

AUDIT COMMITTEE – 11 JUNE 2013

RISK MANAGEMENT UPDATE

Report of the: Chief Executive Designate

Status: For Consideration

This report supports the Key Aim of Corporate Performance Plan “Effective Management of Council Resources”

Portfolio Holder Cllr. Ramsay

Head of Service Group Manager, Financial Services – Adrian Rowbotham.

Recommendation:

It be RESOLVED that Members note the contents of this report.

Introduction

- 1 This report sets out details of progress made in delivering the Council’s risk management strategy and framework; and informs Members of further development going forward. This is the first report on risk management to the Audit Committee.
- 2 The Council’s risk management strategy sets out that risk will be identified, assessed and managed both strategically and operationally. Strategic risks are those that may prevent the Council achieving its high level objectives, as set out in the Community Plan or the Council’s vision. Traditionally Strategic risks have been managed by the Directors and Heads of Service, with oversight and scrutiny being delivered by Committee. This would form part of the work of the Audit Committee and is included in the Committee’s terms of reference. The arrangements for strategic risks would need to be reviewed going forward in the light of recent organisational changes. Operational risks are those that may prevent or affect individual services meeting the objectives set out in their service plans. Operational risks are managed by Service Managers, supported by Heads of Service.
- 3 The Council also has processes in place to manage financial risks, project risks and health and safety risks that operate alongside the risk management framework. Financial risks are monitored by the Finance team and assessed and has traditionally been scrutinised by the Finance Advisory Group. This would now form part of the terms of reference of the Finance and Resources Advisory Committee. Project risks have traditionally been managed by the relevant Head of Service working closely with the project manager and are subjected to DMT and MT monitoring, based on the type of project. Health and Safety risk assessments

are overseen and coordinated by the Council's Environmental Health team, with Service Managers responsible for undertaking regular risks assessments and taking action to mitigate those risks.

- 4 In addition to the above, the Council's officers risk group oversees and coordinates the entire process. It also facilitates the dissemination of best practice across the Council.

Current Update on Progress

- 5 During 2012 The Council undertook a review of its risk management framework with a view to streamlining and simplifying the process. A revised framework was developed and approved by Management Team and the Performance and Governance Committee. Training workshops were delivered to Managers to enable them to assess their operational risks. The process is now being fully implemented to take account of the service plans for 2013/14. A copy of the newly revised simplified framework is attached as Appendix A – Risk on a Page. The process is required to take account of both "Threats" and "Opportunities". Threats are uncertainties which may prevent the achievement of objectives; opportunities are uncertainties which may enhance the achievement of objectives. Appendix B contains a copy of the risk assessment template which managers are required to use for assessing their operational risks and for identifying relevant actions to address identified risks.
- 6 The strategic risk framework is still being finalised and should be ready for full implementation in June 2013. The process would involve executive level management in identifying the key risks in delivering the Council's Vision and Community Plan. Following which a senior management level officer will assume lead responsibility for each identified risk and would take the lead in identifying relevant mitigating actions and co-ordination of relevant actions to manage the identified risk relating to their respective remit.
- 7 In assessing strategic risk regard would be given to the Council's Vision and Community Plan, in order to ensure that any uncertainties impacting on their delivery are assessed, quantified and rated, prior to relevant actions being determined to manage the identified risks.
8. In addition to the above, it is proposed to review the Council's risk management strategy to reflect developments within the profession and recent changes within the Council. To this effect, it is proposed to review the existing strategy against the new ALARM (Association of Local Authority Risk Management) Risk Management toolkit which the Council has now acquired.
- 9 Members would be advised of progress at the September meeting of the committee when the full strategic risk register for the Council would be available for Members consideration.

Key Implications

Financial

- 10 None

Community Impact and Outcomes

- 11 A robust risk management process enhances the Council's ability to minimise waste and improve efficiency and to deliver better services and outcomes for the community.

Legal, Human Rights etc.

- 12 None

Resource (non-financial)

- 13 None

Value For Money

- 14 A robust risk management process will enhance the Council's ability to minimise waste and inefficiencies whilst maximising value for money.

Equality

- 15

Consideration of impacts under the Public Sector Equality Duty:		
Question	Answer	Explanation / Evidence
a. Does the decision being made or recommended through this paper have potential to disadvantage or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper have the potential to promote equality of opportunity?	No	
c. What steps can be taken to mitigate, reduce, avoid or minimise the impacts identified above?		

Sustainability Checklist

- 16 Not applicable.

Conclusions

- 17 The report updates Members on the Council's risk management process and plans for delivering the Council's risk management strategy in 2013/14. Members are requested to note the report.

RISK ASSESSMENT STATEMENT

- 18 A robust risk management process enhances the Council's ability to minimise waste and improve efficiency and to deliver better services and outcomes for the community. The new risk management framework will enhance the Council's ability to manage risk more effectively.

Appendices

Appendix A – Risk on a Page

Appendix B - Risk Assessment Template

Background Papers:

SDC Management Risk Strategy

Contact Officer(s):

Bami Cole, Audit, Risk & Anti-Fraud Manager.
Phone: 01732-227236

Dr. Pav Ramewal
Chief Executive Designate