

**BROMSGROVE DISTRICT COUNCIL**

**AUDIT BOARD**

**10TH DECEMBER 2007**

**RISK MANAGEMENT TRACKER**

|                              |                            |
|------------------------------|----------------------------|
| Responsible Portfolio Holder | Councillor Geoff Denaro    |
| Responsible Head of Service  | Head of Financial Services |

**1. SUMMARY**

1.1 To present a summary of progress to date against all the improvement actions detailed on individual Service risk registers for the period 1st April to 31st October 2007.

**2. RECOMMENDATION**

2.1 The Audit Board is recommended to note progress to date against all Service risk register actions for 2007/08.

**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 Executive Cabinet on the 7th March 2007.

3.2 As part of the new approach, each Service 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 improvement; and
- Progress against each action and improvement.

3.3 Service areas should update their risk registers on a regular basis to ensure that actions and improvements are being monitored and implemented. The actions and improvements are designed to reduce risks, improve controls and aid individual sections to achieve their objectives.

#### 4. ACTIONS/IMPROVEMENTS SUMMARY

- 4.1 On a quarterly basis each Service area submits a return to Internal Audit that details the current position for each action and improvement included on their risk register. As each Service risk register was only signed off and agreed by the Risk Management Steering Group in August, the first set of submitted figures were for both quarter one and two.
- 4.2 During November 2007, the Internal Audit section completed a detailed review of the information provided on each action and improvement. This included a reasonableness test of the target date, current position rating and commentary. Our review highlighted some differences between the data provided and the audited position. The main issues were a lack of information on the:
- Responsible officer;
  - Current position commentary; and
  - Target completion date.
- 4.3 Following our detailed review and based on the number of actions and improvements completed during the period 1st April to 31st October 2007, Internal Audit have also predicted an overall position for the end of the financial year.

The above information on the submitted figures, Internal Audit review and year end prediction is summarised in the table below.

| <b>Current Position Rating</b> | <b>Service submitted figures</b> | <b>Internal Audit detailed review</b> | <b>Internal Audit end of year prediction</b> |
|--------------------------------|----------------------------------|---------------------------------------|--|
| Behind target                  | 49 (16%)                         | 65 (21%)                              | 136 (44%)                                    |
| On target                      | 177 (56%)                        | 154 (49%)                             |  |
| 08/09 target                   |                                  |                                       | 17 (5%)                                      |
| Completed                      | 87 (28%)                         | 94 (30%)                              | 160 (51%)                                    |
| <b>TOTAL</b>                   | <b>313 (100%)</b>                | <b>313 (100%)</b>                     | <b>313</b>                                   |

- 4.4 Although the overall prediction does not look that positive, there are a number of reasons, specifically:
- 2007/08 is the first year the Council has attempted to fully embed risk management and track actions and improvements;
  - The number of actions and improvements and the allocated target dates may have been too optimistic;
  - The Internal Audit prediction is only based on one set of submitted figures. A more accurate prediction will be available once quarter three's figures have been returned; and
  - Officer risk management training and embedding a culture of risk management is ongoing.
- 4.5 Work on collating the 2008/09 Service risk registers will commence during the beginning of 2008, when all the issues detailed in 4.4 will be considered.

## **5. RISK MANAGEMENT STEERING GROUP**

- 5.1 The Council's Risk Management Steering Group meets on a monthly basis to review Service risk registers and to raise awareness of risk management throughout the Council. Membership of the steering group has been reviewed and updated and the meetings are now chaired by the Head of Financial Services.
- 5.2 The Risk Management Steering Group met on the 28th November 2007 to review the quarter two action and improvement information. Individual feedback has been provided to all Heads of Service on their risk registers. The main areas of feedback included a need for Services to:
- Detail who the responsible officer is for each action and improvement;
  - Include more robust current position commentary;
  - Detail a current position rating;
  - Update their current risk scores;
  - Include a target completion date.
- 5.3 The Audit Board will be provided will an update on progress against actions and improvements at the next meeting on the 17th March 2008.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 None outside existing budgets.

## **7. LEGAL IMPLICATIONS**

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

## **8. COUNCIL OBJECTIVES**

- 8.1 Council Objective 02: Improvement.

## **9. RISK MANAGEMENT**

- 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 individual Service risk register.

## **10. CUSTOMER IMPLICATIONS**

- 10.1 No customer implications.

## 11. EQUALITIES AND DIVERSITY IMPLICATIONS

11.1 No equalities and diversity issues.

## 12. OTHER IMPLICATIONS

|   |
|---|
| Procurement Issues:<br>None   |
| Personnel Implications:<br>None   |
| Governance/Performance Management:<br>Effective governance process.           |
| Community Safety including Section 17 of Crime and Disorder Act 1998:<br>None |
| Policy:<br>None   |
| Environmental:<br>None  |

## 13. OTHERS CONSULTED ON THE REPORT

|   |     |
|---|-----|
| Portfolio Holder                                | No  |
| Chief Executive                                 | Yes |
| Corporate Director (Services)                   | No  |
| Assistant Chief Executive                       | No  |
| Head of Service                                 | Yes |
| Head of Financial Services                      | Yes |
| Head of Legal, Equalities & Democratic Services | No  |
| Head of Organisational Development & HR         | No  |
| Corporate Procurement Team                      | No  |

## 14. APPENDICES

14.1 None.

## **15. BACKGROUND PAPERS**

15.1 None.

## **CONTACT OFFICER**

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