
RISK MANAGEMENT FRAMEWORK AND CORPORATE RISK REGISTER

1 SUMMARY

- 1.1 This report summarises the progress made under the Council's risk management framework up to February 2010 and provides an update of the corporate risks faced by the Council for 2009/10 for Members' consideration and approval.

2 INTRODUCTION

- 2.1 The Council's current risk management framework, which incorporates our Risk Management Policy and the Corporate Risk Register, was previously approved by the Audit Committee on 30 September 2009.
- 2.2 All the risks contained in the Corporate Risk Register have been reviewed by the Corporate Risk Group and where changes are required these have been summarised at section 5 of this report, with the risk analyses presented as appendices A and B to this report.
- 2.3 The underlying philosophy of the risk management framework continues to be to minimise bureaucracy attached to risk management whilst maximising its effectiveness.

3 RESPONSIBILITY FOR THE RISK MANAGEMENT FRAMEWORK

- 3.1 The Audit Committee has the responsibility for the oversight of the risk management framework.
- 3.2 The officer with overall responsibility for the risk management framework is the Head of Finance, Audit and Performance Management.
- 3.3 The Audit and Performance Manager is responsible for reporting progress to the Audit Committee.

4 RISK MANAGEMENT FRAMEWORK - PROGRESS

- 4.1 The risk management framework sets out how the Council will ensure, and demonstrate, that risk is managed and that risk management is of the highest quality consistent with the efficient and effective use of its resources.
- 4.2 The framework is implemented by an officer working group - the Corporate Risk Group (CRG), reporting to the Service Development and Improvement Management Team (SDIMT) and thence to the Senior

Management Team (SMT). The CRG meets at approximately monthly intervals and reviews risk management arrangements and actions at both corporate and divisional level.

- 4.3 The risk scoring and risk assessment mechanism used within the Corporate Risk Register is also used in Divisional level Risk Registers and the Rochford project management and divisional planning frameworks. Risk management activity is thus linked to the relevant operational and business planning and review cycles ensuring that risk management is integrated with day-to-day business activity.
- 4.4 No changes are proposed to the Risk Management Policy (contained within the risk management framework) that was approved in 2009.

5 ONGOING MAINTENANCE OF THE CORPORATE RISK REGISTER FOR 2009/10

- 5.1 There are two additions to the Corporate Risk Register for 2009/10 which are “Risk 18 - Failure to discharge our duty of care in respect of safeguarding children” and a corresponding “Risk 19 – Failure to discharge our duty of care in respect of safeguarding vulnerable adults”.
- 5.2 The addition of these risks shows the Council recognises the importance of its role in partnership with other agencies in improving the care given to the more vulnerable people in Rochford District.
- 5.3 The corporate risk analyses for the new risks are attached as appendices A and B to this report and will be added to the Corporate Risk Register when this is updated for 2010/11.
- 5.4 No further risks have been removed from the Corporate Risk Register for 2009/10.
- 5.5 Each of the risks contained in the Corporate Risk Register has been reviewed using a similar detailed risk analysis to those attached in respect of new Risks 18 and 19. The analyses also incorporate summary action plans for the mitigation of each of the risks. These detailed risk analyses are approved by the relevant officer with responsibility for that risk and are available for Members’ inspection, if required. A summary of these risk reviews is included as appendix C to this report.
- 5.6 The Corporate Risk Register is underpinned by Divisional Risk Registers that identify the risk management arrangements developed to mitigate the operational risks faced by each of the Council’s service areas.

6 THE CORPORATE RISK REGISTER FOR 2010/11

- 6.1 It is proposed that a revised Corporate Risk Register for 2010/11 will be presented to the Audit Committee in June incorporating the above changes and the organisational changes to the Council taking place from March 2010.
- 6.2 The Corporate Risk Register is focused on the key strategic risks that could prevent or inhibit the achievement of the Council's key objectives of:-
- Making a difference to our people
 - Making a difference to our community
 - Making a difference to our environment
 - Making a difference to our local economy
- 6.3 Each of the risks contained in the Corporate Risk Register will be linked to the above objectives and the actions required to achieve the objectives are risk assessed within the relevant divisional and project plans.
- 6.4 It is proposed that a strategic review of the Corporate Risks facing the Council be conducted by the Senior Management Team in the summer of 2010 prior to the start of the 2011/12 business planning cycle, with the results of the review being reported to the Audit Committee in September 2010.
- 6.5 It is proposed that a further update report on the management of the risks faced by the Council will be reported to the Audit Committee in March 2011.

