

Southend-on-Sea Borough Council

Report of Chief Executive and Town Clerk

To

Audit Committee

On

21 September 2011

Report prepared by: Tim MacGregor, Senior Policy Advisor

Agenda
Item No.

Risk Management Update

Executive Councillor – Councillor Moring

A Part 1 Public Agenda Item

1 Purpose of Report

- 1.1 To present the 2011/12 Corporate Assurance Risk Register, report progress against associated actions and provide an up-date on the Council's approach to risk management.

2 Recommendations

- 2.1 That the 2011/12 Corporate Assurance Risk Register is agreed and progress against associated actions noted.

3 Background

3.1 Corporate Assurance Risk Register 2011/12

- 3.1.1 The Corporate Assurance Risk Register has been refreshed to enable a greater focus on high level corporate risks rather than a collection of directorate risks. The 2011/12 risk register is designed to reflect the high level challenges the Council will be facing over the coming year and is attached at **Appendix 1**. It has been reviewed by the Council's Corporate Management Team (CMT) in June and end of August.
- 3.1.2 The Corporate Assurance Risk Register sets out the key risks to the successful delivery of the Council's corporate aims and priorities and the key controls in place to mitigate and reduce risks, or maximise opportunities.
- 3.1.3 The format has been simplified compared to 2010/11 but still involves a 3 stage process

1st stage - an 'inherent score' with the risk assessed with no controls, assurance or actions in place.

2nd stage - the 'current score' where the risk is assessed with controls, assurances and progress against actions identified actions.

3rd stage - the target score which is the risk with the controls, assurances and actions, as if they have been completed.

The current score is adjusted in light of progress against actions.

3.1.4 Updates on the Corporate Risk Register are being reported to CMT quarterly and to Audit Committee, 6 monthly.

3.2 **Risk Management Process**

3.2.1 Corporate Directors will ensure all service specific risks are being managed within their Directorates in accordance with the Risk Management Strategy and process. Red rated risks with corporate implications can be escalated to CMT via Corporate Directors. An outline of the process is attached at **Appendix 2**.

3.2.2 Directorate risk 'lead officers' have confirmed that a review of service plan and corporate risks have been timetabled into performance management meetings at Directorate DMTs. Actions for all these risks are updated and managed by the Directorate risk leads and reviewed at DMT meetings.

3.2.3 Operational risks, managed within Directorates, will also be assessed as part of reviews undertaken by Internal Audit.

3.2.4 Project risks are currently managed through the 'Imprest' project management system and monitored by the Corporate Delivery Board where applicable.

4 **Corporate Implications**

4.1 Contribution to Council's Vision & Corporate Priorities

The Corporate Risk Framework underpins the operational effectiveness of the Council's Corporate Governance arrangements and specifically monitors progress of managing key risks associated with the successful delivery of Corporate Aims and Priorities.

4.2 Financial Implications

Any financial implications arising from identifying and managing risk will be considered through the normal financial management processes. Proactively managing risk can result in reduced costs to the Council by reducing exposure to potential loss.

4.3 Legal Implications

The Accounts and Audit Regulations 2003 require that:

The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's function and which includes the arrangements for the management of risk.

4.4 People Implications

Any people and property implications arising from identifying and managing risk will be considered through the Council's normal business management processes.

4.5 Property Implications

None specific

4.6 Consultation

Consultation has taken place with key stakeholders.

4.7 Equalities Implications

Corporate Equalities considerations have been considered in the drafting of the Register and any specific equality related risks have been identified for the Council.

4.8 Risk Assessment

Failure to implement a robust assurance framework which includes fit for purpose risk management arrangements increases the risk that Council objectives will not be delivered.

4.9 Value for Money

Effective forecasting and timely management of risk is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resource.

4.10 Community Safety Implications

None specific

4.11 Environmental Impact

None specific.

5 Appendices

Appendix 1 – Corporate Assurance Risk Register 2011/12

Appendix 2 – Council's Corporate Risk Process