

**BROMSGROVE DISTRICT COUNCIL**

**AUDIT BOARD**

Date 7<sup>th</sup> June 2010

**RISK MANAGEMENT TRACKER – QUARTER 4**

Relevant Portfolio Holder	Councillor Geoff Denaro
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 of Actions/Improvements (actions) as detailed in the Corporate and service area risk registers for the period 1<sup>st</sup> April 2009 to 31<sup>st</sup> March 2010.

**2. RECOMMENDATIONS**

- 2.1 The Audit Board is recommended to note progress to date against the Corporate and all service area risk register actions for Quarter 4 2009/10 (April 2009 – March 2010).

**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 7<sup>th</sup> 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.

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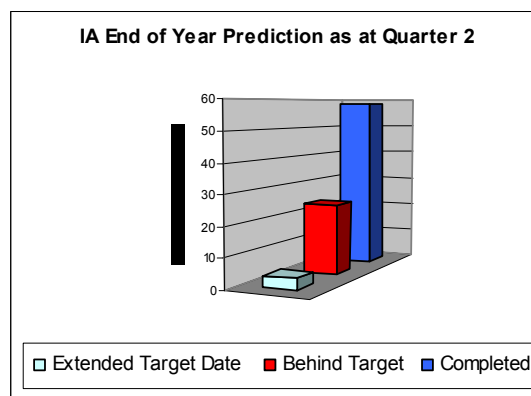
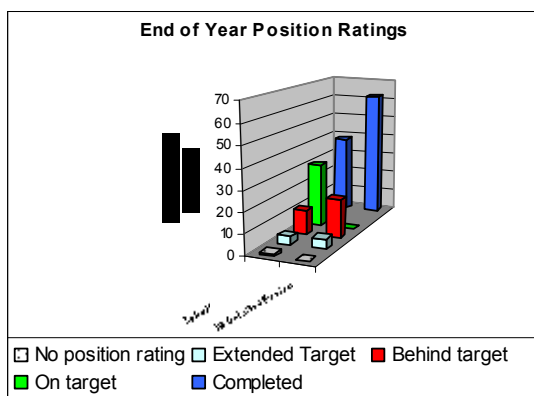
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- 3.3 Business areas update their risk registers on a regular basis to ensure that actions are being monitored and implemented. The actions are designed to reduce risks, improve controls and aid individual sections to achieve their objectives.
- 3.4 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**

##### **Corporate summary**

- 4.1 The Senior Management Team were requested to submit to Internal Audit the quarter 4 position for each action detailed on the Corporate risk register.
- 4.2 A detailed review of each Action/Improvement, target date, quarter 4 position rating and commentary. The Internal Audit overall opinion has identified some differences in the current position ratings.



- 4.3 At the end of quarter 2 we predicted a total of 24 actions would be behind target at the end of the 2009/10 financial year. Our review has verified that a total of 19 actions were behind target at year end which is better than expected.

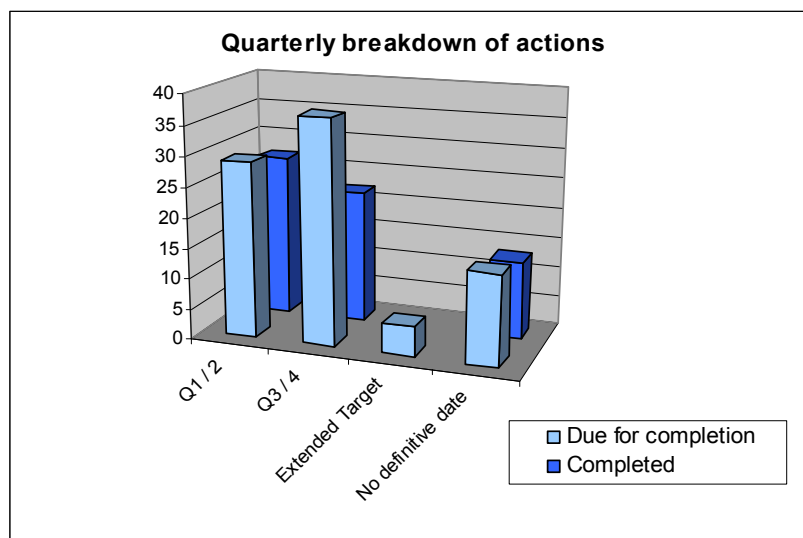
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4.4 As part of the detailed review we have analysed the number of actions due for completion each quarter. The rationale is that this analysis aids management of actions.

