



District of **easington**.

Item no

Report to: **Audit Committee**
Date: **12th March 2009**
Report of: **Governance and Risk Manager**
Subject: **Risk Management Final Progress Report**
Ward: **All**

1 **Purpose of Report**

- 1.1 To provide a final progress report to the Audit Committee on the Council's approach to managing risk and the implementation of the Council's Risk Management Strategy and 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 and the Director of Finance and Corporate Services.

3 **Background**

- 3.1 This report is the final one of a series of quarterly progress 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 Performance Work Plan.

4 **Risk Management Performance Workplan**

- 4.1 The attached Risk Management Performance Workplan (**Appendix 1**) forms the basis of reports to Audit Committee. The Workplan is used as a tool to measure performance and progress on initiatives and actions within the Risk Management function. In addition it reviews progress corporately across the Council to comply with the Council's adopted Risk Management Strategy and Policy.
- 4.2 The updated Workplan 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 judgement criteria under the Use of Resources – Key Lines of Enquiry (4.1) – “The Council manages its significant business risks”.



District of **easington**.

4.3 It can be noted that the workplan illustrates significant progress across all identified areas.

5 **Corporate Risk Review 2008-09 (2009 Refresh)**

5.1 The Council's 2008/09 Corporate Risk Review (CRR) was completed and adopted by Executive on 14th October 2008. It has recently been refreshed by the Risk Management Strategy Steering Group to ensure it remains up to date particularly taking onto account Local Government Re-organisation and other emerging factors. A copy of the refreshed Corporate Risk Register is attached as **Appendix 2**.

5.2 The Corporate Risk Review is a key element of the Council's corporate governance arrangements and Annual Governance Statement in that it provides assurance that the Council is effectively managing its risks. It also complies with the Council's adopted Risk Management Strategy and Policy. The purpose of the refresh was to carry out a re-assessment of the District Council's corporate risks and take account of current changes and emerging risk areas.

5.3 The following CRR changes are highlighted for the Audit Committee's information and consideration:

- Risk No 0002 - Risk reduced from A1 to B2;
- Risk No 0003 - Risk reduced from A1 to B2;
- Risk No 0005 - Partnerships Action Plan Completed and updated;
- Risk No 0007 - Risk increased from C2 to B2;
- Risk No 0012 - Risk increased from D2 to C2;

5.4 Taking into account Local Government reorganisation and that some areas of risk are being actioned and developed through LGR work streams, all Corporate Risks facing the District Council are being effectively managed and risk management is well embedded. A comprehensive range of support continues to be provided to ensure that risks are managed effectively.

6 **Local Code of Governance & Partnership Review**

6.1 Presented separately to this report are two additional reports covering:

- the review of the Councils Local Code of Governance
- the review of the Councils approach to Partnerships

all of which directly relate to each other and provide cross cutting evidence and progress to each respective function and are cross referenced in the Corporate Risk Register.



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 continues to effectively identify and manage its risks.

7.3 **Policy**

There are no direct policy implications arising from this report.

7.4 **Local Government Reorganisation**

The Risk Management Performance Workplan has been continually updated to take account of risk and developments arising from Local Government Review.

In addition, the Corporate Risk Review 2008-09, includes specific reference to risks and the risk implications arising from LGR to the District Council which has remained unchanged as part of the refresh.

In dealing with and managing the developing emerging LGR risks, the Council has in place a transitional plan which is regularly updated and is used to determine priorities during the transitional period.

The Council's Governance and Risk Manager is involved with the LGR Risk Management workstream and arrangements have been put in place to ensure the new Authority has adequate risk management arrangements in place including the assimilation of all corporate risks across all the LGR Councils in preparation for vesting day.

7.5 **Risk**

There are no specific risks arising from the report.

7.6 **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

7.7 **Equality and Diversity**

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

7.8 **E-Government**

There are no direct e-government issues arising from this report.



District of **easington**.

7.9 **Procurement**

There are no direct procurement issues arising from this report.

7.10 **Communication**

The work of the Governance, Risk and Legal Services Unit is published and regularly updated on both the Council's Internet and Intranet.

As part of the Corporate Risk Review, Lead Officers and Executive Portfolio holders have been notified and advised of the key risks and actions for which they are responsible.

8 **Conclusion**

8.1 The report provides a final update to Audit Committee on the Council's approach to managing risk and how it has complied with the Council's adopted Policy and Strategy. In addition, the report provides a final position statement on progress made with the Performance Workplan for the Risk Management function.

Much of the progress made by the District Council in developing effective risk management arrangements and being recognised nationally as a high performer in this area, has been due to the positive and supportive Member involvement in the Council's approach to managing risk.

The Audit Committee has played a pro-active role in this development and in seeking the necessary assurances that risks are effectively managed.

Members of the Audit Committee together with Executive Members and all Members of the Council should be congratulated on the achievements made by the District Council of Easington in developing effective risk management.

9 **Recommendation**

9.1 Audit Committee is requested to:

- Consider and note the content of the report;
- Consider and note the progress made with the Risk Management Performance Workplan
- Identify any assurance issues that need to be referred or highlighted to the new Unitary Durham County Council

Background Papers and Documents

Unit files
Risk Management Strategy Steering Group
2008 -09 Corporate Risk Review & Refresh
Risk Register
Risk Management Training file



District of **easington.**
Unit Workplans (Risk Management)
Local Code of Governance
LGR Transitional Plan