</b> localisation of Business Rates – taking on financial risk of non-collection of NNDR plus the associated loss of government grant</li> <li>• Underlying performance of the economy is still poor.</li> <li>• Impact of a sluggish national <b>economic recovery</b> and cascade effect on social budgets * link to revenue forecast</li> <li>• <b>Pressure on demand led services</b> may occur mid year resulting in unanticipated additional costs</li> <li>• <b>HMRC VAT claims</b> regarding partnering activities and the partial exemption benefit</li> <li>• <b>Grant application</b> is incorrectly calculated</li> <li>• <b>Unplanned growth</b></li> <li>• Failure to achieve <b>VFM</b></li> <li>• <b>Accruals &amp; reconciliations</b></li> <li>• <b>Planned savings</b> not</li> </ul>	<ul style="list-style-type: none"> <li>• Requirement to deliver planned savings</li> <li>• Pressure on the authority to manage overspends</li> <li>• Departments have to manage cost pressures</li> <li>• Loss of financial benefit to the council</li> </ul>	<ul style="list-style-type: none"> <li>• High risk &amp; volatile budget areas identified by H &amp; F Finance</li> <li>• E-Learning package for Finance Managers now live</li> <li>• Collaborative Planning system with supported training for budget holders</li> <li>• Medium Term Financial Strategy and Business Planning Processes</li> <li>• MTFS Officer &amp; Member Challenge</li> <li>• Leader's monthly monitoring reports</li> <li>• Financial Strategy Board (FSB) periodically evaluates the effectiveness of the financial management arrangements</li> <li>• Partnership activity now includes a VAT trace and has been</li> </ul>	<p>Annual Audit Letter</p> <p>Select Committees are given the opportunity to fully scrutinise budgets during January.</p> <p>Internal Audit reviews of National Non Domestic Rates, Financial Accounting System Ledger, Cost reduction Contracts Management, S106 Economic Development and Regeneration Expenditure 2012 2013</p> <p>HFBB, Audit Pensions</p>	3	4	12	Medium 	Jane West lead – All Executive Directors	Review November 2012

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Page 21			<p>implemented</p> <ul style="list-style-type: none"> <li>• <b>Creditworthiness</b> of some contractors may be downgraded as a result of the economic downturn</li> <li>• <b>Contractors may go bust and cost may be incurred putting in new arrangements for service delivery</b></li> <li>• Insufficient <b>budgetary provision</b> and/or budgetary under/overspend *</li> <li>• Incomplete/inaccurate <b>accounting records</b></li> <li>• <b>Overestimation</b> of potential revenue streams</li> </ul>	<ul style="list-style-type: none"> <li>• additional spend on dealing with contract failure</li> </ul>	<p>raised at FSB</p> <ul style="list-style-type: none"> <li>• Grant Claims &amp; returns record is tracked at FSB</li> <li>• Monthly corporate revenue &amp; capital monitoring to cabinet</li> <li>• Reports to the Leader identify where spend levels exceed a tolerable level during the year</li> <li>• Credit check of contractors is being undertaken through the BiBorough Procurement Strategy Board (RBKC &amp; H&amp;F)</li> <li>• Disposal of Assets</li> <li>• Sponsorship and advertising opportunities risk &amp; reward exercise</li> </ul>	<p>and Standards Committee, External Audit, Financial Strategy Board</p> <p>Overview and Scrutiny Board</p>						
21	Strategic	Sovereign	<p><b>Managing the Business Objectives (publics needs and expectations)</b></p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li>• A single TriBorough business planning process is not delivered impacting on the <b>Governance</b> of H&amp;F</li> </ul>	<ul style="list-style-type: none"> <li>• The Public or section of the public may not receive the service that they need or to the quality they expect</li> <li>• Reputation of the service may be affected</li> <li>• Services are delivered in an unplanned way</li> <li>• Services start to do their own thing - Maverick decisions</li> <li>• Inconsistencies in service delivery start to emerge</li> <li>• Lack of transparency</li> <li>• Duplication of effort</li> </ul>	<ul style="list-style-type: none"> <li>• TriBorough Business Plans have been issued for 2013</li> <li>• Implementation of Lean Thinking principles putting the voice of the customer at the heart of service design</li> <li>• Performance monitoring and feedback through local media</li> <li>• Customer experience and satisfaction surveys</li> </ul>	<p>Cabinet Members</p> <p>Scrutiny Cttee review performance</p> <p>Ofsted</p> <p>Care Quality Commission</p>	4	3	12	<p>Medium</p> 	All Executive Directors	Review November 2012

