

AUDIT COMMITTEE

11 MARCH 2010

REVIEW OF RISK MANAGEMENT

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

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Summary

This report updates the Committee on the progress of the Council's risk management activities.

1. Budget and Policy Framework

- 1.1 Good corporate governance requires that local authorities identify all their significant strategic and operational risks, and put effective risk management and internal control systems in place. All local authorities are now obliged to publish an annual statement on their systems of governance, which include risk management and internal control.

2. Background

- 2.1 In February 2006, the Council recognised that the existing risk strategy and risk management would not meet the criteria for the then CPA assessments. A number of measures were agreed that would effect a culture change and ensure that risk management processes were robust and embedded into the organisation. These have been incorporated into the action plan within the Risk Management Strategy.

3. Advice and analysis

- 3.1. Risk Management Audit 2008/2009 recognised that significant progress continued to be made during 2008/09 in demonstrating that the Council's key business risks are being managed effectively. However, the situation regarding identification and management of operational/service level risks and risks associated with partnership working (on which the revised Key Lines of Enquiry (KLoE) place considerably more emphasis than previously) continues to require further development.

- 3.2. The Strategic Risk Management Group have reviewed the Risk Management Audit recommendations and developed an action plan to address the issues raised, which is set out below:

3.2.1 Amending the Risk Management Strategy to reflect new performance management systems and processes:

Cabinet reviewed the strategy on 3 November 2009 and agreed the amendments which included revisions to the monitoring and escalation of the risk procedure, updating the 'Roles and Responsibilities to reflect new performance management processes e.g.: Members will review risks through the 6 monthly reports on key strategic risks and information contained in the Council Plan, Cabinet reports and Assistant Director quarterly reports, and update progress on actions as detailed below.

3.2.2 Reviewing the Corporate Risk Register to clarify the status of the mitigating controls, lead officer for actions and target dates:

Corporate risks have been entered into Covalent, the Council's performance management system. The system identifies a lead officer for actions, milestones/target dates and records progress on delivery.

3.2.3 The identification and reporting of service risks:

From 2009/10 service risks will be identified in services plans which are put into Covalent and monitored through Assistant Director quarterly reports (ADQs). Directorate Risk Registers will be produced from service risks and discussed at management teams for review in accordance with the Monitoring and Escalation procedure. Risks above the tolerance line (C2, Significant Likelihood/Critical Impact) will be reported to the relevant service Overview and Scrutiny Committees. Covalent reports are currently being designed so that risk registers can be produced once all information is in the system, which is likely to be May 2010.

3.2.4 Further training for Members and officers:

A programme of training, to be delivered in-house in 2010/11, is being developed for Members and staff (who have not yet received training), new staff as well as regular refresher training.

3.2.5 Identifying risks relating to partnership working and ensuring partners have appropriate risk management arrangements in place:

With regard to developing a value added Local Strategic Partnership (LSP) approach to risk management with a specific partnership focus, LSP operational group members have been asked to provide risk management systems and processes which individual partners already use and, if they are able to share it, their risk registers.

Research on best practice in risk management in partnerships is currently taking place.

A meeting of the LSP operational group will be arranged once the data had been collated.

4. Financial and legal implications

- 4.1 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.

5. Recommendation

- 5.1 Members are asked to note progress on the Council's risk management activities.

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Appendices: none

Background Papers

Internal Audit's management action plans from the risk management audits 2006/2007, 2007/2008 and 2008/2009
Audit Commissions Key lines of enquiry for use of resources 2008 assessments