Audit Committee – 10th November 2011

Risk Management Update

1. Introduction

1.1 This report is to update the Audit Committee on the progress of the following:

- Performance relating to risk management;
- Anti Fraud & Corruption training; and
- Review progress being made against the key risks identified in the Council Annual Governance Statement.

2 Performance Relating to Risk Management.

2.1 Risk Management Training

Risk Management Training and Anti Fraud & Corruption, (inc. Bribery Act) Training

Two separate on-line training tools were launched in the middle of September aimed at all staff. The training is designed to give all staff a basic grounding in risk management and highlight issues around fraud and corruption.

This on-line training involves reading about different aspects of each subject, answering questions at the end of each section and then taking a short test of 15 questions to complete the training.

The number of people who have so far successfully completed the training and received a certificate are:

- Risk Management = 358
- Fraud & Corruption = 396.

Feedback to date has been very positive on this style of training.

Records are kept of those who have undertaken the training, the score achieved, and the date the training was undertaken. We will be letting Assistant Directors know where staff within their services have not completed the training so that we get coverage across the council.

2.2 Operational Risk Registers

Operational risk registers continue to be updated and a specific risk register were set up for the Thames Valley Transactional Hub Project – This risk register is now maintained and updated by members of the Customer and Transactional Services Department.

Other managers have been trained in how to maintain and update their risks registers on the centralised system.

3. Progress being made against the key risks identified in the Council Annual Governance Statement.

3.1 Strategic Risk Register

A Strategic Risk Register was submitted to CMT for approval on the 24th August by the Acting Head of Central Finance, where some amendments were requested by Corporate Directors. Strategic Directors were asked to take back to directorates and update every quarter and advise the Acting Head of Central Finance of any changes. An extract of the current Strategic risk Register is attached at Appendix 1 for information.

4. Actions Taken to meet British Standard (BS31100) on Risk Management

The following actions have been taken to narrow the gaps identified in the Management Letter presented earlier this year.

- A strategic risk register has been developed and will be updated and in future will be discussed quarterly at CMT;
- On-line training has been rolled out to all staff;
- A "white paper" has recently been issued on the treatment of risk appetite and this will mean the recommendations made within the Management Letter will need to be revisited; and
- Rough drafts of a revised Risk Management Strategy and Policy exist but require further work. The production, adoption, maintenance, and communication of these documents will greatly assist in meeting the standard.

5. Relevant Insurance Information

5.1 On-Line Claims Form

An on-line claim facility has been introduced that enables claimants to make claims against the Council on-line. This facility was introduced in August this year and can be found on the Council web site.

Below is a table that shows the number and causes of insurance claims made against the Council in this quarter and the corresponding quarter of last year.

1st July – 30th September 2010		1st July – 31st September 2011	
Cause	Number	Cause	Number

1st July – 30th September 2010		1st July – 31st September 2011	
Highways Claims	10	Highways Claims	7
Car Parks	0	Car Parks	0
Housing Claims	2	Housing Claims	5
Children's Playgrounds	1	Children's Playgrounds	1
Other	5	Other	5
	18		**15**

Appendix 1

Extract from Strategic Risk Register

Source	Risk	Mitigation
Safeguarding	The recent Ofsted report has judged the safeguarding services and safeguarding outcomes for children and young people as requiring some areas of improvement.	Improvement Board has been set up to monitor the delivery plan.
Economic Climate	- Economic Instability and Turbulence at a national level - Comprehensive Spending Review - Reduction in Income of £25m to the Council over the next 4 years. - Risk is that we do not have sufficient funding to provide services.	- Realigned budgets. - Reduction in work force - Reduction in services provided directly by the Council - Advanced commissioning exercises underway
Thames Valley Transactional Service Centre	- Project to outsource transactional functions of the council to a transactional hub provided by a third party contractor with the aim of attracting other transactional operations to join "The Hub". - This is linked to the Medium Term Financial Strategy. - The risk is that the savings are not achieved in accordance with the Medium Term Financial Plan or that the quality of service significantly reduces as a result of outsource. - The Council is currently at the point of short listing four potential suppliers to two.	- The evaluation process requires clear scoring of potential suppliers on the basis of price and quality. - Additional meetings have been held with the Strategic Directors of R&R and Strategic Director of Customer and Transactional Services to ensure that savings and quality are delivered. - Prince2 risk management are arrangements for the management of the project.
IT Service Delivery	There are no IT Disaster Plans in place for the My Council IT systems	KPMG employed to undertake review of My Council systems

Source	Risk	Mitigation
	• The IT Department lacks some necessary skills and the necessary capacity to deliver the IT programme that needs to be delivered. • It is not clear whether the systems employed at Landmark Place represent Value for Money	• Officer tasked with producing an IT Disaster Recovery Plan for My Council. • Production of an IT Strategy taken place. • Review of current IT Systems • Review of IT support
Business Continuity	There is no Business Continuity Management within the Council	TBC by Roger Parkin
Demographic Pressure	An increase in the population puts pressure on the vast majority of the services offered by the Council. Services may not be able to cope with increased demand.	TBC by CMT
Partnership and Governance arrangements	Governance arrangements for partnerships are not currently of a satisfactory standard.	Draft Partnership Governance Protocol has been approved by members Partnership Governance Training Review of LSPs
Heart of Slough	Failure to meet planned expectations with regard to attracting investment or completion of the project by required deadlines.	Continued Project management Communications strategy Recent external audit demonstrates all required controls in place
Commissioning Processes (linked to Localism Bill)	Reputational damage to Council if processes are not fair and transparent Failure to achieve best value. Fear of challenge from unsuccessful tenderers. Failure to select the most	Updating of Procurement Policy and Procedures Training Assessment of financial viability of suppliers

Source	Risk	Mitigation
	economically advantageous tender.	
Managing a mixed economy workforce	Managing a mixed economy workforce, utilising a suite of contractual relationships internal, external temporary and permanent.	Workforce Planning Flexible Working Procurement guidelines Use of ATR
Risk Management	Failure to manage risks in accordance with the BSI Standard for Risk management or to follow leading practice in place at other local authorities	GAP analysis of the current risk management arrangements against the BSI. Strategy, Policy & Procedures Training Production of Risk Registers