



The Gateshead Housing Company Audit Committee

Wednesday, 13 January 2016 at 2pm
Room S21, Gateshead Civic Centre, Regent Street, Gateshead
Agenda

Item	Business
1.	Apologies for Absence
2.	Declarations of Interest
3.	Minutes and Matters Arising (Pages 3-5) To approve as a correct record the minutes of the last meeting of the committee held on 14 October 2015 <p style="text-align: center;"><u>ITEM FOR DECISION</u></p>
4.	Operational Risk Register (Pages 6-69) Report of Head of Corporate Services <p style="text-align: center;"><u>ITEMS FOR INFORMATION</u></p>
5.	2015/16 Internal Audit Plan – Progress Report (Pages 70-72) Report of Chief Internal Auditor, Gateshead Council
6.	Forward Plan (Pages 73-75) Report of Head of Corporate Services
7.	Items for Future Agendas

Contact: Stuart Gibson Tel: (0191) 433 5308 Date: 7 January 2016

Item	Business
8.	Date and Time of Next Meeting To be agreed
9.	Exclusion of the Press and Public The committee may wish to consider excluding the press and public from the meeting during consideration of the remaining items in accordance with Category 4 of the company's Access to Information Rules



AUDIT COMMITTEE

14 October 2015

PRESENT:

Directors

George Clark (Chair)
 Robert Buckley
 Mick Davison
 Helen Hall
 Tracy Harrison
 Joachim Moussounda Mouanda

Advisers

Neil Bouch	Director of Customers and Communities
Natalie Hewitt	Head of Corporate Services
Stuart Gibson	Governance and Risk Officer

Also in attendance

David Johnson	Chief Internal Auditor, Gateshead Council
Jane Wright	Audit and Risk Manager, Gateshead Council
Robert Bowmaker	Senior Audit and Risk Officer, Gateshead Council

Apologies

Peter Mole

28 MINUTES

The minutes of the meeting of the committee held on 1 July 2015 were approved as a correct record.

29 RISK MANAGEMENT TRAINING FOR AUDIT COMMITTEE MEMBERS

The committee received training on risk management. In particular, the committee received an overview on the definition of risk management, risk management in practice, the key roles and issues in Public Sector Housing.

RESOLVED – That the training be noted.

30 RISK MANAGEMENT POLICY

The Board approved a new Risk Management Policy at its meeting on 8 July 2010. This was following a comprehensive review of risk management that was carried out by Price Waterhouse Coopers.

Following an internal audit of risk management in 2012, one of the recommendations in the report was to carry a review of how risks and mitigation

are evaluated to allow the operational risk register to be developed to highlight the impact of the cost effectiveness of controls. This resulted in residual likelihood and impact after future actions and the impact of cost of effectiveness of future actions being added to the risk register. These changes have been reflected in the Policy.

The Policy previously based its definition of risk around the Audit Commission's definition. Given that the Audit Commission has been abolished for some time now, a more current definition has been included in the Policy.

Other minor changes have also been made to the Policy since it was approved in 2010 which have not been reported to the Board but have been updated to the Policy in the Governance Handbook.

The updated Policy with all the changes highlighted in red was submitted.

The committee felt that there should be reference in the Policy that the Board were owners of the risks. It was noted that the Board has responsibility for overseeing all the risks. However, there was a clear structure in place for the ownership of its risks whereby a member of Management Team owned each of the strategic risks and an operational manager owned each of the operational risks.

The committee questioned whether there were appropriate controls in place for data assurance, with particular reference being made to other organisations' boards receiving data that wasn't correct. It was noted that the Company's Performance Team look at all data with a critical eye. As well as the role of internal audit, financial data is scrutinised by external audit. The Agresso finance system and Northgate Housing Management System are also reconciled on a regular basis. This committee also scrutinised data before it went to the Board. It was suggested however also looking at the HCA's guidance to see what else it could do.

- RESOLVED – (i) That the updated Risk Management Policy be approved and the policy to be reviewed bi-annually.
- (ii) That Officers look at the HCA's guidance to see what else the Company should be doing around data assurance.

31 STRATEGIC RISK REGISTER

The committee received the Strategic Risk Register, which has been updated since it was last reported to the committee in April 2015.

- RESOLVED – That the Board be recommended to approve the updated Strategic Risk Register, subject to the Company's risk appetite also being linked Board skills (SR4: Failure to deliver on new projects).

32 2015/16 INTERNAL AUDIT PLAN – PROGRESS REPORT

Progress made by the Internal Audit Service against the audit plan for the financial year 2015/16 was reported.

As at 30 September 2015, six final reports and one draft report had been issued and three further audits were in progress.

RESOLVED – That the committee is satisfied with progress to date with the 2015/16 Internal Audit Plan.

33 FORWARD PLAN

A forward plan of reports which will be presented to Audit Committee during the next year was submitted.

RESOLVED – That the forward plan be noted.

34 DATE AND TIME OF NEXT MEETING

The next meeting of the committee will be held on Wednesday, 13 January 2016 at 2pm in Room S21, Gateshead Civic Centre, Regent Street, Gateshead

35 EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED – That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated categories of the Company's Access to Information Rules.



Report to Audit Committee

13 January 2016

Title: Operational Risk Register – Corporate Services and Customers & Communities Directorates

Report of: Head of Corporate Services

Purpose of Report

1. To agree an updated Operational Risk Register for the Corporate Services and Customers & Communities Directorates.

Background

2. The Resources and Audit Committee agreed, at its meeting held on 27 October 2011, an updated operational risk register based around the two broad areas of the new organisation structure: -
 - Corporate Services
 - Customers and Communities.
3. The committee also subsequently agreed that given how low they were, the green risks be removed from the register and monitored internally. Should the score increase for any of these risks in the future they would go back on the register and be reported to the committee.
4. At its meeting on 14 October 2015, Audit Committee approved an updated Risk Management Policy with a requirement for the committee to continue to scrutinise the Operational Risk Registers for each directorate, as well as considering any critical/high risks that require attention. The committee will also recommend to the Board any risks to be escalated to the Strategic Risk Register.

Operational Risks

5. Operational risks are those which are encountered during the day to day running of the company.
6. The following four scale matrix has been used for impact and likelihood: -

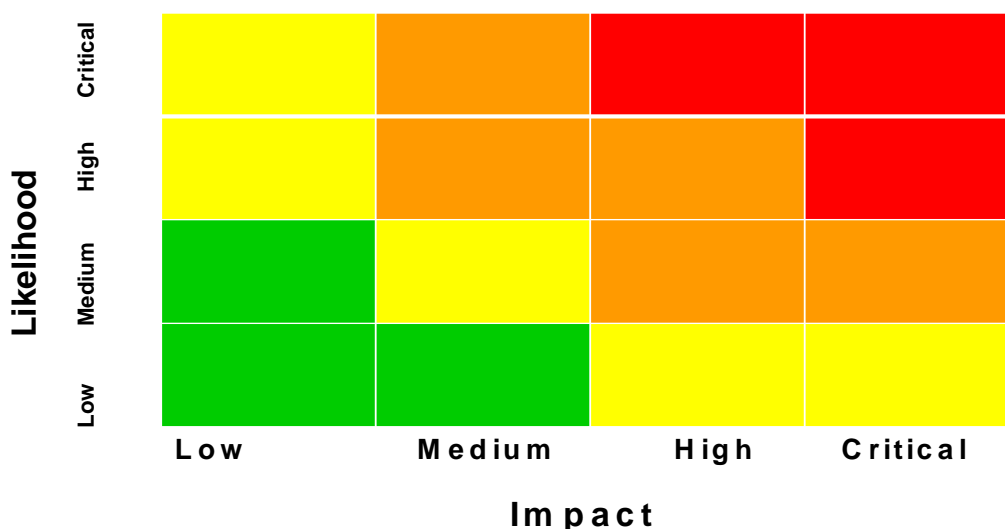
Likelihood

Scoring	Definition	Timing of occurrence
4	Almost certain	Less than 3 months
3	Likely	3 – 6 months
2	Moderate	6 – 12 months
1	Unlikely	In excess of 12 months

Impact

Scoring	Definition	Example of impact
4	Critical	Total service loss for significant period Fatality Financial loss over £200,000 Government / Council intervention
3	High	Significant service disruption Major/disabling injury Financial loss over £50,000 Adverse national media coverage
2	Medium	Service disruption Loss time injury Financial loss over £25,000 Adverse local media coverage / lots of service user complaints
1	Low	Minor service disruption / short term inconvenience Minor injury Financial loss under £25,000 Isolated service user complaints

7. The following four scale matrix demonstrates how the risks will be assessed using a traffic light system: -



Operational Risk Register

8. The Operational Risk Register for both the Corporate Services and Customers & Communities Directorates has been reviewed and an updated register is attached at the Appendix to this report. Registers detailing exactly what changes have been made will be posted on the Board Members website.

