

Committee:	Executive	Agenda Item No.:	12.
Date:	8 th August 2011	Category	3
Subject:	Risk Register Review	Status	open
Report by:	Director of Resources		
Other Officers involved:	Business Risk Group, Senior Management Team, Heads of Service and Senior Technical Officer		
Director	Director of Resources		
Relevant Portfolio Holder	Councillor E. Watts, Leader of the Council		

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.

1. This updates Members on progress with Risk Management relative to the previous report in the last quarter of 2010/11. In particular it provides details of the latest review of both Operational and Strategic Risk Registers.
2. Managers are periodically requested to update the Master Risk Register to ensure their operational risk assessments correspond with the master register. As a result of this review the table overleaf shows the changes in identified risks over this period which now incorporates the split to each of the 3 scrutiny committees. Strategic risks are reviewed at SMT.

Previously Reported	ALL RISKS AS OF JUNE 2011	Current Assessment	Improvement	Safe & Inclusive	Sustainable Communities
213	TOTAL IDENTIFIED RISKS	210			
186	Total Operational risks	185	83	44	58
13	➤ New risks	1	1	0	0
39	➤ Amended risks	4	0	2	2
17	➤ Deleted risks	2	2	0	0
27	Total Strategic risks	25	-	-	-
0	➤ New risks	1	-	-	-
1	➤ Amended risks	1	-	-	-
0	➤ Deleted risks	3	-	-	-

	'RESIDUAL' SCORE >=8		<i>Appendix 1</i>		
31	Not yet completed (NYC)	29	-	-	-
22	Operational risks	21	1	7	13
12	➤ Amended risks	3	0	2	1
9	Strategic risks	8	-	-	-
0	➤ New risks	1	-	-	-
0	➤ Deleted risks	2	-	-	-

	PARTNERSHIPS				
32	Partnership Risks - Operational	32	14	2	16
2	Partnership Risks - Strategic	1	-	-	-
7	Residual >=8 (NYC)	7	0	1	6
7	Operational risks	7	0	1	6
6	➤ Amended risks	1	0	1	0

	PROJECTS				
45	Project Risks - Operational	45	9	4	32
1	Project Risks - Strategic	2	-	-	-
7	Residual >=8 (NYC)	7	0	2	5
7	Operational risks	7	0	2	5

	HEALTH & SAFETY				
35	Health & Safety - Operational	33	12	16	5
2	Health & Safety - Strategic	2	-	-	-
4	Residual >=8 (NYC)	3	0	1	2
4	Operational risks	3	0	1	2

- To assist in embedding risk management, monitoring takes place for any risks with an “initial” risk score of 8 or more where assessments focus on mitigating the risks and reduce the residual scores. If the

residual 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.

4. To assist Members in monitoring progress Appendix 1 contains the revised risk register where the residual score is 8 or more, where not yet completed, and shading to highlight any risks where changes have taken place since the last update. The “Comments” column is used to provide brief updates of progress on individual risks for Members.

5. Summary of new risks:

Improvement Scrutiny

- FIN011 - A financial institution in which we have an investment is unable to repay the sum due. Residual score is 4, therefore does not appear within the appendix.

All Scrutinies (Strategic)

- SR29 - Strategic Alliance -The current risks are that the Alliance fails; there is insufficient capacity to deliver and with possible employee morale issues. This appears in the report with a residual score of 12.

In addition, future updates will detail further consideration of the associated with the Strategic Alliance and Project Horizon.

6. Summary of deleted risks:

Improvement Scrutiny

- 2006/04 (Democratic) – Accident caused by courier car. Courier service to be discontinued.
- 2006/06 (Democratic) – Fire in post room. Post opening and scanning relocated.

All Scrutinies (Strategic)

- SR2 – CAA/LAA/SNT, loss of funding. Reviewed at SMT and removed from the register due to their abolition.
- SR4 – Single status. Reviewed at SMT and removed from the register.
- SR18 – Relocation of Depot. Site built and relocation completed.

7. The Executive’s views are sought as to whether the current categories (partnership, projects and health and safety), are required to be recorded within the master risk register, and if so, whether it’s necessary to report them, albeit summarised, to committee. These were introduced after comments by External Audit during a previous use of resources assessment. Things have moved on since then such that we have the Partnership protocol etc.

8. The Business Risk Group continues to meet on a regular basis and make use of the Council's insurance broker (AON) for advice and guidance.
9. Members were invited to attend a Risk Management Awareness training session on 7th July 2011, to increase understanding and have a better knowledge of risk management and its practical application within the Council. This was undertaken by a Risk Manager from the Council's insurer at no cost. Thirteen Members attended the session, who gave positive feedback, scoring 4's and 5's on their learning and development forms.
10. The Council is currently undertaking an insurance tender process to test the market. Good and effective risk management practices and strategy should reduce insurance claims and therefore limit the impact of future escalating premiums.
11. This report has been submitted to the three Scrutiny Committees in July. Their comments will be reported verbally to the Executive. The report will also be presented for information to the Audit committee on 19th September.

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.

RECOMMENDATIONS

1. **That the contents of the report be noted**
2. **Consideration be given to the requirements for future reporting of the sub categories of risk for partnerships, health & safety and project risks.**

ATTACHMENT: **Strategic and Operational Risk register extract**
FILE REFERENCE:
SOURCE DOCUMENT: Risk Management Strategy