

Committee:	Executive	Agenda Item No.:	9
Date:	6 th April 2009	Status	Open
Category	3. Part of the Budgetary and Policy Framework		
Subject:	Risk Management		
Report by:	Director of Strategy		
Other Officers involved:	Business Risk Group Senior Management Team Heads of Service		
Director	Strategy		
Relevant Portfolio Holder	Strategic Organisational Development		

RELEVANT CORPORATE AIMS

CUSTOMER FOCUSED SERVICES – Providing excellent customer focused services

STRATEGIC ORGANISATIONAL DEVELOPMENT – Continually improving our organisation.

By adopting a corporate approach to risk management, the Council minimises potential difficulties that could impact upon its abilities to deliver Customer Focussed Services.

TARGETS

A priority identified in the Corporate Plan is to ensure that all Strategies and Plans have robust monitoring, assessment and review functions

VALUE FOR MONEY

Proactive risk management avoids unnecessary expenditure in resolving issues that could otherwise be avoided or minimised by forward planning.

THE REPORT

Following an Internal Audit report into the Council's risk management arrangements it was recommended that an annual report be submitted to

Executive. The first report was provided on 10th March when the revised Risk Management Strategy was approved.

This report updates Members on progress with Risk Management and includes an update to the last report to Scrutiny Committee in September 2008. In particular it provides details of the quarterly review of both Operational and Strategic Risk Registers.

As a result of this review there are now a total of 197 identified risks (as opposed to 181 in September 2008), of which 169 (156) are Operational and 27 (25) are Strategic. During the course of the review 8 new Operational risks have been identified, 9 amended and 2 deleted. One strategic risk has been amended, 3 added and none deleted.

Members will recall that to assist in embedding risk management monitoring now takes place for any risks with an “initial” risk score of 8 or more. As a result of the changes referred to above, there are now 79 risks with such a score. 62 (56) Operational risks have an initial score of 8 or more of which 7 have been amended, 2 added and none deleted. There are 17 Strategic risks with such scores, with 1 amendment, 2 additions and no deletions. The revised Risk Registers are shown in Annex 1. Risks connected with projects and partnerships are now beginning to be included within the risk registers.

The Strategic Risk changes reflect three important elements for the Council. The risk score for budget and efficiency pressures have been increased to reflect the importance of this for the Council. Two new risks have been identified, the first dealing with Treasury Management arrangements to reflect the issues following the collapse of certain banks and the ongoing global financial crisis. The second relates to possible failure of contractors engaged on work for the Council. All of these risks will be reviewed by Senior Management Team on a quarterly basis.

Through this approach monitoring is now beginning to focus on the completion of actions to alleviate or reduce risks to their residual scores. If these scores remain at 8 or more they will continue to be reported but if following completion of appropriate actions the residual score reduces below 8 they will no longer be reported to Members, but remain on the Master Risk Register. To assist Members in monitoring progress Annex 1 contains shading to highlight any risks where changes have taken place since the last report. The “Comments” column is used to provide brief updates of progress on individual risks for Members.

ISSUES FOR CONSIDERATION

Dedicated risk management training has been arranged with the Council's insurance advisors for 6th and 12th May. These sessions are aimed at Members, Heads of Service and Managers and will deal with corporate manslaughter and

health and safety issues on each morning and embedding risk management each afternoon. Further details will be supplied in the near future.

Members are requested to consider the contents of this report and to identify any issues they require further information upon.

IMPLICATIONS

Financial: All costs associated with the introduction of the risk management strategy and the development of strategic and operational risk registers will be accommodated within existing budgets. Following further assessment of risks with an “initial” score of 8 or more it may be necessary to seek budgetary approval to undertake action to mitigate certain risks. All issues of this nature will be the subject of future reports to Members.

Legal: None

Human Resources: Officer and Member time to support and embed a risk management culture within the Council.

RECOMMENDATION(S)

That the contents of the report be noted and Members indicate any issues they require further information upon.

REASON FOR DECISION TO BE GIVEN IN ACCORDANCE WITH THE COUNCIL’S CONSTITUTION

To provide Executive with Risk Management arrangements.

ATTACHMENT: Strategic and Operational Risk Register

FILE REFERENCE:

SOURCE DOCUMENT: Risk Management Strategy