9. The following risks have been updated to green risks and will be monitored internally: -

Finance

- Incorrect treatment of VAT could lead to fines and interest payments to HMRC

Governance

- Inability to fill vacancies or retain directors on the Board or a Board without the right mix of skills.

10. There have been no issues with recruiting or retaining new Board Members in the last three years, therefore it is proposed that this be reduced to a green risk.

Link to Values

11. This report links to the Company values of being:-

- Customer focused
- Open and honest
- Accountable
- Inclusive, valuing diversity

Risk Management Implications

15. The risk management implications are identified throughout this report.

Financial Implications

16. There are no financial implications directly arising from this report.

Equality and Diversity Implications

17. There are no equality and diversity implications arising from this report.

Health Implications

18. Although there are no health implications directly arising from this report, the successful implementation of the recommendations will have a positive impact on the health and well being of Gateshead residents.

Environmental Implications

19. There are no environmental implications directly arising from this report.

Value for Money Implications

20. There are no value for money implications directly arising from this report.

Consultation carried out

21. The Risk Management Group have scrutinised the risks in detail. The Group consists of the Company's four Heads of Service and the Governance & Risk Officer.

Impact on Customers

22. An effective risk management process will maintain the delivery of services to customers.

Recommendation

23. The committee is recommended to approve the updated operational risk registers for the Corporate Services and Customers & Communities Directorates.

Corporate Services Operational Risk Register (As at January 2016)

Almost Certain				
Likely				
Moderate		7	7	
Unlikely		2	8	2
	Low	Medium	High	Critical

Likelihood

Scoring	Definition	Timing of occurrence
4	Almost certain	Less than 3 months
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Risk No	Risk	Likelihood	Impact	Owner	Residual Likelihood	Residual Impact
Communications						
CO1	Negative press and PR, including use of social media (such as facebook and twitter etc)	2	3	Ian Clarkin	2	3
Equality & Diversity						
ED1	Failure to meet the legislative requirements of the Equality Act 2010 and future equality legislation	2	3	Martin Poulter	1	3
Finance						
FI1	Increasing occurrence and cost of third party insurance claims	2	3	Natalie Hewitt	2	3
FI3	Procurement process not being carried out in accordance with the Financial Regulations	2	3	Natalie Hewitt	2	3
FI4	Pension liabilities may increase and become unserviceable	2	3	Natalie Hewitt/ Jennifer Aston	2	3
FI5	Service level agreements not reviewed	2	2	Natalie Hewitt	2	2
F6	Incorrect treatment of VAT	1	2	Mark Banks	1	2
Governance and Risk						
GR1	Data protection issues	1	3	Ian Clarkin / Andrew Curtis	1	3
GR4	Failure to comply with the Freedom of Information / Data Protection Act	1	3	Stuart Gibson	1	3
GR5	Breach of Data Protection Act 1998	2	2	Jennifer Aston	2	2
GR6	Inability to fill vacancies or retain directors on the Board or a Board without the right mix of skills	1	3	Stuart Gibson	1	3
Health & Safety						
HS2	Unsafe Working practices on increasing number of Decommissioned Sites across the Borough Staff entering properties potentially exposed to risks i.e. debris, sharps, asbestos	2	3	Jennifer Aston	2	3
HS3	Failure to comply with risk assessments	1	3	Jennifer Aston	1	3
HS4	Failure to comply with the management of fire precautions in the workplace, high risk buildings and communal areas	1	4	Jennifer Aston	1	4

Risk No	Risk	Likelihood	Impact	Owner	Residual Likelihood	Residual Impact
HS5	Failure to manage the safety of passenger's lifts and lifting equipment	1	4	Christine McFarlane	1	4
HS6	Non compliance with health, safety and fire arrangements in sheltered schemes, communal lounges and high rise buildings.	1	3	Jennifer Aston	1	3
Human Resources						
HR2	Personal injury claims from employees	2	2	Jennifer Aston	2	2
HR4	Risk of attack, threat and/or verbal abuse on employees by service users at any time and/or within the office in attending training or involvement events	2	2	Jennifer Aston	2	2
HR5	Absence due to an epidemic	1	3	Jennifer Aston	1	3
HR6	Industrial action	1	3	Jennifer Aston	1	3
ICT						
IT1	ICT Systems Failure	2	3	Andrew Curtis	2	3
Leasehold						
LH1	Leasehold Valuation Tribunal being undertaken and losing the tribunal	1	3	Janice Adams	1	3
LH2	Works could be undertaken at Leasehold properties without undertaking the appropriate consultation	1	3	Janice Adams	1	3
LH3	Managing other tenures	2	2	Janice Adams	2	2
LH4	Non payment of service charges	2	2	Janice Adams	2	2
Performance						
PF1	Inaccurate performance reporting through inaccurate working papers	2	2	Mark Banks	2	2

Corporate Services – Communications

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
CO1	Negative press and PR, including use of social media (such as facebook and twitter etc) leading to a reduction in the reputation of company (internally and externally)	<p>Regular press releases to local and trade media.</p> <p>TGHC and HC newspapers, website and use of social media</p> <p>Internal communications.</p> <p>Communications Manager available 24/7 for press comment.</p> <p>Links to GC Communications on events and press enquiries.</p> <p>Increased PR around community activities, new-build.</p> <p>Established links with repairs contractor to ensure any third-party communications reflect positively on the housing company.</p> <p>Use (and monitoring) of social media</p> <p>Limited access to TGHC social media platforms.</p>	2	3	Ian Clarkin	Communications Team to keep knowledge up to date with further training with the Chartered Institute of Public Relations.	Ongoing	2	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Communications signed up to a number of Google and social mention alerts that flag up any mentions of TGHC Linked to Gateshead Council.</p> <p>Review and learn from press enquiries</p> <p>Social Media Policy approved by Board in March 2015</p> <p>Communications Team undertook Crisis PR and Media Skills training with the Chartered Institute of Public Relations in July 2015.</p>								

Corporate Services – Equality and Diversity

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
ED1	<p>Failure to meet the legislative requirements of the Equality Act 2010 and future equality legislation.</p> <p>The impact of non-compliance could lead to 21 types of claims to employment tribunals with uncapped awards for some of the protected characteristics.</p>	<p>Key HR policies updated following review with our HR consultants and unions.</p> <p>Update report presented at every meeting on our progress on equality and diversity.</p> <p>All employees have undergone training on Dignity and Respect covering the key aspects of the Equality Act and their obligations. This is refreshed every three years and also carried out as part of the induction process for new employees. All employees currently undergoing refresher e-learning</p> <p>E&D annual report produced setting out overall activity and how the company is meeting the aims of the Public Sector Equality Duty</p> <p>Internal Audit of Equality undertaken in December 2012 with no</p>	2	3	Martin Poulter	<p>Review of the Single Equality Scheme now underway.</p> <p>Consultation completed with final draft circulated for comment Dec 2015.</p> <p>Progress to be reported to Resources Committee in February 2016</p>	February 2016	1	3	The actions to be completed are requirements of the General Public Sector Equality Duty.