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				<ul style="list-style-type: none"> <li>• Communication of objectives and values is lost</li> <li>• Target and Objective setting is diminished reducing the effectiveness of the performance management regime for officers</li> </ul>										
Page 3	3.	Strategic	Sovereign	<p><b>Market Testing</b> ( refer to Bi Borough Procurement Board RBKC &amp; H&amp;F )</p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li>• Tri Borough or Bi Borough <b>procurement risk appetite</b> may vary</li> <li>• <b>Procurement procedures</b> may become unclear across Tri or Bi Borough services</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in threat of legal challenge on contract awards</li> <li>• Officers time away from other projects</li> <li>• Timescale of project is tight</li> <li>• Insufficient numbers of Officers designated to the project</li> <li>• Benefits are not realised</li> <li>• Data Quality ( Accuracy, timeliness of information ) results in variation to original contract spec.</li> <li>• Uncertainty about the most appropriate procurement route, lengthen process due to reporting to 3 Member bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Transforming Procurement work with Agilisys procurement processes to make them slicker and more efficient</li> <li>• Transforming Procurement Programme with Agilisys undertakes to improve the knowledge base and skills throughout H&amp;F</li> <li>• Consultation with other boroughs</li> <li>• Project managing the process</li> <li>• Separation or joining of projects to maximise benefit potential</li> <li>• Realistic timetables agreed and reviewed at BiBorough Procurement Board (RBKC &amp; H&amp;F)</li> <li>• Market Testing progress report to HFBB</li> <li>• Programme &amp; Project Management – Risk Logs being maintained, periodic</li> </ul>	<p>BiBorough Procurement Board (RBKC &amp; H&amp;F)</p> <p>Transformation Board</p> <p>HFBB</p> <p>Audit review conducted for Use of Contractors</p> <p>Internal Audit Substantial Assurance reports 2011/12 Market Testing H &amp; F News, BTS, Legal Services Full Assurance report 2011/12 Market Testing Out of Hours Service</p>	3	3	9	Low		All Executive Directors	Review November 2012

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

					<p>risk reviews</p> <ul style="list-style-type: none"> <li>Revenue estimated from the contract to be included as a risk in the MTFS</li> </ul>								
Page 4	4.	Change	TriBorough	<p><b>Managing projects</b></p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li>Projects do not consider enough time to mobilise in the event services are awarded to the private sector</li> <li>Project implementation is delayed due to protracted discussions regarding pensions transfers</li> <li>The risk of challenge to contract awards may increase during the harsher economic climate</li> <li>Large scale high risk high return projects are not led by a qualified or experienced project manager.</li> <li>Too many projects are undertaken with unrealistic or unachievable targets</li> <li>Successful delivery of the Tri-borough Managed Services Programme</li> <li>Successful delivery of the Tri-borough ICT Programme</li> <li>Successful delivery of the Tri-borough Total Facilities Management Programme</li> </ul>	<ul style="list-style-type: none"> <li>Customers needs and expectations are not fully met when projects are delivered</li> <li>Benefits of investment in creating toolkit not realised</li> <li>Threat of overspend on projects</li> <li>Benefits are not fully realised</li> <li>Delays in mobilisation of services through revised contracts</li> </ul>	<ul style="list-style-type: none"> <li>New Innovation and Managing Change Team brings together programme management skills from H&amp;F and RBKC.</li> <li>Programme and Project management is supported by a recommended decision-making and governance process.</li> <li>Projects and programmes are managed through the context of the Transformational portfolios.</li> <li>A centralised project register is also contributing this to goal by giving visibility of projects that are in department.</li> <li>Further training and capability is being advanced with RBKC and WCC.</li> <li>Standard documentation is provided to support project and programme management.</li> </ul>	<p>The Royal Borough of Kensington &amp; Chelsea Internal Audit</p> <p>Corporate Programme &amp; project management audited in 2009 draft report issued ( Limited Assurance )</p> <p>Bi Borough Procurement Board</p> <p>Transformation Board</p> <p>Internal Audit review of specific contracts HFBB, Audit Pensions and Standards Committee</p>	3	3	9	Low	 <p>Jane West lead – All Executive Directors</p> <p>Martin Nottage (Tri Borough Innovation and Change Management Division)</p>	<p>Review</p> <p>November 2012</p>

