BROMSGROVE DISTRICT COUNCIL

AUDIT BOARD
Date 27th September 2010

RISK MANAGEMENT TRACKER – QUARTER 1

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 overview of the current progress in relation to Actions/Improvements (actions) as detailed in service area risk registers for the period 1st April 2010 to 30th June 2010.

2. **RECOMMENDATIONS**

2.1 The Audit Board is recommended to note progress to date against all service area risk register actions for Quarter 1 2010/11 (April 2010 – June 2010).

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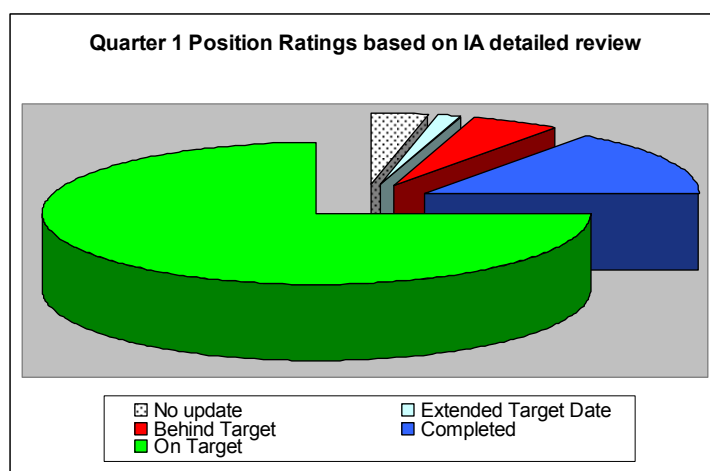
3.3 Business areas update their risk registers on a regular basis to ensure that actions are being monitored and implemented. The actions are designed to reduce risks, improve controls and aid individual sections to achieve their objectives.

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

Service areas summary

4.1 Service areas have submitted to Internal Audit the quarter 1 position for each action detailed on their risk register.

4.2 We have carried out a detailed review of each action, target date, quarter 1 position rating and commentary. The rationale is that this analysis aids management of actions. This information is illustrated in the chart below.

Quarter 1 Position Ratings based on IA detailed review

☒ No update   ☐ Extended Target Date
■ Behind Target   ■ Completed
■ On Target

4.3 In previous reports Internal Audit has included an end of year prediction based on the number of actions completed since the 1st April up to the end of the reporting quarter.

AUDIT BOARD   Date 27th September 2010

We have not included such a prediction within this report. The reason for this is that to base a prediction on the current number of completed actions would not provide meaningful information. For example, if a service area has not completed any actions during quarter 1 because none had a target date within the quarter the prediction would be that no actions would be completed during the year.

The next Internal Audit report, which will be based on the half year position, will include an end of year prediction.

4.4   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.
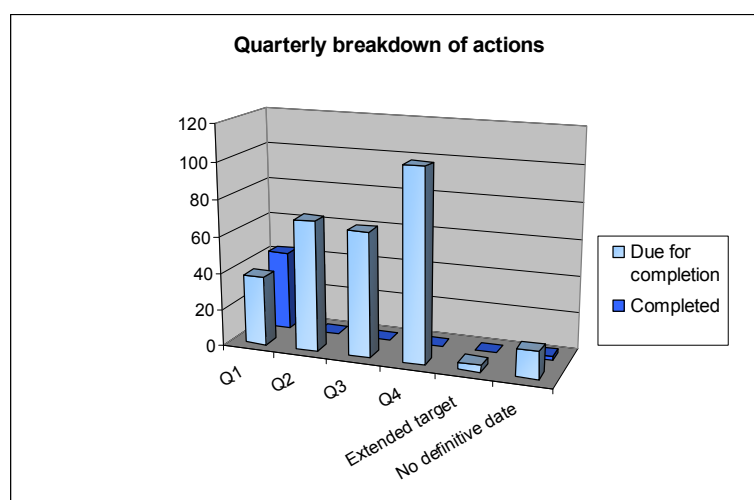
With 35% of actions (that is, 104 of 300) due for completion in quarter 4, if any slippage occurs, the likelihood that a significant number may not be completed by year end increases.

4.5   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.

The charts below illustrate the overall number of actions that are currently behind target based on Internal Audit's detailed review.
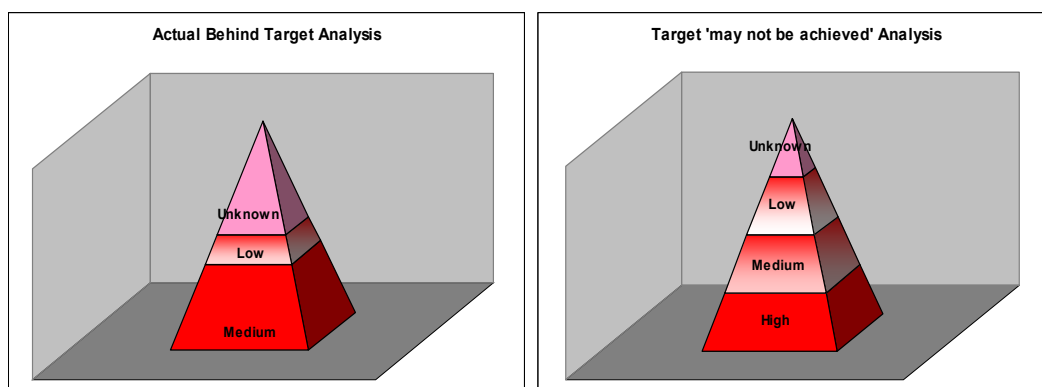
There are 8 actions that are currently behind target with none having been allocated a high rating. Additionally, a further 8 actions have been 'flagged' as potentially not being achieved by the target date. Of these, 2 are rated high and are in relation to ongoing projects to ensure improvements are being achieved rather than fundamental problems with processes.

Analysis of the above charts has identified that 4 'actual' behind target and 2 'flagged' actions have not been allocated a rating. Internal Audit is unable to verify whether any of these are rated high and, accordingly, provide an accurate evaluation of the potential impact on the control environment.

4.6 In order to highlight successes Internal Audit have selected three actions that have been completed during quarter 1.

Relevant Key Obj.	Action/Improvement
Community Services - Housing	
Effective, efficient and legally compliant Strategic Housing Service	Participation in the Steering Groups overseeing the implementation of the NW Younger Persons Service and Foyer Scheme is ongoing.
Customer Services	
Minimise impact of potential Benefits VRA process change September/October 2010	Trial basis Benefits surgeries have been introduced at the Customer Service Centre. The objective of which is to enhance customer service delivery, improve communications between front and back offices and assists with CSC staff training.
Leisure & Cultural Services	
Effective implementation of successful funding projects by Sports Development	Funding document for rolling programme of funding, indicating timelines, national indicators and partnerships is complete and distributed bi-monthly to partners.

AUDIT BOARD   Date 27th September 2010

Overall summary

4.7   In order to ascertain an overall perspective of progress, Internal Audit has compared the current position of actions with the quarter 1 positions for 2009/10:

Position Rating	Quarter 1 2009/10	Quarter 1 2010/11
Behind target	8%	5.33%
On target	68%	75%
Completed	17%	15%
Extended target	4%	1.33%
No update	3%	3.33%
Total	100%	99.99%

From the above it may be seen that that there are fewer actions behind target and use of extended target dates is decreasing.

Whilst the number of completed actions is less than quarter 1 last year, analysis has verified that 2% have been completed early.

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.

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).

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
Head of Finance and Resources	Yes
Head of Legal, Equalities & Democratic Services	Yes
Corporate Procurement Team	No

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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