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>recommendations. The next Audit will take place in 2016/17.</p> <p>Service managers identified as Equality Champions.</p> <p>Now signed up as part of a Housing Quality Network Diversity Exchange. As part of this group will receive 3 equality briefings per year of relevant changes. Briefings are shared with all employees via Homework and relevant information reported to Resources committee.</p> <p>Training for Board Members undertaken in February 2014 to ensure that members know what should be expected in reports being presented for decision making to allow them to challenge and ensure compliance.</p>								

Corporate Services – Finance

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
F11	<p>Increasing occurrence and cost of third party insurance claims leading to additional payments to successful claimants and an increase in premium costs borne by the Housing Company.</p>	<p>Insurance cover for a number of policies including:- Public Liability, Employers, Motor, Directors and Officers, Fidelity, Professional Indemnity.</p> <p>Broker to obtain best price in the market and enter long term agreements for insurance cover.</p> <p>Stop loss of £257,500 per year and a policy excess on public liability of £20,000.</p> <p>Budget provision made for the cost of insurance and regular monitoring undertaken.</p> <p>New contracts commenced from 1st April 2015 for 3 years with the option to extend 1+1 New claims handler Topmark appointed for small liability claims.</p>	2	3	Natalie Hewitt	Continue to monitor claims on a monthly basis and review on an annual basis		2	3	The controls focus on maintenance of current systems and preventative measures rather than significant changes, therefore the residual score remains the same

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Review of claim forms with Topmark now complete with more information collected in the early stages of a claim in order to more accurately assess costs and limit additional or fraudulent claims.</p> <p>New claim forms and insurance portal aims to reduce the cost of claims for accidents occurring after 1 August 2012</p>								
FI3	<p>Procurement process not being carried out in accordance with the Financial Regulations could lead to a legal challenge from a supplier or a contract being awarded incorrectly.</p>	<p>Financial Regulations and tender limits are in place to ensure that any larger procurement activities are carried out appropriately.</p> <p>OJEU requirements followed for any procurement which meets these limits.</p> <p>Updated Financial Regulations were approved by Board in November 2015 and Contract Procedure Rules were approved by Resources Committee in September 2015.</p>	2	3	Natalie Hewitt	Further upgrades to the Agresso system will have new approval levels which link to procurement approval.	Annually	2	3	The controls focus on maintenance of current systems and preventative measures rather than significant changes, therefore the residual score remains the same

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Regular communication with staff will ensure that they are aware of the financial regulations and the procurement procedures.</p> <p>Contract register now developed to identify upcoming tender renewals.</p>								
FI4	<p>Pension liabilities may increase and become unserviceable affecting the ability to offer and pay pensions</p>	<p>The Company uses Hewitts as pension actuaries.</p> <p>The pension scheme is administered by South Tyneside Council. Contributions to the scheme are reviewed annually once the actuary report is obtained and amended to take into account any fluctuations.</p> <p>Changes to the pension scheme including increased member contributions and auto-enrolment is monitored by HR and the Council's Payroll Section.</p> <p>The Council is ultimately responsible for administering the scheme and for ensuring that the</p>	2	3	Natalie Hewitt/ Jennifer Aston			2	3	The controls focus on maintenance of current systems and preventative measures rather than significant changes, therefore the residual score remains the same

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		contributions are serviceable. Continue to monitor on an ongoing basis.								
FI5	Service level agreements not reviewed could lead to a reduction in the quality of the service being provided.	Regular reviews of the service level agreements in place are carried out. The majority of our service level agreements are with Gateshead Council. Meetings regarding Finance are held monthly with the Head of Corporate Services and held quarterly regarding Legal with the Director of Customers and Communities. Annual reviews are carried out on service level agreements to determine whether they need to be reassessed and renegotiated as part of the budget-setting process.	2	2	Natalie Hewitt	Continue to monitor on an ongoing basis and review annually.	Annually	2	2	The controls focus on maintenance of current systems and preventative measures rather than significant changes, therefore the residual score remains the same
FI6	Incorrect treatment of VAT could lead to fines and interest payments to HMRC	VAT guidance for employees is available on the intranet. Guidance and advice sought from KPMG in	1	2	Mark Banks			1	2	It will continue to be monitored internally and should any issues come to light in the future, these would be highlighted to the

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>relation to VAT implications of any new areas of business.</p> <p>VAT return is prepared by the Finance Manager and reviewed by Head of Corporate Services prior to submission.</p> <p>Finance staff attend annual social housing finance forum that provides updates on key issues and changes including VAT.</p>								Committee

Corporate Services – Governance and Risk

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
GR1	<p>Data protection issues</p> <p>Legal action against TGHC or TGHC receiving fines from the Information Commissioner after sending sensitive or incorrect information about themselves or others via mailings.</p> <p>Legal action against TGHC or TGHC receiving fines from the Information Commissioner after contacting customers without their consent.</p>	<p>All centrally-coordinated mailing jobs are proofed and signed off by Communications and other teams where applicable before posting.</p> <p>Following a successful trial – a secure data transfer method (dropbox) is now being used by the Communications Team.</p> <p>Customers now ‘opting in’ to receiving information from TGHC and partners as part of customer profile (full version and also smaller version sent with rent statements).</p> <p>All centrally-coordinated address lists are generated via Northgate.</p> <p>Northgate Data Management group established.</p> <p>Mailing House test analysis of addresses and other data compared to Royal Mail and census information shows high</p>	1	3	Ian Clarkin / Andrew Curtis	Continue to monitor on an ongoing basis.		1	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>quality of address data. Mailing House will 'repair' any addresses that are not correct and supply back to us to amend Northgate.</p> <p>Main correspondence addresses are now used on all mailing lists.</p> <p>Website updated with current information around privacy, data protection and use of cookies, as well as the rights of customer.</p> <p>All TGHC employees successfully undertaken CBT on data protection in 2015.</p>								
GR4	Failure to comply with the Freedom of Information/Data Protection Act leading to an investigation by the Information Commissioner or legal action being taken against the company	<p>Freedom of Information Publication Scheme</p> <p>Timescales for responding to requests</p> <p>Central point for all requests</p> <p>Advice from Council's Legal Services</p> <p>Staff made aware of protocol within the company for dealing with</p>	1	3	Stuart Gibson	Team Brief included in induction of new staff	Whenever a new member of staff starts employment	1	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		Freedom of Information / Data Protection requests								
GR5	Breach of Data Protection Act 1998 Impact is related to compensatory awards that may be paid to employees if successful in a claim against the company. There is an additional impact of officer time to prepare, present and attend a case hearing.	Data protection policy. Mandatory data Protection training for employees – refreshed every 3 years – last refreshed in 2015 Compliance check carried out by managers. New employees complete mandatory data protection training as part of induction process Requests for personal employee information related to ‘protected characteristics’ to be approved by HR Manager. Internal grievance policy and procedure. Prompt Investigation of allegations. Disciplinary policy. Legal advice from EEF consultants.	2	2	Jennifer Aston	Continue to monitor on an ongoing basis		2	2	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
GR6	<p>Inability to fill vacancies or retain directors on the Board or a Board without the right mix of skills resulting in</p> <ul style="list-style-type: none"> the company not meeting its target for a Board that represents Gateshead and a knock on effect on the quality of decisions taken an unstable Board with decisions being taken by less experienced directors the Board not making informed decisions. 	<p>Board Members Recruitment, Retention and Succession Plan</p> <p>Board recruitment campaigns</p> <p>Board payment and Directors' Expenses Scheme</p> <p>Induction Programme</p> <p>Board appraisal and Training and Development Programme</p> <p>Term of office of 10 consecutive years or four consecutive terms, whichever is lesser Board appraisals</p> <p>Annual refresher training on roles and responsibilities</p> <p>Skills audit updated and better use made of when recruiting new directors</p> <p>Opportunities for Board Members to attend conferences and other events</p>	1	2	Stuart Gibson	None		1	2	There have been no issues with recruiting or retaining new Board Members in the last three years, therefore it is proposed that this be reduced to a green risk. It will continue to be monitored internally and should any issues come to light in the future, these would be highlighted to the Committee

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		Annual governance reviews Updated Independent Director application form								