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			<ul style="list-style-type: none"> <li>Housing Regeneration, Borough Investment Plan.</li> </ul>		<ul style="list-style-type: none"> <li>Monthly reporting to Transformation Board (dashboard)</li> <li>BiBorough Procurement Strategy Board (RBKC &amp; H&amp;F) monitor aspects of project management compliance</li> <li>Procedures for TUPE transfer have been included in project management instructions</li> </ul>							
5.	Change	Sovereign	<p><b>Public Health Service and NHS Provision</b></p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li>the Council remains concerned about the <b>impacts of proposals to change the hospital arrangements in North West London</b></li> <li>The <b>transfer of the Public Health Service from the NHS to local government</b> may not go well</li> </ul>	<p>The Council is remaining active in debate with NHS decision-makers to ensure the best possible deal for residents. The Council could face unexpected spending pressures from new responsibilities</p>	<ul style="list-style-type: none"> <li>The new Director of Public Health will attend Housing, Health and Adult Social Care Select Committee</li> <li>Dedicated officers implementing the setting up of a Health &amp; Well Being Board</li> <li>The Council has no obligation to cross subsidise Public Health. Tri-borough Public Health service should be hosted at Westminster as agreed by the Leaders of the three councils</li> </ul>	HFBB Education & Childrens Services Select Committee Cabinet	4	3	12	High 	Derek Myers, Director of Public Health (to be appointed)	Review November 2012
6.	Operational	Sovereign	<p><b>Business Resilience</b></p> <p><b>Sub-risks</b> IT resilience</p>	<p>If an event occurs</p> <ul style="list-style-type: none"> <li>Customers face delays in service provision</li> <li>Non compliance with statutory duties - indirectly</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Incident Management Procedures incorporate Business Continuity</li> <li>Training has been</li> </ul>	HFBB The Royal Borough of Kensington & Chelsea Internal Audit	4	3	12	Medium 	Lyn Carpenter ( Corporate Business Continuity ) ELRS Bi Borough with the Royal Borough of	Review November 2012

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Page 6			<ul style="list-style-type: none"> <li>• <b>Systems not joined up and connected in the event of a H &amp; F or Tri-Bi Borough event</b></li> <li>• <b>Strategic Information technology framework not implemented effectively</b></li> <li>• <b>Lack of top tier response plans</b></li> <li>• <b>ISP version</b> update to the infrastructure of the internet will have to move over to a new system, IPv6 previous versions not being compatible</li> <li>• <b>Electronic information storage capacity</b></li> <li>• <b>Mobile Communications technology provider service failure</b></li> </ul>	<ul style="list-style-type: none"> <li>• Threat to life - indirectly</li> <li>• Time to recover power and IT Services could be between 6 &amp; 8 weeks</li> <li>• Loss of information</li> <li>• Loss of productivity</li> <li>• Increased cost of resurrecting services ( only partially insurable)</li> <li>• Wasted resources &amp; staff duplication in recovery phase</li> <li>• Cost of additional data storage capacity</li> </ul>	<p>delivered to local service plan leaders</p> <ul style="list-style-type: none"> <li>• A corporate service resilience group has been formed and meet periodically</li> <li>• Directors of Resources have been appointed as Departmental contact leads</li> <li>• Local Service Plans have been compiled, reviewed and refreshed and quality checked by Emergency Services</li> <li>• H &amp; F Bridge Partnership have submitted a Local Service Recovery, a major incident process has been established by HFBB as part of Data recovery is insured under the councils corporate insurance package ( but limited )</li> <li>• the Service Desk Manual</li> <li>• A threat assessment has been compiled</li> <li>• Some ITC service has been moved to East London</li> <li>• The Business Continuity (BC) project now involves provision of IT BC for approximately 30 First Order applications as identified by H&amp;F. The data is replicated from the</li> </ul>	<p>H&amp;F Audit Pensions and Standards Committee</p> <p>The Royal Borough of Kensington &amp; Chelsea Audit Committee</p> <p>Service Resilience Group</p> <p>ELRS DMT</p> <p>Substantial Assurance report 2011/12 Emergency Planning</p> <p>H&amp;F Substantial Assurance Business Continuity Audit report 2011 2012</p> <p>Data storage &amp; back up audit Audit report 2009/10 ( Substantial assurance )</p>					<p>Kensington and Chelsea</p> <p>Jane West ( Insurance &amp; H F Bridge Partnership contract monitoring )</p> <p>Jackie Hudson Tri Borough Information and Communications Technology Lead Advisor</p>	
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Page 7					<p>primary data centre at East London to the secondary site at HTH. Additionally, there is local network switch resilience within HTH; resilience for the infrastructure elements such as profiles, home folders and printing; plus annual tests of parts of the BC solution.</p>								
			<p><b>Contractor Liquidity</b></p>	<ul style="list-style-type: none"> <li>• Delays/ interruption to the service as a replacement is found</li> <li>• Cost and time of re-procuring the service</li> <li>• Protection of contributions to the H&amp;F Pension fund as more outsourcing is undertaken</li> </ul>	<ul style="list-style-type: none"> <li>• Creditsafe Financial checks</li> <li>• Corporate Finance credit checking</li> <li>• Contractor Business Continuity Planning</li> <li>• Pension fund performance bond</li> </ul>	<p>Bi Borough Procurement Board</p> <p>Audit Pensions and Standards Committee</p> <p>Cabinet Office COBRA</p>							
			<p><b>Terrorist attack/Civil disturbance</b></p>	<ul style="list-style-type: none"> <li>• Service interruption</li> <li>• Property loss or damage</li> <li>• Injury or harm</li> </ul>	<ul style="list-style-type: none"> <li>• Terrorism insurance cover</li> <li>• Tri Borough councils are working together to prevent terrorism offering free interactive workshops to raise awareness of the Prevent Strategy</li> <li>• Prevent aims to stop people from becoming terrorists or supporting terrorism by focusing on supporting and</li> </ul>								

