



AUDIT COMMITTEE REPORT

Report Title	REVENUE BUDGET 2009 - 2012 – RISK ASSESSMENT OF OPTIONS
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AGENDA STATUS: PUBLIC

Meeting Date:	17 th February 2009
Directorate:	Finance and Support Services
Accountable Cabinet Member:	Cllr Malcolm Mildren
Ward(s)	Not Applicable

1. Purpose

- 1.1 To present the risk assessment of the budget proposals to Audit Committee for consideration.

2. Recommendations

- 2.1 That the Audit Committee consider the risk assessment of budget proposals for 2009-12.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Chief Finance Officer is required to make a statement on the Robustness of Estimates when the proposed budget is brought to Council for approval.
- 3.1.2 In support of this statement the Chief Finance Officer has led a risk assessment exercise with the relevant Heads of Service, explaining the risks in relation to the various proposals that they have put forward. This allowed each proposal to be given a Red, Amber, or Green status.
- 3.1.3 Part of this exercise also produced high-level implementation plans to allow monitoring against actions to be undertaken to ensure that the proposals are implemented to targets.

3.2 Issues and Choices

- 3.2.1 The Director of Finance and Support (the Chief Finance Officer) and the Head of Finance and Assets, interviewed each Head of Service and carried out an assessment of their budget proposals.
- 3.2.2 Management Board have also scrutinised the implementation plans and risk assessments in detail to ensure that the options are deliverable.
- 3.2.3 A full summary of the risk assessment of the budget proposals is attached at annex A. This assessment looked at planning, and deliverability of the proposal as well as progress to date.
- 3.2.4 The panel undertaking this assessment used the list of questions attached at annex B in its consideration of the options, which had been approved by Management Board. Aspects brought into consideration therefore included project plans, action taken so far, dependence on external factors, links to/reliance on delivery of other options, etc.
- 3.2.5 As attached at Annex A, six budget options has been classed as being “Red”. These are summarised in Table 1 below.

Table 1: Budget proposals with a Red status

Reference	Page	Description	£	High Risk Reason
MTPS516	3	Outsourcing of Council Tax Legal work	(41,694)	Proposal being worked on, not finalised.
MTPS74	3	Deletion of one post in Legal services	(35,770)	Subject to staff consultation
New option	4	Borough Solicitor restructure	(50,000)	Business case needs developing and approving prior to consultation
MTPS104	18	Reduction in security provision at the Guildhall	(20,000)	Low provision of security at One stop shop, Guildhall offices and car park. Incidents do occur that require security intervention.
MTPS31	31	Reprovision of toilet facilities utilising the Richmond scheme	(46,182)	Project plan completed, consultation yet to take place
MTPS31B	32	Improving the efficiency of management of Sheep Street toilet and introducing 20p charge	(50,552)	Consultation with public and stakeholders in March
Total			(244,198)	

- 3.2.6 Following the review and challenge of the above, one option has been deleted due to the associated high risks. This option is MTPS104 and the reduction of security provision at the Guildhall. The revised total of Red status options is £224,198.
- 3.2.7 Outside this other risk work has been/is being undertaken in relation to the budget proposals. For each proposal an Equalities Impact Assessment is being carried out where necessary to identify risks and issues that need to be addressed/considered in deciding whether or how to take a proposal forward.
- 3.2.8 In addition, the Overview and Scrutiny Committees have been invited to consider specific options, following a review of all the options to 22 December by the Overview and Scrutiny 3 Reporting and Monitoring Task and Finish Group. Any recommendations arising from those meetings will be referred to Cabinet for consideration alongside the final budget proposal.

Choices (Options)

- 3.2.9 The Audit Committee may consider the risk assessment processes and make comments or recommendations to the Chief Finance Officer.
- 3.2.10 The Audit Committee may consider the risk assessment processes and make comments or recommendations to Cabinet for consideration alongside the final budget proposal.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 There are no specific policy issues arising from this report

4.2 Resources and Risk

- 4.2.1 This report outlines measures taken to identify and mitigate financial risks in relation to the General Fund budget proposals and unearmarked reserve.

4.3 Legal

- 4.3.1 There are no specific legal issues arising from this report.

4.4 Equality

- 4.4.1 Equality and Diversity are being considered as a part of the budget build process, and an equalities assessment will be completed for the budget proposals before they are brought to Council for final decision later in February 2009.

4.5 Consultees (Internal and External)

- 4.5.1 Internally Heads of Service and Management Board have been consulted, and involved in the budget risk assessment process.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 All of the discretionary proposals in the draft budget have been assessed against the corporate priorities as set out in the Corporate Plan.

4.7 Other Implications

4.7.1 There are no other specific issues arising from this report.

4.7.2 The Annexes are set out as follows:

A Summary of Risk Assessment of Budget Proposals

B Questions used in the Risk Assessment of Budget Proposals

5. Background Papers

5.1 Cabinet Reports:

22 December 2008 Council Wide General Fund Revenue Budget 2009/10-2011/12

22 December 2008 The Council's Improvement Strategy

5.2 Overview and Scrutiny Reports

26 January 2009	Overview and Scrutiny 3	General Fund Revenue Budget 2009-12
29 January 2009	Overview and Scrutiny 2	General Fund Revenue Budget 2009-12
3 February 2009	Overview and Scrutiny 1	General Fund Revenue Budget 2009-12

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