Wolverhampton City Council

OPEN DECISION ITEM

Audit Committee

Date 11 March 2013

Originating Service Group(s)	Delivery
Contact Officer(s)/	Keith Ireland
Telephone Number(s)	4500
Title/Subject Matter	Delivery Directorate – Risk Management and Governance

Recommendation

Audit Committee is recommended; to approve the assurance measures being provided by the Delivery Directorate to mitigate current risks.

1. PURPOSE

1.1 To set out for Audit Committee the key high level risks facing the Delivery directorate and how they are being addressed

2. DETAILS

2.1 The Assurance Framework is a key element in the Council's system of internal control and is designed to identify, evaluate the impact of and manage the high-level risks to the delivery of the Corporate Objectives

2.2 The high-level risks outlined in the Framework have been identified by the Strategic Director and lead Officers for each of the principal objectives.

2.3 It should be noted, in line with best practice guidance, that:

- high-level risks should cover the full range of principal objectives
- these are risks that are likely to require ongoing control and are unlikely to be fully resolved
- the Assurance Framework is not a detailed risk register – it is intended to reflect most significant risks facing the organisation – the details of all risks identified are reported in Service Group and other operational risk registers.

2.4 All Directorates maintain operational risk registers that summarise the risks to the achievement of directorate objectives. This process ensures that risks are captured and monitored and that appropriate actions are taken to manage them within individual service areas.

2.5 Where operational risks become so entrenched or so severe as to pose a threat to the achievement of the Corporate Objectives there is a process by which they can be escalated for inclusion on the Assurance Framework.

3. FINANCIAL IMPLICATIONS

3.1 The financial implications in the management of the Risks are individually identified in the Risk Control plans. [GE/25022013/V]

4. LEGAL IMPLICATIONS

4.1 The legal implications in the management of the Risks are individually identified in the Risk Control plans. [MW/25022013/C]

5. EQUALITY IMPLICATIONS

5.1 The equality implications in the management of the Risks are individually identified in the Risk Control plans.

6. ENVIRONMENTAL IMPLICATIONS

6.1 The environmental implications in the management of the Risks are individually identified in the Risk Control plans.

Delivery Directorate - Review of Risk Management & Governance Arrangements

Key Issues	Summary of Responses
What are the key functions that the service is required to deliver?	**Corporate Services** • Strategic Financial Services • Operational Finance • Revenues and Benefits • Audit Services • Risk Management and Insurance • Corporate Procurement • Human Resources **Governance** • Legal Services • Electoral Services • Democratic and Member Services • Health and Safety • Business Continuity • Emergency Planning **City Services** • Markets • Public Realm Services (Grounds Maintenance and Street Cleaning) • Highways Maintenance • Facilities Management (inc - Catering and Cleaning Services • Car Parking and Parking Enforcement • Registrars and Bereavement Services • Fleet Services (inc Passenger Transport) • Waste Management • Property Services (inc Building Maintenance) • Customer Services (inc City Direct • ICTS (inc Document Centre)

Key Issues	Summary of Responses
	Projects • Shared Service Transformation • Revenue and Capital Budget and Medium Term Financial Strategy • Procurement Transformation • Customer Services Strategy • Business Continuity and Disaster Recovery Capability • HR Improvement Programme • Office Efficiency Programme • Single Status and Equal Pay
What arrangements are in place to ensure that key functions are properly delivered?	Key projects/initiatives are subject to detailed delivery plans which are regularly reviewed and progress reported to the Corporate Programme Office. Part of the delivery mechanisms followed includes Risk Workshops at appropriate points through the life of the projects. In respect to core functions Service Plans are used to effectively plan the delivery of key services and ensure that there are links to key corporate priorities where applicable. Service Plans are monitored on a quarterly basis through divisional management team arrangements, and more frequently by Service Managers/Assistant Directors where appropriate.
What are the main risks that the service group has to manage and how are these risks being managed?	For an overview of the main risks affecting the service this year please see below. Each service area also completes within their Service Plans a more detailed register of all key risks affecting their service area and the mitigating actions to be taken. In addition to this, as part of the service plan monitoring process service managers identify specific risks to achieving targets on an on-going basis and report these and identify mitigating actions.
What external assurance is available e.g. external inspection reports?	An annual audit programme is agreed with Audit Services and a programme of Risk Workshops with the Head of Risk Management and Insurance. In all cases the respective Assistant Directors/divisional management teams are responsible for progressing any recommendations/actions.
What significant problems have occurred in the past year and what arrangements have been made to avoid such problems reoccurring?	There has been a focus in the last eight months in ensuring delivery of the Single Status via Collective Agreement and the procurement of new back office systems putting to rest the previous experiences of both of these major programmes of work. New governance led by the Strategic Director Delivery has been the principal change in both of these programmes.

ASSURANCE FRAMEWORK REPORT

DELIVERY DIRECTORATE

Principal Objective	Areas of Risk	Assurance
HR Framework – introduction of policies and revised operational practices	Over reliance on a limited number of key staff across a range of related projects	Monitoring reports to Performance, Governance & Support Services Scrutiny Panel
Single Status Payroll implementation (Corporate Risk)	Capacity and expertise within payroll to ensure successful delivery of revised pay structure and system	Reports into and monitoring by Delivery DLT and Single Status Board
Governance – Transparency and Freedom of information (Corporate Risk)	Inability to comply with legislative requirements Possible intervention and penalties from the ICO	IG programme underway including review of the procedures for handling FOI. Consideration of wider proposals to move to a more 'transparent' organisation
Shared Service Transformation Programme (Corporate Risk)	Inability to transform ways of working Matching skills and staffing levels Realisation of benefits	Review of capacity to ensure that the operating model is adequately staffed by professionally qualified/skilled personnel
Street Cleaning	Perception of increasing amounts of litter and lack of cleanliness across the city	Reports, reviews and recommendations by the Member Reference Group. Update reports to Cabinet and Scrutiny Panel

Garden Waste	Public perception of a reduction in service standards. Contractual restrictions limit variation of service delivery	Reports, reviews and recommendations by the Member Reference Group. Update reports to Cabinet and Scrutiny Panel Business Case is currently being developed which will indicate the anticipated service quality
Maintenance of new pay framework	Circumvention of controls and new corporate procedures	Reports into Pay and Reward Board on compliance issues
ICT	Mainframe decommissioning – potential disruption, service failure CRM integration in conjunction with multiple other changes Legacy systems and transition to successor systems Skill set in ICT to implement and support the new platform	Any issues are reported as soon as they are identified to DDLT Discussions with suppliers regarding extensions to current mainframe support contracts. Resources in ICTS have been trained in mainframe support technologies, in particular around payroll Review of capacity to ensure that the operating model is adequately staffed by professionally qualified/skilled personnel
MTFS 13/14 (Corporate Risk)	Compliance with budgets and consequential realisation of projected savings Potential for Judicial Review	Formal budget monitoring reports, including: Quarterly budget reports to service DMTs and SEB

		Quarterly budget reports to Cabinet (resources) Panel Quarterly monitoring reports to Performance, Governance & Support Services Scrutiny Panel;
Procurement	Compliance with the new procurement framework Delivery of savings targets Extent of unknown contractual obligations Lack of effective contract management	Reports into Procurement Board on compliance and performance issues Reports into Procurement Board and SEB as to progress against targets agreed and built into the MTFS
Restructure	Loss of experienced employees Reduced resilience Employee relations unsettled	The restructure has to achieve a new approach to business for the Council and needs to reduce the costs of the Directorate. Wherever possible reductions will be by mutual agreement. It is inevitable that employee morale will be affected during 2013/14.