Corporate Services – Health and Safety

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
HS2	<p>Unsafe Working practices on increasing number of Decommissioned Sites across the Borough.</p> <p>Staff entering properties potentially exposed to risks i.e. debris, sharps, asbestos.</p>	<p>Clear decommissioning procedure in place, recently revised to provide clarity around roles and responsibilities. All staff issued with appropriate PPE</p> <p>Demolition schemes to be regularly monitored by HS and gas auditors for compliance with H&S legislation and managers made aware of outcomes Annual review of training CDM procedures Mandatory H&S to include Risk assessment and PPE</p>	2	3	Jennifer Aston	Continue to monitor on an ongoing basis		2	3	
HS3	<p>Failure to comply with risk assessments in the following areas:</p> <p>Workplace risk assessments</p> <p>Manual Handling</p> <p>COSHH</p> <p>Road Risk</p> <p>Reported Accidents</p> <p>First Aid Provisions</p> <p>Water Hygiene</p>	<p>Training/appraisal/induction</p> <p>Corporate Health and Safety Group for compliance monitoring and cross service learning.</p> <p>H&S Management Framework</p>	1	3	Jennifer Aston	Corporate Health and Safety Group to assist in the development of a compliance report and to monitor progress via lead officers.	April 2016	1	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	Fire Safety Electrical Safety This will lead to poor H&S standards and increased accidents in the workplace. Injuries at work may increase and this will lead to a higher level of insurance claims from employees									
HS4	Failure to comply with the management of fire precautions in the workplace, high risk buildings and communal areas may lead to fire, damage and fatality.	Appointment of temp Fire Safety Advisor (2015). Control Measures and action plan agreed with TWFRS Workplace inspections Mandatory Fire Safety Training Fire drills and emergency evacuations Fire Risk Assessments Installation of bespoke sprinkler system (Regent Court) Fire Safety remedial works programme Extension agreed with TWFS on deadline for Sheltered Schemes	1	4	Jennifer Aston	Overarching Corporate Action Plan for all multi-storey dwellings is under development	February 2016	1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Review of the Company Fire Safety Strategy and Partnership Agreement with TWFRS.</p> <p>Review of Fire Risk Assessment for all Managed Premises following fire safety works</p>								
HS5	<p>Failure to manage the safety of passenger's lifts and lifting equipment may lead to accidents, damage and fatality.</p>	<p>Bi-annual inspections.</p> <p>Lifts inspected to EN80-81 standard.</p> <p>24/7 responsive repair maintenance contract / performance monitoring</p> <p>Inspection schedule monitored by Gateshead Council</p> <p>Specifications developed for refurbishment of lifts and plant rooms.</p> <p>Three year engineering inspection insurance contract with Zurich (2012-2015)</p> <p>All lifts reviewed to assess future viability and investment needs.</p> <p>Lifts Maintenance Contract reviewed and</p>	1	4	Christine McFarlane			1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		new contract commenced on 1 April 2015								
HS6	<p>Non-compliance with health, safety and fire arrangements in sheltered schemes, communal lounges and high rise buildings.</p> <p>This may lead to hazardous conditions for customers and our employees and risk of accidents to vulnerable people</p>	<p>Meetings with Older People Service, Care Call Consultation on fire safety arrangements and staff training.</p> <p>DDA improvements implemented.</p> <p>CCTV monitoring.</p> <p>Fire audits with action plans</p> <p>Tunstall system linked back to Care Call.</p> <p>Out of hours emergency procedures in place and emergency planning by Gateshead Council.</p> <p>Fire Safety Improvement works for fire alarms and compartmentalisation of communal areas and tenant's flats.</p> <p>Fire safety arrangements reviewed following improvement works for all Sheltered Housing.</p>	1	3	Jennifer Aston	Continue to monitor on an ongoing basis		1	3	

Corporate Services – Human Resources

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
HR2	<p>Personal injury claims from employees Impact is related to compensatory awards that may be paid to employees if successful. There is an additional impact of officer time to prepare, present and attend a case.</p>	<p>Induction programme</p> <p>H&S compliance checks. Policies and procedures</p> <p>Implementing learning from previous claims.</p> <p>Employee Handbook</p> <p>Inspection regime for communal areas; tenancy agreements for the reporting of defects within curtilage of their home</p> <p>Legal advice and representation from EEF</p> <p>Appropriate Insurance cover maintained</p> <p>IOSH Safety training for Board and management team</p> <p>Travelers, our Insurers cover the cost of any employer liability claims</p>	2	2	Jennifer Aston	None		2	2	.
HR4	<p>Risk of attack, threat and/or verbal abuse on employees and directors by service users at</p>	<p>Health and safety policies and procedures.</p> <p>Risk assessments</p>	2	2	Jennifer Aston			2	2	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	<p>any time and/or within the office in attending training or involvement events</p> <p>This could lead to sickness absence or claims against the company.</p>	<p>Warning markers on Northgate.</p> <p>iPads with access to Northgate and other emergency contact information issued to the Out of Hours Team.</p> <p>Lone Worker Policy.</p> <p>Mobile phone and emergency numbers.</p> <p>Occupational Health - stress awareness training, dealing with difficult situations and customer care training</p> <p>Personal attack alarms.</p> <p>Testing of alarms</p> <p>Customer profile checked before any events to flag up any NRT issues.</p> <p>CCTV camera in use at offices</p> <p>Violence at work policy and procedure</p> <p>Training needs in relation to officer safety reviewed following appraisal.</p>								

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Monitor, evaluation and reporting on the number of incidents quarterly through Resources Committee, Employee Forum and Corporate H&S Group</p> <p>Conflict Management and Personal Safety Training reviewed</p> <p>Annual Report to Resources Committee on the numbers of incidents and actions taken, to include actions against perpetrators</p>								
HR5	<p>Absence due to an epidemic This could lead to reduced levels of service and increased salary costs. Employees in work could become de-motivated resulting in reduced performance and level of service we are able to provide to customers.</p>	<p>SLA with Gateshead Council for Occupational Health Service</p> <p>Silver NE Health and Wellbeing Health and Wellbeing at Work initiatives and joint working with Gateshead Council</p> <p>Health updates to employees via email</p> <p>Learning and development to build flexibility in the workforce</p> <p>Cross service working to support with absence</p>	1	3	Jennifer Aston	Working towards Better Health at Work Award GOLD level	July 2016	1	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		Recruitment from agencies as a last resort Business Continuity Plan in place for major incidents								
HR6	Industrial action leading to reduced number of employees to deliver essential services.	Consultation with Trade Unions Collective bargaining Employee Forum Business Continuity Plan for continued delivery of service	1	3	Jennifer Aston	None		1	3	

Corporate Services – ICT

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
IT1	ICT Systems Failure - – failure of ICT systems in part or entirety affecting internal and customer processes and transactions.	<p>Council SLA and 3rd Party support agreements</p> <p>–</p> <p>Systems updates – GC systems are updated periodically using automated processes.</p> <p>In House Daily Systems Checks – a broad set of thorough daily checks to ensure systems and process are running successfully and available.</p> <p>Northgate Process Monitoring system</p> <p>A fully functional helpdesk systems allows control and administration of ICT issues avoid incidences becoming problems.</p> <p>Business Continuity Plan includes ICT disaster recovery plan.</p>	2	3	Andrew Curtis	Continue to monitor on a daily basis		2	3	

Corporate Services – Leasehold Services

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
LH1	Leasehold Valuation Tribunal being undertaken and losing the tribunal which would mean we could not charge the leaseholders for the items gone to tribunal over and reputational issues.	<p>We ensure that we retain all paperwork in accordance with the terms of the lease. We ensure that we can substantiate all charges in relation to the invoices raised to leaseholders.</p> <p>We obtain legal advice from Gateshead Council regarding the leases.</p> <p>Training courses in relation to Leasehold Valuation Tribunals and future legal changes</p>	1	3	Janice Adams	None		1	3	
LH2	Works could be undertaken at Leasehold properties without undertaking the appropriate consultation which could restrict the amount of income which could be collected.	<p>Section 20 Consultation is undertaken for all works costing over £250 per property.</p> <p>Leasehold sections undergo training from external providers regarding consultation annually.</p> <p>Procedural guide for surveyors has been developed and training has been delivered to Call Centre Staff, Buildings Surveyors and Property Inspectors.</p>	1	3	Janice Adams	The S.20 consultation process is to be built into Northgate via the Planned Maintenance module. User acceptance testing has commenced in Northgate 'live' with one scheme. Testing to continue throughout the year. Schemes containing leaseholders are yet to be tested.	31 March 2016	1	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		A review of the repairs and leasehold Northgate Administration Units has been undertaken.				BARIS interface with Mears is now running. Work to commence to automatically flag variations which will raise the cost of any works above consultation levels.				
LH3	Managing other tenures such as Shared Ownership properties and Rent to Buy Properties could lead to reduced income for the Housing Company and could lead to an number of tenancy issues if tenancy agreements and lease agreements are not set up appropriately.	<p>Meetings have taken place with our Homebuy agents ISOS to ensure we understand our responsibilities in relation to the new tenure properties.</p> <p>Meetings with legal and legal have produced tenancy and lease agreements.</p> <p>The Homes and Communities Agency Capital Funding Guide is referred to, to ensure we understand the requirements set out by the HCA.</p> <p>Shared ownership policy and procedures have been developed to ensure a consistent approach to management of the shared ownership portfolio.</p>	2	2	Janice Adams	The shared ownership policy and procedures will be monitored and reviewed, as appropriate, when strategic, procedural or legislative changes occur or any significant changes are made by the HCA to the HomeBuy Scheme.		2	2	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
LH4	Non-payment of service charges which would increase the arrears and reduce the actual income collected as the expenditure has been incurred.	An arrears procedure, including a section on 'disputes' is in existence with the back stop of a legal charge being placed on the property, although this would not be payable until the property is sold. Arrears collection is monitored on a monthly basis and performance is discussed with customers at the leasehold SIG every quarter. Performance is reported to senior management quarterly, through the performance report.	2	2	Janice Adams	The arrears procedures will be reviewed every 2 years, or as appropriate, when strategic, procedural or legislative changes occur. Procedures reviewed and amended April 2015.	Next review of procedures April 2017	2	2	

