

AGENDA ITEM: 14

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Meeting	Audit Committee
Date	20 March 2007
Subject	Corporate Risks Update
Report of	Executive Director for Resources
Summary	To update the Committee on the progress of Corporate Risks

Officer Contributors	Nick Walkley, Executive Director for Resources, Clive Medlam, Deputy Director for Resources & Chief Finance Officer, Michael Bradley, Head of Internal Audit and Ethical Governance
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A - Better outcomes for children and young people Appendix B - A better Council for a better Barnet Appendix C - Clean, Green and Safe Appendix D - Supporting the Vulnerable in our community
For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	N/A

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1. RECOMMENDATIONS

- 1.1 That progress on the management of corporate risks be noted.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet – 19 May 2003 Decision Item 4: Approval given to development of Risk Management Strategy.
- 2.2 Cabinet – 4 January 2005, Decision item 10: Update on key corporate risks 2004-5.
- 2.3 Cabinet – 31 May 2005, Decision Item 4: approval of Corporate Plan 2005/6 - 2008/9.
- 2.4 Council – 28 June 2005, approval of the technical appendix (Best Value Performance Plan).
- 2.5 Council – 28 June 2005, approval of the technical appendix (Best Value Performance Plan).

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 The presence of strong risk management policies and procedures is paramount to the authority achieving all of its corporate priorities and as such impacts on all the corporate objectives.
- 3.2 The requirement of a Risk Management Strategy and strong risk management processes and procedures underpins our Use of Resources self assessment.

4. RISK MANAGEMENT ISSUES

- 4.1 Failure to identify and effectively manage key corporate risks could impact on the achievement of the Council's corporate objectives and its ability to deliver against the Corporate Plan.
- 4.2 To minimise impact on the Corporate Plan, a strong and embedded risk management culture is required to ensure an efficient and effective assessment of risk and identification of mitigating actions.

5. EQUALITIES

- 5.1 The council has made a commitment to ensuring equalities is integral to everything we do. The council's new Risk Management Strategy will support the council's approach to managing equalities performance and further demonstrate that the consistent approach to embedding equalities and diversity in service delivery reflects the framework outlined in the strategy

6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 As set out in this report.

7. LEGAL ISSUES

- 7.1 Incorporated in the body of the report.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution, Part 3, section 2: Responsibility for Council Functions – details the Terms of Reference for the Audit Committee to provide independent assurance of the adequacy of the risk management framework and associated control environment.

9 BACKGROUND INFORMATION

- 9.1 Process of identifying corporate risks in 2006/7.

- 9.1.1 Sound governance requires effective and efficient management of risk. The process of identifying the corporate risks for 2006/7 demonstrates a direct link from the corporate risks to the Corporate Objectives and ties into a recommendation in the 'Golden Thread' Audit conducted by Internal Audit in 2006.

- 9.1.2 The 2006 – 2010 Corporate Plan, which we are reviewing in this report, uses the following priority labels;-

 'Better outcomes for children and young people'

 'A better Council for a better Barnet'

 'Clean, Green and Safe'

 'Supporting the Vulnerable in our Community'

 'Tackling crime' Note – now merged with 'Clean, Green & Safe'

- 9.1.3 The corporate risks are assessed using the 3x3 matrix scoring system which rates each risk as having a high, medium or low likelihood of occurring and a high, medium or low impact on the ability to deliver against the Corporate Objectives.

- 9.1.4 All risks within the Corporate Risk logs are monitored and re-assessed based on the actions and activities that either mitigate the risk or have had an impact on the risk objective that has either increased or decreased the likelihood or impact on the Corporate Objective.

- 9.1.5 The process of re-assessing the risk is conducted by the "lead officer" who is identified in the risk log, and accepted by the Director or Head of Service.

- 9.1.6 An Update against each risk is recorded in the individual Corporate Risks log.

- 9.1.7 For simplicity, this report specifically focuses on those risks that were deemed to have a high likelihood of occurring and would have a high impact on our ability to deliver the Corporate Objectives, either at the time of developing the Corporate KPPs or as a consequence of updating the Corporate Risk logs.
Full Corporate Risk Registers are available if required.

