

MEETING
AUDIT COMMITTEE

DATE AND TIME
TUESDAY, 9 DECEMBER 2008 AT 7PM

VENUE
BARNET HOUSE, 1255 HIGH ROAD,
WHETSTONE, N20 0EJ

TO: MEMBERS OF THE COMMITTEE (Quorum 3)

Chairman: Councillor Jeremy Davies
Vice Chairman: Councillor Daniel Webb

Councillors:

Danish Chopra	Geof Cooke	Tom Davey
Mukesh Depala	Marina Yannakoudakis	

Substitutes:

Councillors

Wayne Casey	Dean Cohen	Monroe Palmer
Hugh Rayner	Alan Schneiderman	Agnes Slocombe

You are requested to attend the above meeting for which an Agenda is attached.

Jeff Lustig, Director of Corporate Governance
Democratic Services contact: Nazyer Choudhury 020 8359 2031

CORPORATE GOVERNANCE DIRECTORATE

To view agenda papers on the website: <http://committeepapers.barnet.gov.uk/democracy>

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ORDER OF BUSINESS

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AGENDA ITEM: 6 Page nos. 1 - 33

Meeting	Audit Committee
Date	9 December 2008
Subject	Internal Audit Interim Annual Report 2008-09
Report of	Acting Head of Internal Audit and Ethical Governance
Summary	The Committee is asked to note the 2008-9 Interim Internal Audit Annual Report and appendices.

Officer Contributors	Acting Head of Internal Audit and Ethical Governance
Status (public or exempt)	Public
Wards affected	N/A
Enclosures	Appendix A: 2008/9 Internal Audit Interim Annual Report Appendix B: 2008/9 Internal Audit Annual Audit Plan Update Appendix C: 2008/9 Internal Audit Performance Indicators Appendix D: 2008/9 Internal Audit Detailed Risk Analysis Summary

For decision by	Audit Committee
Function of	Council
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

Contact for further information: Hem Savla, Acting Head of Internal Audit and Ethical Governance 020 8359 7154

1 RECOMMENDATIONS

- 1.1 That the Committee note the contents of the report and the actions being carried out to address deficiencies.**
- 1.2 That the Committee consider whether there are any areas on which they require additional action.**

2 RELEVANT PREVIOUS DECISIONS

- 2.1 The Audit Committee on 19th March 2008 included in the work programme for 2008/9, the Internal Audit Interim Annual Report for 2008/9.
- 2.2 The Audit Committee on 15th February 2006, having noted the Internal Audit 2004/5 Annual Report Update, instructed the Chief Internal Auditor (as was) , in future, to provide progress reports to the Committee on any areas where, in his professional opinion, no significant progress has been made by management in addressing audit findings, and that, in such circumstances, the Chief Internal Auditor be required to bring forward recommendations to the Committee (which it might accept or reject) on possible courses of action to achieve the required progress, which could include in exceptional circumstances calling the relevant Head of Service and, or Cabinet Member to attend and explain the situation to the Committee.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Continuous improvement is necessary for us to deliver our priorities. We must improve how we work and the infrastructure we work with. Our corporate services, including finance, human resources and corporate governance, play a significant part in helping us achieve our vision for:

“A smaller entity with a smaller but more efficient corporate support function and a greater concentration of resources on outcomes.”

- 3.2 We are committed to continually improving how we work to provide community leadership, community choice and higher quality services at the lowest possible price. (Corporate Plan 2008/09 - 2011/12)

4 RISK MANAGEMENT ISSUES

- 4.1 The purpose of the Internal Audit Interim Annual Report 2008/9 is to highlight to the Audit Committee, relevant Cabinet Members, Chief Executive, relevant Council Directors and External Audit, the findings of Internal Audit work conducted in 2008/9 (for work that has not previously been reported in the 2007/8 Annual Report).
- 4.2 The report identifies those areas which are of significant risk in the work undertaken by Internal Audit during this period.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 It is an overriding principle that services provided to the whole community represent value for money in terms of quality, efficiency and effectiveness. This supports the Council's obligations in meeting its public duties under Equalities legislation.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 None directly as a result of this report but it is for management to determine whether addressing any of the risks identified by internal audit reports will require additional resources.

7 LEGAL ISSUES

- 7.1 None

8. CONSTITUTIONAL POWERS

- 8.1 Constitution Part 3 Paragraph 2 details the functions of the Audit Committee including "To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements".

9. BACKGROUND INFORMATION

Introduction

- 9.1 The report provides summary details in Appendix A of all Internal Audit reports which have been agreed and/or finalised with Directorates/Services as at 7th November 2008. The report also identifies and gives more detail on those areas which are considered to be of significant risk. This is a planned report within the 2008/9 work programme for this Committee.

Executive Summary

- 9.2 Although it is impractical to give an overall opinion on the control environment, generic control weaknesses are identified in the analysis document at Appendix D. As can be seen, the most recurring areas of weakness are:

- Objectives / goals not being achieved (**22** instances out of a total of **76** reported risks).

Findings here reflect risks that may impact on the likelihood of objectives being met efficiently, effectively and economically.

- Lack of or Non compliance with policies and procedures (**22** instances out of a total **76** reported risks made).

Findings in this area include lack of policies and/or procedures or a need for additions to existing policies and/or procedures. The generic risks that result from these omissions include potentially: lack of consistency; standards not being set, understood or complied with; loss of knowledge due to staff changes; increased training time for new staff.

For the above areas of weaknesses occurrences reported in the Annual Audit Annual Report for 2007-8 were:

- 31 out of 80 for objectives/goals not achieved.
- 15 out of 80 for inadequate/non-compliance to policies and procedures.

It is important to recognise that as different systems and processes are audited each year the mix of recurring weaknesses will undoubtedly vary from one year to the next.

- 9.3 We have agreed management action to address weaknesses recorded in the respective reports, which, if implemented, will improve the overall control environment.
- 9.4 17% of risks were assessed by Internal Audit as 'Priority 1', signifying that there was a 'significant risk that either objectives will not be met efficiently and effectively or that fraud or irregularity is unlikely to be prevented or detected'.
- 9.5 83% of risks were 'Priority 2', signifying 'only limited assurance that objectives will be met efficiently and effectively or that fraud or irregularity will be prevented or detected'.

Follow-ups

- 9.6 All Internal Audit work is followed up as a matter of course. The interim annual report provides summaries of the findings at follow-up audits. Follow-ups indicate how the level of audit assurance has changed as a result of management implementation of agreed actions. Summary of the assurance revisions on the 25 follow-ups conducted in the report period are detailed below. It is encouraging to note that there are no areas with 'no' assurance and 20 of the areas reviewed are now at 'satisfactory' level of assurance. However, 4 areas still remain at 'limited' assurance indicating that further management action is required to fully implement agreed actions or mitigate identified risks.