Corporate Services – Performance

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
PF1	Inaccurate performance reporting through inaccurate working papers which could lead to inaccurate customer expectations of service provision and damage the reputation of the Company and lead to inappropriate decisions being taken in relation to incorrect data.	<p>Performance management team monitor and audit the performance data which is reported on a monthly and quarterly basis – particularly in relation to information provided by external contractors.</p> <p>Performance is reported to relevant committees so it can be scrutinised in more detail with a summary going to the board.</p> <p>The councils APEX performance monitoring system is now being used to allow a streamlined process and quick access to performance information.</p>	2	2	Mark Banks			2	2	

Customers and Communities Operational Risk Register (As at January 2016)

Almost Certain				3
Likely		1	2	
Moderate		4	2	1
Unlikely				9
	Low	Medium	High	Critical

Likelihood

Scoring	Definition	Timing of occurrence
4	Almost certain	Less than 3 months
3	Likely	3 – 6 months
2	Moderate	6 – 12 months
1	Unlikely	In excess of 12 months

Impact

Scoring	Definition	Example of impact
4	Critical	Total service loss for significant period Fatality Financial loss over £200,000 Government / Council intervention
3	High	Significant service disruption Major/disabling injury Financial loss over £50,000 Adverse national media coverage
2	Medium	Service disruption Loss time injury Financial loss over £25,000 Adverse local media coverage / lots of service user complaints
1	Low	Minor service disruption / short term inconvenience Minor injury Financial loss under £25,000 Isolated service user complaints

Risk No	Risk	Likelihood	Impact	Owner	Residual Likelihood	Residual Impact
Asset Management						
AM1	Future investment needs may be incorrectly allocated if asset management plans do not provide the correct information to allocate funds where they are required	2	3	Simon Chrisp	2	2
Voids						
VO1	Not achieving the agreed Lettable Standard for voids or not achieving in required timescale	2	2	Phil Hogg	2	2
Health and Safety						
HS1	Failure to manage asbestos in non residential areas of the housing stock or prior to work in a domestic dwelling	2	3	Phil Gallagher	2	3
Lettings						
LE1	Properties becoming difficult to let	4	4	Jackie Armstrong	4	4
Rent and Income						
RI1	Reduction in customers' Housing Benefit entitlement due to government reforms	4	4	Jonathan Graham	4	4
Gas Servicing						
GS1	Customers sleeping temporarily/permanently in a room with an open flued gas appliance, including overcrowded property	1	4	Chris Scott	1	4
GS2	Failure to comply with gas safety legislation and regulation in non-residential buildings	1	4	Chris Scott	1	4
GS3	Non-compliance with the Gas Safety (Installation and Use) Regulations 1998 for all flues to be suitable for the appliance concerned and to be in a proper condition for the safe operation of the appliance by December 2012	1	4	Chris Scott	1	4
GS4	Fatality due to gas related incidents or Carbon Monoxide poisoning incidents	1	4	Chris Scott	1	4
GS5	Customers installing their own cookers	1	4	Chris Scott	1	4

Risk No	Risk	Likelihood	Impact	Owner	Residual Likelihood	Residual Impact
GS6	Customers installing their own cookers in high rise properties	1	4	Chris Scott	1	4
Improvement Works						
IW1	Injury/fatality to public	1	4	Jim Charlton	1	4
Repairs						
RE1	Inclement weather	3	2	Phil Hogg	2	1
RE2	Overspending repairs budget	4	4	Phil Hogg	3	3
RE3	Inability to manage Cyclical Maintenance	3	3	Russell Urwin	2	3
RE4	Unsafe working practices	1	4	Russell Urwin	1	4
RE7	Financial disputes	3	3	Phil Hogg	3	3
RE8	Failure to deliver repairs to published standards and timescales	2	2	Phil Hogg	2	1
Tenancy and Estate Management						
TE1	Risk of fires/tripping hazards/safety in communal areas in multi-storey accommodation, low rise and sheltered accommodation	2	4	Julie McCartney	1	4
TE2	Reduced customer satisfaction with living in neighbourhood due to lack of funding for estate and environmental projects	2	2	Teresa Smare	2	2
TE3	Grounds maintenance service not delivered to agreed published standards	2	2	Julie McCartney	2	2
TE4	Not reporting Safeguarding Adult or Children issues	1	4	Deborah Ewart	1	4

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Customers and Communities Operational Risk Register

Asset Management Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
AM1	<p>Future investment needs may be incorrectly allocated if asset management plans do not provide the correct information to allocate funds where they are required</p> <p>Properties may become non-decent and fall into disrepair if they are not invested in on a timely basis.</p>	<p>Keystone Asset Management Database holds data in relation to properties and when works have been carried out to them and the types of works carried out (such as dates new kitchens were installed etc). The database is able to provide scenario planning where we can review the investment needs should we decide to undertake certain works at certain points in time. This can then be used to produce the most cost effective and appropriate investment plan.</p> <p>Interpretation of R&M data improved, including changes to SOR's to aid identification of work to key components.</p>	2	3	Simon Chrisp	<p>First percentage of stock condition resurvey undertaken by Ridge. Further 20% targeted during 2015/16 through commission with Gateshead Council.</p> <p>New Asset Management Strategy, 30 year Plan and estate viability modelling tools to be launched during 2015.</p>	<p>March 2016</p> <p>Ongoing</p>	2	2	<p>Actions will reduce the occurrences of omitted works within the Housing Capital Programme. Preventing abortive time and cost.</p> <p>Continued improvements in data quality, alongside viability modelling will have a positive impact upon the 30 year plan.</p> <p>More robust and up to date stock condition data will assist with repairs spend.</p>

