

Report

13

Report to:	Finance and Information Technology Resources Committee
Date of Meeting:	14 February 2012
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Update of Finance and Information Technology Resources Risk Register and Risk Control Plan
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ present an update on the Risk Register and Risk Control Actions for Finance and Information Technology Resources

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the Risk Register and Risk Control Actions are noted

3. Background

3.1. The Council's Risk Management Strategy requires Risk Registers and Risk Control Plans and Actions to be regularly reviewed. The Finance and IT Risk Group meets two to three times a year and conducts the required review as part of its remit, providing the basis for reporting to the Resource Senior Management Team and Committee.

3.2. Following consideration by the Finance and Information Technology Resources' Senior Management Team in October 2011, the details included within this report provide an update to the Committee on the Risk Register and Risk Controls Actions for the Resource.

4. Register and Strategy update

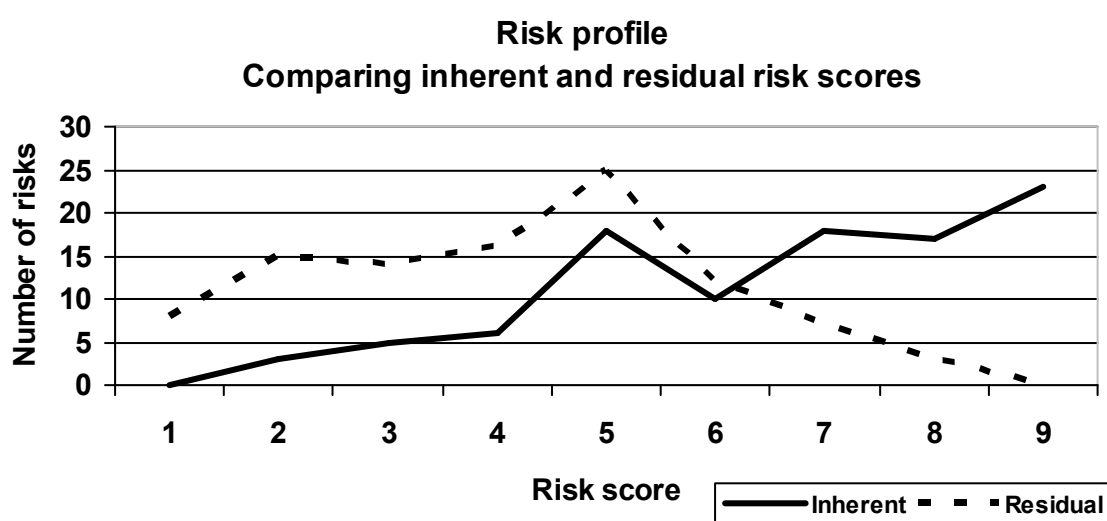
4.1. An extract from the updated Risk Register, showing risks with a residual score of between 7 and 9, for Finance and Information Technology Resources is attached at Appendix 1. This shows that there are 11 risks included, and also that there are no risks which show a residual risk score of 9. Taking account of the controls in place the assessment of the Resource's approach is 'adequate' for all 11 risks.

4.2. The Council's risk appetite requires that no more than 20% of all risks should be evaluated as high (ie score of 7-9) at any one time and that exposures above that level must be controlled. Similarly, no more than 40% of risks should lie in the low category (ie score 1-3) as this could indicate over-control and potential inefficiencies.

- 4.3. There are 100 risks identified on the Resource Risk Register. The risk scores are as noted in the table below, which confirms that the Resource is in line with recommendations on risk appetite.

Residual Risk Score	Category	Number of risks	%
7-9	High	11	11
4-6	Medium	52	52
1-3	Low	37	37
Total		100	100

- 4.4. The graph below confirms that Finance and Information Technology Resources complies with the Council's appetite for risk and highlights the comparison between inherent and residual risk scores.



- 4.5. Three risk control actions, scheduled for delivery between April and September 2011, were duly completed. There remained 25 actions due for completion by 31 March 2012, 16 of which are associated with risks having a residual score of 7-9. It is normal practice to identify actions for those risks where the decision is to mitigate against them and details of these actions are included at Appendix 2. From the appendix, it can be seen that there are no actions recorded against Risk Reference RP/1826. This reflects the fact that this stems from a Council Wide Risk, with overall responsibility attributed to Head of Finance, but with action included in Housing and Technical Resources' Risk Register.
- 4.6. There are no outstanding risk control actions from previous years.
- 4.7. The Committee is advised that progress with completion of the Resource's Risk Control Actions is monitored on a monthly basis by the Central Risk Management team. This is also reviewed by the Resource Risk Group and reported to the Corporate Improvement Advisory Board (CIAB). The Committee is asked to note the Risk Control Actions within the Risk Control Plan and progress to date.