Analysis of Assurance Levels on Follow-up	No.
Full assurance from satisfactory, limited or no	1
Satisfactory assurance from satisfactory, limited or no	20
Limited assurance from limited	3
Limited assurance from no	1
Total	25

Customer Evaluation Questionnaires

- 9.7 The Audit Committee at the meeting on 20 March 2006 asked that Internal Audit reinstate the performance indicator on Customer Evaluation Questionnaires to comply with the CIPFA Code of Best Practice for Internal Audit. Performance for the past three years is summarised below:

2006/07

66 questionnaires sent; 38 questionnaires returned (58%). An average score of **2.5** was achieved where 1 = excellent; 2 = highly effective; 3 = perfectly satisfactory; 4 = not quite good enough and 5 = unacceptable.

2007/08 (ongoing)

20 questionnaires sent to date; 10 questionnaires returned to date (50%). An average score of **2.0** was achieved.

2008/09 (ongoing)

4 questionnaires sent to date; 2 questionnaires returned to date. An average score of **2.1** was achieved.

Internal Audit performance Management

- 9.8 Appendix B describes the changes to the original audit plan. The report shows reviews that are deferred, cancelled or newly commissioned with relevant reasons for the changes. Appendix C gives the position against the Internal Audit unit's performance indicators (PIs).

The PI regarding percentage of audit plan completed refers to the achievable plan i.e. after any reviews have been deferred or cancelled and taking newly commissioned reviews into account.

10. LIST OF BACKGROUND PAPERS

- 10.1 Any person wishing to view any of the background papers should telephone 020 8359 7154.

Legal: JEL
CFO: SF

Internal Audit Interim Annual Report 2008-09

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INTERNAL AUDIT ACTIVITY SUMMARIES BY DIRECTORATE

- 1 Resources**
- 2 Communities**
- 3 Environment and Regeneration**
- 4 Communications and Consultation**
- 5 Corporate Governance**

AUDIT REPORT SUMMARIES FOR HIGH RISK AREAS (No Assurance)

- A1 Communities**
Customer Billing

Internal Audit Activity Summary: Resources

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Assurance	Date of last Audit	Assurance at last Audit	
ST SERV	SAP Compliance Calibration	1	4	Limited	None	N/A	
ST SERV	Neighbourhood Renewal Fund Grant Audit	1	4	Satisfactory	None	N/A	
ST SERV	Milly Apthorp	0	3	Satisfactory	13/09/2007	Satisfactory	
ST SERV	Modernised Ways of Working - Project	0	0	Satisfactory	25/01/2008	Sat from Ltd	
ST SERV	Cash Collection, Banking and Treasury Management 07/08	1	5	Limited	None	N/A	
SH SERV	Recruitment, HR and Payroll 07/08	0	5	Satisfactory	None	N/A	Recruitment
					None	N/A	HR & Payroll
					17/10/2007	Sat from No	Payroll
SH SERV	Sales, Invoicing and Debt Management 07/08	1	3	Limited	03/11/2008	Still Ltd	Accounts Receivable
					30/05/2007	Ltd from No	Debt Management
SH SERV	Cash Security Collection Service 07/08	1	6	Limited	None	N/A	
SH SERV	Local Area Agreement Grant	0	1	Satisfactory	None	N/A	
SH SERV	Imprest Accounts 07/08	0	4	Satisfactory	None	N/A	
OD & CSER	West of the Borough (Project)	0	1	Satisfactory	None	N/A	

Follow-up Reports: Risks Mitigated

Service	System	Priority 1 Y P N	Priority 2 Y P N	Assurance of Original Audit	Assurance on Follow-up	
ST SERV	Property Asset Management 06/07 fw-up	0 0 0	4 2 5	Limited	Limited	
ST SERV	Property Asset Management 07/08 fw-up	0 0 0	2 5 0	Limited	Satisfactory	
ST SERV	Infrastructure 07/08 fw-up	2 0 0	1 1 0	Limited	Satisfactory	
ST SERV	Performance & Policy Cycle 06/07 fw-up	0 0 0	4 1 1	Satisfactory	Satisfactory	
ST SERV	Stock System 06/07 fw-up	0 0 0	2 0 0	Limited	Satisfactory	
ST SERV	Modernised Ways of Working 07/08 fw-up	0 0 0	3 0 0	Limited	Satisfactory	
ST SERV	Safer Recruitment 06/07 fw-up	1 0 0	10 2 0	Limited	Satisfactory	Jointly with Children's Service
SH SERV	Accounts Receivable 06/07 fw-up	0 0 1	0 0 2	Limited	Limited	
SH SERV	IT Assets Management & Disposal 06/07 fw-up	1 0 0	6 0 0	Limited	Satisfactory	
SH SERV	Shared Service Centre 06/07 fw-up	0 0 0	2 2 1	Satisfactory	Satisfactory	
SH SERV	Risk Management 06/07 fw-up	0 0 0	2 1 0	Satisfactory	Satisfactory	
SH SERV	Mini Statement of Internal Control 07/08 fw-up	5 0 0	1 0 0	No Assurance	Satisfactory	
SH SERV	Banking 06/07 fw-up	0 2 0	0 0 0	No Assurance	Limited	

Service Area Description

ST SERV - Strategic Services

SH SERV - Shared Services

OD & CSER - Organisational Development & Customer Services

Key

Y Mitigated
P Partially Mitigated
N Not Mitigated

Internal Audit Activity Summary: Communities

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Assurance	Date of last Audit	Assurance at last Audit
CS	Free School Meals 07/08	0	4	Limited	None	N/A
ASSD	Business Continuity (Project)	0	1	Limited	None	N/A
ASSD	Customer Billing	5	6	No Assurance	None	N/A

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N		
CS	Management Information in Youth Service 06/07 fw-up	0	0	0	4	0	0	Limited	Satisfactory
ASSD	Income and Assessment 07/08 fw-up	3	0	0	5	0	0	No Assurance	Satisfactory
PPG	Partnership Arrangements 07/08 fw-up	0	1	0	1	4	0	Limited	Limited
PPG	Golden Thread 06/07 fw-up	0	0	0	4	0	1	Limited	Satisfactory