7 RISK IMPLICATIONS

- 7.1 Management of risk is fundamental to the sound operation of the Council. Failure to manage risk could have significant impact on the Council's ability to correctly define its policies and strategies or deliver against its objectives.
- 7.2 The implementation and operation of the risk management framework will minimise risks and thus mitigate any potential strategic, operational, reputational or regulatory consequences.
- 7.3 Failure to manage risk will mean that the Council's score in external inspections, such as the Comprehensive Area Assessment and the Use of Resources assessments, could be jeopardised.

8 LEGAL IMPLICATIONS

- 8.1 The Council's Risk Management Policy and framework will assist in meeting any specific and general requirement to monitor and manage its risks.

9 RECOMMENDATION

- 9.1 It is proposed that the Committee **RESOLVES**
- (1) That the two additions to the Corporate Risk Register be approved.
 - (2) That a revised corporate risk management framework and Risk Register be considered by the Audit Committee in June 2010.
 - (3) That a strategic review of the corporate risks facing the Council be conducted by the Senior Management Team in the summer of 2010 prior to the start of the 2011/12 business planning cycle, with the results of the review being reported to the Audit Committee in September 2010.
 - (4) That a corporate risk update be reported to the Audit Committee in March 2011.

Yvonne Woodward

Head of Finance Audit & Performance Management

Background Papers: -

None.

For further information please contact: -

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If you would like this report in large print, Braille or another language please contact 01702 546366.

Corporate/Divisional Risk Analysis

Appendix A

Risk No(s): 18	Risk Descriptor(s): Failure to discharge our duty of care in respect of the safeguarding of children. Risk Management objectives/Notes: Processes are developed on a corporate basis and cascaded down to all relevant staff on the action to take if there are concerns over the well being of a child or where there are accusations against a member of staff.	Risk Owner: Head of Community Services Division: Community Services
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Risk prior to controls	Likelihood : 3	Impact: 3	Risk Rating : Medium
Residual Risk	Likelihood: 2	Impact: 3	Risk Rating: Medium

Review Frequency: Annually (once new procedures are finalised).	Key dates for Review: TBC
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Risk Consequences: <ul style="list-style-type: none"> Council reputation damaged. Children's safety compromised and potentially not able to access support services from other agencies as quickly as possible. Staff unsure how to escalate concerns in relation to the welfare of children.

Corporate/Divisional Risk Analysis

Appendix A

CONTROLS AND ACTION PLAN(S)

Action/controls	Adequacy of controls*	Evidence of controls	Action required by SMT	Monitoring/success measures
Corporate Child Protection Policy and Procedures	Fair	Policy on Intranet	Policy to be reviewed / revised to be more corporate and implement any identified staff training requirements.	Staff awareness of revised policy.
Criminal Records Bureau (CRB) checking	Good	CRB records	Review which posts require CRB check.	"Audit" of CRB checks completed.
Recruitment processes	Good	Manager's Tool Kit / HR policies	Review in line with Essex Safeguarding Children Board (ESCB) Safer Recruitment Policy.	
Section 11 Audit (self assessment to ensure compliance with Section 11 of the Children's Act).	Fair	Completed audit / associated evidence	Section 11 Audit to be completed by November 2010 and presented to ESCB in December 2010.	Feedback from ESCB.
Attendance at Children's Trust Board	Fair / Good	Meeting minutes + action plans and sub group structure.	No further action	Safeguarding responsibility effectively carried out.
Attendance at South Essex Local Safeguarding Board	Good	Meeting minutes and effective associated actions.	No further action	Safeguarding responsibility effectively carried out.
Designated person for children protection issues	Fair	Head of Community Services & Corporate Policy Manager named as designated persons.	Level 3 training to be accessed for these two posts.	Training undertaken and effective safeguarding procedures in place.

Adequacy of Controls:

- * Poor indicates no controls in place or the few that are do not mitigate the risk.
- * Fair indicates that some controls in place and some reduction in risk but still not adequate.
- * Good indicates that controls in place are considered adequate and reduce the risk.
- * Excellent indicates that effective controls in place which reduce the risk considerably.

Risk review completed by: Head of Community Services	Name: Jeremy Bourne	Signed:	Date: 10/2/10
Risk review approved by:	Name: Jeremy Bourne	Signed:	Date: 10/2/10

Corporate/Divisional Risk Analysis

Appendix A

Risk Scoring system - LIKELIHOOD of event occurring					
Negligible – 1	Very Low – 2	Low – 3	Significant – 4	High – 5	Very High – 6
0% to 5%	6% to 15%	16% to 30%	31% to 60%	61% to 85%	86%to100%