- 9.1.8 A full listing of all the corporate risks can be found in the Corporate Risk Logs ,available on request. Those wishing to review the Corporate Risk logs should contract the Corporate Risk Manager.

9.2 Progress on managing the corporate risks

- 9.2.1 The approach to risk management within Barnet is that Directors and Heads of Service are responsible for ensuring their service have a robust and efficient method of managing risk.
- 9.2.2 The corporate risks fall within this area of responsibility and it is therefore the responsibility of Directors and Heads of Service to ensure that the corporate risks, as identified in their KPPs are reviewed on a regular basis and action taken to mitigate against the risk or contingencies developed to will be introduced should the risk materialise.
- 9.2.3 It is the responsibility of Corporate Risk Management to review and report on the progress of managing risk.

9.3 Audit

- 9.3.1 Internal Audit has a responsibility to report to the Chief Executive and Audit Committee on the adequacy of the council's risk management arrangements. They fulfil this by reviewing risk management as a separate audit project as well as reviewing the risk management arrangements within the high risk functions of the council in a variety of audit projects. The former includes reviewing the arrangements for identifying, assessing, mitigating and reporting corporate risks. The audit of risk management for 2006/7 is currently in its fieldwork stage.

9.4 Corporate Risks

- 9.4.1 The following list of "high likelihood" and "high impact" risks have been extracted from the KPPs for all Corporate Plan priorities or have been reassessed as "high / high" as part of the review process.
- 9.4.2 A full list of all risks extracted from the KPPs and their current status can be found in the appendices.

10: LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: JL
CFO: CM

A. Better outcomes for children and young people

2.3 Risk	Objective	Risks	Likelihood	Impact	Mitigating Action	Lead Officer	Last updated	Action taken	Current status	Revised Assessment	
										Likelihood	Impact
		More children entering care system as waiting lists grow for preventive services in order to stay within budget	H	H	Work with other key universal and targeted services to maintain and develop early interventions.	Emma Baatz	25/01/07	As above	Open	M	M
	E	Lack of both revenue and capital resources to implement the primary capital strategy and Building Schools for the Future	H	H	Capitalisation of revenue resources needed for 2005/6 Rigorous evaluation of funding models available leading to choice of viable approach	Acting ACEO, P&R	25/01/07	Risk remains. Project Team in place for delivery. Monitoring continues	Open	H	H

B. A better Council for a better Barnet

Local Objective	Risk	Initial Assessment		Mitigating Action	Lead Officer	Last updated	Action taken	Current status	Revised Assessment	
		Likelihood	Impact						Likelihood	Impact
Embed Business Continuity and Emergency Planning Arrangements	Inability to sustain critical Council services or to respond to emergencies	M	H	Implement post-audit action plan	Head of Corporate Anti-Fraud (Dorne Kanareck)	13/12/06	Well on the way to embedding Emergency planning arrangements and have had a great deal of experience over the past few months of re-active work in ad-hoc borough emergencies. Business Continuity and this still presents a significant and serious risk to the authority being able to sustain critical functions.	The issue has now been taken up by the Directors Group	H	H
Strong, consistent corporate customer services arrangements	Lack of clarity of ownership of customer services and access channels across authority	H	H	Implementation of Customer Access Strategy & Customer Service standards, consolidation of corporate customer services arrangements	AD CC & OD (Sean Powley)	12/12/06	Customer access delivery plan written and approved by Resources cabinet, work now being undertaken to deliver the ambitions detailed in the strategythis includes reviewing, implenting and monitoring customer service standards ii Resources restructure has taken place and corporate customer services has now been co-located and consolidated. We are now working through other areas for possible consolidation	Clairty of ownership established for corporate customer services, further work required corporately. Plans to tackle this are detailed in the customer access delivery plan	M	H
Provide high quality, coordinated corporate customer service information	Lack of timely, up to date and accurate customer information	M	H	Customer Access Strategy implementation and establishment of Information Observatory	AD CC & OD (Sean Powley)	12/12/06	This will be mitigated by the introduction of a CRM solution. A business case for capital bid has been written and is currently going through the budget process. Other work also underway to improve current systems containing customer data	In progress	H	H