Service Area Description

CS - Children Services

ASSD - Adult Social Services

PPG - Policy and Partnership Group

Key

<p>Y Mitigated</p> <p>P Partially Mitigated</p> <p>N Not Mitigated</p>

Internal Audit Activity Summary: Environment and Regeneration

Audit Reports: Risks Identified

Service	System	Priority 1	Priority 2	Assurance	Date of last Audit	Assurance at last Audit
E&T	Parking Control 07/08	0	5	Satisfactory	26/09/2007	Sat from Ltd
HGS	Homelessness 07/08	1	4	Limited	15/03/2005	Sat from Ltd
HGS	Housing Revenue Account 07/08	1	4	Limited	None	N/A
HGS	Non HRA Subsidy	1	3	Limited	None	N/A

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N		
E&T	Green Spaces & Grounds Maintenance 07/08 fw-up	0	0	0	7	0	1	Limited	Satisfactory
E&T	Parking Control 06/07 (KC) fw-up	0	0	0	7	2	1	Limited	Satisfactory
E&T	Waste Prevention 06/07 fw-up	2	0	0	3	2	0	Limited	Satisfactory
E&T	Transport VOSA 07/08 fw-up	3	0	0	2	3	0	No Assurance	Satisfactory
P&EP	Local Land Charges 07/08 fw-up	1	1	0	9	1	0	No Assurance	Satisfactory

Service Area Description

E&T - Environment & Transport

HGS - Housing Services

P&EP - Planning & Environmental Protection

SD - Strategic Development

Key

Y Mitigated
P Partially Mitigated
N Not Mitigated

Internal Audit Activity Summary: Communications and Consultation

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N		
COMM	Web Content Management 06/07 fw-up	0	0	0	1	2	0	Satisfactory	Satisfactory

Service Area Description

Comm - Communications

Key

<p>Y Mitigated P Partially Mitigated N Not Mitigated</p>

Internal Audit Activity Summary: Corporate Governance

Audit Reports: Risks Identified

Follow-up Reports: Risks Mitigated

Service	System	Priority 1			Priority 2			Assurance of Original Audit	Assurance on Follow-up
		Y	P	N	Y	P	N		
CPG	Graffiti 07/08 fw-up	3	2	0	1	0	0	No	Satisfactory
CPG	Emergency Planning 06/07 fw-up	1	0	0	4	0	0	Limited	Full

Service Area Description

CPG - Community Protection Group

DS - Democratic Services

Key

<p>Y Mitigated</p> <p>P Partially Mitigated</p> <p>N Not Mitigated</p>

Service Area	Issue Date	Assurance of Original Audit	Planned Follow-up Date
Adult Social Services	01/09/2008		Q4 2008-2009

Report Title

Customer Billing	
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1 Objective of System

1.1 The objective of the customer billing process is to recover chargeable costs from service users cost effectively in order to maximise the Council's income and cash flow. Related to customer billing is the prompt and accurate assessment of financial means, recording and reconciliation of service related data and payment to suppliers for chargeable services. The audit focused on billing for chargeable services to service users, specifically in relation to homecare and meals.

2 Scope of Audit

- 2.1
- Strategy and performance
 - Roles and responsibilities
 - Assessment
 - Supply of Chargeable Services including payment of Suppliers invoices
 - Billing customers
 - Collections
 - Performance Management

3 Executive Summary

3.1 Audit can provide no assurance based on our review that the objective of Customer Billing will be achieved effectively and efficiently at this stage. New areas of improvement where processes were not effective were identified in the following key areas:

- arrears and errors in customer billing;
- arrears in financial assessments and annual reviews;
- arrears in clearing suppliers invoices;
- lack of performance management and monitoring;
- in-accurate data capture;
- weakness in data security.

4 Risks

	Priority 1:	Priority 2:
4.1 Number of risks identified	5	6
4.2 Number of actions agreed	5	6

4.3 Priority 1 risks

- **Risk: Timely Assessments**

There is a risk that the council may not recover, or timely recover, the full billable income for services delivered where assessments and reviews have not been completed in time.

Management Action:

We will complete all outstanding initial assessments by the end of September 2008 and thereafter process new applications within 4 weeks.

- **Risk: Accurate and Timely Billing**

In the absence of an identified officer to routinely authorise customer billing there is a risk that the council may not recover, or timely recover, its income from customers due to lack of an accurate or prompt bill.

Management Action:

The Assistant Director, Performance & Supply Management has line management for the Service Managers who manage each of three interdependent functions that contribute to prompt customer billing. She receives and will continue to receive exception reports from Service Managers when the delays are arising in the processes that contribute to timely customer billing.

- **Risk: Accurate Data Capture**

In the absence of an effective process to ensure accurate data input into SWIFT, there is a risk of income and cash flow not being maximised as time is required to rectify errors, thus delaying billing.

Management Action:

We will establish a programme of work to address the problems arising from delayed and inaccurate data capture on the SWIFT system alongside the implementation of regular management review of the levels of data error, especially those contributing to any delays in customer billing.

Risk: Performance Management & Reporting

In the absence of clearly defined performance standards for invoicing and billing and accurate data, there is a risk that prompt billing may not be achieved effectively.

Management Action:

We will develop and implement new PIs , based on best practice guidelines identified by approved benchmarking bodies, to reflect the new processes being redeveloped within the Income and Assessments Team and will be introduced to staff within the ongoing appraisal process.

Previously set performance targets within Supply Management will be reviewed as part of the ongoing appraisal process.

We will ensure that performance is monitored against targets. Data reported within the monitoring reports will be quality assured before circulation to all stakeholders involved in the process.

- **Risk: Timely Processing of Supplier Invoices**

Without ensuring that invoices are cleared and paid promptly there is a risk that customers may not be billed timely for services provided.

Management Action:

(a) Following a risk assessment, we will implement the a revised process for CM2000 invoices where invoices for 80% of service users are on a fast track process.

We will establish routine monitoring of non-aura logged visits to ensure invoices are monitored effectively.

(b) We will institute a new process for Housing 21 invoices to ensure that invoices are processed more speedily.

5 Response to the Audit from Director and/or Head of Service

5.1 A lot of effort is being put into addressing these concerns. With regards to the specific points identified above, progress has been made against all of them. Whilst work still needs to be done the regular monitoring conducted by management does show significant improvements in the delays, arrears and performance in general.

