

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 9th June 2011

RISK MANAGEMENT TRACKER

Relevant Portfolio Holder	Councillor Roger Hollingworth
Relevant Head of Service	Executive Director (Finance & Corporate Resources)
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To present an end of year overview in relation to Actions/Improvements (actions) as detailed in service area risk registers for the period 1st April 2010 to 31st March 2011.

2. RECOMMENDATIONS

- 2.1 The Audit Board is recommended to note the end of year position for all service area risk register.

It should be noted that:

- Regulatory Services are currently not included within the risk management process to allow for the shared service to be fully embedded.

3. BACKGROUND

- 3.1 During December 2006 a review of the Council's risk management arrangements was undertaken by the Internal Audit section. Following the review a new approach, which included updated documentation, was adopted. The revised Risk Management Strategy was approved by the Cabinet on the 7th March 2007.

- 3.2 As part of the new approach, each business area is required to collate a risk register that details:

- Key Objectives;
- Risk Score;
- Current controls;
- Actions and improvements;
- Responsible officers and target dates for each action; and
- Progress against each action.

AUDIT BOARD

Date 9th June 2011

- 3.3 Business areas update their risk registers on a regular basis to ensure that actions are being monitored and implemented. The actions are designed to reduce risks, improve controls and aid individual sections to achieve their objectives.
- 3.4 The Risk Management Steering Group meets on a monthly basis to review departmental registers, highlight any concerns with the Head of Service and to review progress on actions.
- 3.5 The departmental registers are reviewed at Corporate Management Team and Audit Board on a quarterly basis.
- 3.6 In addition to the review of the registers there is a planned programme of risk management training that supports the development of the risk culture through the organisation.

4. KEY ISSUES

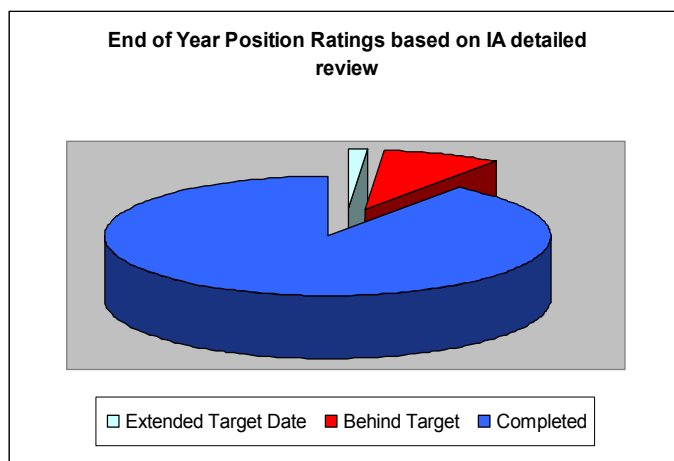
- 4.1 Service areas have submitted to Internal Audit the end of year position for each action detailed on their risk register.
- 4.2 A detailed review of each action, target date, end of year position rating and commentary has been undertaken; the rationale is that this analysis aids management of actions.
- 4.3 At the end of quarter 3 we predicted a total of 60 actions would be behind target at the end of the 2010/11 financial year. Our review has verified that a total of 20 actions were behind target at year end which is better than expected.
- 4.4 Whilst it is acknowledged that this figure is significantly less than predicted it should be noted that the improvement is partially due to 46 actions being excluded during the course of the year.

BROMSGROVE DISTRICT COUNCIL

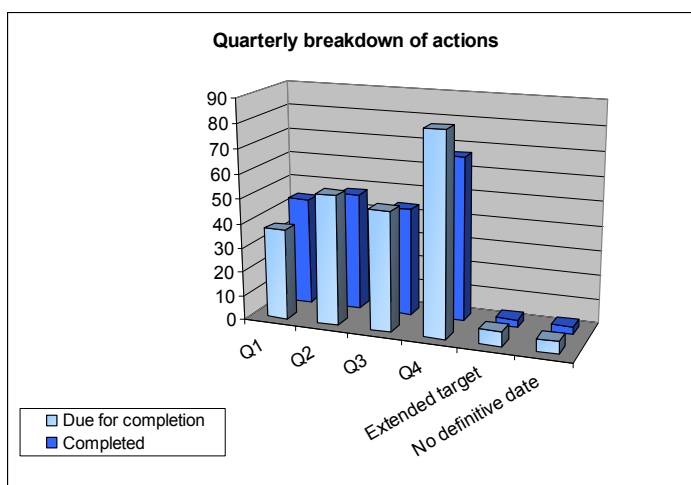
AUDIT BOARD

Date 9th June 2011

4.5 This information is illustrated in the below chart.



4.6 As part of the detailed review we have analysed the number of actions due for completion each quarter. The total quarterly breakdown is illustrated in the chart below.



4.7 At the end of quarter 3 we confirmed that a high proportion of actions (43.5%) were due to be completed in quarter 4 which significantly increased the likelihood that a high percentage would not be completed by year end.

