

RISK MANAGEMENT – PROGRESS UPDATE

1 SUMMARY

- 1.1 This report provides Members with an update on progress in connection with Risk Management across the Council.

2 INTRODUCTION

Progress to date

- 2.1 Members are advised that the Corporate Risk Group (officer working group) is currently reviewing the existing register and procedures so as to reflect the recommendations of the Zurich Municipal “friendly partner audit” report.
- 2.2 The aim of the current review is to produce a “refined” version of the corporate risk management plan and procedures by January 2006.
- 2.3 A review and update of the divisional risk plans will also be completed to a similar timescale. The divisional plans will be used to indicate the risks that are more relevant within the various Service areas. Business Continuity Plans are being developed in tandem with this process.
- 2.4 Nevertheless the key building blocks in our approach to Risk Management are now established.

3 RISKS

- 3.1 The Corporate Risk Group has now subdivided risk into two main areas.

These are: -

- Corporate Risks.
- Business Continuity Planning Risks.

This subdivision enables the authority to deal with operational/business risks as a separate issue.

4 CORPORATE RISKS

- 4.1 Work to date has identified 20 main Corporate Risks, which include:
- Governance issues.
 - Maintaining a good working relationship between Members and senior staff.
 - Management and performance.

- Meeting Central Government targets
- Maintaining credibility with partners
- Maintaining our reputation with the community
- Significant changes to local economic or social environment
- Failure to maintain provision of social and affordable housing
- Detrimental impact of external inspection(s), (i.e. CPA, Best Value etc)
- Failure to meet the current and changing needs/expectations of customers

5 BUSINESS CONTINUITY RISKS

5.1 This area will deal mainly with operational/business risks. The risk areas here include

- IT failure.
- Telephone or other utility system failure.
- Detrimental impact of external inspection(s) (CPA, Best Value etc.).
- Unexpected major financial liability or uninsured loss.
- Staffing issues around recruitment, retention and training.
- Loss/Interruption in Electoral management systems.
- Interruption of “financial” management systems.
- Loss of the (use of) Offices.

Divisional Risks

5.2 The Heads of Service are currently updating / reviewing the Risk Registers for their area of operation. These plans will set out the operational impact of each risk and, clarify the controls necessary to minimise the impact.

Risk Register

5.3 The Corporate and Divisional Risk Registers will remain as works in progress and be updated on a regular basis.

It should be accepted that every activity has a degree of "Inherent Risk" as this reflects the level of risk an activity poses, without using any control measures. "Residual Risk" is the level of risk remaining even with controls in place. In some instances, controls do not alter the level of risk, e.g. our community reputation can be damaged by a statement or action even though we ensure that all known potential issues are managed.

Risk Values

- 5.4 As suggested in the Zurich Municipal audit document, the Corporate Risk Group have introduced an improved procedure for "scoring" individual risks. A matrix, which uses a numerical scoring and "traffic light" system, adds value to the risk evaluation process.

Reviews

- 5.5 Periodic "spot" reviews of all (Divisional and Corporate) registers will ensure continuity and currency. There will also be a formal review of all plans on an annual basis.

6 CONCLUSION

- 6.1 The Corporate Risk Group is continuing to focus on the Corporate and divisional management aspects in this important area of work. It is continuing to be embedded into the everyday work ethic.

7 RISK IMPLICATIONS

Strategic Risk

- 7.1 The various Risk Registers are required as evidence of sound corporate governance and to satisfy the requirements of the Civil Contingencies Act 2004.

Resource Risk

- 7.2 The review and refinement process required the Corporate Risk Group members to dedicate one or two hours of their working week to this issue on an ongoing basis.

8 RECOMMENDATION

- 8.1 It is proposed that the Committee **RESOLVES**

That the progress to date be noted and an update on progress be reported in 6 months' time.

Paul Warren
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Background Papers:

None

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