2008/09 Interim Internal Audit - Audit Plan Update
Since 18th June 2008

2008/09 Interim Internal Audit - Audit Plan Update

Since 18th June 2008

Resources

- Page 1** Stock Control 08/09 (Cancelled)
Page 2 Change Management (Deferral within 2008/09)

Communities

- Page 3** SEN Budget & Contract 06/07 follow-up (Deferral within 2008/09)
Page 4 Supply Management Project 08/09 (Deferral within 2008/09)
Page 5 Telecare 2008/09 (New)

Environment and Regeneration

- Page 6** Temporary Accommodation 07/08 (Deferral from 2007/08 to Q4 2008/09)
Page 7 Principal Development Agreement 06/07 follow-up (Deferral within 2008/09)
Page 8 Regeneration 08/09 (Deferral within 2008/09)
Page 9 Licences 07/08 (Deferred to Q1 2009/10)
Page 10 Environmental Health 08/09 (Deferral within 2008/09)
Page 11 Transport Project 08/09 (Deferral within 2008/09)
Page 12 Parking - Pay & Display Maintenance and Cash Collection 2008/09 (New)
Page 13 Public Transportation and Traffic Management (Deferral within 2008/09)

Corporate Governance

- Page 14** Data Protection Framework 2008/09 (New)

Cancelled audit in 2008/09 Resources**SERVICE AREA:** Strategic Services - Strategic Finance**TITLE OF ORIGINAL AUDIT:** Stock Management and Control**ORIGINAL PLANNED DATE FOR AUDIT:** 2008/09 Quarter 3**CHANGE REQUESTED BY:** Assistant Director of Resources**Reason(s) for the change**

Internal Audit work is no longer required by External Audit as stock management controls are not reviewed at final account stage, as stock balances have been reduced substantially.

Risk to the Corporate Plan

None

Client Comment**Audit Comment**

None

Deferral within 2008/09 - Resources

SERVICE AREA: Organisational Development & Customer Services

TITLE OF ORIGINAL AUDIT: Change Management Support

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 2

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

CHANGE REQUESTED BY: Assistant Director - Customer Care & Libraries

Reason(s) for the change

Ownership and structure of OD and Change Management functions in the Council is being reviewed

Risk to the Corporate Plan

None

Client Comment

No posts in place.

Audit Comment

To review position in quarter 4.

Deferral within 2008/09 - Communities

SERVICE AREA: Children's Service

TITLE OF ORIGINAL AUDIT: SEN Budget & Contract - 06/07 Follow-up

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 1

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

CHANGE REQUESTED BY: Assistant Director - Inclusion

Reason(s) for the change

There is a small team of five staff responsible for commissioning, contract management and financial control of all aspects of special educational needs provision and transport. Unfortunately the team manager was absent with a serious illness from November 2007 and has only returned part-time to work recently. It was therefore felt that in order to ensure an effective audit follow up, supported by appropriate Children's Service managers, the audit follow-up should be deferred to quarter 4.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

Deferral within 2008/09 - Communities

SERVICE AREA: Adult Social Services

TITLE OF ORIGINAL AUDIT: Supply Management Project

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 2

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 3

CHANGE REQUESTED BY: Assistant Director, Performance & Supply Management

Reason(s) for the change

Due to delay and identification of the strategic action plan for the new Supply Management function.

Risk to the Corporate Plan

None

Client Comment

To use the audit, to test the robustness of the Supply Management arrangements in assisting Adult Social Services to deliver VFM, quality standards and responsiveness to service user needs through their contracted services.

Audit Comment

None

New 2008/09 Communities

SERVICE AREA: Adult Social Services

TITLE OF ORIGINAL AUDIT: Telecare

DATE AUDIT REQUESTED FOR: Quarter 3

REQUESTED BY: Assistant Director for Adult Social Services

Reason(s) for the new work

To provide assurance on the arrangements for the Telecare Service, which is a growing service to monitor risks to the clients.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

Deferred from 2007/08 to 2008/9 Environment and Regeneration

SERVICE AREA: Housing

TITLE OF ORIGINAL AUDIT: Temporary Accommodation

ORIGINAL PLANNED DATE FOR AUDIT: 2007/08 Quarter 2

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 4

CHANGE REQUESTED BY: Head of Housing and Environmental Health and Deputy Director

Reason(s) for the change

Due to recent staff and structure changes within the service.

Risk to the Corporate Plan

None

Client Comment

Assurance given that the audit will commence in January 2009.

Audit Comment

None

Deferral within 2008/9 - Environment and Regeneration

SERVICE AREA: Planning and Environmental Protection

TITLE OF ORIGINAL AUDIT: Principal Development Agreement - 06/07 Follow-up

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 1

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 3

CHANGE REQUESTED BY: Director of Planning, Housing and Regeneration

Reason(s) for the change

Due to recent developments, recruitment and restructuring changes.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

Deferral within 2008/9 - Environment and Regeneration

SERVICE AREA: Planning and Environmental Protection

TITLE OF ORIGINAL AUDIT: Regeneration

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 2

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 3

CHANGE REQUESTED BY: Director of Planning, Housing and Regeneration

Reason(s) for the change

Due to recent developments, recruitment and restructuring changes.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

Deferred from 2007/08 to 2009/10 Environment and Regeneration

SERVICE AREA: Planning and Environmental Protection

TITLE OF ORIGINAL AUDIT: Licences

ORIGINAL PLANNED DATE FOR AUDIT: 2007/08 Quarter 2

REVISED PLANNED DATE FOR AUDIT: 2009/10 Quarter 1

CHANGE REQUESTED BY: Environmental Health Manager (Commercial)

Reason(s) for the change

Business processes will change following the implementation of the Plantech Acolaid system.

Risk to the Corporate Plan

None

Client Comment**Audit Comment**

None

Deferral within 2008/9 Environment and Regeneration**SERVICE AREA:** Planning and Environmental Protection**TITLE OF ORIGINAL AUDIT:** Environmental Health**ORIGINAL PLANNED DATE FOR AUDIT:** 2008/09 Quarter 2**REVISED PLANNED DATE FOR AUDIT:** 2008/09 Quarter 4**CHANGE REQUESTED BY:** Director of Planning, Housing and Regeneration**Reason(s) for the change**

Due to integration of services and the formation of the new Directorate in preparation for the Future Shape programme and to ensure coincidence with the Corporate Strategy.

Risk to the Corporate Plan

None

Client Comment

Assurance given that the audit will commence in January 2009.

