

RISK MANAGEMENT

Report from Corporate Risk Management Group (CRMG)

Please note that the following recommendations are subject to consideration and determination by the Committee before taking effect

1 Recommendations

1.1 The Audit Committee is requested to NOTE the following report on directorate risk registers

2 Introduction

2.1 Corporate Risk Management Group meets quarterly and includes in its remit monitoring the effective development of risk management and corporate governance in the Council. At the latest meeting the risk registers of each directorate were examined. This report summarises the findings.

3 Directorate Risk Registers

3.1 During the last year there has been a concerted effort to improve the application of risk management at the Council. During the first quarter of 2010 the Council's insurers, Marsh, were engaged to deliver risk management training to members of Corporate Leadership Team, Corporate Risk Management Group and several senior managers.

3.2 Following the training a series of steps have been taken towards achieving a more consistent and effective approach to risk management. Since the last report from CRMG to Audit Committee in September a review of risk registers has begun within each of the directorates.

3.3 At this latest meeting of CRMG all the directorate risk registers were subject to peer challenge by the directorate risk leads and other group members taking into account the following checklist:

- Differences in approach by directorates
- Are there gaps in risk registers?
- Are risks articulated in appropriate terms?
- Are opportunities considered?
- Have emerging risks been captured?
- Are risk records up to date?
- Are the directorate risk registers covering appropriate strategic risks?

- 3.4 The review in directorates is not yet complete and will take into account feedback received during this peer challenge in finalising the registers with directorate management teams.
- 3.5 The number of risks monitored by each directorate management team is becoming aligned across the Council and now consists of appropriately manageable numbers of risks for these teams, with each register containing a number of risks that are also monitored by Corporate Leadership Team within the Corporate Risk Register.
- 3.6 Altogether at present there are about eighty risks within these registers with twenty of them being corporate risks and including twenty-six new risks that have recently been identified and added to the registers. Most of the new risks have been identified through the risk assessment of directorate business plans and therefore consider strategic objectives. These new risks generally reflect the changing national policy landscape and local changes to strategy and organisational shape. The identification of emerging risks as part of embedded business as usual risk reviews reflects the increasing agility of our risk management approach.
- 3.7 Of the new risks identified as most significant, the themes of the impacts of reducing budget, rapid national policy shift and resulting organisational change were identified most often. Major structural change is being delivered through a single Corporate Programme which will have its own risk register. At its next meeting CRMG are intending to review this, alongside the Corporate Risk Register.
- 3.8 The Council uses its performance management system SPAR.net to record the risk registers and produce reports. The way this system is set up encourages users to develop meaningful descriptions of the impact and likelihood surrounding the identified risks, to record details of mitigations that provide control of the situations, record an account at a review to provide insight into the actions being taken and to score the risk against the Council's scoring matrix.
- 3.9 A number of additional risks remain to be added to the system as the review nears completion. Several of the new risks added recently are still in the process of review to ensure that correct understanding has been arrived at in measuring the inherent and current (residual) risk.
- 3.10 An assessment of the quality of the risk records shows the benefits arising from the training delivered earlier during 2010. The approach now becoming consistent as shown by these registers enables a much readier understanding of the risk itself and the actions being taken to control these. This approach enables easier scrutiny and challenge that is in its turn a vital contribution to the process of risk management.

3.11 The draft risk registers for each directorate are provided as background papers to this report.

John Smith
Head of the Office of the Chief Executive

Local Government Act 1972

Electoral Divisions: All

List of Background papers:

Risk Register 2010/11 - ACS Risks
Risk Management Report - CR Directorate
CYPs Directorate Risk Register
EEC Directorate Risk Register
OCX Directorate Risk Register

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