Item no

Report to: **Audit Committee**

Date: **11 October 2007**

Report of: **Principal Administrative Officer**

Subject: **Risk Management Progress Report**

Ward: **All**

1   **Purpose of Report**

1.1   To provide a progress report to the Audit Committee on the Council's approach to managing risk and the implementation of the Council's Risk Management Strategy to provide assurance that the Council effectively manages its risks.

2   **Consultation**

2.1   In preparing this report I have consulted with the Executive Member for Improvement, Head of Democratic Services and Administration and Director of Finance and Corporate Services.

3   **Background**

3.1   This report is one of a quarterly series of reports to Audit Committee and provides an update on how the Council's Risk Management Strategy is being developed and highlights progress utilising the Risk Management Work Plan.

4   **Risk Management Performance Workplan**

4.1   In my previous report it was explained that a Risk Management Performance Workplan was being developed to take account of all the work that is undertaken as part of the Risk Management function and to comply with the Council's adopted Risk Management Strategy and Policy.

4.2   The completed Workplan (**Appendix 1**) includes relevant action plans, measurable outcomes, progress monitors and a traffic light status indicator for all areas of work. It also includes the relevant action plans required to meet the level 4 judgement criteria under the Use of Resources – Key Lines of Enquiry (4.1) – "The Council manages its significant business risks".

4.3   Following liaison with the Chairman and Vice Chairman of the Audit Committee, it is proposed that the attached Workplan (which will be regularly updated) will form the basis of future quarterly reports to Audit Committee and be used as a tool to measure performance and progress on initiatives and actions within the Risk Management function and corporately across the Council.

5   **Corporate Risk Review 2007/08**

5.1 The Service Plan risks were finally completed and captured on 20th September 2007 and Risk Register has been fully updated to take account of these risks.

It is proposed that a "desktop" corporate risk review be undertaken involving Executive and Management Team to re-profile existing corporate risks and to consider new and emerging risks that have arisen from the Service Plans. It is hoped that this can be arranged and completed over the next 4 - 6 weeks and can effectively be used as the basis for going forward pending the outcome of Local Government Review.

5.2 Most risks are being effectively managed and risk management is well embedded. There are however still difficulties updating action plans and difficulties in utilising the "Risk Register" software. In order to address these issues, a comprehensive range of support has and continues to be provided to ensure that this is managed effectively.

6 **Risk Management Training Programme**

6.1 The comprehensive training programme for all Members, Officers and Staff which will result in a menu of various training options that can be provided "in house" is almost complete. This aspect has been delayed as a result of the slippage in capturing the service plan risks.

An "in house" risk management training session dedicated for Members of the Audit Committee is being programmed as part of the Audit Committee's own training programme and is intended to be completed before the end of November 2007.

6.2 It is intended that full details of the full training programme will be included in my next quarterly report.

7 **Implications**

7.1 **Financial**
There are no financial implications arising directly from the report. Any cost implications have been dealt with under existing budgets.

7.2 **Legal**
There are no direct legal implications arising from this report however there is a legal obligation on the Council to ensure it effectively identifies and manages its risks.

7.3 **Policy**
There are no direct policy implications arising from this report.

7.4 **Risk**
There are no specific risks arising from the report however, the need to effectively manage and improve the use of 'Risk Register' is critical to the Council's Risk Strategy and Policy.

7.5 **Corporate Plan and Priorities**
These proposals are consistent with the Council's Mission, Priorities and Objectives. In particular the proposals are consistent with:-

Priority 2   Striving for Excellence in the Workplace
SFE2   To develop the capacity to achieve in the organisation

SFE3   To ensure the corporate health of the Council through sound and prudent financial management

7.6   Equality and Diversity

There are no direct equality and diversity issues arising from the report.

7.7   E-Government

There are no direct e-government issues arising from this report. The successful implementation and roll out of risk management software supports the e-government agenda.

7.8   Procurement

The procurement of the facilitated training sessions complies with the Council's procurement code of practice and Standing Orders for Contracts.

7.9   Communication

The relevant issues arising from this report will be communicated to all appropriate parties.

8   Conclusion

8.1   The report updates Audit Committee on the Council's approach to managing risk and how it intends to comply with the adopted Policy and Strategy. In addition, the report identifies the progress made in capturing Service Risks and presents a Performance Workplan for the Risk Management function.

9   Recommendation

9.1   Audit Committee is requested to:

- Consider and note the content of the report;

- Adopt the Risk Management Performance Workplan as the basis of future quarterly reports to Audit Committee and to be used as a tool to measure performance and progress on initiatives and actions within the Risk Management function and corporately across the Council