

## **BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE**

**16 OCTOBER 2008**

### **ANNUAL REVIEW OF STRATEGIC RISK STRATEGY AND 6 MONTHLY REVIEW OF THE COUNCIL'S CORPORATE BUSINESS RISK REGISTER**

Report from: Robin Cooper, Director of Regeneration, Community & Culture and Chair of Strategic Risk Management Group

Author: Joy Kirby, Quality Assurance & Client Manager

#### **Summary**

This report deals with both the annual review of the Risk Management Strategy and the 6 monthly review of the Council's Corporate Business Risk Register prior to formal consideration at Cabinet.

#### **1. Budget and Policy Framework**

1.1 The Risk Management Strategy underpins all aspects of Council work and is fundamental to the Performance Plan in terms of "giving value for money".

#### **2. Background**

2.1 The Strategy (Appendix A), agreed by Council in April 2006, was last reviewed in September 2007. The revisions were agreed and progress on the actions noted.

2.2 The Council's Corporate Business Risk Register was developed in August 2007 and was last reviewed in March 2008.

2.3 As part of the review, the Business Support O&S Committee, on 12 May 2008, recommended that communication with the public be improved and a mechanism be devised whereby adverse information and outcomes of reviews on such risks can be brought to the relevant overview and scrutiny committee for their consideration.

- 2.4 To ensure that risks are monitored and escalated in an appropriate and timely way, the Strategic Risk Management Group have developed the process outlined in Appendix D.

### **3. Additional Background Information**

- 3.1 A comprehensive list of operational risks has been developed from the training for service managers that took place in February 2008 and the service planning process. These will shortly be sent to relevant Directors and Ads and will form the directorate's risk register.

- 3.2 The following cross-cutting risks were identified:

- Staffing - recruitment and retention, morale, capacity, loss of skills and experience, ability to deliver services and not achieving targets.
- Budgets – ability to deliver services, achieve targets, recruit suitably experienced staff.
- Down turn in the economy.
- Failure of IT systems.
- Impact of new or changes to legislation.

- 3.3 To ensure management is alerted to potential problems, Appendix D, the process for monitoring and escalating risks, will be issued at the same time.

### **4. Advice and analysis**

- 4.1 Management Team have endorsed the amendments to the Risk Strategy which include information about the tolerance of risk at paragraph 3.7, minor amendments to Section 4 that reflects April 2008's restructure and update to Section 5, the progress on actions.

- 4.2 The last review of the corporate business risks in March 2008 removed risk no 1. (relocation), added a risk related to the housing service and amended the risk rating of a number of others. All of the risks have been identified on the basis that they could affect the Council achieving its priorities.

- 4.2.1 The risks were assessed for impact and likelihood and plotted onto a risk matrix (Appendix B). It was agreed that management action plans (MAT) would be prepared for those risks viewed as above the tolerance line. Appendix C details all the risks in priority order. The first fifteen include their MAT whilst the last five provide basic risk information.

- 4.2.2 Management Team reviewed the risk register on 17 September 2008. They removed risk no. 6a (Going for Excellence) as this relates to the Comprehensive Performance Assessment (CPA) which has since been replaced by the Comprehensive Area Assessment (CAA) and the

scoring mechanism has yet to be announced by Government. A new risk template will be developed to reflect the challenges that the new assessment will present. Other amendments are highlighted in blue text in Appendix C.

They also identified three additional risks to be included in the register. These relate to a possible avian flu pandemic, the Capital Programme and the down-turn in the economy. Templates for these will be developed and will be shared with the relevant Portfolio Holders prior to formal submission to Overview and Scrutiny and Cabinet”

## **5. Consultation**

- 5.1 Appropriate consultation will take place once Members have undertaken a review of the corporate business risks.

## **6. Financial and legal implications**

- 6.1 There are no direct financial or legal implications arising from this report although clearly the inability to control or mitigate risks could have a financial or legal impact.

## **7. The Way forward**

- 7.1 Members’ views are sought on the following:
- a) The amendments to the Risk Strategy and progress on actions;
  - b) Management Team’s amendments to the Council’s Risk Register and;
  - c) The proposed additions to the risk register
- 7.2 The revised Risk Management Strategy be formally submitted to Cabinet on 4 November 2008 for final approval.

### **Lead officer contact**

Joy Kirby: Quality Assurance & Client Manager  
Ext 1422 /email [joy.Kirby@medway.gov.uk](mailto:joy.Kirby@medway.gov.uk)

**Appendices:** Appendix A – Council’s Risk Management Strategy  
Appendix B - Risk Matrix  
Appendix C - Corporate Business Risk Register  
Appendix D – Process for monitoring and escalation of risks

### **Background papers**

Internal Audit’s management action plans from the risk management audit 2006/2007 & 2007/2008

Audit Commissions Key lines of enquiry for use of resources 2008 assessments