Audit Comment

None

Deferral within 2008/9 - Environment and Regeneration

SERVICE AREA: Environment and Transport

TITLE OF ORIGINAL AUDIT: Transport Project

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 1

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 2

CHANGE REQUESTED BY: Director of Environment and Transport

Reason(s) for the change

The contract should have been awarded in Feb 2008, but was awarded in June 2008. The contract was not signed till September 2008, very close to the contract start date (early October 2008), due to discussions about the terms and conditions of the contract i.e. legal mark-up discussions. As a result there was a delay in agreeing an implementation which was the focus of the IA review.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

New 2008/09 Environment & Regeneration

SERVICE AREA: Environment and Transport

TITLE OF ORIGINAL AUDIT: Parking - Pay & Display Maintenance and Cash Collection

DATE AUDIT REQUESTED FOR: Quarter 2

REQUESTED BY: Director of Environment and Transport

Reason(s) for the new work

To provide assurance on the management controls and arrangements for the Pay & Display Maintenance and Cash Collection.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

Deferral within 2008/9 - Environment and Regeneration

SERVICE AREA: Environment and Transport

TITLE OF ORIGINAL AUDIT: Public Transportation and Traffic Management

ORIGINAL PLANNED DATE FOR AUDIT: 2008/09 Quarter 1

REVISED PLANNED DATE FOR AUDIT: 2008/09 Quarter 3

CHANGE REQUESTED BY: Director of Environment and Transport

Reason(s) for the change

Due to the introduction of legislative changes (including the Traffic Management Act 2004), the London Mayoral elections and uncertainty regarding revisions to the London Mayor's Transport Strategy, it was considered that there was no added value for the audit to commence in Q1.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

New 2008/09 Corporate Governance

SERVICE AREA: Internal Audit and Ethical Governance

TITLE OF ORIGINAL AUDIT: Data Protection Framework

DATE AUDIT REQUESTED FOR: Quarter 2

REQUESTED BY: Director of Corporate Governance

Reason(s) for the new work

To provide assurance on the Data Protection Framework.

Risk to the Corporate Plan

None

Client Comment

None

Audit Comment

None

Internal Audit Performance Indicators 2008- 09 @ 07.11.2008

PI Ref	PERFORMANCE INDICATOR	TARGET 2008/09 (annual & cumulative)	Cumulative Position at end of:		
			Q1	Q2	as at 07/11/2008
1	Percentage of 2008/09 audit plan completed compared to what was planned.	87.5% This is the combined figure for systems, follow-ups and projects.	3% complete or at draft report plus 9% at various stages of work in progress	22% complete or at draft report plus 28% at various stages of work in progress	36% complete or at draft report plus 31% at various stages of work in progress
2	Percentage of Audit reports followed up within 12 months of issue of final report	100%	2% complete or at draft report plus 12% at various stages of work in progress	24% complete or at draft report plus 22% at various stages of work in progress	46% complete or at draft report plus 12% at various stages of work in progress

AGENDA ITEM: 7

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Meeting

Audit Committee

Date

09 December 2008

Subject

Corporate Risk Strategy

Report of

Director for Resources

Summary

In support of Decision 6 of the Audit Committee 18/06/2008 this report explains how corporate risks are reported and assessed by Corporate Directors Group and the process for risks moving between categories of high, medium and low.

Officer Contributors

Paul Lawrence – Head of Risk and Insurance
Nikki Adams – Corporate Risk Officer

Status (public or exempt)

Public

Wards affected

None

Enclosures

Appendix A – Corporate Risk Register

For decision by

Audit Committee

Function of

Council

Reason for urgency / exemption from call-in (if appropriate)

N/A

Contact for further information: Paul Lawrence – Head of Risk and Insurance 020 8359 7197

1. RECOMMENDATIONS

1.1 That the committee note:

- i the process adopted by Corporate Directors Group in the assessment of corporate risk and the classification of and movement between risk categories of high, medium and low**
- ii the latest version of the Corporate Risk Register**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Audit Committee 18th June 2008, approval of the Council's refreshed Corporate Risk Management Strategy for 2008/9.

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 the Council's annual Use of Resources assessment which was integral to the old Comprehensive Performance Assessment framework and will continue to be a central part of the Comprehensive Area Assessment in the future.

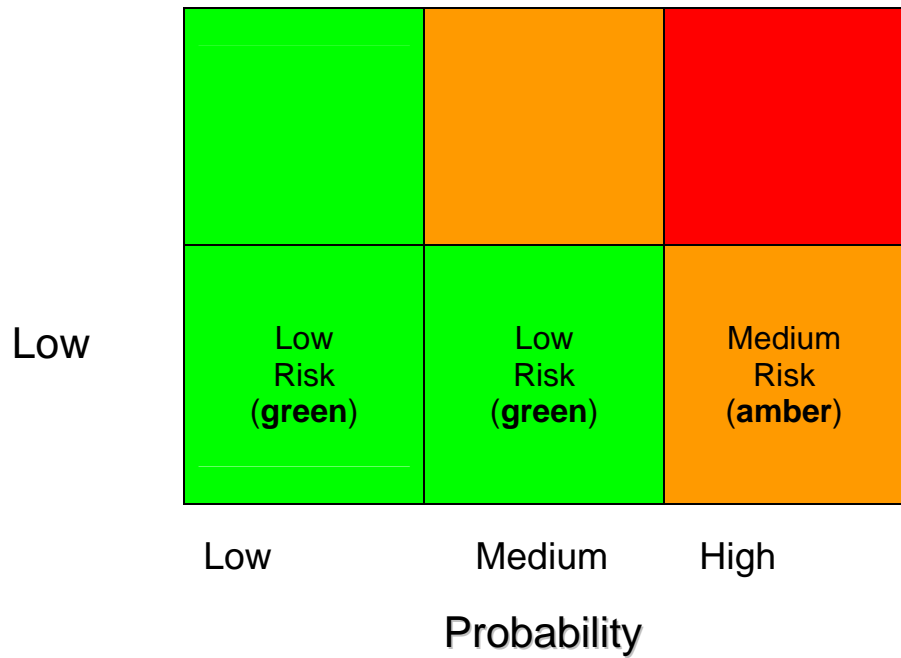
4. RISK MANAGEMENT ISSUES

- 4.1 Failure to identify a risk management strategy will have a significant negative impact on the Authorities ability to demonstrate embedded risk management processes and procedures.
- 4.2 Without a strong risk management strategy within the Authority we will not be able to ensure consistent processes are in place for managing risk.
- 4.3 Poor risk management processes and procedures will have a direct negative impact on the Authority's external inspection and assessment ratings.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Effective management of risk gives assurance in the provision of services to the entire community on an equitable basis.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)



- 9.4 All matrices tend to follow this traditional traffic light system and the response and necessary mitigation of risks can be pre-determined based on whether the risk is red indicating areas of highest risk, amber may identify significant risk and green of a lesser risk.
- 9.5 There is however an inherent risk in adopting this method. If risks are ranked on the basis of a combined outcome, a risk of high impact but low likelihood will fall into amber or mid risk category and may reduce the importance attached to it.
- 9.6 In order to avoid this situation Barnet has chosen to maintain separate scores for both impact and likelihood. In this way the highest ranking risks are identified and described as a red/red risks e.g. high impact and high likelihood. The likelihood and impact assessment is revised when action has been taken against the risk and the register is updated to reflect this.