Analysis of actions has confirmed that:

- 88% (that is, 209) were completed during the year with 67 being completed during quarter 4;
- 9% (that is, 20) were behind target; with the remaining

BROMSGROVE DISTRICT COUNCIL

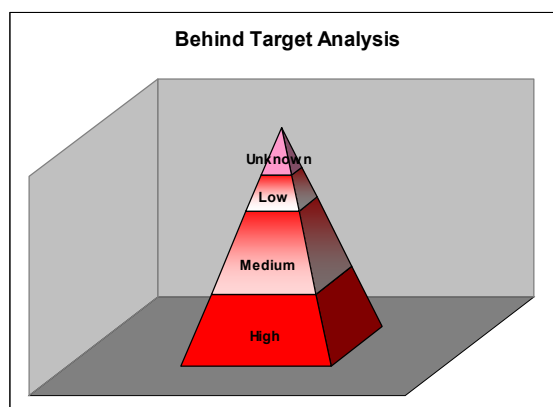
AUDIT BOARD

Date 9th June 2011

- 3% (that is, 6) having either an extended target date or no definite target date.

Accordingly, the high number of actions completed during quarter 4 together with the number of actions excluded from reporting (see section 2.2 above) has ensured that the majority of actions have been completed.

- 4.8 For 2010/11 the risk register template has been updated and all actions are required to be allocated a High/Medium/Low rating. The rationale for this addition is to categorise actions that are behind target in order to provide an analysis of the potential impact on the control environment.
- 4.9 The chart below illustrates the overall rating allocation of actions that are currently behind target based on Internal Audit's detailed review.



- 4.10 There are a total of 20 actions that have been allocated a behind target position rating. Review has verified that these actions are in relation to improving service delivery rather than fundamental problems with processes. For example, two of the actions are in relation to improving disaster recovery arrangements.
- 4.11 In order to highlight service area successes, Internal Audit have selected three actions that have been completed during quarter 4.

Relevant Key Obj.	Action/Improvement
Resources (Finance)	
Efficient and effective payment of Housing and Council Tax Benefit to eligible customers and based on customer needs	As part of year end processes customers not receiving Council Tax Benefit have been targeted in order to increase and promote the use of the Benefit Service.

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 9th June 2011

Community Services - Housing	
Effective, efficient and legally compliant Strategic Housing Service	Working in partnership with BDHT, have identified more accurate levels of housing need within Bronze Banded housing applicants.
Leisure & Cultural Services	
Effective implementation of successful funding projects by Sports Development	Delivered People Dancing Project in partnership with local organisations and Dance Fest increasing opportunities for all target groups.

Overall summary

4.12 In order to ascertain an overall perspective of progress, Internal Audit has compared the current position of actions with the end of year positions for 2009/10:

Position Rating	EOY 2009/10	EOY 2010/11
Behind target	8%	9%
Completed	84%	90%
Extended target	8%	1%
Total	100%	100%

From the above it may be seen that the percentage of actions completed is an improvement on last year's performance.

4.13 Internal Audit's end of year position rating has identified:

- 6 risk registers with an Excellent rating; and
- 5 risk registers with a Good rating.

5. FINANCIAL IMPLICATIONS

5.1 None outside of existing budgets.

6. LEGAL IMPLICATIONS

6.1 None except specific legislation associated with any of the risk registers key objectives.

AUDIT BOARD

Date 9th June 2011

7. POLICY IMPLICATIONS

7.1 None.

8. COUNCIL OBJECTIVES

8.1 Council Objective 02: Improvement.

9. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

9.1 Developing and maintaining Service risk registers will assist the Council to achieve its objectives, priorities, vision and values. The development and continual review of the registers will also support the Councils achievement of the Use of Resources framework.

9.2 Improvements and actions are monitored as part of each service risk register.

10. CUSTOMER IMPLICATIONS

10.1 In addressing the risks associated with the delivery of the Councils services the customers will receive a consistent and controlled quality of service provision.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

11.1 The specific issue of improving equality and diversity is included within the Legal, Equalities and Democratic Services departmental register.

12. VALUE FOR MONEY IMPLICATIONS, PROCUREMENT AND ASSET MANAGEMENT

12.1 Ensuring the Council has adequate arrangements in place for VFM, procurement and asset management and that these areas are addressed in risk registers.

13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY

13.1 Climate Change has been added as a High Impact Area and, therefore, will be considered for all objectives (Corporate and service area).

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 9th June 2011

14. HUMAN RESOURCES IMPLICATIONS

14.1 The HR implications are addressed as part of the HR risk register.

15. GOVERNANCE/PERFORMANCE MANAGEMENT IMPLICATIONS

15.1 Effective governance process.

16. COMMUNITY SAFETY IMPLICATIONS INCLUDING SECTION 17 OF CRIME AND DISORDER ACT 1998

16.1 None.

17. HEALTH INEQUALITIES IMPLICATIONS

17.1 None.

18. LESSONS LEARNT

18.1 The risk management framework constantly evolves following advice from the Audit Commission and stakeholder.

19. COMMUNITY AND STAKEHOLDER ENGAGEMENT

19.1 None as a direct result of this report.

20. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director (S151 Officer)	Yes
Executive Director – Leisure, Cultural, Environmental and Community Services	Yes
Executive Director – Planning & Regeneration, Regulatory and Housing Services	Yes
Director of Policy, Performance and Partnerships	Yes

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

Date 9th June 2011

Head of Finance and Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	Yes

21. WARDS AFFECTED

All Wards.

22. APPENDICES

None.

23. BACKGROUND PAPERS

Risk registers – available from Heads of Service.

AUTHOR OF REPORT

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