Risk Scoring system - _IMPACT of event occurring				
	Negligible – 1	Marginal – 2	Critical – 3	Catastrophic – 4
Financial	£0K - £10K	£10K - £200K	£200K - £1M	£1M- £10M
Service Provision	Minor service delay	Short term service delay	Service suspended/ Medium term delay	Service suspended long term/ Statutory duties not delivered
Project	Minor delay	A few milestones missed	A major milestone missed	Project does not achieve objectives and misses majority of milestones
Health & Safety	Sticking Plaster/first-aider	Broken bones/Illness	Loss of Life/Major illness	Major loss of life/Large scale major illness
Objectives	Minor impact on objectives	Objectives of one section not met	Directorate Objectives not met	Corporate objectives not met
Morale	Mild impact on morale	Some hostile relationships and minor non cooperation	Industrial action	Mass staff leaving/Unable to attract staff
Reputation	No media attention/minor letters	Adverse Local media	Adverse National publicity	Remembered for years!
Government relations	Minor local service issues	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently
Political	No interest / minor attention	Adverse local media or individual public reaction	Adverse national publicity or organised public reaction	Major political reaction - remembered for years!

Corporate/Divisional Risk Analysis

Appendix A

Risk Map

Impact	4 Catastrophic						
	3 Critical		Residual risk	Risk prior to controls			
	2 Marginal						
	1 Negligible						
		1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
		Likelihood					

Key	Risk level	Action required
	High	Urgent/imperative to manage down risk – transfer or terminate
	Medium	Seek to influence risk over medium term or transfer out risk e.g. by insuring
	Low	Tolerate and monitor – manage down if possible

Corporate/Divisional Risk Analysis

Appendix B

Risk No(s): 19	Risk Descriptor(s): Failure to discharge our duty of care in respect of the safeguarding of adults / vulnerable people. Risk Management objectives/Notes: Processes are developed on a corporate basis and cascaded down to all relevant staff on the action to take if there are concerns over the well being of an adult / vulnerable people or where there are accusations against a member of staff.	Risk Owner: Head of Community Services Division: Community Services
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Risk prior to controls	Likelihood : 3	Impact: 3	Risk Rating : Medium
Residual Risk	Likelihood: 2	Impact: 3	Risk Rating: Medium

Review Frequency: Annually (once new procedures are finalised).	Key dates for Review: TBC
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Risk Consequences: <ul style="list-style-type: none"> Council reputation damaged. Adults / Vulnerable People's safety compromised and potentially not able to access support services from other agencies as quickly as possible. Staff unsure how to escalate concerns in relation to the welfare of adults / vulnerable people.

Corporate/Divisional Risk Analysis

Appendix B

CONTROLS AND ACTION PLAN(S)

Action/controls	Adequacy of controls*	Evidence of controls	Action required by SMT	Monitoring/success measures
CRB checking	Good	CRB records	Review which posts require CRB check.	"Audit" of CRB checks completed.
New Vetting and Barring Scheme	Fair	Vetting and Barring records.	HCS to liaise with HR to ensure appropriate systems are in implemented on a corporate basis.	Review of Vetting & Barring checks after implementation.
Recruitment processes	Good	Manager's Tool Kit / HR policies	Review robustness of Safer Recruitment Policy.	
Attendance at South Essex Local Safeguarding Adult Board (SE LSAB)	Fair		Contact to be made with Essex Safeguarding Adults Board (ESAB) Business Manager to obtain representation on SE LSAB	Safeguarding responsibility effectively carried out.
Designated person for adults and vulnerable people protection issues	Fair	Head of Community Services & Corporate Policy Manager named as designated persons.		Training opportunities to be identified in conjunction with ESAB Business Manager

Adequacy of Controls:

- * Poor indicates no controls in place or the few that are do not mitigate the risk.
- * Fair indicates that some controls in place and some reduction in risk but still not adequate.
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Risk review completed by: Head of Community Services	Name: Jeremy Bourne	Signed:	Date: 10/2/10
Risk review approved by:	Name: Jeremy Bourne	Signed:	Date: 10/2/10

Corporate/Divisional Risk Analysis

Appendix B

Risk Scoring system - LIKELIHOOD of event occurring					
Negligible – 1	Very Low – 2	Low – 3	Significant – 4	High – 5	Very High – 6
0% to 5%	6% to 15%	16% to 30%	31% to 60%	61% to 85%	86%to100%

Risk Scoring system - _IMPACT of event occurring				
	Negligible – 1	Marginal – 2	Critical – 3	Catastrophic – 4
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Government relations	Minor local service issues	Poor Assessment(s)	Service taken over temporarily	Service taken over permanently
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Corporate/Divisional Risk Analysis

Appendix B

Risk Map

Impact	4 Catastrophic						
	3 Critical		Residual risk	Risk prior to controls			
	2 Marginal						
	1 Negligible						
		1 Negligible	2 Very Low	3 Low	4 Significant	5 High	6 Very High
		Likelihood					

