

AUDIT COMMITTEE

Risk Management 23 January 2008

Report of Head of Financial Services

PURPOSE OF REPORT

To update Audit Committee on the progress that has been made in monitoring & mitigating the risks on the Corporate Risk Register, and to provide an opportunity for the Committee to request further work on how risk is to be considered throughout the corporate planning & budget process.

This report is public.

RECOMMENDATIONS

1. That the progress in mitigating and monitoring risks be noted.
2. That the Committee considers the arrangements for considering corporate risks during the development of the 2008/09 Budget and Corporate Plan, and makes any recommendations as appropriate.
3. That the significant risks on the existing Corporate Risk Register be noted, and that the Committee makes further recommendations regarding any additional perceived risks, as appropriate.

1 INTRODUCTION

- 1.1 Through the governance framework the Council has committed to ensuring that risk management plays an integral part in the sound governance of the Council, to support the achievement of its aims and objectives as set out in the Corporate Plan.
- 1.2 The Council's arrangements for managing risk are set out in its associated Policy and Strategy documents. These were last updated in June 2007 and were formally approved by Audit Committee at its meeting on 27 June 2007. This report informs the Committee of the progress made since the last meeting and seeks Members' views on how risk management can continue to be taken forward throughout the corporate planning process.

2 CORPORATE RISK REGISTER

- 2.1 The Corporate Risk Register reflects the objectives/ priorities in the current Corporate Plan and incorporates the revised list of Cabinet priorities approved by Council during the 2007/08 planning process. The Risk and Insurance Manager, in conjunction with Service Heads and their staff, updates and monitors the risks within the Register and produces revised reports for Directors on a 6 monthly basis. Directors then use these reports to monitor the progress of the Risk Treatment Actions (RTAs) in their regular 1:2:1s with their Service Heads.
- 2.2 In addition to recording risk, the Corporate Risk Register also identifies the Key Performance Indicators relating to achievement of each objective and, in that way, assists in the identification of failing performance. Service Heads, as 'risk owners', regularly report the progress of their RTAs to Cabinet members as part of their regular Performance Review Team (PRT) reports.

3 2008/2009 CORPORATE PLAN

- 3.1 With all this in mind, it is evident that the Corporate Risk Register is being utilised by officers and that the management of corporate risks is embedded in performance management processes. However, when considering previous years, it is felt that the Corporate Risk Register could have been utilised more during the corporate planning process, when developing future priorities and budgets. One of the key purposes of the register is to allow Members to consider risk when setting their priorities and budgets for future years. In this way, any 'unacceptable' levels of risk, which could undermine the Council's achievement of its objectives, can be addressed – with resources reallocated accordingly. Using risk information in this way is an essential element of developing the Corporate Plan and Budget. Such risk management activity reflects strongly on councils' governance arrangements and their Use of Resources assessments.
- 3.2 The 2008/2009 Corporate Plan is currently being prepared by Cabinet and the Risk & Insurance Manager has produced a report from the register for the January Cabinet meeting. It is acknowledged though that following Cabinet's consideration of the revised draft Corporate Plan, the register and risk report will need updating to reflect Cabinet's decisions on its draft proposals. Such updated risk information will then be fed into subsequent meetings. The Committee is requested to consider whether any further arrangements should be put into place, either for 2008/09, or for consideration in future years' processes.

4 SIGNIFICANT CORPORATE RISKS

- 4.1 The existing corporate risk register currently has the following as high risks issues in relation to existing/developing priorities:
- The Council could take on liability for contaminated sites when acquiring land.
 - Potential regeneration opportunity arising from M6 link road being built could be lost.
 - Failure to ensure that the Canal Corridor scheme meets local planning objectives.
 - Failure of Cabinet to prioritise corporate objectives effectively to meet the needs of the district.
- 4.2 Members of Audit Committee are asked to note the above, but in addition, further risks have been reported recently associated with capital schemes such as Luneside

East. From their own knowledge and perspectives, Members are asked to consider whether there any additional perceived key risk areas that they wish to be reviewed. These too will be incorporated into the work outlined at section 3.2 above as appropriate.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

None directly arising from this report.

FINANCIAL IMPLICATIONS

No implications arising directly from this report.

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been involved in the preparation of this report.

LEGAL IMPLICATIONS

None arising from this report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no comments to add.

BACKGROUND PAPERS

Risk Management Policy and Strategy
Audit Committee Terms of Reference (The
Constitution)

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