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					protecting those who might be vulnerable to radicalisation.								
					<b>NOTE</b> Please refer to BCP Risk Assessment for highlighted risks and controls								
7.	Operational	Sovereign	<b>Managing statutory duty</b>  <b>Sub-risks</b> <b>Non-compliance with laws and regulations</b>  <b>Breach of duty of care</b>	<ul style="list-style-type: none"> <li>• Non compliance may result in prosecution or a Corporate Manslaughter charge</li> <li>• Financial compensation may be claimed</li> <li>• Injury or death to a member of the public or employee</li> <li>• A breach of information security protocols may result in fines, harm to reputation and personal liability of Executive Directors</li> <li>• Inadequate level of service</li> <li>• Poor satisfaction with statutory services</li> </ul>	<ul style="list-style-type: none"> <li>• Nigel Pallace is lead Sponsor on HFBB for Health &amp; Safety</li> <li>• Pro-active Health, Safety and Welfare culture across the council</li> <li>• TriBorough - The TotalFM contractor will manage a number of statutory and regulatory Health &amp; Safety procedural, record and management processes</li> <li>• TriBorough Health &amp; Safety protocols are being discussed and established</li> <li>• Contractors are managed within CHAS regime</li> <li>• Insurance cover is in place in the event of a claim for breach of duty of care and in respect of financial claims</li> <li>• Legislative changes are adopted and reflected in amendment to the council's</li> </ul>	<p>H&amp;F Health &amp; Safety Internal Audit planned in 2012/13</p> <p>Accommodation Gas Safety Audit 2012/13 Substantial Assurance</p> <p>Annual Assurance process</p> <p>Assurance required that actions are being taken to ensure compliance with the law and regulations</p> <p>HFBB, Audit Pensions and Standards Committee</p> <p>Education &amp; Childrens Services Select Committee</p>	3	4	12	Medium		<p>Nigel Pallace</p> <p>Jane West (Equalities)</p>	<p>Review</p> <p>November 2012</p>

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Page 9			<p><b>Departmental assurances</b></p>	<ul style="list-style-type: none"> <li>The Executive, Hammersmith &amp; Fulham Business Board, Executive Directors and Management Teams may not have been apprised of significant controls weaknesses that appear in the service area.</li> </ul>	<p>constitution, budget allocation through MTFS ( Now unified business &amp; financial planning process )</p> <ul style="list-style-type: none"> <li>Training and guidance packages and newly agreed performance management indicators</li> <li>Periodic reporting to HFBB</li> <li>Health &amp; Safety campaign on slips, trips and falls</li> <li>Health &amp; Safety guidelines have been reviewed, refreshed and communicated</li> <li>Promotion of the Occupational Health Service and Workplace Options Employee Assistance Scheme</li> </ul>	<p>H&amp;F Safety Committee</p> <p>TriBorough Safety Committees CHS and ASC</p> <p>Internal Audit 2012 2013 Review of Health &amp; Safety Statutory &amp; Regulatory compliance</p> <p>FSB, Executive Director of Finance and Corporate Governance, Chief Executive and Leader of the Council</p>							
			<p><b>Corporate Parenting</b></p>	<ul style="list-style-type: none"> <li>Harm to reputation, potential harm or injury to individual</li> </ul>	<ul style="list-style-type: none"> <li>Housing and Regeneration have rolled out personal safety training to over 130 staff through the Suzy Lamplugh Trust Training</li> </ul>	<p>Local Safeguarding Childrens Board, Unannounced Safeguarding Inspection, Ofsted , Local and London Child Protection Procedures</p>							
			<p><b>Equalities (public sector equality duty or 'PSED') and Human Rights</b></p> <p>(a budget challenge could be in whole terms or of a</p>	<ul style="list-style-type: none"> <li>Increased complaints, Ombudsman involvement, judicial review which can result in;</li> </ul>	<ul style="list-style-type: none"> <li>FSB reviewed and approved a process to harmonise the Management Assurance process at Director and</li> </ul>	<p>Limited Assurance report April 2012 H&amp;F Application of the Equality</p>							