Customers and Communities – Voids, Lettings, Rent & Income

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	VOIDS									
VO1	<p>Not achieving the agreed Lettable Standard for voids (safe, secure, clean, in good condition). Or – not achieving in required timescale.</p> <p>Impact on</p> <ul style="list-style-type: none"> • Customer satisfaction • Customer safety (injury could lead to a claim) • Offer refusals / increased void rent loss / increased relet period 	<p>Weekly operational meetings with Mears and Construction Services .</p> <p>Monthly performance review meetings, including “fail” trends.</p> <p>Performance in 2015/16 is much improved, with both repair partners now achieving close to 100% right first time</p> <p>Satisfaction monitoring</p> <p>Quarterly Contract Reviews reported to Asset, Development and Investment Committee</p>	2	2	Phil Hogg	<p>Closer integration with Construction Services in 2016 and need for efficiency savings will lead to reduced level of joint inspections, and greater responsibility on repairs partner to achieve standard right first time</p>	2016/17	2	2	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	LETTINGS									
LE1	<p>Properties becoming difficult to let</p> <p>Lack of demand / few or no bids received / high level of refusals</p> <p>All leading to increase in void rent loss</p>	<p>All dwellings categorised from high demand to very low demand, with periodic review.</p> <p>Results fed into stock condition data</p> <p>Redesignation (in 2014) of 2 bed flats to 1 bed+ at Redheugh and Eslington Courts</p>	4	4	Jackie Armstrong	<p>Limited additional décor work targeted at low demand properties</p> <p>Talisman review of hard to let properties</p> <p>Marketing strategy to consolidate actions taken re marketing of vacant properties, and establish framework for future</p>	<p>Throughout 2015/16</p> <p>Ongoing 2015/16</p> <p>Mar 2016</p>	4	4	<p>Void loss has increased from £932k in 2012/13 (pre-bedroom tax) to £1.49 million in 2013/14 and £2.2 million in 2014/15. therefore residual impact is still greater than £200k and remains red</p> <p>Additional décor work will come at a cost, but is aimed at reducing refusals and a greater reduction in void rent loss</p>
	RENT & INCOME									
RI1	<p>Increase in rent arrears</p> <p>Particularly as a result of reductions in customers' Housing Benefit entitlement due to welfare reform.</p>	<p>Focus across Rent and Income Service is on providing support and helping to sustain tenancies. One team is dedicated to more intensive advice and support</p> <p>Assistance provided to tenants with applications for Discretionary</p>	4	4	Jonathan Graham	<p>Continue to work with Council to award and refer tenants for DHP awards. Assist council to allocate this to tenants.</p> <p>Continue to monitor initial roll out of Universal Credit (to single claimants)</p> <p>Prepare for wider rollout of Universal Credit</p>	<p>Ongoing</p> <p>Throughout 2015/16</p> <p>Throughout 2015/16</p>	4	4	<p>Actions will reduce the impact, but the financial loss for arrears alone will still be considerable.</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Housing Payments (DHP).</p> <p>Impact of initial roll out of Universal Credit in Gateshead is being monitored and reported during 2015/16</p>								

Customers and Communities – Gas Servicing Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
GS1	<p>Customers sleeping temporary/permanent in a room with a open flued gas appliance, including overcrowded property</p> <p>Fatality due to Carbon Monoxide Poisoning incident. Spillage of fumes in domestic properties while sleeping in the same room as the gas appliance</p>	<p>TGHC GAS SAFE Registered</p> <p>Risk Assessed Procedure initiated Carbon Monoxide detector</p> <p>Every three month a gas service is initiated</p> <p>Records/Data kept.</p> <p>All contractors are GAS SAFE competent registered</p> <p>Appliances that are deemed to be high risk are renewed through Capital Programme.</p> <p>Raise Awareness of risk to customers.</p>	1	4	Chris Scott	Adequate controls in place		1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
GS2	<p>Failure to comply with gas safety legislation and regulation in non-residential buildings</p> <p>This will result in exposure to dangerous conditions which may lead to fatality, loss of company reputation and insurance claims</p>	<p>Register of trained engineers renewal of registration</p> <p>Audit checks for compliance.</p> <p>Reported accidents investigated. All properties inspected to GAS SAFE standards</p> <p>Dangerous appliances isolated and meter capped in all instances</p> <p>Liaising with Carers and other agencies for access to the properties as required from a care plan assessment</p>	1	4	Chris Scott	Adequate controls in place		1	4	
GS3	<p>Non-compliance with the Gas Safety (Installation and Use) Regulations</p>	<p>All pre-assembled concealed flues in voids risk assessed</p>	1	4	Chris Scott	Adequate controls in place		1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	<p>1998 for all flues to be suitable for the appliance concerned and to be in a proper condition for the safe operation of the appliance by 31 December 2012 resulting spillage of fumes from gas appliance due to concealed flue pipe and a potential fatality due to carbon monoxide poisoning</p>	<p>Tender to renew new boilers where flue access is denied</p> <p>Maintenance and surveys through risk assessments</p> <p>Inspections to install access panels</p> <p>Gas boilers which fail risk assessment now classed as 'ID' and to be replaced / renewed to new gas regulations or access panels fitted with CO detectors and CO cut off valves</p> <p>Asset Management to change all "at risk" boilers</p>								
GS4	<p>Fatality due to gas related incidents/Solid Fuel or Carbon Monoxide Poisoning</p>	<p>TGHC Gas Safe Registered</p> <p>Annual gas service initiated</p>	1	4	Chris Scot	Adequate controls in place		1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	<p>incidents</p> <p>Explosion ignited by gas escapes in properties and surrounding properties from installation pipe work, gas appliances and all domestic ancillary gas fittings.</p> <p>Spillage of fumes from solid fuel or gas appliances in domestic properties, including surrounding properties</p>	<p>HETAS solid fuel registered contractors initiate work</p> <p>Bi-annual solid fuel service initiated.</p> <p>Risk Assessed Procedure for No Access Properties Records/Data kept.</p> <p>Weekly and Monthly performance audits</p> <p>5% collectively of all Gas Servicing, Installations and Repairs audited annually</p> <p>All contractors and employees are checked for registration annually</p>								

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Carbon Monoxide detectors installed to all properties with solid fuel appliances installed</p> <p>Continue with programmed replacement of open flued boilers.</p> <p>A programme of works to change all existing solid fuel appliances to Gas appliances</p>								
GS5	<p>Customers installing their own cookers resulting in fatality due to gas related incidents/Carbon Monoxide Poisoning incidents Explosion ignited by gas escapes in properties and surrounding properties from Customers own</p>	<p>Fitted by Gas Safe Engineer</p> <p>Gas safety check customer's cooker in annual gas service.</p> <p>Customers advised of their obligation to have their gas cookers serviced</p>	1	4	Chris Scott	Adequate controls in place		1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	gas cooker appliances. Spillage of fumes from gas cooker appliances in domestic properties, including surrounding properties									
GS6	<p>Customers installing own cookers in High Rise properties</p> <p>Fatality due to gas related incidents/Carbon Monoxide Poisoning incidents</p> <p>Explosion ignited by gas escapes in properties and surrounding properties from Customers own gas cooker appliances. Spillage of fumes from gas cooker appliances in domestic properties, including surrounding flats</p>	<p>Gas safety check customer's cooker in annual gas service.</p> <p>Customers advised of their obligation to have their gas cookers serviced</p> <p>All new cooker installations in multi storey properties MUST have safety devices on all burners</p> <p>Install safety controls to cut off gas supply for our vulnerable tenants</p> <p>Raise awareness</p>	1	4	Chris Scott	Adequate controls in place		1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		of risk to customers TGHC option changing tenants gas cookers for electric cookers to reduce risk (Regent court, Park, Peareth, Priory) Good practice								

Corporate Services – Health and Safety

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
HS1	<p>Failure to manage asbestos in non-residential areas of the housing stock or prior to work in a domestic dwelling</p> <p>This may lead to exposure to dangerous materials with a serious risk to health.</p>	<p>Asbestos Management Plan reviewed annually and available to employees and contractors.</p> <p>Corporate H&S group established</p> <p>SLA with Gateshead Council to deliver advice, support and resilience</p> <p>Internal and external audit of asbestos management</p> <p>Annual review of policy and procedures</p> <p>Periodical review of the asbestos register by MIS Environmental Services.</p> <p>Project Safety Training (APS) 2015-2018</p> <p>Signing in sheet developed for contractors visiting multi storey blocks, contained in red boxes.</p>	2	3	Phil Gallagher	<p>Retender of surveying contract being considered through Corporate Procurement, who are leading on cross authority procurement framework. Report progress through Corp H&S group, Audit and Resources Committee</p> <p>Implement Audit recommendation to ensure all repairs and planned investment surveys are accessed via Keystone Asset asbestos register.</p>	<p>April 2016</p> <p>March 2016</p>	2	3	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Training of employees /compliance with CDM regulations</p> <p>Contractor's briefings and progress meetings.</p> <p>Construction operations regulated by pre-information packs including asbestos survey of all areas likely to be disturbed the contract works.</p> <p>Attending master classes and CDP.</p> <p>Annual asbestos training to operational employees.</p> <p>Keystone asset management database to host the asbestos register</p>								

Customers and Communities – Improvement Works Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
IW1	Injury / fatality to public – potential litigation, HSE investigation and criminal investigation.	Health & Safety plan in place for every site Method statements for work to mitigate risk to public Regular site inspections by partner and TGHC	1	4	Steve Cook	Adequate controls in place.		1	4	No change

