

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

9th June 2008

RISK MANAGEMENT TRACKER

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

1. SUMMARY

- 1.1 To present an end of year overview of Actions/Improvements as detailed in business area Risk Registers for the period 1st April 2007 to 31st March 2008.

2. RECOMMENDATION

- 2.1 The Audit Board is recommended to note progress to date against all business area 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 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 improvement; and
 - Progress against each action and improvement.
- 3.3 Business areas 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.

- 3.4 The departmental and corporate registers are reviewed at Corporate Management Team and Audit Board on a quarterly basis.
- 3.5 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. ACTIONS / IMPROVEMENTS SUMMARY

Departmental Risk Registers

- 4.1 Each business area has submitted to Internal Audit the end of year position for each Action/Improvement detailed on their Risk Register.
- 4.2 We have carried out a detailed review of each Action/Improvement, target date, end of year position rating and commentary. Our overall opinion has identified some differences in the end of year position ratings.

The above information is summarised in the table below.

Current Position Rating	Business submitted figures	IA Detailed Review	IA End of Year Prediction as at February 2008
Behind target (Red)	58	53	71
On target (Green)	174		
08-09 Target (Purple)		48	50
Target Beyond 08-09 (Pale Blue)		6	7
No Colour	2		
Completed (Blue)	144	271	247
*TOTAL	378	378	375

* The reason for the increased total is that 3 Actions/Improvements have been added during quarter 4.

- 4.3 Attached in Appendix A is the information in the above table shown as charts.

Corporate Risk Register

- 4.4 The Executive Team and Heads of Service were requested to submit to Internal Audit the end of year position for each Action/Improvement detailed on the Corporate Risk Register.
- 4.5 For explanation of Internal Audits detailed review, see 4.2 above.

The below table summarises Internal Audit's detailed review.

Current Position Rating	Business submitted figures	IA Detailed Review	IA End of Year Prediction
Behind target (Red)	25	25	19
On target (Green)	40		
08-09 Target (Purple)		14	13
Target Beyond 08-09 (Pale Blue)		1	1
Completed (Blue)	57	87	81
No Colour allocated	5		
No update provided			*13
TOTAL	127	*127	*127

* In order to carry out an accurate comparison of Internal Audit's prediction with the actual end of year position ratings, for the 13 Actions/Improvements where an update was not previously provided, we have taken the quarter 3 position rating to be the same as that provided for quarter 4.

- 4.6 Attached in Appendix B is the information in the above table shown as charts.
- 4.7 Attached in Appendix C is a table that details Internal Audit's end of year position rating for each Risk Register based on the percentage of Actions/Improvements completed during the period 1st April 2007 to 31st March 2008.

OVERALL SUMMARY

- 4.8 Improved commentary has enabled Internal Audit to more easily verify that the correct end of year position rating has been allocated.
- 4.9 Although there has been significant improvement, definitive target dates are not always recorded. This makes it difficult to monitor progress and ascertain whether Actions/Improvements are on target for completion.
- 4.10 Risk Registers are not always being utilised as designed. The inclusion of a high percentage (that is, greater than 20%) of extended target dates (that is, beyond the 2007/08 financial year) distorts the end of year position.
- 4.11 The majority of Risk Registers were submitted by the business areas before the required deadline. This has assisted Internal Audit in carrying out the end of year analysis and was very much appreciated.

5. FINANCIAL IMPLICATIONS

- 5.1 None outside of existing budgets. The continued development of the risk management culture within the Council will aim to achieve improved assessment under the Use of Resources scoring.

6. LEGAL IMPLICATIONS

- 6.1 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 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 and Democratic services departmental register.

12. OTHER IMPLICATIONS

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

13. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
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 Appendix A – Departmental registers position statement
Appendix B - Corporate Register position statement
Appendix C - Position rating

15. BACKGROUND PAPERS

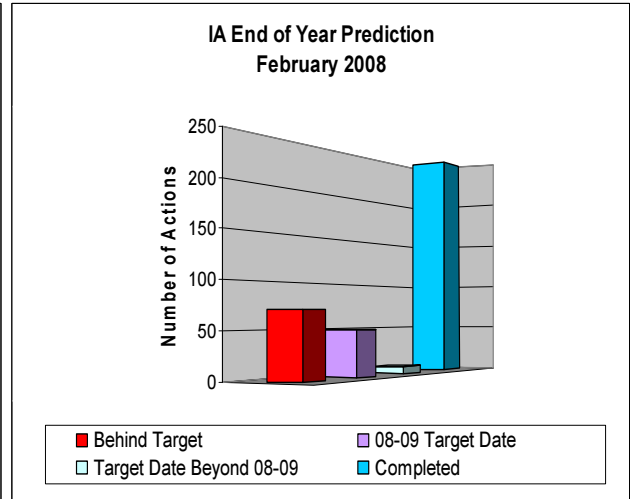
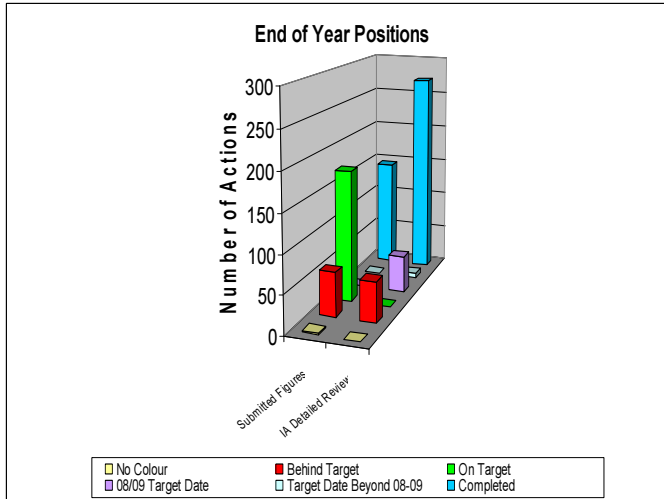
- 15.1 Detailed risk register action schedules