Example of LBB Risk Register Template

Corporate Priority	Objective	Risk Type	Risk Description	Risk Raised by	Date Raised	Controls in place	Initial Assessment		Mitigating Action Plan	Lead Officer	Last updated	Action taken	Current status	Revised Assessment	
							Likelihood	Impact						Likelihood	Impact
							Low	High							

- 9.7 Service risk registers are reviewed by Services' Senior Management Teams quarterly as a minimum standard. Through this review process any risks likely to impact on the Authority are proposed to be considered by CDG for inclusion in the Corporate Risk Register. Service risk registers are also subject to regular review. Lead Members and the Executive Management Team are provided with periodic updates on the status of significant risks by the service areas responsible officer as part of financial and performance monitoring reports. The monitoring process will seek to challenge the effectiveness of actions taken and to reconfirm the likelihood of planned outcomes.
- 9.8 There is no specific guidance in the determination and classification of whether impact or likelihood is considered low medium or high. It is very subjective and may be influenced by whether a risk owner is particularly risk averse. To counter this, all newly proposed corporate risks raised by a service is presented by that Director to Corporate Directors Group. CDG will discuss the risk, challenge the proposing Director, consider and advise on mitigating action and, if accepted by the group, record this in the corporate risk register.
- 9.9 CDG review the Corporate Risk Register on a quarterly basis to consider new proposed risks, to review amendments to existing risks and to ensure that risks are in line with corporate priorities and the corporate plan ensuring the register is truly representative of the whole organisation.
- 9.10 The Corporate Risk Register does not include specific financial or project risks which are reflected in separate risk registers and are managed by Services. The attached Corporate Risk Register was last reviewed and updated by Council Directors Group in November 2008.
- 9.13 Following acceptance the meeting of the Audit Committee on 18th June 2008, a programme of activity focussed on further embedding risk management across the Authority to ensure compliance is being delivered including the implementation of a computerised system to record, monitor and report on risk management; quarterly risk register reviews; further training to officers and Members; and assessments of the methodology and processes used to capture and record risk across the Authority.

10 LIST OF BACKGROUND PAPERS

- 10.1 The Corporate Risk Strategy reported to Audit Committee on 18 June 2008.

Legal:

CFO: JB

2008/9 Corporate Risk Register

Number	Corporate Priority	Objective	Risk Type	Risk Description	Risk Raised by	Date Raised	Controls in place	Initial Assessment		Mitigating Action	Lead Officer	Last updated	Action taken	Current status	Revised Assessment		Closing Authority
								Likelihood	Impact						Likelihood	Impact	
1	A successful suburb	Deliver the Three Strands approach of Protect, Enhance and Grow	Reputation	Deterioration in the quality of the suburbs, for example, a lack of enforcement or attention to quality of design	Directors Group	03/07	Strategic management liaison facilitated through 'Place' theme meeting. Enhanced PEPS performance management system based on monthly performance monitoring with senior service managers. Member challenge meetings used to track performance and ensure coordinated actions. Rigid managerial control processes to improve the quality of development management proposals and the quality of applications proposed to Committee. 23/01/08 Update - Contract in place to deliver Aerodrome Bridges project.	high	high	Making progress with the renewal of the Aerodrome Bridges project in Colindale utilising opportunity borough funding. Close monitoring of the trajectory of S.106 revenues, recruitment of dedicated S.106 revenues. Recruitment of dedicated S.106 Monitoring Technician to improve controls on S.106 finance generation, introduction of consistent, standardised S.106 clauses in planning approvals. Preparation of planning briefs for town centres subject to rapid change or large new development proposals to manage development in a structured way. Creation of Area Action Plans for very large areas of change in Mill Hill East and Colindale. 23/01/08 Update - Aerodrome Bridges project in Colindale underway, utilising opportunity borough funding.	Head of Strategic Development Unit \ Director of Planning, Housing and Regeneration / Director of Environment and Transport	17/06/2008	29/10/07 - Contractor has setup site offices and operations on site have started. We have obtained possession of network rail tenancies. The fabrication of bridges has started. The first closure of Aerodrome Road 19 October 2007. Update 23/01/08 - Fast / West bridge deck installed successfully during December. Slow / East bridge has been delivered and is being assembled. Installation due January 2008. 17/06/08 - Following the successful installation of the two bridge decks in December and January 08, progress is now being made in completing the other structural elements of the bridges and preparing for the Utility diversions and the reconstruction and lowering of Aerodrome Road. This project was always going to be high risk and some of the project specific risks previously identified at the outset have materialised and the are financial implications due to additional works, delays and contractor claims which will increase the project costs beyond the budget for the project. Officers are working on ways of mitigating these costs and identifying suitable additional fun	Open	High	high	
2	Clean, green and safe	Delivering waste reduction through waste management	Operational	Inability to achieve Government targets leading to financial penalty.	Directors Group	03/07	Implement Waste Prevention strategy Implement organic waste services	high	high	Waste Prevention Strategy ongoing. Service offered to all house with gardens January 2006. Continue to promote service through Web Site and media generally.	Chief Environmental Services Manager	18/06/2008	Update 18/06/08 - Waste prevention figures are reducing to target. Recycling targets are not being achieved to four quarter final information is being compiled. 25/10/07 - Significant reductions only possible by monitoring dry recyclables and other associated waste origins such as side waste. 13/06/2008 - Projecting that in 2007/08 will collect more household waste per head than in 2006/07. Recycling and composting rate has improved in 2007/08 compared to 2006/07, but did not meet the target. New recycling services contract has been procured, which will mean plastic bottles and cardboard will be collected from November 2008, which will improve the recycling and composting rate. NLWA has procured some additional composting capacity for 2008/09, however it is likely that Barnet will require more than this. Waste arisings - significant reductions only possible by monitoring dry recyclables (compulsory recycling) and other associated waste origins such as side waste.	Tolerated	High	Medium	
3	Clean, green and safe	To reduce the fear of crime.	Reputation	The fear of crime by members of the community remains high causing damage to the Authorities reputation.	Directors Group	03/07	Community Protection Group in place to co-ordinate work on reducing crime and the perceptions of crime. Implementation of Street lighting PFI	high	high	Communication/Publicity plan in place. Targets set and monitored. CPG group have set up a Priority Intervention Team specifically to provide community reassurance. Commence operational aspects of the contract to ensure delivery.	Director of Environment and Transport / Deputy Director of Corporate Governance	25/10/2007	Contract has been running for 15 months. Core Investment Programme is behind schedule. Action is being taken and targets set to bring the programme back in line by the end of October 2007. 25/10/07 - After initial slow start recent progress has been improving and catching up with programme, a real improvement on the Q1 position has been made.	Tolerated	High	Medium	
4	Strong and healthy	Delivering equality of service to all residents	Strategic	Differential needs of communities poorly understood or not addressed, thereby leading to poorer outcomes and missed targets.	Directors Group	03/07	Single Equalities scheme in place. Reviews at First Stat and F&PR	high	high	Six monthly assessment of actuals vs target with corrective actions introduced where necessary.	Executive Director for Communities	19/06/2007	Single Equalities scheme approved by Council. Working with Resources - Business Development Manager to include monitoring in the F& PR and First Stat reviews.	Open	medium	high	
5	Supporting the vulnerable	Maximise the independence of older people and those requiring care or support.	Operational	Insufficient range of social care services provided with poor choice of access and ineffective management of the change process.	Directors Group	01/03/2007	This is covered by the Adult Social Services Vision Action Plan	high	high	Regular reviews of the progress towards the actions identified in the Vision Action Plan will ensure close monitoring of this risk.	Director of Adult Social Services	25/05/2007	Vision Action Plan created and published. Clear roles and responsibilities defined.	Open	low	high	

