

BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD

15TH SEPTEMBER 2008

RISK MANAGEMENT TRACKER

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

1. Summary

To present an overview of Actions/Improvements as detailed in service area Risk Registers for the period 1st April to 30th June 2008.

2. Recommendation

The Audit Board is recommended to note progress to date against all business area risk register actions for Quarter 1 2008/09 (April – June)

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 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 and improvements.

- 3.5 The departmental registers are reviewed at Corporate Management Team and Audit Board on a quarterly basis. The Corporate Risk Register 2008/09 is under review by Corporate Management Team and will be reported to the next Audit Board meeting.
- 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.

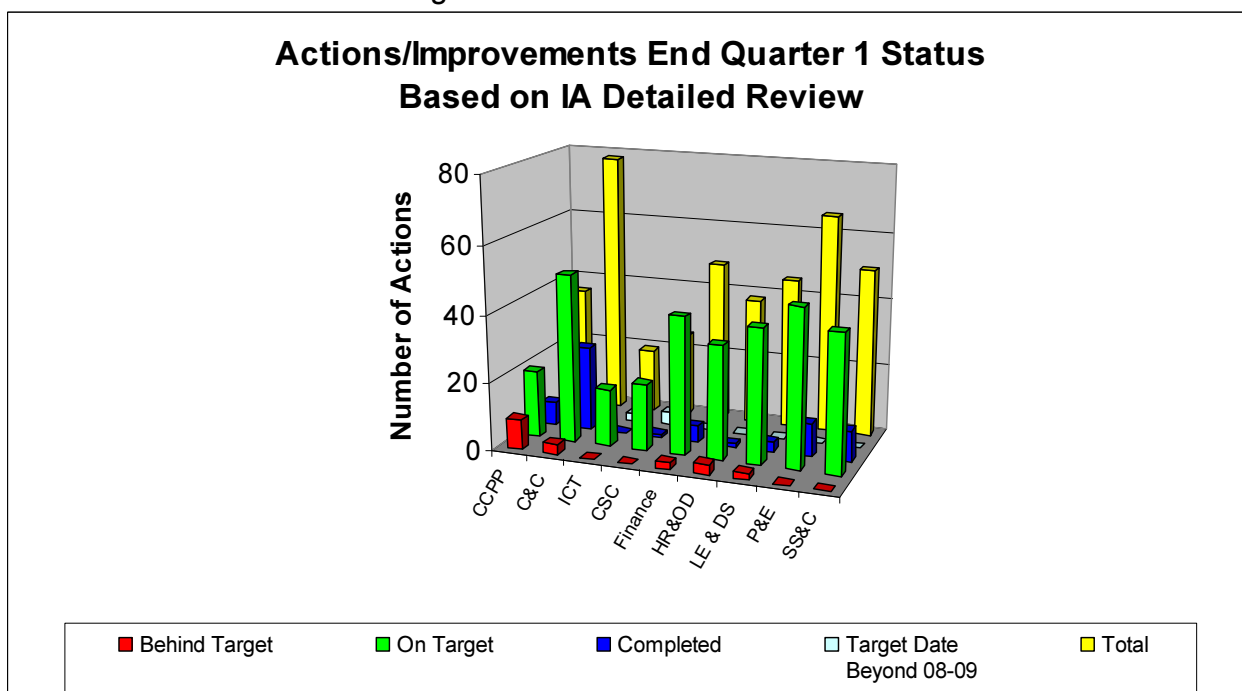
4. Actions/Improvements Summary

- 4.1 Each service area has submitted to Internal Audit the quarter 1 position for each Action/Improvement detailed on their Risk Register.
- 4.2 A detailed review of each Action/Improvement, target date, current position rating and commentary has been carried out. The Internal Audit overall opinion has identified some differences in the quarter 1 position ratings.

The above information is summarised in the table below.

Current Position Rating	Business submitted figures	IA Detailed Review
Behind target (Red)	19	19
On target (Green)	332	310
Target Beyond 08-09 (Pale Blue)		6
No Colour	9	8
Completed (Blue)	44	61
TOTAL	404	404

- 4.3 The chart below shows the status of all Actions/Improvements for the period 1st April to 30th June 2008 for each risk register based on Internal Audit’s detailed review.



- 4.4 In previous reports Internal Audit has included an end of year prediction based on the number of Actions/Improvements completed since the 1st April up to the end of the reporting quarter.

We have not included such a prediction within this report; the rationale being that to base a prediction on the current number of completed Actions/Improvements would not provide meaningful information. For example, if a service area has not completed any Actions/Improvements during quarter 1 because none had a target date within the quarter the prediction would be that no Actions/Improvements would be completed by the end of the financial year.

The next report, which will be based on the half year position, will include an end of year prediction as all services areas ought to have completed some Actions/Improvements.

- 4.5 Risk Registers are designed to be used as a management tool to facilitate the identification of potential issues that may prevent the Council's key objectives from being achieved.

Internal Audit's review of the use of the Red (behind target) current position rating has identified that service areas are using the Risk Register as an early warning system to identify possible issues and, therefore, are in a position to be aware of, evaluate potential consequences and manage risk in order to achieve objectives.

Of the 19 Actions/Improvements rated behind target (which represents 4.7% of the total number of Actions/Improvements) Internal Audit's detailed analysis has identified:

- 17 are Actions/Improvements where the target date may not be achieved; and
- 2 are Actions/Improvements that are actually behind target.

- 4.6 On 15th July 2008 Internal Audit issued each service area with a spreadsheet detailing the Actions/Improvements that at the end of the 2007/08 Financial Year were either behind target or had an extended target date (that is, due for completion in 08/09 or beyond).

Internal Audit requested that each service area:

- check whether the Action/Improvement has been included in the 2008/09 Risk Register;
- if yes, supply Internal Audit with the 2008/09 Risk Register Action/Improvement reference; or
- if not included, either:
 - o add it to the register and provide Internal Audit with the reference; or
 - o provide a brief explanation as to why it was not included.

A copy of the updated spreadsheet was to be returned to Internal Audit together with the quarter 1 update. Three services areas have provided an update to Internal Audit.

Without carrying out this exercise there is the risk that service areas have excluded key Actions/Improvements from their 2008/09 Risk Register. Additionally, Internal Audit will not have a complete audit trail.

Overall Summary

- 4.7 Internal Audit's review has identified an additional 17 Actions/Improvements that we perceive as completed based on the commentary provided.
- 4.8 Service areas are starting to use the Red current position rating constructively to identify Actions/Improvements that, in the future, may not be completed by the target date. In doing so Risk Registers are being used to ensure that risk is pro-actively managed.
- 4.9 It is important that when the new financial year's Risk Register is compiled service areas ensure that all Actions/Improvements that are either behind target or have an extended target date at the end of the previous financial year are included in the Risk Register or, if excluded, that there is a recorded rationale for why an Action/Improvement is no longer applicable. This provides a robust audit trail and ensures that key Actions/Improvements are not overlooked.

5. Financial Implications

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

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

7. Corporate Objectives

Council Objective 02: Improvement.

8. Risk Management

- 8.1 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.
- 8.2 Improvements and actions are monitored as part of each individual Service risk register.

9. Customer Implications

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

10. Equalities and Diversity Implications

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

11. 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

12. Others Consulted on the Report

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

13. Appendices

None.

14. Background Papers

Departmental risk registers – available from HOS

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