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APPENDIX A

Departmental Risk Registers

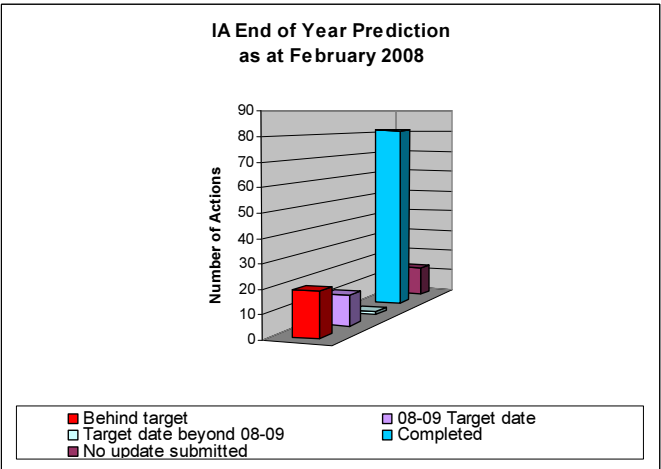
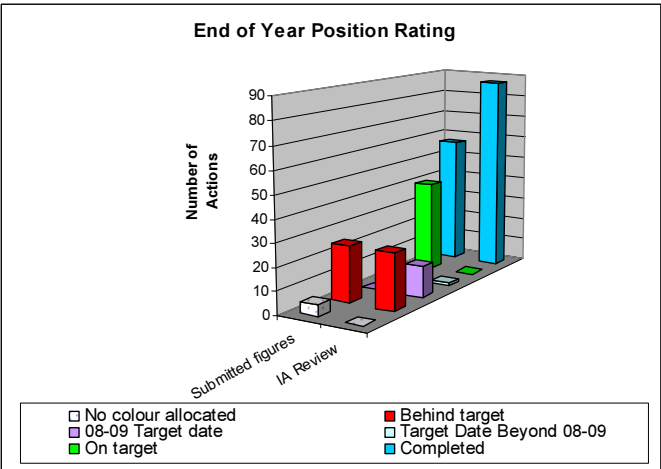


In February 2008, Internal Audit predicted a total of 18.9% of Actions/Improvements would be behind target at the end of the 2007/08 financial year. Our detailed review has verified that a total of 14% of Actions/Improvements were behind target at year end, that is, 4.9% better than predicted.

It should be noted that the inclusion of a high percentage (that is, greater than 20%) of extended target dates distorts the end of year position rating. Internal Audit's detailed analysis has identified 16.3%, that is, 54 Actions/Improvements that have a target date beyond the 2007/08 financial year. If Risk Registers only included Actions/Improvements for the 2007/08 financial year, the percentage of Actions/Improvements behind target is 16.4%, that is, 2.5% better than we predicted in February 2008.

APPENDIX B

Corporate Risk Register



As per paragraph 4.5, the percentage of Actions/Improvements behind target for February has been calculated as 21.3%. Our review of the end of year position has verified that a total of 19.7% of Actions/Improvements were behind target, that is 1.6% better than predicted.

APPENDIX C

The table below details Internal Audit's end of year position rating based on the percentage of Actions/Improvements completed.

Percentage of Actions/Improvements Completed	Internal Audit Rating
0% - 30%	Weak
31% - 60%	Fair
61% - 90%	Good
91% - 100%	Excellent

Risk Register	Nov. '07 Rating	Feb. '08 Rating	End of Year Rating	Comments
Corporate	N/A	Good	Good	Although the position rating has remained the same; the rate of completion has increased from 6.8 to 7.3 per month.
Corporate Communications, Policy and Performance	Good	Good	Excellent	Improved rating due to the rate of completion increasing from 2.9 to 3.3 per month.
Culture & Community	Good	Good	Good	Although the position rating has remained the same; the rate of completion has increased from 2.4 to 3.1 per month.
Customer Services	Excellent	Good	Excellent	Improved rating due to the rate of completion increasing from 1.9 to 2.1 per month.
ICT	Weak	Fair	Fair	It should be noted that 39% of all Actions/Improvements within the Risk Register have a target date of 08/09 and are associated with the Spatial Project. If the 39% of Actions/Improvements are excluded from the results, the end of year position rating would be Good.
Financial Services	Good	Excellent	Good	The rate of completion has decreased from 3.6 to 2.5 per month.

Risk Register	Nov. '07 Rating	Feb. '08 Rating	End of Year Rating	Comments
HR & OD	Weak	Weak	Good	Improved rating due to the rate of completion increasing from 1.1 to 2.5 per month. There has been a significant improvement in relation to the commentary and target dates provided.
Legal, Equalities & Democratic Services	Fair	Good	Fair	The rate of completion has decreased from 2.1 to 1.8 per month. It should be noted that 23% of all Actions/Improvements within the Risk Register have a target date beyond the 07/08 financial year. If the 23% of Actions/Improvements are excluded from the results, the end of year position rating would be Good.
Planning & Environment	Weak	Fair	Good	The rate of completion has increased from 2.8 to 3.8 per month. It should be noted that 26% of all Actions/Improvements within the Risk Register have a target date beyond the 07/08 financial year. If the 26% of Actions/Improvements are excluded from the results, the end of year position rating would be Excellent.
Street Scene & Waste Management	Weak	Good	Good	It should be noted that 21% of all Actions/Improvements within the Risk Register have a target date beyond the 07/08 financial year. If the 21% of Actions/Improvements are excluded from the results, the end of year position rating would be Excellent.