2008/9 Corporate Risk Register

Number	Corporate Priority	Objective	Risk Type	Risk Description	Risk Raised by	Date Raised	Controls in place	Initial Assessment		Mitigating Action	Lead Officer	Last updated	Action taken	Current status	Revised Assessment		Closure Date	Closing Authority
								Likelihood	Impact						Likelihood	Impact		
6	Supporting the vulnerable	Deliver the Housing Strategy to increase the availability of affordable housing and provide real alternatives to homelessness.	Strategic	Low cost home ownership products developed that are not in demand or affordable	Directors Group	03/07	Regular monitoring of the individual schemes, products and of their take up, sales and prices	high	high	All low cost home ownership advertised on Home Connections Marketing list to gauge and quantify demand and to target marketing. Recently had a high number of shared ownership sales - demand is greater than supply. Open market homebuy programme which is a small in Barnet compared to shared ownership is struggling nationally and the Housing Corporation are looking to attract more financial institutions to be involved. Information on Open Market Home Buy sent to all Council tenants who were working in March 07.	Head of Housing and Environmental Health / Head of Strategic Development Unit	22/01/2008	Annual targets set to be taken forward in 2008 corporate plan	Open	Low	High		
7	A bright future for children and young people	Maintaining child protection	Strategic	Sustainability of the substantial progress made with respect to outcomes for our most vulnerable children.	Directors Group	03/07		high	high		Director of Children's Services	22/06/2007	Superseded by risk 12	Closed	low	low	22/06/2007	Gillian Palmer
8	More choice, better value.	Better outcomes for the Community through effective partnerships	Operational	Ineffective governance arrangements for partnerships. Poor services delivered through partnerships and low levels of satisfaction. Partnerships are not accountable, do not add value and objectives are not met.	Directors Group	03/07	Partnership Register includes partnership structures and membership and terms of reference for every partnership within LSP family Partnership agreements in place for members of partnerships to commit resources and their agreement to be challenged Partnership agreements in place for all relevant partners to commit to delivering LAA targets Performance management through quarterly performance updates to each Partnership Board, a quarterly exception report to the LSP and a full six monthly performance report to the Community Steering Group	high	high	Updating of partnership register Internal Audit to undertake Audit of partnership guidelines, partnership register, partnership agreements, governance and risk management arrangements	Policy and Partnerships Group Manager / Director of Corporate Governance	30/10/2008	30/10/08 Update Council approved 15 April 2008 new governance arrangements relating to partnerships and LSP formally signed off revised Terms of reference and constitution and risk register 20 May 2008. Each LSP member has now signed partnership agreement. Safer Communities Partnership Board adopted new governance document 22 Sept 2008. Partnership toolkit guidance has been updated collaboratively using Use of resources Project Board as sounding board and final version published on intranet. Visits have taken place to most SMT's for them to identify all partnership arrangements and workshop to be held late autumn.	Open	medium	high		
9	More choice, better value.	Effectively manage the change agenda to deliver fit for purpose services.	Strategic	Organisation resistant to change and services don't meet client needs.	Directors Group	03/07	An effective risk management approach at corporate, service and project level ensures that change risks are managed. A system of project and programme monitoring through the Project Support Team and the Capital and Assets Group is being put in place Budget and Performance Management systems identify and an early stage and seek to problem solve potential impact of change agenda on performance	high	high	An OD and Change Team has been established to provide support and development to service going through change programmes and share practice The project methodology implemented provides for better identification and management of change issues The Council's Managing Change policy provides an agreed framework for managing the HR aspects of change	Director for Resources	18/06/2008	Project management methodology now supplemented by business process and change management toolkit. Update 17/01/08: Directors Group agreement to new work on future of organisation Planning and consultation has commenced. Other change programmes now in delivery phase Updated 20/03/08 - Scoping phase of new organisation work commenced, work stream owners identified and programme management in place. Update 18/06/08 - Request to close this risk as Future Shape Programme Board is now set up to meet the existing and future strategic challenges facing the council.	Closed	medium	Medium	01/07/2008	Council Directors Group - action taken - Future Shape Programme Board has been set up to meet the existing and future strategic challenges facing the council.
10	More choice, better value.	Maximise residence satisfaction levels	Operational	Perception remains that "the Council doesn't do enough for people like me", and our lead over other London boroughs continues to erode.	Directors Group	03/07	Recommendations in Directors Group paper.	high	high	Paper going to CDG 02/05/07 with analysis and recommendations for approach and specific actions.	Assistant Director of Resources - Organisational Development and Customer Services / Communications and Consultation Director	29/10/2007	Focus groups undertaken by consultation demonstrated respondents did not understand the question and therefore the validity of the survey response is questionable. Corporate decision now taken to establish a project board to develop approaches to qualitative research to support quantitative research. update 20/03/08 - Research ongoing around different methodologies for more open conversations with residents	Open	Medium	Medium		