Customers and Communities – Repairs Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
RE1	<p>Inclement weather resulting in increased property defects and delay in delivering reported repairs – repair costs / customer dissatisfaction / litigation and associated costs (S 11 Cases) / poor KPI performance</p>	<p>Winter contingency plan now a formal part of Contractors BCP.</p> <p>Staff and contractors have increased awareness and proactively review resources accordingly to meet increased service demand.</p> <p>Specification change implemented for external condensate.</p> <p>Winter working group developed to review plans/controls while also managing working methods during winter periods.</p> <p>Annual assessment of internal / contractors</p>	3	2	Phil Hogg	Review of LES construction operations critical service plan notifications to TGHC	April 2016	2	1	<p>Further delayed until BARIS interface implemented.</p> <p>BARIS implementation with Total Repairs remains outstanding</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>procedures, staffing and contacts in preparation for seasonal change.</p> <p>Heating systems in void properties are drained down between November and February to avoid bursts and associated damage to properties</p> <p>Customer publications sharing advice for staying safe during the winter and how to react to winter emergency situations</p>								
RE2	Overspending repairs budget resulting in an inability to carry out core function - asset degradation / customer dissatisfaction	<p>Live variations process in place. Provides enhanced clarity of works in progress and contract expenditure.</p> <p>Weekly financial review of orders raised /variations to analyse trends of expenditure.</p>	4	4	Phil Hogg	<p>Implementate of Northgate/TASK interface to control orders to LES and give increased budget monitoring</p> <p>Review of repairs policy in light of reducing repairs budgets</p>	<p>April 2016</p> <p>2015/16</p>	3	3	BARIS implementation with Construction Services has been further delayed.

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>Implementation of additional budget heads in Northgate.</p> <p>Monthly financial forecast prepared by Repairs Contractor, reviewed at fortnightly Commercial meetings.</p> <p>Credit process in place and reviewed fortnightly.</p> <p>Further development of SOR range to reduce usage of Dayworks claims, to reduce drain on officer time to check and evaluate.</p> <p>Partnership roll out of SOR descriptions and inclusions / exclusions</p> <p>Non urgent works placed monthly on</p>								

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		<p>held path until funding is confirmed. Pre-inspections completed with work released according to budget and need</p> <p>Weekly commercial meetings implemented for the partnership</p> <p>Pre-define SOR's according to high cost/risk on budgets. Pre-inspect each job prior to raising of repair order. Potential cost would be managed and number of variations reduce.</p>								
RE3	<p>Inability to manage Cyclical Maintenance Resulting in inability to meet legislative requirements/ inadequate control of</p>	<p>Principal management undertaken by CS on behalf of client. SLA in place to assist management processes.</p> <p>Improved audit</p>	3	3	Russell Urwin	<p>Implementation of Northgate/TASK interface to control orders to LES / 3rd party contractors and reduce abortive officer time.</p> <p>Incorporate warranties information into Northgate. Information</p>	<p>April 2016</p> <p>Jan 2016</p>	2	3	Reduced scope interface delivered by TOTAL on behalf of CS. Agreement reached Dec 2015 to progress with this basic functionality.

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	contractor outputs and quality/ asset degradation or closure / financial loss.	<p>controls of LES monthly statutory works Improve contractor competency checking/vetting procedures.</p> <p>Management arrangements reviewed</p> <p>Tendered/non tendered maintenance agreements evaluated and planned</p> <p>Scheduled periodic market testing of non-statutory works</p> <p>Contingency arrangements in place for high risk delivery.</p>				compiled and ready to input in Q4.				
RE4	Unsafe working practices resulting in injury and death of persons - loss of key	Annual review of H&S risk assessments and method statements for all works and associated activities	1	4	Russell Urwin			1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
	personnel / litigation and associated costs / negative corporate image	<p>Compliance Officer appointed in Repairs service to monitor high risk activity.</p> <p>Implemented service wide training schedule to streamline training requirements and align risk assessments.</p> <p>Scheduled review of H&S procedures for Mears Partnership</p>								
RE7	Financial disputes resulting in escalation of unresolved disputes – litigation and associated costs / negative corporate image	<p>Enhanced contract conditions as part of repairs re-tendering. Live variations process in place. Provides enhanced clarity of works in progress and contract expenditure. Monthly financial review meeting with Mears to evaluate variations process.</p>	3	3	Phil Hogg	<p>Production of a monthly financial report from Northgate to allow increased understanding of spend.</p> <p>Financial reporting now limited due to amended repairs contracts and invoicing processes.</p> <p>Action will show spend profile rather than financial reporting</p>	April 16	3	3	<p>Delayed due to ICT priorities.</p> <p>BARIS implementation with Total Repairs remains outstanding</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
RE8	Failure to deliver repairs to published standards and timescales resulting in customer dissatisfaction / negative corporate image	<p>Enhanced performance information available on demand through contractors repairs interface enables closer monitoring.</p> <p>Weekly operational meeting to review process & performance.</p> <p>Full review of performance definitions and confirmation of KPI and development of additional suite of MPI's.</p> <p>Enhancement of Mears report specification to give clarity on accuracy of data. Daily monitoring of failures in place. (Repairs and Maintenance, including Gas Repairs)</p>	2	2	Phil Hogg	<p>Development of TGHC reporting model utilising Northgate to assist in audit of Mears performance data.</p> <p>Development of reporting suite for management of other RSLs</p>	April 2016	2	1	<p>ICT development has been delayed due to the testing of the BARIS system. Performance reporting from Northgate is not viable until all data is held in the system and updated in a timely/accurate manner.</p> <p>BARIS with MCM Mears is now live. BARIS implementation with Total Repairs remains outstanding.</p>

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		Quarterly monitoring for repairs and voids via Contract Review Report Changes to repairs categories agreed by Mears as part of tender.								

Customers and Communities – Tenancy and Estate Management Operational Risk Register

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
TE1	Risk of fires/tripping hazards/safety in communal areas in multi storey accommodation, low rise and sheltered accommodation resulting in risk of injury or fatality to staff and customers	<p>Multi storey check system in place to remove hazards</p> <p>Daily and weekly inspections carried out by caretakers in MSBs</p> <p>Quarterly block tours carried out by employees and customer inspectors</p> <p>Furniture replacement programme in place to remove non compliant furnishings in sheltered accommodation</p> <p>Fire Safety works programme in MSB's delivered</p> <p>Piloted approach to communal area inspection in low and medium rise blocks</p>	2	4	Julie McCartney	Following pilot, implement communal area inspections in low and medium rise blocks	April 2016	1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		Fire safety work delivered in sheltered schemes – Works nearing practical completion. Will reduce likelihood.								
TE2	Reduced customer satisfaction with living in neighbourhood due to lack of funding for estate & environmental projects resulting in reduced customer satisfaction in neighbourhoods could lead to increase in tenants moving out and reduced demand for properties	<ul style="list-style-type: none"> Established partnership arrangements in place Access to funding via community groups in place EO toolkit outlining current resources available to maximise implementation of schemes. Quarterly estate tours carried out with customers Neighbourhood Pride and Designing out crime reviewed and new Sustainable Communities Fund in place to improve 	2	2	Teresa Smare	<p>Working with customers to deliver Sustainable Communities Fund schemes</p> <p>Review the estate tours programme</p>	<p>March 2016</p> <p>March 2016</p>	2	2	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		development of local schemes <ul style="list-style-type: none"> Explore & Identify other external funding resources 								
TE3	Grounds Maintenance Service not delivered to agreed published standards resulting in customer and councillor dissatisfaction with neighbourhoods and reduced demand for homes due to visual look of estates	<ul style="list-style-type: none"> Joint working arrangements established and in place Monthly and quarterly performance monitoring meetings held with customers and partners to scrutinise performance Quarterly estate tours carried out with customers to identify issues Annual review of Service Agreement with customer involvement is undertaken Customers updated on revised service standards 	2	2	Teresa Smare	Annual review of Grounds Maintenance Service Agreement with customer involvement Review estate tours programme	March 2016 March 2016	2	2	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
TE4	Not reporting Safeguarding Adult or Children issues resulting in risk of serious injury or fatality to a child or adult and potential risk of legal challenge if we are found to be at fault	Policy and procedures in place & reviewed annually Staff training is reviewed annually & refreshed every 3 years through appraisals Referrals and cases are monitored through NRT Training is provided through multi agency Safeguarding Boards & through TGHC Staff briefing on revised procedures issued in May 2013 & with Mears contractors in June 2013 TGHC attend Safeguarding Adults and Safeguarding Children policy and practice multi-agency group TGHC are represented on relevant Boards – SAB & LSCB	1	4	Deborah Ewart	Safeguarding Adults Policy to be developed in light of new legislation and Care Act 2014	Feb 2016	1	4	

Risk No	Risk	Controls	Likelihood	Impact	Owner	Future Actions	Timescale	Residual Likelihood	Residual Impact	Cost Effectiveness of Future Actions
		Refresher training for manager and staff								



Report to Audit Committee

13 January 2016

Title: 2015/16 Internal Audit Plan – Progress Report

Report of: Chief Internal Auditor

Purpose of Report

1. This report outlines progress made by the Internal Audit Service against the audit plan for the financial year 2015/16.

