

Item no

Report to: **Audit Committee**
Date: **26 April 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, the use of 'Risk Register', risk management training and the implementation of the Council's Risk Management Strategy.

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 against the following areas

Risk Register Software

Risk Management Training Programme – Members and Officers (and Partners)

Management Action Plans for Corporate Risks, Service Plans and other projects and work areas

4 **Risk Management Strategy and Policy**

- 4.1 The Council's updated Risk Management Policy and Risk Management Strategy were adopted by the District Council on 2 November 2006.

5 **Corporate Risk Management Action Plans, Service Plan Risks and 'Risk Register' Software**

- 5.1 This is a repeat of the position reported in January as there continues to be some slippage in the completion of the Management Action Plans and use of Risk Register by Managers. It is clear that most risks are being effectively managed and that risk management is well embedded. The difficulty primarily appears to be the updating of action plans and a reluctance to fully utilise the software. This is compounded by and the fact that more information is captured to enable the full functionality of the software to be utilised.

- 5.2 Despite established deadlines, the availability of full support and assistance and reinforcement by Management Team and the relevant Executive Portfolio holders, this continues to be an area of concern.
- 5.3 In addition, a collaborative and interactive training session has been developed to provide 'STORM' training and apply this in a practical and direct way to Risk Register (see Para 6.2 below).
- 5.4 The Joint Audit Committee/Risk Management Strategy Steering Group "Risk Register Workshop" was held on 11 April and these issues were also identified as part of the demonstration of the Council's risks utilising "Risk Register".
 Arising from the Workshop it was suggested that a work programme be developed for the Audit Committee to specifically review the Councils top 5 Corporate Risks, Action Plans, Monitoring and Review arrangements.
 This would accord with the Audit Committee's assurance function, terms of reference and support the effective implementation of the Councils Risk Management Policy and Strategy, by actively encouraging and monitoring use of Risk Register.
- 5.5 Arising from current report provided at the Workshop illustrating the top 5 Corporate Risks; the following 4 Groupings have been identified for the Audit Committee to develop a Risk Assurance work plan for the forthcoming year (Risk Register references are shown in brackets):
- Decent Homes/ALMO (2/4/6/17)
 - Local Government Review Implications (3/7)
 - Partnerships (8/15)
 - Business Continuity (14)
- Local Scrutiny It should be noted that a comprehensive review of the Risks arising from Government Review is currently being undertaken involving, Executive, Management Board and Management Team

6 **Risk Management Training Programme**

An introduction to Risk Management is to be rolled out to all Members as part of the Member development induction and training arrangements and has been arranged for later this year. More specific training and support for Members is being developed and will be rolled out during the year following the May elections.

- 6.2 The first two Interactive Risk Management Training sessions – STORM and Risk Register were held on 7, 8 and 9 February, and feedback has been obtained from all participants to support the development of effective training for users. Regular tuition, support and assistance continue to be provided by the Principal Administrative Officer and his team and the option of providing a resource to directly assist and support users' with the identification, analysis, action monitor and review of risks is currently being considered and appraised as an alternative approach to achieving compliance with the Council's adopted Risk Management Policy and Strategy.

7 **'Risk Register' Software**

7.1 The need to address the 'management of change' issues arising from the use of 'Risk Register' is being considered in detail by the RMSSG and a gap analysis has been completed to assist the Group to determine the key problems and priority issues to be addressed.

7.2 There are currently 44 Users registered to use the software and an additional 9 with "view only" rights. 4 further Users are awaiting installation of the software.

8 **Implications**

8.1 **Financial**

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

8.2 **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.

8.3 **Policy**

There are no direct policy implications arising from this report.

8.4 **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.

8.5 **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

8.6 **Equality and Diversity**

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

8.7 **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.

8.8 **Procurement**

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

8.9 **Communication**

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

9 **Conclusion**

9.1 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 slippage issues associated with capturing management action plans and service plan risks on Risk Register and the action being taken to address this.

10 **Recommendations**

10.1 Audit Committee is requested to:

- Consider and note the content of the report
- Consider the development of a Risk Assurance Annual Work plan and identify a work programme from the corporate risk groups identified in paragraph 5.5

Background Papers and Documents

Unit files
2006/07 Corporate Risk Review
Risk Register
Risk Management Training file

19 April 2007