



Haringey Council

Agenda item:

Audit Committee

On 5 November 2009

Report Title: **Risk Management update – Quarter 2 2009/10**

Report authorised by: **Chief Financial Officer**

Report of and Contact Officer: Anne Woods, Head of Audit and Risk Management

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Wards(s) affected: **All**

Report for: **Information**

1. Purpose of the report

1.1 To inform the Audit Committee of the current position on risk management implementation across the Council.

2. State link(s) with Council Plan Priorities and actions and/or other Strategies:

2.1 Audit and Risk Management contribute to the Council priority to deliver excellent, customer focused, cost effective services by ensuring that the Council's risk management framework is in place and operating effectively. Internal audit reviews key risk registers, the controls in place to manage the identified risks. Recommendations for improvement are made, where appropriate.

2.2 Risk management forms a key element within the revised Use of Resources assessment and will continue to be part of the CAA from 2009 onwards. The reports to both managers and the Audit Committee on the implementation of the Council's risk management policy and strategy ensure that the requirements of the CAA assessment are fulfilled.

3. Recommendations

3.1 The Audit Committee is recommended to note the implementation of the risk management strategy across the Council.

4. Reason for recommendation(s)

4.1 The Audit Committee is responsible for approving the Council's Risk Management Policy and Strategy as part of its Terms of Reference. In order to facilitate this, and

provide information on its implementation across the Council, progress reports are provided on a regular basis for review and consideration by the Audit Committee.

5. Other options considered

5.1 Not applicable

6. Summary

6.1 The internal audit service makes a significant contribution to ensuring the implementation of the Council's risk management framework throughout the authority. This report focuses on the work undertaken during the second quarter of 2009/10 to ensure the risk management framework is complied with.

7. Head of Legal Services Comments

7.1 The Head of Legal Services has been consulted in the preparation of the is report, and advises that there are no direct legal implications arising out of the report or the recommendations.

8. Chief Financial Officer Comments

8.1 The Chief Financial Officer has no additional comments to add.

9. Head of Procurement Comments

9.1 Not applicable

10. Equalities and Community Cohesion Comments

10.1 This report deals with how risks are managed across all areas of the Council, which have an impact on various parts of the community. Improvements in managing risks and controls will therefore improve services the Council provides to all sections of the community.

11. Consultation

11.1 No external consultation was required or undertaken in the production of this report. Consultation is undertaken with respective service managers, Assistant Directors and Directors in the production of risk registers and internal audit reports. Their comments are included in the final report which is circulated in accordance with the agreed internal audit reporting protocol.

12. Service Financial Comments

12.1 There are no direct financial implications arising from this report. The work within

internal audit to implement the Council's risk management framework is part of the contract with Deloitte and Touche which was awarded following a competitive tendering exercise in compliance with EU regulations from 1 April 2007. The costs of this contract are contained and managed within the Audit and Risk Management revenue budget. Service departments manage risks as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

13. Use of appendices

13.1 Appendix A – Update on risk registers Quarter 2 2009/10

14. Local Government (Access to Information) Act 1985

14.1 For access to the background papers or any further information please contact Anne Woods on 0208 489 5973.

15. Background

15.1 The Council's Risk Management strategy is reviewed on an annual basis to ensure that it reflects current operational requirements and best practice. The latest version was approved by the Audit Committee at its meeting on 23 April 2009.

15.2 The Chair of the Audit Committee requested that a report on risk management and compliance with the Council's strategy be presented to the Committee on a quarterly basis. The review and testing of risk registers formed part of the 2009/10 annual audit plan which was approved at the Audit Committee meeting on 23 April 2009. This is an ongoing process to ensure the key controls to manage identified risks are effective and operate as intended.

16. Risk Registers

16.1 The Council has been implementing a new performance management system (Covalent) which also includes a risk management module. Risk registers are managed electronically at business unit, department and corporate level.

16.2 Appendix A shows the latest position for all Business Units and Directorates as at 30 September 2009. Risk registers for business units and directorates are up to date and reviewed in accordance with the Council's risk management strategy. During 2009/10, a number of organisational changes have taken place across the Council. Within Urban Environment, the Enforcement Business Unit is now contained within Frontline Services Business Unit. Within PPP&C, Neighbourhood Management Business Unit is now contained within Safer Communities Business Unit. The risk registers for Enforcement and Neighbourhood Management have been incorporated into the new Business Unit structure and will be reported within this for 2009/10.

