

Item no

Report to: **Audit Committee**
Date: **2 August 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
- Management Action Plans for Corporate Risks, Service Plans and other projects and work areas
- Risk Management Training Programme – Members and Officers (and Partners)
- Risk Management Work Plan

4 **Risk Management Strategy and Policy**

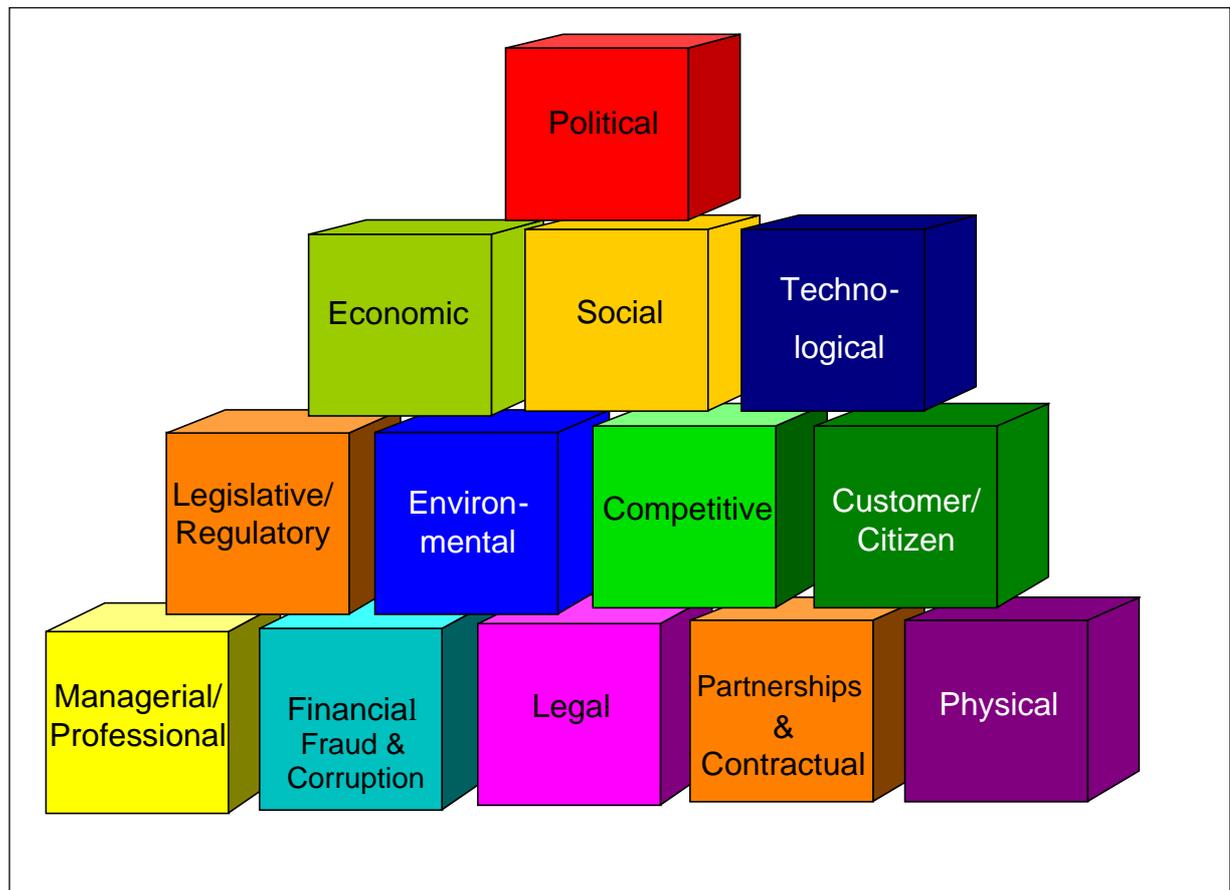
4.1 The Council's updated Risk Management Policy and Risk Management Strategy adopted by the District Council on 2 November 2006 continue to be up to date and fit for purpose.

4.2 The 2007 Use of Resources Key Lines of Enquiry requires Councils risk management process to specifically consider:

- the risk of Fraud and Corruption (KLOE 4.3) and;
- the risks in relation to "significant" partnerships (KLOE 4.1) and provides for assurances to be obtained about the management of those risks.

4.3 The Council already has detailed arrangements in place for the identification and management of Fraud & Corruption risks through various corporate policies and procedures.

4.4 However, to ensure the Council complies with the terminology in the Use of Resources assessment, the Council's Risk Management Strategy Steering Group recommends that the Councils "STORM" (Strategic and Operational Risk Management) methodology is amended to specifically include Fraud & Corruption as shown below; it being noted that Partnerships is already included:



4.4 New partnership arrangements are being actively managed in accordance with the Council's Partnership Framework although additional work is required to provide the assurances required for existing "significant" partnerships. This has been identified as an area where further attention is required and an action plan is being developed to comprehensively deal with this area

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

5.1 There continues to be some slippage in the completion of the Management Action Plans and use of Risk Register by Managers; however this has been dealt with as part of the Corporate Planning and Service Planning and review processes. Both Management Team and Executive Members are re-enforcing the need for these to be completed.

5.2 It is clear that most risks are being effectively managed and that risk management is well embedded. There are still some difficulties updating action plans and difficulties in fully utilising the "Risk Register" software. However, a comprehensive range of support has and continues to be provided to ensure that this is managed effectively. The deadline for

completing all Service Plans was 20 July 2007 and thereafter they are all to be considered by Management Team to ensure they accord with the Council's corporate priorities. The Service risks will be captured as part of this process and a subsequent Corporate Risk Review will be undertaken once our Risk Register has been fully updated to take account of the Service Plans.

6 Risk Management Training Programme

- 6.1 I am currently developing a 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".
In the meantime, a Risk Management training session dedicated for Members of the Audit Committee is being programmed as part of the Audit Committee's own training programme. This will be of particular interest and relevance to new Members of the Audit Committee and will be a useful refresher for former Members where they feel this is appropriate.
- 6.2 Details of the full training programme will be included in my next quarterly report.

7 Risk Management Performance Workplan

- 7.1 A Risk Management performance Workplan is being developed which takes account of all the work that is undertaken in the Risk Management Function. The Workplan includes relevant action plans, measurable outcomes and a traffic light status indicator for all areas of work. This also includes the relevant action plans required to meet the judgement criteria under the Use of Resources – Key Lines of Enquiry (4.1) – "The Council manages its significant business risks".
A copy of KLOE 4.1 is attached as Appendix 1 for information.
It is my intention that successful achievement of all the outcomes in the workplan would result in a level 4 Assessment under the Use of Resources judgement criteria.
- 7.2 I will liaise with the Chairman and Vice Chairman of the Audit Committee while finalising the workplan to ensure that it is relevant and fit for purpose and can be used as a tool by the Audit Committee to measure performance and progress on initiatives and actions within the Risk Management Function.

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 progress made in capturing Service Risks, developing a training programme and a performance workplan for the Risk Management function.

10 **Recommendation**

10.1 Audit Committee is requested to:

- Consider and note the content of the report

Background Papers and Documents

Unit files
Risk Management Strategy Group
2006/07 Corporate Risk Review
Risk Register

Risk Management Training file
Unit Workplans (Risk Management)

SW/RMgt/Reports/Audit 2 August2007
25 July 2007