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Page 10			single line)	quashing order, prohibiting order, mandatory order, declaration, injunction, damages, and potential further challenge to a budget.	Divisional level with that of RBKC. <ul style="list-style-type: none"> <li>• All child protection cases have remained allocated to a social worker despite of the high demand.</li> <li>• A detailed action plan has been implemented in response to the increased numbers of children with child protection plans, to safely manage the demand and reduce activity in line with that of our statistical neighbours.</li> <li>• The number of qualified social workers delivering a child protection service has increased by two over the past year.</li> <li>• EIA's or Equality Statement (where applicable) must accompany all Cabinet, Full Council and Key Decision reports, KPI's</li> <li>• EIA's and Equality Statements address Human Rights where applicable</li> <li>• HFBB signed off actions that included a Policy for completion of Service Delivery EIA's (April 2012) and guidance for</li> </ul>	Act 2010  Officer Working Group						
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					equality impacts of budget proposals to be drawn up and disseminated.							
8.	Operational	Sovereign	<p><b>Successful partnerships &amp; Major Contracts</b></p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li>Partnering activity with other boroughs and the NHS may blur the lines of responsibility, accountability, governance or liability in the event of service failure</li> <li>Local Housing Company</li> <li>Differing procurement processes Financial Regulations and Contract Standing Orders across TriBorough services</li> </ul>	<ul style="list-style-type: none"> <li>Joint objectives are not met</li> <li>Community expectations are not met</li> <li>A business plan may not be concluded</li> <li>Decisions may be made which contradict or challenge the Contract Standing Orders or Financial Regulations of H&amp;F</li> </ul>	<ul style="list-style-type: none"> <li>Governance arrangements are in place</li> <li>Performance monitoring reports reported to Select Cttee's</li> <li>The Cabinet Member will be closely involved in business plan discussions</li> <li>Financial creditworthiness checks at BiBorough Procurement Board (RBKC &amp; H&amp;F)</li> </ul>	<p>H &amp; F Bridge Partnership Assurance process</p> <p>Internal Audit Substantial Assurance report 2011/12 Partnership Governance</p> <p>BiBorough Procurement Board (RBKC &amp; H&amp;F)</p> <p>HFBB, Audit Pensions and Standards Committee</p>	4	3	12	Medium	Derek Myers	Review November 2012
9.	Operational	Sovereign	<p><b>Maintaining reputation and service standards</b></p> <p><b>Sub-risks</b></p> <ul style="list-style-type: none"> <li><b>Multiplicity of external forces and initiatives</b></li> </ul>	<ul style="list-style-type: none"> <li>Threat to the status of the council</li> <li>Failure to deliver plans &amp; savings.</li> <li>Ability to effectively lead and resource</li> </ul>	<ul style="list-style-type: none"> <li>The Annual Residents Survey</li> <li>A review of the corporate governance arrangements has been conducted by Internal Audit</li> <li>Annual Complaints review report April 2010 to March 2011 produced to Committee</li> </ul>	<p>Cabinet Ofsted, Care Quality Commission, Annual Audit letter</p> <p>HFBB, Audit Pensions and Standards Committee, Overview and Scrutiny Board</p>	4	3	12	Medium	Jane West	Review November 2012


**KEY RISKS (refer to note 1 at the end of the document)**

Page 12			<ul style="list-style-type: none"> <li>• <b>Breach of Officer or Member code of conduct</b></li>   <li>• <b>Information Management and Governance</b></li>   <li>• <b>Inappropriate Data released</b></li>   <li>• <b>Poor data quality</b> internally or from third parties, breaches of information protocols, information erroneously sent to third parties.</li>   <li>• Auto forwarding of information ( <b>Information control and threat of leakage</b> )</li>   <li>• <b>Local information interconnectivity and data storage ( hosting )</b></li> </ul>	<p>the transformation agenda is diminished</p> <ul style="list-style-type: none"> <li>• Service delivery deteriorates</li>   <li>• Harm to the council's reputation</li> <li>• Potential adverse media reporting</li>   <li>• Potential fines or action from the Information Commissioner</li>   <li>• Quality and integrity of data held in support of Performance Management &amp; Financial systems leads to under or over estimation</li>   <li>• Data management 'without boundaries' could be more sensitive to local, national or geographical service interruption, theft, loss or duplication</li> </ul>	<ul style="list-style-type: none"> <li>• Combined Finance &amp; Service Planning processes</li>   <li>• New Standards procedures are in place</li>   <li>• Standards issues now covered under the Audit Pensions and Standards Committee</li>   <li>• Information governance forms part of the TriBorough ICT Programme</li> <li>• New Information Management Security Protocols published on the Intranet</li> <li>• Regular reporting on Security Incidents by the Information Management Team</li> <li>• Performance statistics are scrutinised by Select Committees, HFBB &amp; DMT's</li> <li>• Corvu Performance Management System is able to pick up anomalies</li> <li>• Data Quality E-Learning module has been released</li> <li>• From Wednesday 1st August 2012, the Council is introducing a new contractor ( industry</li> </ul>	<p>TriBorough Information Management Project Board</p> <p>ITSOG</p> <p>Management Letter has been issued (based on comparison to requirements under the Data Protection Act )</p>						
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**HFBB ENTERPRISE WIDE CORPORATE RISK & ASSURANCE REGISTER**  
(Incorporating Tri and Bi Borough risks)

