

**Cabinet**

**28 August 2008**



**The Work of Corporate Risk  
Management in the Quarter period  
April 2008 – June 2008**

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**Report of Stuart Crowe, County Treasurer on behalf of the  
Corporate Risk Management Group  
[Cabinet Portfolio Member for Risk Management, Councillor  
Clive Robson]**

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**1. Purpose of Report**

The purpose of this report is to give an insight into the work carried out by the Corporate Risk Manager and the Corporate Risk Management Group during the period April – June 2008.

As well as good management practice, this report also positively responds to the Key Lines of Enquiry in the Use of Resources element of the Comprehensive Performance Assessment. Risks are assessed and managed at both a service and corporate level. Throughout this report all risks are reported as Net Risk, which is based on an assessment of the impact and likelihood of the risk occurring with existing controls in place.

**2. Local Government Review (LGR)**

Risks related to the LGR are being managed within the LGR Programme, and these risks are distinct from the service and corporate risks of the County Council covered by the remainder of this report. The Corporate Risk Manager of the County Council is providing support to the Programme in the management of risk.

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**3. Current Status of Risks to the Council**

At the end of June 2008, the major risks being managed were:

- Failure to effectively manage the implementation of the LGR Programme. There is a process in place to manage the risks to the Programme. This is part of the overall programme governance structure, which has been established to reduce the impact and likelihood of this strategic risk occurring.

- Failure to effectively implement an equality proofed pay structure under Single Status and Job Evaluation. Management continue on an ongoing basis to actively address these risks.
- Failure to deliver the Building Schools for the Future programme within time and budget, with minimal disruption to service delivery. Risks are managed by the project team, and key risks are highlighted monthly to the project board.
- Failure to effectively implement the proposed Waste Management Contract. Risks are managed by the project team, and key risks are highlighted to the joint Member/ Officer Waste Management Contract project board.
- Failure to support well-being of workforce. Management continually monitor trends closely to establish if our strategies and interventions support reductions in absence.

#### **4. Changes to major risks in this quarter**

There have been no significant changes to the major risks during the quarter.

#### **5. Emerging risks**

In the quarter April to June 2008, an emerging risk is that, 'to meet European funding regulations, all appropriate documentation and records must be retained for at least 3 years after the final programme payment has been made. If this requirement is not complied with, it may result in the repayment of grants already received'.

#### **6. In the next Quarter**

It is important that we provide a 'holistic' view of the risks across all seven District Councils and the County Council, and therefore it is planned that the risk registers of all 8 Councils will be combined before vesting day for the new Unitary Council.

#### **7. Recommendation**

Cabinet are requested to note this report.

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**Contact: David Marshall, Corporate Risk Manager Tel: 0191 3835726  
on behalf of the Corporate Risk Management Group**

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## **Appendix 1: Implications**

### **Local Government Reorganisation (Does the decision impact upon a future Unitary Council?)**

None

#### **Finance**

Addressing risk appropriately reduces the risk of financial loss.

#### **Staffing**

Staff training needs are addressed in the risk management training plan.

#### **Equality and Diversity**

None

#### **Accommodation**

None

#### **Crime and disorder**

None

#### **Sustainability**

Moving forward, risk management will increasingly highlight the key risks around sustainability.

#### **Human rights**

None

#### **Localities and Rurality**

Managing risk will positively impact localities by improving the Community Leadership of the Council.

#### **Young people**

None

#### **Consultation**

None

#### **Health**

None

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## **Appendix 2: Background**

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To date within the Council, a large amount of work has already been carried out in shaping and developing our approach to risk management. In summary, Cabinet and the Corporate Management Team have designated the Deputy Leader of the Council and the County Treasurer as Member and Executive Risk Champions respectively. Together they jointly take responsibility for embedding risk management throughout the Council, and are supported by Keith Thompson (Assistant County Treasurer), the lead officer responsible for risk management, as well as the Corporate Risk Manager. Each Service also has a designated member of staff (the Service Risk Manager) to lead on risk management at a Service level, and act as a first point of contact for staff who require any advice or guidance on risk management.

Collectively, the Risk Champions, the lead officer, Service Risk Managers and the Corporate Risk Manager meet together as a Corporate Risk Management Group. This group monitor the progress of risk management across the Council, advise on corporate and strategic risk issues, identify and monitor corporate cross-cutting risks, and agree arrangements for reporting and awareness training.

An Audit Committee is in place, and one of its key roles is to monitor the effective development and operation of risk management and overall corporate governance in the Authority.

It is the responsibility of the Chief Officers to develop and maintain the internal control framework and to ensure that their Service resources are properly applied in the manner and to the activities intended. Therefore, in this context, Heads of Service are responsible for identifying and managing the key risks which may impact their respective Service, and providing assurance that adequate controls are in place, and working effectively, to manage these risks where appropriate. In addition, independent assurance of the risk management process, and of the risks and controls of specific areas, is provided by Internal Audit. Reviews by external bodies, such as the Audit Commission, Ofsted and CSCI, may also provide some independent assurance of the controls in place.

Risks are assessed in a logical and straightforward process, which involves the Risk Owner (within the Service) assessing both the impact on finance, service delivery or stakeholders if the risk materialises, and also the likelihood that the risk will occur over a given period. The assessment is confirmed by the Service Management Team, and Chief Officers agree their Service Risk Register with the Cabinet Member responsible for their Portfolio Service.