Key	Risk level	Action required
	High	Urgent/imperative to manage down risk – transfer or terminate
	Medium	Seek to influence risk over medium term or transfer out risk e.g. by insuring
	Low	Tolerate and monitor – manage down if possible

Corporate Risk Register – Summary of Risk Reviews 2009/10 -

Appendix C

	Risk	Date of Analysis	Date of Review(s) by CRG	Outcome of Review	Review Frequency	Next Review Date #
1	Council's vision and objectives fail to meet public expectation and community needs	11/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Six Monthly	Mar. 2010
2	Mismatch between Council Plans and available funding	18/1/10	19/1/10 (Min.237) 15/12/09 (Min.228)	Minor amendment to risk map No change to CRA	Six Monthly	Jul. 2010
2a	Failure of the Council to respond appropriately to the economic downturn	18/1/10	19/1/10 (Min.237) 15/12/09 (Min.228)	No change to CRA	Quarterly	Apr. 2010
3	Council fails to recruit and retain the right people and skills	14/9/09	15/12/09 (Min.228) 17/11/09 (Min.219)	CRA agreed 15/12/09	Six Monthly	Apr. 2010
4	Lack of a robust performance management process and poor data quality	17/8/09	18/8/09 (Min.191)	CRA amended 11/9/09	Six Monthly	Feb. 2010
5a	Failure to apply a robust process for entering into partnerships	9/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Annually	Sep. 2010
5b	Council fails to monitor and review its partnerships effectively to ensure anticipated outcomes are achieved	9/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Annually	Sep. 2010
6	Incident occurs and Council fails to respond effectively	10/9/09	15/12/09 (Min.228)	CRA to be updated following SMT 20/1/10 decision re Out of Hours Attendances	Six Monthly	Mar. 2010

Item 17 Appx C_Summary of Corporate Risk Register Reviews_Audit Cttee 16.03.10

Corporate Risk Register – Summary of Risk Reviews 2009/10 -

Appendix C

Risk	Date of Analysis	Date of Review(s) by CRG	Outcome of Review	Review Frequency	Next Review Date #
7 Failure to respond to political change at a national or local level leading to a change of Council priorities	10/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Annually	Sep. 2010
8 Lack of clear understanding of what Value For Money means	10/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Six Monthly	Mar. 2010
9 Ineffective internal or external communication.	6/7/09	18/8/09 (Min.191)	CRA Agreed	Annually	Jul. 2010
10 Failing to achieve a better grade within CPA	Removed from Risk Register in 2008 after CPA re-inspection resulted in improvement to a grading of Good				
11 Unexpected major financial liability or uninsured loss	4/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Annually	Sep. 2010
12 High volumes of staff, client or contractor fraud	15/6/09	16/6/09 (Min.181)	CRA Agreed	Annually	Jun. 2010
13 Risk of contract arrangements failing (Risk also covered as part of item 2a)	10/9/09 (18/1/10)	19/1/10 (Min.235)	CRA to be updated	Six Monthly	Mar. 2010
14 Failure to be aware of/comply with, existing or new legislation	10/9/09	22/9/09 (Min.200)	CRA agreed prior to Sept 2009 Audit Committee	Annually	Sep. 2010
15 Failure to meet additional cost of concessionary fares	Removed from Risk Register in 2008 after agreement with ECC to cover costs				
16 Failure to protect data such that personal data is lost/made public	9/9/09	15/12/09 (Min.228)	Reviewed Sep. 2009 Also - Data Security Audit reported to SRMT in Dec. 2009.	Annually	Dec. 2010

Corporate Risk Register – Summary of Risk Reviews 2009/10 -

Appendix C

Risk	Date of Analysis	Date of Review(s) by CRG	Outcome of Review	Review Frequency	Next Review Date #
17 Failure to adapt to climate change	10/9/09	19/1/10 (Min.236)	CRA Agreed	Six Monthly	Apr.2010
18 Failure to discharge our duty of care in respect of the safeguarding of children.	10/2/10	23/2/10	CRA Agreed	Annually	TBC
19 Failure to discharge our duty of care in respect of the safeguarding of adults / vulnerable people.	10/2/10	23/2/10	CRA Agreed	Annually	TBC

Legend:

CPA = Comprehensive Performance Assessment

CRA = Corporate Risk Analysis

CRG = Corporate Risk Group

ECC = Essex County Council

Min. = Meeting minute

SMT = Senior Management Team

SRMT = Staffing & Resources Management Team

TBC = To be confirmed once procedures are written

= Risks are always under review by service managers but the Risk Analysis is reviewed and updated periodically.