**Appendix 1.**

KEY RISKS (refer to note 1 at the end of the document)


					specialists) for the collection and destruction of confidential waste from all Council offices in the H&F. <ul style="list-style-type: none"> <li>• Webmail has now been banned across H&amp;F</li> <li>• New Egress system introduced to protect confidential e-mails going outside of Tri-borough</li> </ul>							
Page 13	10. Operational	Sovereign (TriBorough) (from April 2013)	<b>Managing fraud</b> ( Internal & External)  <b>Sub-risks</b> <b>Misappropriation of assets</b> <b>Appointeeship/custodian or guardian</b>  <b>Contracting</b> Gifts & Benefits Manipulation of performance data, collusion, billing, non-compliance with Financial and or Contract Standing Orders  <b>Misrepresentation of Personal or Commercial Circumstances</b>  <b>NNDR</b>  <b>Payroll</b>  <b>Cheque</b>  <b>Grant award</b>  <b>Treasury</b>	<ul style="list-style-type: none"> <li>• Loss of reputation</li> <li>• Financial loss</li> <li>• Loss of asset</li> <li>• Loss of revenue</li> <li>• Adverse regulatory /audit report</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Services review includes the Corporate Fraud Service. The aim of the project is to develop an adaptable Bi-Borough corporate fraud function which responds through a single professional and effective team to the challenging and changing range of fraud, both internally and externally executed.</li> <li>• Corporate Anti Fraud Service has been established</li> <li>• CAFS team now use a risk assessment to assist in targeting and workload prioritisation</li> <li>• New model being piloted to collate information from fraud cases and disseminate the recommendations through risk &amp; assurance registers</li> </ul>	HFBB receive quarterly summary information on anti-fraud activity  Audit Pensions and Standards Committee receive quarterly reports on Fraud	4	3	12	High 	<u>TriBorough</u> Nicholas Holgate RBKC Town Clerk and Executive Director of Finance and Business Lead, Internal Audit  <u>H&amp;F</u> Jane West lead – All Executive Directors  <u>WCC</u> Barbara Moorhouse	Review  November 2012

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			<p><b>Housing Tenancy or Benefit Fraud</b></p>		<ul style="list-style-type: none"> <li>Literature and training has been delivered to all levels of the authority</li> <li>Information and guidance has been published on the corporate intranet</li> <li>Level of fraud is being tracked through FSB</li> <li>Close working relationship is established with the Police</li> <li>Bribery Act Policy and Risk Register</li> <li>Money laundering policies recently reviewed and amended.</li> </ul>							
<p>OPPORTUNITY RISKS ( Where the is in excess of £3Million Benefit to H&amp;F )</p>												
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 14 of 21</p>	<p><b>Change</b></p>	<p><b>TriBorough</b></p>	<p><b>Merging of education services</b> (with Westminster Council and the Royal Borough of Kensington and Chelsea)</p>	<p>Savings due to removal of duplication across the councils</p> <ul style="list-style-type: none"> <li>IT opportunities such as access and sharing of files and connecting to networks when at other sites.</li> <li>HR workshops regarding specific topics such as Sick Leave, Pay etc. are currently being planned and more information will be available soon.</li> </ul>	<ul style="list-style-type: none"> <li>Service Reviews, Looked after Children, Leaving Care</li> <li>TriBorough Managers Induction</li> <li>Tri Borough Mandate approved for Childrens Services at Cabinet 05-12-11</li> <li>Combined Senior Management Team</li> <li>A single education commissioning function responsible for raising standards</li> <li>A single commissioning function responsible for arranging services for early years, children, young people, social</li> </ul>	<p>Cabinet Transformation Board Education &amp; Childrens Services Select Committee External Audit (review 2012) Ofsted The Royal Borough of Kensington &amp; Chelsea Internal Audit TriBorough Childrens Services</p>	<p>2</p>	<p>4</p>	<p>8</p>	<p>Low </p>	<p>Andrew Christie</p>	<p>Review October 2012</p>