5. Employee Implications

- 5.1. The Finance and Information Technology Resources Risk Group historically met two to three times per annum. This will be reviewed in due course to take account of the formation of the new joint Finance and Corporate Resources.

6. Financial Implications

- 6.1. There are no financial implications related to management of Resource risks other than employee time.

7. Other Implications

- 7.1. Failure to demonstrate that risk is actively considered and managed can not only lead to avoidable financial loss but could adversely affect delivery of services.
- 7.2. There is a risk that actions may not be delivered. To mitigate against this, all actions are tracked and reported to the CIAB as a performance indicator.
- 7.3. There are no implications for sustainability in terms of the information contained in this report.

8. Equality Impact Assessment and Consultation Arrangements

- 8.1. Reviews of the Resource risk register are not subject to an equality impact assessment.
- 8.2. The risk responsible persons and members of the Resource Risk Group were consulted during the review of the risk register.

Paul Manning

Executive Director (Finance and Corporate Resources)

19 January 2011

Link(s) to Council Objectives/Improvement Themes/Values

- Improvement Theme : Governance and Accountability

Previous References

- Report to Finance and IT Committee – 31 August 2010 – Resource Risk Register and Risk Control Plan

List of Background Papers

- Figtree extracts (registers and risk control plans)

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Finance and IT Resources Risk Register
Extract of risks with residual score of seven and eight

Risk reference number	Key risk (CW=top Council Risk)	Assessment	Risk decision	Inherent risk score	Residual risk score	No of controls in place
RP/1829	Under developed costing techniques (CW21)	Adequate	Mitigate	9	8	7
RP/1822	Reduced funding and savings difficulty (CW1)	Adequate	Mitigate	9	8	10
RP/1821	Fraud, theft and organised crime (CW13)	Adequate	Mitigate	9	7	13
RP/0947	Guidance on financial appraisal not followed	Adequate	Mitigate	9	7	3
RP/1826	Poor contracts management (CW15)	Adequate	Mitigate	9	7	10
RP/1080	Lack of sign up to procurement changes	Adequate	Accept	9	7	7
RP/1739	Insurance fund insufficient for expected claims	Adequate	Mitigate	9	7	3
RP/1825	IT failures due to lack of investment (CW14)	Adequate	Mitigate	7	7	15
RP/1824	Slow procurement compliance (CW5)	Adequate	Mitigate	9	7	14
RP/1115	Shared services: Lack of local tender responses	Adequate	Accept	7	7	4
603	Impact of new Council	Adequate	Accept	8	7	6

Update on 2011/12 Outstanding Risk Control Actions

Appendix 2

Risk Ref. No.	Action number	Action	Responsibility	Target date	Action Status
RP/1829	CW top risk action	Request Resource updates through the three year group on identification of gaps in unit costs	Head of Finance	31/12/ 2011	Complete
	CW top risk action	Deliver internal audit 2010/11 assistance in developing service unit costs	Internal Audit Adviser	31/03/ 2012	Active
RP/1822	CW top risk action	Report results of updated matrix of savings to CMT	Head of Finance	31/12/ 2012	Complete
RP/1821	CW top risk action	Implement annual update of objectives and controls for business critical systems	Internal Audit Adviser	31/10/ 2011	Complete
	CW top risk action	Conduct a FRED self assessment of compliance with best anti fraud practice	Internal Audit Adviser	31/03/2012	Active
	CW top risk action	Internal audit, Police Liaison Officer and other relevant officers to propose actions, if any, the Council should be taking in relation to "Letting our Communities Flourish"	Internal Audit Adviser	31/03//2012	Active
	CW top risk action	Update Council anti fraud and corruption policies and strategies to take account of Bribery Act	Internal Audit Adviser	31/03/2012	Active
	AC/4637	Track delivery of Council wide anti fraud risk control measures	Internal Audit Adviser	31/03/2012	Active
RP/1739	AC/4212	Redesign presentation of risks to market as part of next renewal	Risk Management Adviser	31/03/2012	Closed: No longer relevant
RP/1825	CW top risk action	Work with corporate personnel services to update Acceptable Use Policy to reflect Social Media use	Head of IT	31/01/2012	Active
	CW top risk action	Undertake mid year review of IT Services Plan in conjunction with ICT Programme Board	Business Systems Manager	30/11/2011	Complete
	CW top risk action	Revise IT Strategy in light of new Council plan	Head of IT	31/03/2012	Active
RP/1824	CW top risk action	Secure approval of Procurement Service Review	Head of Finance	28/02/2012	Active
	CW top risk action	Finalise Procurement Strategy	Head of Finance	31/10/2011	Complete
	CW top risk action	Repeat and report on PCA	Procurement Manager	31/10/2011	Complete
	CW top risk action	Introduce sourcing methodology via network group	Procurement Manager	31/03/2012	Active