The end of year breakdown is illustrated in the chart below.



At the end of quarter 2 we confirmed that a high proportion of actions (65%) were due to be completed by the year end which significantly increased the likelihood that a high percentage would not be completed.

Analysis of actions has confirmed that:

- 72% (that is, 62) were completed during the year;
- 22% (that is, 19) were behind target; and
- 6% (that is, 5) have an extended target date.

This is consistent with the 2008/09 financial year when 21% of actions were behind target at year end.

4.5 The risks associated with the non delivery of the current actions is low due to the missed targets being those relating to improvements in service, for example, improvements to Member development and delivery of efficiencies across the Council, rather than fundamental actions that would have a detrimental impact on service delivery to our customers.

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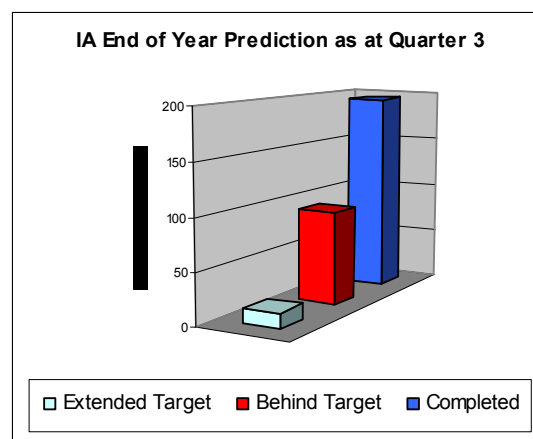
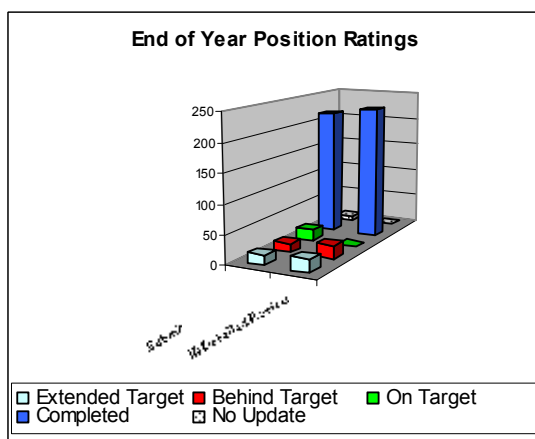
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- 4.6 In order to highlight successes, Internal Audit have selected a sample of three objectives where all the actions have been completed during the year.

Key Objective	Number of Actions
Effective two tier working and shared services	9
Effective Customer Focused Authority	5
Ensure the Council achieves an improved rating under the CAA regime	5

#### Service areas summary

- 4.7 Each service area has submitted to Internal Audit the end of year position for each action detailed on their risk register.
- 4.8 For explanation of Internal Audit's detailed review see 4.2 above.



- 4.9 At the end of quarter 3 we predicted a total of 91 actions would be behind target at the end of the 2009/10 financial year. Our review has verified that a total of 23 actions were behind target at year end which is better than expected.

Whilst it is acknowledged that this figure is significantly less than predicted it should be noted that the improvement is partially supported by the total number of actions being reduced, during the course of the year, by 53 due to external influences.