- 16.3 The risk registers have been reviewed in accordance with the planned programme of audit work. The electronic Covalent system replicates the previous format for the council's risk registers, but provides Business Unit Managers with a more effective and flexible reporting and monitoring process than the previous manual process. The electronic system is able to produce a variety of reports and information to suit the managers' requirements. The electronic system allows managers to view and sort their current risks individually, or by risk rating; RAG status; or actions due.
- 16.4 The process to input the current risk registers on to the performance management system was undertaken during the first and second quarters of 2009/10. During the second quarter 2009/10, risk registers from Urban Environment, P&OD, and CYPs have been loaded onto the Covalent system and training has been provided to the departmental representatives. Electronic management and reporting of risk registers is now in place for all departments of the Council in accordance with the previously agreed timetable.
- 16.5 Covalent automatically sends email reminders to the business unit representatives when updates are due and the system will provide an audit trail to allow for monitoring and follow up by Internal Audit. Internal Audit will also provide resources (as part of the annual audit plan) to assist business units on an ongoing basis and to ensure that all actions and updates are being done in accordance with the relevant timescales.
- 16.6 The corporate risk register is reviewed on a quarterly basis by the Chief Executive's Management Board and reported annually to the Audit Committee.

17. Partnership Risk Management

- 17.1 The Comprehensive Area Assessment (CAA), under the Use of Resources annual assessment requires the Council to have appropriate arrangements in place to provide assurance on the risk management processes of its key partnerships. Although the Audit Committee only has direct responsibility for the Council's risk management arrangements, the processes to provide assurance for key partnerships are detailed below.
- 17.2 The Haringey Strategic Partnership (HSP) formally adopted its own risk management strategy in July 2008. Haringey Council supported the process to implement the HSP risk management strategy during 2008/09 and all the HSP Thematic Boards introduced their own risk registers, with an overarching HSP risk register approved by the HSP Board in 2009.
- 17.3 As the lead organisation, the Council has been supporting the HSP in the ongoing implementation and monitoring of its risk management strategy. During 2009/10, the HSP risk registers will be loaded onto the Council's electronic Covalent system to assist in the development and improvement of risk management for the HSP on an ongoing basis. It is estimated that this will be fully completed by 31 March 2010.

17.4 Homes for Haringey (HfH) has its own risk management strategy which has been formally adopted by the HfH Board. The strategy is reviewed on a regular basis and HfH has risk registers in place to manage and monitor its key risks. The implementation of the strategy and the management of its risk registers and key controls forms part of the HfH annual internal audit plan. Audit and Risk Management provide the internal audit service for HfH and any risks which impact on Haringey Council are reported via the agreed reporting processes.

17.5 During 2009/10, the Council will seek assurances from other key partners outside the HSP and HfH that their risk management arrangements are appropriate and fulfil the requirements of both the Council and the CAA Use of Resources. It is estimated that this will be fully completed by 31 March 2010.

Progress Report Quarter 2 2009/10 - Risk Register Update Summary

	Department	Level	Risk Register Title	Date of most recent update
1	Corporate - CEMB	Corporate	Corporate Register	October 2009
2	CE - Policy Performance Partnerships & Communication	Dept	Policy Performance Partnerships & Communication	September 2009
3	CE - PPPC	BU	Safer Communities	September 2009
4	CE - PPPC	BU	Communications	September 2009
5	CE - PPPC	BU	Policy & Performance	September 2009
6	CE - Organisational Development	Dept	Organisational Development	September 2009
7	CE - OD	BU	Human Resources	September 2009
8	CE - OD	BU	Local Democracy and Member Support	September 2009
9	CE - OD	BU	Organisational Development & Learning	September 2009
10	Corporate Resources (CR)	Dept	Corporate Resources	October 2009
11	CR	BU	Legal Services	September 2009
12	CR	BU	IT Services	September 2009
13	CR	BU	Customer Services	September 2009
14	CR	BU	Benefits & Local Taxation	September 2009
15	CR	BU	Corporate Finance	September 2009
16	CR	BU	Audit & Risk Management	September 2009
17	CR	BU	Corporate Procurement	September 2009
18	CR	BU	Corporate Property Services	September 2009
19	Children and Young People's Service (CYPS)	Dept	Children & Young People's Service	September 2009
20	CYPS	BU	Children & Families	September 2009
21	CYPS	BU	School Standards and Inclusion	September 2009
22	CYPS	BU	Business Support & Development	September 2009
23	CYPS	BU	Children's Networks	September 2009
24	Adults Culture and Community Services (ACCS)	Dept	Adults Culture and Community Services	September 2009

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	Department	Level	Risk Register Title	Date of most recent update
25	ACCS	BU	Commissioning & Strategy	September 2009
26	ACCS	BU	Adult Services	September 2009
27	ACCS	BU	Recreation Services	September 2009
28	ACCS	BU	Culture, Learning & Libraries	September 2009
29	Urban Environment (UE)	Dept	Urban Environment	September 2009
30	UE	BU	Strategic & Community Housing	September 2009
31	UE	BU	Frontline Services	September 2009
32	UE	BU	Planning & Policy Development	September 2009