C. Clean, Green and Safe

Reference	Area objective (What is the objective you are trying to achieve)	Risk (A description of the risk that may affect the objective)	Significance		Control in place (What controls will you introduce to monitor the risk)	Further action proposed			Last Updated	Action taken	Current status	Revised	
			Likelihood	Impact		Activity	By when	Resp Officer				Likelihood	Impact
7	Implement congestion reduction projects in line with Transport for London	Insufficient funding from TfL.	Medium	Medium	Investigate alternative funding sources	Report	Sep-06	Ian Caunce	01/01/07	The Council's intentions have been included within our Local Implementation Plan (LIP)	TfL are assessing our LIP submission	High	High
11	Parking Recovery plan	Optimise deployment and staff capacity	High	High	Deployment and training plans	Monthly	Sep-06	Nicolina Cooper	12/06/07	The deployment plan has been continuously reviewed by the Enforcement Manager and Enforcement Supervisors. The enforcement rota is being revised. Trainging is undertaken by all new Parking Attendants and return to learn training scheduled.	The enforcement rota will be consulted with staff and unions for implementation at the beginning of April. A training course for all parking staff is being developed with return to learn with a view to implementing a parking training qualification, in l	High	High
		Improve payment options			Investigation of options with IS	Milestone reporting	Dec-06		01/12/06	Suspension payments are taken via PDQ as from Sept 06. Investigation and quotations received regarding the implementation of web based permit renewals. Investigations into the option of cashless parking.	Automated payments 24/7 from telephone and web based PCN payments. Automated permit renewals 24/7 via telephone only. Quotations received for web based payments, scheduled implementation May 07. Cashless parking investigated and looking at a trial in	Medium	

D. Supporting the Vulnerable in our community

Objective	Risk	Likelihood	Impact	Controls	Lead	Last updated	Action taken	Current status	Likelihood	Impact
Promote choice, independence and quality services	Lack of integration between housing and corporate IT systems	H	H	-Closer working with IS -Effective Project Management -Investment in integration and convergence	Head of Housing	19/01/07	Working with Resources on EDRMS project Management training for Key Staff EDRMS and Saffron upgrade projects	Open	M	H
Reduce the use of temporary accommodation	Homelessness increases	H	H	Continue to develop alternatives to homelessness.	Head of Housing Needs & Resources	19/01/07	Homelessness Review underway	Open	H	H
	Housing Supply constrained by regeneration plans in short/medium term	M	H	Modelling tool being developed	Housing Strategy & Business Support Manager	19/01/07	Modeling tool failed - need to reconsider approach.	Open	H	H
Quality, effectiveness, accessibility and customer satisfaction	Ability and capacity to implement effective policy and practice around carer assessments and services at front-line	M	H	Carer's co-ordinator post appointed, implement solid programme of staff training and awareness, introduce local target-setting at team level.	Joint Commissioner Disabilities				M	H
	Lack of integration with corporate, PCT, partner and service level IS/ICT strategies	M	H	Effective programme and project management in partnership with key players.	Business Improvement and Performance Manager	23/01/07	E-enablement Board established to provide governance for this Project. Programme sponsored by the AD, Performance & Strategy	Open	M	H
	Scale of business process re-engineering required to deliver core remodelling programme in relation to the complexity of the business and relationships with partners and providers	H	M	Solid programme and project management, communication strategies to secure buy-in at all levels	Assistant Director, Performance & Strategy	23/01/07	Programme now led by a Consultant reporting to the Director of Adult Social Services. PID agreed by ASSD SMT. Governance arrangements in place for ongoing scrutiny of programme.	Open	M	H
	Poor governance of health partnerships and lack of accountability, decision-making and budget management.	H	H	Joint Management Team meetings with PCT, restructure of Partnership Boards, implement recommendations from Mental Health Partnership audit	Director of Adult Social Services	23/01/00	Agreed workplans in place for joint working with health partners. Current budget difficulties in health creating considerable risks.	Open	H	H