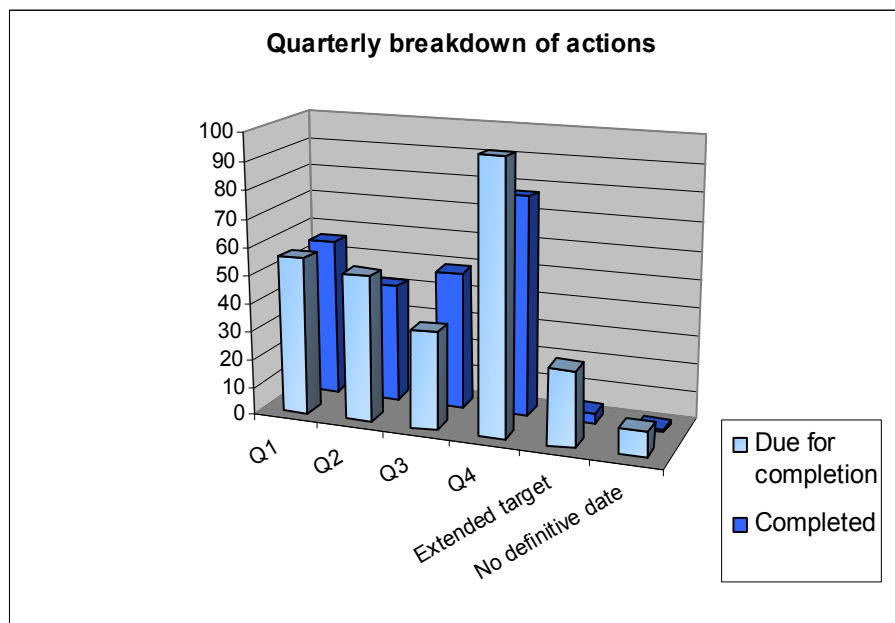
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4.10 For explanation of Internal Audit's detailed review see 4.4 above.

The end of year breakdown is illustrated in the chart below.



At the end of quarter 3 we confirmed that a high proportion of actions (47%) 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:

- 84% (that is, 230) were completed during the year with 79 being completed during quarter 4;
- 8% (that is, 23) were behind target; with the remaining
- 8% (that is, 22) 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 4.9 above) has ensured that the majority of actions have been completed. Furthermore, there has been a significant improvement from the 2008/09 financial year when 17.6% of actions were behind target at year end.

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4.11 The risk associated with the non delivery of the current actions is not deemed as high as the delayed actions are in relation to ongoing projects to ensure improvements are being achieved rather than fundamental problems with processes across the Council. The actions include:

- Further development of remote disaster recovery site.
- Continuing campaign to reduce sickness absence.
- Provision of Gender Equality training for Cabinet Members.
- Produce guidance for elected members on their roles and responsibilities when sitting on outside bodies.

4.12 In order to highlight successes Internal Audit have selected a sample of three objectives where all the actions have been completed during the year.

<b>Key Objective</b>	<b>Number of Actions</b>
<b>Legal, Equalities &amp; Democratic Services</b>	
Effective democratic process and electoral service.	7
<b>Planning &amp; Environment</b>	
Effective, efficient and legally compliant Housing Service.	10
<b>Street Scene &amp; Community</b>	
Provide an effective and efficient cemetery service.	9

#### **Overall summary**

4.13 Internal Audit's review has identified an additional 36 actions (that is, 24 Corporate and 12 service areas) that we perceive as completed based on the commentary provided.

4.14 Comparison of Internal Audit's predicted position rating (based on the number of actions completed in the first half of the year) with the actual end of year rating confirms that:

- 8 business areas the actual is the same or better than predicted; and
- 2 business areas the rating has moved from Excellent to Good. The rationale to support the change is recorded below.

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Business area	IA Q2 prediction	Actual Q4
Corporate	Good	Good
Corporate Communications, Policy and Performance	Excellent	Excellent
Customer Services	Excellent	Excellent
ICT  <b>Note:</b> quarter 3 analysis predicted that based on the rate of completion, all actions would be completed; however, at year end 2 actions remain outstanding.	Excellent	Good
Information Management  <b>Note:</b> the addition of one action with an extended target date has distorted the end of year position rating. That is, without the extended target date the overall rating would be Excellent.	Excellent	Good
Financial Services	Good	Good
HR & OD	Fair	Good
Legal, Equalities & Democratic Services  <b>Note:</b> during the course of the year the number of actions has reduced by 25% due to external influences and this partially supports the move from Weak to Excellent.	Weak	Excellent
Planning & Environment	Fair	Good
Street Scene & Community	Fair	Good

#### **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.

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### **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 are addressed in risk registers.

### **13. CLIMATE CHANGE, CARBON IMPLICATIONS AND BIODIVERSITY**

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

### **14. HUMAN RESOURCES IMPLICATIONS**

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



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**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
Head of Finance and Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes

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Corporate Procurement Team	No
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**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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