**KEY RISKS (refer to note 1 at the end of the document)**


Page 15			<p><b>Sub-risks</b></p> <p><b>Social enterprise</b></p>	<ul style="list-style-type: none"> <li>• The procurement for an ISP to help establish and support an employee-led mutual is highly innovative, and is being supported by the Cabinet Office as a national pilot.</li> <li>• The Council will have a contractual arrangement with the Employee- Led Mutual ELM for it to provide some of the services, supplies and works for a period of not less than four years.</li> <li>• As a commercial organisation the ELM will also offer its services to non-maintained schools, such as Academies and</li> </ul>	<p>care, health, disability and workforce development.</p> <ul style="list-style-type: none"> <li>• Three Borough-based delivery units with responsibility for protecting children, supporting families and delivering early help in the most efficient manner possible.</li> <li>• Shortlisting of potential partners has commenced through a) a moderated procedure and b) Competitive Dialogue</li> <li>• The councils have published a Prior Information Notice (PIN) in the Official Journal of the European Union (OJEU) for an independent partner company to set up and support the employee-led mutual. The PIN also invited bidders to participate in a "Meet the Buyers" event. The proposal is the first nationally to develop a strategy to meet European procurement rules to establish an employee-led mutual.</li> <li>• It is envisaged that</li> </ul>	<p>Portfolio Board</p> <p>TriBorough Headteachers Executive Board</p> <p>Local Safeguarding Childrens Board</p> <p>BiBorough Procurement Strategy Board (RBKC &amp; H&amp;F)</p>						
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# HFBB ENTERPRISE WIDE CORPORATE RISK & ASSURANCE REGISTER

(Incorporating Tri and Bi Borough risks)

## Appendix 1.

KEY RISKS (refer to note 1 at the end of the document)

Page 16				Free schools. The services, supplies and works to the relevant educational facilities will include either direct provision by the ELM or the sub-contracting to other providers	<p>the ISP will provide support and assistance for the creation and operation of the Employee- Led Mutual (ELM), which is currently anticipated will be structured as a joint venture company with the share holding shared between the ISP and the employees (held on the employees' behalf in an employee benefit trust).</p> <ul style="list-style-type: none"> <li>Under a joint venture structure, the maximum holding for any independent sector partner will be capped to balance ownership in favour of employee ownership.</li> </ul>							
	3.	Change	Sovereign	<p><b>Regeneration of King Street and Civic Offices</b></p> <p><b>Sub-risks</b></p> <p><b>GLA do not approve the proposals</b></p>	<ul style="list-style-type: none"> <li>The Town Hall extension has come to the end of its life and needs to either be demolished or refurbished. An estimated cost of around £18m in temporarily accommodating staff through a relocation to facilitate repairs</li> <li>New office accommodation at no cost is being</li> </ul>	<ul style="list-style-type: none"> <li>The Leader of the Council has announced revised proposals regarding the height of buildings in the residential blocks.</li> <li>King Street Development will be reviewing the scheme over the coming months and a further consultation with residents' and amenity groups will follow later in the</li> </ul>	<p>Cabinet</p> <p>Planning Applications Committee</p> <p>Mayor of London</p> <p>Greater London Authority</p> <p>Port of London Authority</p> <p>English Heritage</p>	3	4	12	<p>Medium</p> 	Nigel Pallace

KEY RISKS (refer to note 1 at the end of the document)


Page 17				<p>provided in exchange for land</p> <ul style="list-style-type: none"> <li>• A new modern building is also expected to save around £150,000 in energy costs</li> <li>• Jobs will be created in King Street</li> <li>• A new community-sized supermarket and a range of new restaurants and other retailers, alongside a council 'One Stop Shop', will draw more people down King Street and encourage more investment in the area</li> <li>• Successful redevelopment would enable the council to terminate contracts for various costly leased buildings around the borough savings around £2 million a year.</li> </ul>	<p>year.</p> <ul style="list-style-type: none"> <li>• Hammersmith &amp; Fulham Council has agreed to work with the GLA on a further independent rigorous assessment on viability</li> <li>• Exhibition of 3 bid schemes 2007</li> <li>• Statement of Community Involvement – Two public consultation exercises</li> <li>• Private meetings with residents</li> <li>• Stakeholder Forums</li> <li>• Flyer to 15,000 homes</li> <li>• Pre application meetings with GLA and local amenity groups</li> <li>• 1800 letters sent to individual properties in the wider area.</li> <li>• Consultation with statutory groups; GLA, HAFAD, Port of London Authority, LFEPA, Metropolitan Police, English Heritage &amp; Archaeology, Natural England,CAA, BAA Airports, Thames Water, Environment Agency, TfL</li> <li>• Residents Groups &amp; Landowners; Thomas Pocklington Trust, Tesco, Quakers, Amenity Groups, Brackenbury</li> </ul>							
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**HFBB ENTERPRISE WIDE CORPORATE RISK & ASSURANCE REGISTER**

(Incorporating Tri and Bi Borough risks)

**Appendix 1.**

KEY RISKS (refer to note 1 at the end of the document)

