

ITEM

ITEM

Audit Committee – 7 April 2009

RISK MANAGEMENT – QUARTERLY REVIEW

Joint Report of the Risk and Health and Safety Advisor and the Strategic Director (Resources)

Statutory Powers: (Local Government Act 1972 as amended.
Accounting and Audit Regulations 2003)

Financial Implications: Existing budgets

Purpose:

The purpose of this report is to provide an up-date on risk management. There is a direct link to CP6 (Improve core service performance in a cost-effective way) and indirect links to CPs 1 to 5.

RECOMMENDATION

That the Audit Committee considers the progress made on risk management and comments accordingly.

Background

1. This report is the quarterly update to the Committee on Risk Management activity and provides information for the period from December 2008.
2. Its purpose is not only to provide information to members but also to demonstrate one of the methods of member involvement in risk management. It also provides evidence for the Key Lines of Enquiry (KLOE) Use of Resources Assessment.

Current Situation

3. Work continues on updating the partnership areas of the Council's Risk Register to enable a better assessment of the threats and opportunities presented by the significant partnerships.

Key Lines of Enquiry for Internal Control (KLOE)

4. Members will be aware that Comprehensive Performance Assessment (CPA) is being replaced by Comprehensive Area Assessment (CAA) and we are working to ensure that we are able to comply with the risk management requirements of the Use of Resources elements.

5. As far as CPA is concerned the current requirements are shown at Annex B and the Council's status as regards the use of resources criteria is unchanged for the previous report.

Business Continuity

6. The Business Continuity Plan (BCP) revision is now complete with the exception of IT Services who are unable to review their section until all other requirements are known. It is anticipated that the test scheduled for the end of May will still go ahead.
7. Progress on outstanding projects
 - a. Data link between the Council, Teignbridge District and West Devon Borough Councils. Remains on hold pending the decision on LGR

Service Plans

8. A series of meetings have been held with the Heads of Service to provide guidance on the requirements of the service plan submission and the need to update the risks associated with each service.
9. These are due to be submitted by the end of March 2009 and will then lead to a comprehensive review of the risk register. The review of the Strategic Risks is due to be carried out with SMT in May 2009. This will be included in the next report to the Committee.

Other Risks

10. Other areas where assessments are taking place include:
 - Child Protection measures – training is arranged for those with direct contact and arrangements are in place to provide general awareness to all other staff;
 - Freedom of Information and Data Protection – Appropriate awareness training is provided to new employees however we are including these subjects in a general awareness session for all staff

Internal Audit

11. Members will be aware that risk management is subject to an annual audit and the conclusions of the current audit should be available at the meeting

12. Risk Assessment

Opportunities/Benefits
A fully embedded and working risk management system will enable the Council to: <ul style="list-style-type: none">▪ Meet demands for savings.▪ Target resources more effectively

- Produce better outcomes on corporate objectives
- Deliver innovative projects
- Produce better outcomes for service users
- Protect our reputation
- Enable lower risk related costs
- Proactively identify both threats and opportunities and enable the council to take appropriate action.
- Demonstrate its compliance with the criteria for CPA and its proactive approach to improvement. (Whilst the Council may consider that maintaining an “Excellent” grade might not be the best use of resources, dropping a grade could be detrimental to the Council’s reputation)
- Meet increasing demands on our resources more effectively

Issues/Obstacles/Threats	Control measures/mitigation
<ul style="list-style-type: none"> ▪ Failure of managers to identify risks timely ▪ Failure of managers to monitor on-going risks and identify changing circumstances ▪ Failure to identify the risks associated with significant projects and partnerships may prevent the Council achieving its objectives and increase its liabilities. ▪ Failure of all staff to embrace risk management at their individual level ▪ Failure to comply with statutory requirements and good practice may leave the Council open to investigation and possible prosecution ▪ We have suitable and sufficient policies and procedures in place in many areas. We must continue to ensure that these are monitored for compliance and that reviews are carried out when appropriate. 	<ul style="list-style-type: none"> ▪ Systems in place using service plans, reviews of Covalent, reports to SMT and Members and the use of risk workshops all enable the identification of risks ▪ The requirement for managers to monitor and review existing risks is to be monitored ▪ Use of risk workshops at an early stage of any project and/or partnership will assist in identifying risks • Training provided to all staff and reminders issued when appropriate • Review of policies, procedures and guidance on an on-going basis coupled with analysis of new and revised legislation reduce significantly the risks in this area • On-going review of policies and procedures with recording of such reviews

Conclusion

13. The Council's risk management systems are developing satisfactorily but we cannot afford to be complacent. The changes in the structure of local authorities in Devon will require us to ensure that we have identified significant risks and considered the appropriate control measures.

Pete Osborne
Risk and Health and Safety Advisor

Audit Committee
7 April 2008

Mark Seymour
Strategic Director (Resources)

Background documents:

None