Summary

2. The Audit Plan for 2015/16 was agreed by this Committee on 22 April 2015. Progress against the plan is detailed in Appendix 1. As at 31 December 2015, ten final reports and two draft report have been issued and three further audits are in progress.
3. An additional audit report has been issued that was not included in the Audit Plan, this finding arose during an audit of Gateshead Council's Right to Buy Service. This audit has not been included in the performance figures shown in the table below.
4. The Internal Audit Strategy 2015-18 was agreed by the Committee on 22 April 2015 and details our performance management targets. The table below sets out the current position against each target.

Performance Indicator	Actual Position at 31/12/15	Annual Target
Number of audit assignments completed against annual plan	12 (60%)*	20 (95%)
Audits completed within agreed time	100%	90%
Draft reports agreed and returned within 2 weeks	100%	90%
Number of audit recommendations implemented	100%	90%

*Includes audit audits where field work is complete and draft report has been issued. Excludes additional audit completed which was not in the annual plan.

Link to values

5. This report links to the following company values:

- Fair
- Customer Focused
- Open and Honest
- Accountable

Risk Management Implications

6. The perceived risk of each audit is based on a thirteen point assessment taking into account such areas as materiality, complexity of the system, potential for fraud and sensitivity. Based on a score derived from the assessment, audits are categorised as high, medium and low priorities. This informs the frequency in which audits will be carried out.

Financial Implications

7. The cost of the internal audit work plan is fully provided for in the 2015/16 budget.

Equality and Diversity Implications

8. There are no Equality and Diversity implications associated with this report.

Value for Money implications

9. The delivery of the 2015/16 audit plan and the implementation of internal audit recommendations will assist in identifying efficiencies and achieving value for money.

Health Implications

10. There are no Health implications associated with this report.

Environmental Implications

11. There are no Environmental implications associated with this report.

Impact on Customers

12. Implementation of the recommendations will provide our customers with a better service in terms of customer care.

Consultation carried out

13. The audit plan was developed following consultation with all relevant stakeholders within the Company.

Recommendation

14. The views of the committee are sought on whether it is satisfied with progress to date with the 2015/16 Internal Audit Plan.

Contact: David Johnson, Chief Internal Auditor, Gateshead Council Tel: (0191) 433 3711

Internal Audit Plan 2015/16	Risk		Planned Hours	Planned Report to Committee	Progress at 31/12/15	Opinion
	Rating	Score				
Fundamental Financial Systems						
Procurement and the Creditors System	251	High	70	Oct-15	Audit moved to quarter 4	
Budget Setting and Monitoring	250	High	50	Oct-15	Final Report Issued	Operating Well
Capital Investment and Asset Management	258	High	90	Jan-16	Final Report Issued	Operating Well
Payroll and Human Resources	255	High	80	Jan-16	Final Report Issued	Operating Well
Main Accounting	266	High	40	Oct-15	Final Report Issued	Operating Well
Rent Arrears	255	High	150	Apr-16		
Rent Collection	235	High	70	Jan-16	In progress	
			550			
Corporate Governance						
Business Continuity Arrangements	158	Medium	40	Jul-15	Final Report Issued	Operating Well
Governance	174	Medium	40	Oct-15	Final Report Issued	Operating Well
Performance Framework	157	Medium	50	Jul-15	Final Report Issued	Operating Well
Counter Fraud Arrangements	175	Medium	50	Oct-15	Final Report Issued	Operating Well
			180			
Other Strategic and Operational Risks						
Tenancy Allocation and Lettings	270	High	110	Jan-16	In progress	
Housing Management	266	High	90	Apr-16		
Repairs	269	High	90	Apr-16		
Corporate IT	239	High	10	Apr-16		
Asbestos Management	155	Medium	70	Oct-15	Final Report Issued	Satisfactory
Health and Safety	151	Medium	70	Jul-15	Final Report Issued	Satisfactory
Gas Servicing	198	Medium	40	Jan-16	Draft report issued	
Change Management - IT Audit	149	Low	60	Jan-16	In progress	
Customer Focus	159	Medium	50	Jan-16	Draft report issued	
Housing Office Investigation Follow Up	266	High	50	Oct-15	Draft report issued	
			640			
General						
General Advice, Consultancy and Systems Review			40			
Committee Training			15			
Audit Committee			30			
			85			

Total Hours	1,455
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Additional Audit						
Right to Buy					Final Report Issued	Satisfactory

Risk Score Categories:

High: >210

Medium: 150-210

Low: 0 - 149



Report to Audit Committee

13 January 2016

Title: Forward Plan

Report of: Head of Corporate Services

Purpose of report

1. To note the forward plan of reports which will be presented to Audit Committee during the next year.

Background

2. The committee requested, at its meeting held on 13 January 2015, that a forward plan of reports it will receive at future meetings become a standing item on every committee agenda.
3. Attached as an Appendix to this report is a forward plan of reports that will be presented to meetings of this committee during the next year.
4. This will not be an exhaustive list of reports and there will be some items of business that the committee will be required to consider during the course of the next year.
5. In addition, it will not always be possible to bring all the finalised internal audit reports to the indicated meeting and therefore the Plan will need to be amended from time to time.
6. It will however give the committee an idea of forthcoming business. It will also assist officers when planning in business and meetings to avoid when there is a lot of business.

Link to Values

7. This report relates to the following company values:
 - Fair
 - Customer Focused
 - Open and Honest
 - Accountable
 - Innovative

Risk Management Implications

8. The forward plan will mitigate the risk of reports not being planned into the committee cycle.

Value for Money Implications

9. There are no value for money implications directly arising from this report.

Equality and Diversity Implications

10. Equality and diversity implications will be addressed separately in future reports.

Financial Implications

11. There are no financial implications directly arising from this report.

Health Implications

12. There are no health implications directly arising from this report.

Environmental Implications

13. There are no environmental implications arising from this report.

Consultation carried out

14. Lead officers within the company have identified reports for future meetings of this committee.

Impact on Customers

15. There is no impact on customers as a result of compiling this report.

Recommendation

16. It is recommended that the forward plan be noted.

Audit Committee Forward Plan

Audit Committee	Issues to be discussed
April 2016 (date still to be confirmed)	<ul style="list-style-type: none"> • Strategic Risk Register • External Audit Strategy and Planning Memorandum 2015/16 • Internal Audit Plan 2015/16 – Year End Progress Report • 2016/17 Internal Audit Plan and Strategy • Internal Audit Reports 2015/16 <ul style="list-style-type: none"> - Procurement and the Creditors System - Housing Office Investigation Follow Up - Tenancy Allocation and Lettings - Gas Servicing - Change Management – IT Audit - Customer Focus - Rent Arrears - Rent Collection - Housing Management - Repairs - Corporate IT
June/July 2016 (date still to be confirmed)	<ul style="list-style-type: none"> • Operational Risk Register • Report on Statement of Internal Control • Draft Directors' Report and Financial Statements – 2015/16 • KPMG Management Report – Year End 2015/16 • Internal Audit Annual Report 2015/16 • Internal Audit Reports 2016/17
October 2016 (date still to be confirmed)	<ul style="list-style-type: none"> • Strategic Risk Register • Internal Audit Plan 2016/17 – Progress Report • Internal Audit Reports 2016/17
January 2017 (date still to be confirmed)	<ul style="list-style-type: none"> • Operational Risk Register • Internal Audit Plan 2016/17 – Progress Report • Internal Audit Reports 2016/17