Page 18					Residents Assoc. The Georgian Group, HAMRA, the Hammersmith Soc. H & F Historic Buildings Group, Ravenscourt Action Group, Ashchurch Residents Assoc. Old Chiswick Protection Soc. Digby Mansions 39-58a Residents Assoc. For further detail please refer to Planning Applications Committee Agenda 30-11-11							
					Submitted by the Planning Applicant; <ul style="list-style-type: none"> <li>• Environmental Statement, Energy Statement, Flood Risk Assessment,</li> <li>• Air Quality Assessment, Environmental Noise Assessment, Lighting Strategy</li> <li>• Phase 1 Habitat Survey &amp; ecological database search</li> <li>• Telecommunications assessment</li> </ul>							
4.	Change	Sovereign	Earls Court regeneration  Sub-risks  GLA do not approve the proposals	<ul style="list-style-type: none"> <li>• Comprehensive redevelopment allows existing housing stock to be replaced on a "new for old" basis and 16% of existing tenants who are overcrowded can be re-housed in</li> </ul>	<ul style="list-style-type: none"> <li>• Earls Court Regeneration Team supported by high quality advisory team comprising Jones Lang LaSalle, SNR Denton and PWC.</li> <li>• All major decision reports reviewed by</li> </ul>	Project Group chaired by Executive Director  HFBB  Cabinet  Housing, Health	3	4	12	Medium  	Mel Barrett	Review  November 2012

KEY RISKS (refer to note 1 at the end of the document)

Page 19			<p><b>Delays due to Judicial Review</b></p>	<p>homes with enough bedrooms to meet their need.</p> <ul style="list-style-type: none"> <li>Proposed guarantees for tenants and leaseholders include;                     <ul style="list-style-type: none"> <li>- Brand new replacement homes, one move only within the local area.</li> <li>- Tenants remain secure Council tenants and continue to pay Council rents – there is no stock transfer and therefore no requirement for a ballot.</li> <li>- Phased approach allows communities to be moved together.</li> </ul> </li> </ul> <p>Comprehensive regeneration offers opportunity to secure major estate renewal across the West Kensington and Gibbs Green estates as well as offering major regeneration benefits including 7,500 new homes, 36,000 construction jobs, 9,500 permanent jobs and £99.5 million per annum of additional local expenditure, together with</p>	<p>Tim Kerr QC in relation to Judicial Review challenge risk.</p> <ul style="list-style-type: none"> <li>Workshops in August 2012 to cover procurement, risk, finance, housing redevelopment, planning, legal and communications.</li> <li>Comprehensive report submitted to and approved by Cabinet 3rd September 2012.</li> <li>The council received £15m from Capital and Counties (CapCo) for signing an exclusivity agreement relating to the Earl's Court Regeneration site. Of this receipt, £10m is refundable should completion of the CLSA not occur, the remaining £5m is not refundable under any circumstances</li> </ul>	<p>And Adult Social Care Select Committee</p> <p>Planning Applications Committee</p> <p>The Royal Borough Major Planning Development Committee</p> <p>The Royal Borough Planning Applications Committee</p>						
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# HFBB ENTERPRISE WIDE CORPORATE RISK & ASSURANCE REGISTER

(Incorporating Tri and Bi Borough risks)

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### KEY RISKS (refer to note 1 at the end of the document)

				additional community facilities comprising new schools, leisure and health facilities, new open and play space and a significant increase in job opportunities.									
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Note 1. All key risks have been extracted from( but not limited to) a number of sources for analysis by the Hammersmith & Fulham Business Board . The sources include;

- i. Previous Corporate Risk & Assurance Register
- ii. World Economic Forum Global risks 2012
- iii. Information identified from Tri Borough Programme, Departmental Risk & Assurance Registers
- iv. Officers Knowledge and experience
- v. Tri-Borough & H&F Portfolio Summary reports
- vi. Procurement exercises
- vii. Significant Weaknesses established from the Annual Assurance process
- viii. Audit & Fraud Reports
- ix. Knowledge and experience of public sector risks from the Principal Risk Consultant
- x. Data Quality and Integrity
- xi. Cabinet, Scrutiny and Public Domain reports.
- xii. WCC and RBKC Risk knowledge pooled information
- xiii. Zurich Municipal, Grant Thornton and Price Waterhouse Coopers reports

Note 2. Categorised under the PESTLE methodology as published in the Hammersmith & Fulham Risk Standard. Compliant with BS31100/ ALARM/IRM/CIPFA best practice.

# HFBB ENTERPRISE WIDE CORPORATE RISK & ASSURANCE REGISTER (Incorporating Tri and Bi Borough risks)

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KEY RISKS (refer to note 1 at the end of the document)

Score	Key
16-25	RED - High and very high risk - immediate management action required
11-15	AMBER - Medium risk - review of controls
6-10	GREEN - Low risk - monitor and if escalates quickly check controls
1-5	YELLOW - Very low risk - monitor periodically