



Report to:	Council
Date of Meeting:	27 July 2006
Report from:	Risk & Financial Services Manager
Title of Report:	Risk Management Strategy and Action Plan for 2006-07
Agenda Item Number:	11

1. Purpose of Report

- 1.1 The report seeks Council approval to the revised Risk Management Strategy and Action Plan for 2006/07, which is attached as an appendix to the report.

2. Consultation

- 2.1 Corporate Management Team has been consulted on the Risk Management Strategy, with agreement to the draft strategy on 19 March 2006. The Corporate Governance Steering Group, which comprises the Assistant Chief Executive, Risk and Financial Services Manager, Legal and Democratic Services Manager, Chief Internal Auditor and Director of Resources, has also been fully involved in the development of the Councils risk management arrangements. The strategy was considered at the Executive held on 3 July 2006.

3. Corporate Plan and Priorities

- 3.1 The Council's risk management strategy supports the overall corporate governance framework and internal control arrangements and underpins all the Council's activities.
- 3.2 The strategy also supports the Councils corporate priority of 'Maximising Efficiencies'.

4. Implications

4.1 Financial

Although there are no direct financial implications arising from the report, the risk management strategy seeks to ensure that appropriate and efficient arrangements are in place for the financial effect of risk throughout the authority, and in particular provides for a robust insurance program.

4.2 Other Services

The Risk Management Strategy does have implications for other services as their performance is integral to the effective management of risk. To this end other service heads are involved in the risk management process; take part in training; include risk as a core item within all reports; and include risk within the service planning round.

4.3 Diversity

Equality and Diversity is identified within the Councils Strategic Risk Profile. The application of sound risk management processes will support the Councils commitment to equalities and diversity through the identification and management of any relevant issues within service area risk profiles.

4.4 Risk

The establishment of robust arrangements for the management of risk is a key line of enquiry under the CPA regime, and the development and adoption of a formal strategy is a fundamental element of the Councils improvement program and corporate governance framework.

It is, therefore, essential that the Council can demonstrate that a formal strategy and supporting arrangements are in place and that such arrangements are regularly monitored and reviewed as part of the performance management framework.

5. Background and Revised Risk Management Strategy

5.1 The current risk management strategy was agreed by the Executive and approved by full Council in April 2004. Since that time a series of key actions have been taken to embed the risk management process across the Council.

Initial steps included:

- The development of a risk management manual including an agreed methodology & toolkit
- A formal training program for senior officers and members
- Risk formalised within reporting protocols
- Development of a corporate Strategic Risk Profile
- Embedding risk in the service planning round

5.2 Developments under the strategy during 2005-06 included of the following key actions:

- Reviewing and updating the Strategic Risk Profile
- Mapping and highlighting key strategic risk responsibility within the published corporate plan
- Embedding risk reporting within the performance management framework, reporting progress quarterly
- Establishment of the Corporate Governance Steering Group
- Formal adoption of the Business Continuity Plan

- 5.3 The strategy has been revised and updated to reflect management changes and is attached to this report together with the action plan for 2006-07.

The strategy and action plan includes a number of developments aimed at increasing the Councils performance under the Use of Resources Key Lines of Enquiry, these include the following actions:

- (i) Improved application of risk assessment within budget monitoring processes.
- (ii) Use of risk software to capture and report both strategic and service level risk profiles.
- (iii) The development of risk methodologies in partnership working and procurement activity.
- (iv) The further development of the Councils Business Continuity arrangements to include a training programme for key officers.
- (v) A review of our risk financing arrangements to include full market testing of the Councils insurance program prior to renewal on 1 October 2006.

6. Recommendations

- 6.1 The Council is recommended to approve the attached Risk Management Strategy and Action Plan for 2006-07.

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Version 1.0

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