ITEM 11   **Key Business Risks**

Report of the Head of Finance (Portfolio: Economic)

Recommended:

That the annual report on Risk Management be reviewed and endorsed.

SUMMARY:

This report provides the Committee with an update on the risk management process, the key risks contained in the Council's Corporate Risk Register (attached as Annex 1) and a snapshot of Service Risks (attached as Annex 2).

1   Introduction

1.1   The purpose of risk management is to manage the barriers to achieving the Council's objectives. Producing an up to date risk register will assist with allocating resources to manage risks and to monitor the actions to mitigate risks.

2   Corporate Risk Register

2.1   During the year the Corporate Risk Register has been updated on a quarterly basis by Officers Management Team.

2.2   Two workshops have been held during the year with Officers Management Team to refresh the Corporate Risk Register and develop the risk management process. Working with the Council's Policy Team this involved consideration of:

- the types of strategic risks in the political environment of Local Government and identification of the risks affecting the outcomes of the Council at the current time.
- the potential consequences of these risks and what needs to be done to manage them.

2.3   The Corporate Risk Register, provided in Annex 1, has been updated to include the risks identified from these workshops. This includes some new risks but has also resulted in the combination or alteration of some of the existing risks. Where continuity can be reported the register provides the risk scores and target risk scores for five quarters in order to demonstrate the direction of travel of the risks over the year.

2.4   The target risk score reflects the expected impact and likelihood of the risk if the planned actions are completed by the planned deadline. The nature of corporate risks is such that we do not expect to see changes in the scores over one or two quarters, by their nature these risks, and therefore the movement in risks scores, will generally be longer term.

2.5   We would expect to see some risk scores decreasing as a result of carrying out the future actions. However there will be some risks where the future actions are designed to prevent the risks (likelihood and/or impact) from getting any worse and therefore we would expect the score to remain the same despite having carried out the further actions by the stated date.

2.6   The register just shows the "active" risks. Records are also maintained of "inactive" risks which include those where the target score has been achieved and no further action is planned other than ongoing monitoring and those identified as potential emerging risks which are not yet present. These are used as an aide memoire to ensure these are subject to ongoing review.

3   Service Risk Registers

3.1   There is 1 red risk currently recognised as "High" within Services. This is shown in Annex 2.This provides a 'snapshot' from the most recent versions of the service risk registers, it does not show the progress over the last year as the corporate register does.

3.2   Service red risks are considered by the appropriate Service Management Team and Performance Board.

4   Risk Management Process

4.1   The Principal Auditor facilitates the risk management process, updates the Corporate Risk register and is able to respond to any queries relating to the risk management process. Any questions relating to the management of specific risks should be referred to the "Risk Owner" shown in the register.

4.2   During the year and working closely with the Policy Team the risk management process has been developed to integrate it into the Performance Management Framework. Risks are now held on the Covalent system with workflow in place to highlight to the risk owner when actions are due.

4.3   Service Red and Amber risks with action dates due or overdue will be monitored by the Performance Boards. It is envisaged that consideration of risks within this forum will also enable any emerging risks to be considered alongside discussions on service planning, projects, risks arising from audits and Key Performance Indicators (KPIs).

4.4   Corporate Red and Amber risks with action dates due or overdue are to be incorporated into the Corporate Dashboard process and work is currently ongoing in this area.

5   **Risk Management Strategy**

5.1   The strategy has been reviewed and other than revising the date there are no amendments to the Risk Management Strategy to be reported. The strategy is available on the Council's website.

6   **Conclusion**

6.1   The Council is in the process of embedding Risk Management into its Performance Management Framework with integration into Performance Boards and the Corporate Dashboard. Risks are identified and managed throughout the year and are formally captured quarterly and reported annually.

6.2   The Principal Auditor will continue to notify OSCOM Members of any risk targets that are not achieved on a quarterly basis.

6.3   The Committee is requested to consider and note this annual corporate risk report.

Background Papers (Local Government Act 1972 Section 100D)			
Confidentiality It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	2		
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