

BUSINESS SUPPORT OVERVIEW AND SCRUTINY

4 NOVEMBER 2010

ANNUAL REVIEW OF RISK MANAGEMENT STRATEGY AND 6 MONTHLY REVIEW OF THE COUNCIL'S CORPORATE BUSINESS RISK REGISTER

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Summary

In accordance with paragraph 4.1 of the Council's Risk Management Strategy, this report is to discuss both the annual review of the Risk Management Strategy and the 6 monthly review of the Council's Corporate Business Risk Register.

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 Risk Management Strategy agreed by Council in April 2006, was last reviewed in September 2009. The revisions were agreed and progress on the actions noted.

2.2 The Corporate Risk Register was last reviewed by Cabinet on 30 March 2010. The following changes were made to the register at that time:

- Risk Ref: SR 03b – 'Finances - longer term': increased from B2 to A1.
- Risk Ref: SR13 – 'Equalities & Diversity' increased from C2 to B2
- Risk Ref: SR 04 – 'Performance management' reduced from B2 to C2.
- Risk Ref: SR 20 – 'Flu Pandemic': reduced from C1 to D2
- Risk Ref: SR16 – 'Improvement plan for housing services': Removed
- Risk Ref: SR 22 – 'Treasury management': added
- Risk Ref: SR23 – 'Improvement Plan for Housing Service (HRA)' added

2.2 Appendix B summarises the amendments.

3. Advice and analysis

3.1 The Risk Management Audit 2009/2010 opinion stated that the Council's risk management arrangements are satisfactory. However, the identification and management of operational/service level risks continues to require further development.

3.1.1 Improvements in this area have been compromised to some extent by the ongoing implementation of the Covalent performance management system, which resulted in changes to the way service risks are identified and recorded. The Audit also highlighted a lack of evidence that service business risks are being monitored as part of the Assistant Director quarterly reporting process.

3.1.2 A trial to upload Regeneration, Community and Culture's service risks into Covalent and extract information will be carried out during December 2010 and January 2011. The outcome to be reported to the Strategic Risk Management Group in February 2011.

3.2 The Strategic Risk Management Group has reviewed the Risk Strategy, (Appendix A) and recommended that no significant changes need to be made at this time.

3.3 The strategic risk register is now being monitored using the authority's covalent performance management system, which assists with ensuring that risk management is integrated with performance management across the authority. Updates to risk ratings, together with progress against mitigating actions and the linking of actions to other work across the council can now be effectively undertaken within the system. It is expected that this will help to strengthen our risk management arrangements; for example the system allows users to see key risks on their personal 'performance dashboard' within covalent.

3.4 Risks owners have reviewed their risks and updated them as detailed in Appendix C and the following recommendations have been proposed:

3.4.1 SR 05 Waste Management: **delete** as the procurement has been concluded and the contract commences 1 October 2010.

3.4.3 SR 20 Pandemic Flu: risk rating to be **down graded** to E2 as the risk is considered very low. It will remain part of the register and be reviewed every six months but will not appear as a key risk.

3.4.4 SR 14 Delivering radical innovation and SR 07 Workforce planning and capacity be **merged** to create a new risk SR 24 Managing Change (risk rated B1) to address the significant impact to the organisation of

'Achieving better for less', the White Paper on NHS Medway reforms and the plans for changes in the delivery of education e.g. free schools and academies.

4. Consultation

- 4.1 The Strategic Risk Management Group and risk owners have been consulted on the proposed amendments to the risk register. Members will be consulted on the Corporate Risk Register via Overview and Scrutiny and Cabinet.

5. Financial and legal implications

- 5.1 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.

6. Recommendation

- 6.1 Members' views are sought on the following:
- a) The Risk Management Strategy, as set out in Appendix A to the report,
 - b) Management Team's recommendations on amendments to the Council's Risk Register;

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Appendices: Appendix A - Risk Management Strategy
Appendix B – Record of Amendments
Appendix C - Corporate Business Risk Register

Background papers

Internal Audit's management action plans from the risk management audit 2006/2007, 2007/2008, 2008/9 and 2009/10