2008/9 Corporate Risk Register

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								Likelihood	Impact						Likelihood	Impact	
11	More choice, better value.	Set Council Tax increases in line with the Medium Term Financial Strategy and maintain adequate reserves and balances.	Financial	Financial risks arising from council activities and projects, and factors outside the council's control (eg, Government grant levels and litigation).	Directors Group	03/07	Effective financial forward planning, incorporating financial risk register. Budget Board Corporate Assets Groups (CAG) Regular budget and debt monitoring, and reporting to CRC.	high	high	1. Inclusion of Financial Forward Plan in the Budget Report to Council in March 2007, which modelled different scenarios for service pressures. This sets the overall framework for 2008/09 budget development. 2. Reporting of a comprehensive corporate financial risk register in the Budget Report, and the inclusion of costed updates in monitoring reports to CRC. 3. Report to Council Directors Group on 3 May 2007, which reviews the 07/08 budget process and sets the scene for 2008/09. 4. Cabinet event planned for July 2007.	Deputy Director of Resources & Chief Finance Officer	10/06/2008	10/06/08 Update - achieved a council tax increase in line with the MTFS	Closed	Low	Low	Council Directors Group - action taken achieved a council tax increase in line with the MTFS.
12	A bright future for children and young people	To improve outcomes for vulnerable children (to be healthy, safe, enjoy an achieve, make a positive contribution and achieve economic well being)	Strategic	Outcomes for vulnerable children do not improve.	Director of Children's Services	05/07	Clear priorities and performance measures to improve outcomes are agreed by CYPSPB and Cabinet and set out in Barnet's Children and Young People Plan/KPP	Medium	High	Priorities of CYPP embedded in service plan and team plans. Corporate and service level performance management cycle in place and fully operational.	Director of Children's Services	01/04/2008	Recent APA confirms decisive response to JAR recommendations and rigorous performance management within the service.	Closed	Low	High	Council Directors Group - action taken has removed the risk to the authority and therefore this will be dealt with at service level
13	A successful suburb	To ensure strategies are in place to optimise regeneration delivery as quickly as possible and rehouse short life tenants into permanent homes	Financial	Housing market downturn delaying regeneration implementation resulting in increased temporary accommodation and costs to the council plus fall in tenant satisfaction.	DoHP&R	06/08	Continual monitoring of local housing market and housing regeneration projects with development partners.	High	High	Commissioned local housing market research and re-evaluating development agreements and phase in of regeneration projects to maximise delivery and reduce TA numbers To maximise various government and local initiatives to rehouse tenants into permanent accommodation, example Landlords Forum. TA reduction plan is now in place following discussions with CLG	Housing Strategy and Business Support Manager (in conjunction with Head of Regeneration).			Open			
14	More choice, better value	Set Council Tax increases for 2009/10 in line with the Medium Term Financial Strategy and maintain adequate reserves and balances.	Financial	Financial forward plan approved by Council in March identified a budget gap of £10m which needs to be bridged to deliver Council Tax in line with MTFS	Deputy Director of Resources & Chief Finance Officer	10/06/2008	Effective financial forward planning, incorporating financial risk register. Key Priorities Board Corporate Assets Group (CAG) Regular budget and debt monitoring, and reporting to CRC	High	High	Budget process reported to CDG. Key Priorities Board in place, all directors asked to identify the implications of having only 85% of their current budget	Deputy Director of Resources & Chief Finance Officer	07/10/2008	KPB met every three weeks including detailed away day reviewing all services. Updates taken to CDG. Further KPB meetings scheduled. Detailed proposals to CDG end October.	Open	Medium	high	
15	A bright future for children and young people	To provide better primary school accommodation to schools identified as being in a poor state of repair.	Financial	The project becomes unaffordable due to construction inflation rising higher than the proportionate increase in land value	Resources Management Team	12/06/2008	Educational Capital Programme Board	Low	High	Monitor the value of disposals sites against the BCIS index to inform the programme board. Decision points at key stages to confirm affordability and whether to progress to next stage.	Director of Major Projects			Open	Low	High	
16	More choice, better value	To ensure that our pay and grading system provides a transparent and fair mechanism in terms of remuneration and non-pay benefits	Financial	Failure to deal with pay and grading issues can have financial implications to the council in terms of claims under equalities legislation	Resources Management Team	12/06/2008	Pay and grading action plan has identified 9 major risks of which 2 have been resolved and work advanced on four others.	Medium	High	Continue actions identified in the pay and grading action plan to minimise or eliminate risks	Head of Strategic HR	19/09/2008	Another issue resolved in Adult Social Services, however a new major risk has been identified for staff formerly employed in Environment and Transport. This objective will remain a corporate risk for at least 18 months	Open	medium	High	
17	More choice, better value	To meet the existing and future strategic challenges facing the council	Strategic	Should the programme take a route which then fails the risk is that we no longer provide excellent services to citizens and customers and that our reputation as an excellent authority would be damaged	Future Shape Programme Director	12/06/2008	Future Shape Programme Board	Low	High	The programme board and Members will be engaged at each stage of the process to ensure that progress being made and direction taken is not likely to result in the authority making changes which would result in a damaged reputation	Future Shape Programme Director	19/09/2008	19/09/08 - time has been allocated on the programme plan and is in both CDG and Cabinet Members' diaries to assess the options being put forward by the programme team. The team is also working closely with the Trade Unions and has planned a series of workshops to engage staff, as well as having set up the online forum.	Open	Low	Medium	
18	Clean, green and safe	Secure Replacement Waste Disposal Facilities through the North London Waste Authority at Minimum Additional Cost to the Council	Financial	NLWA Procurement	Director of Environment and Transport	24/09/2008	Active engagement with NLWA procurement team to ensure proposals fully understood and all options considered.	High	High		Director of Environment and Transport			Open			

2008/9 Corporate Risk Register

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19	More choice, better value	Set Council Tax increases in line with the Medium Term Financial Strategy and maintain adequate reserves and balances.	Financial	Loss of funds and investment interest arising out of deposits in Icelandic Banks	Treasury Manager/Assistant Director Resources (Strategic Services)	23.10.2008	Treasury Management Strategy	Medium	Medium	Refresh Treasury Management Strategy, Lobbying of Central Government directly and through LGA and London Councils, Joining the Creditors Committee with direct contact with the Administrators, Write off interest and principal, review capital programmes, review timing of large payments to reprofile cash flow, seek alternative external funding, review reserves and balances, review service budgets Opportunities to capitalise any loss indicated by government	Director of Resources			Open	Medium	Medium		