

# Southend-on-Sea Borough Council

Report of Chief Executive and Town Clerk

To

**Audit Committee**

On

**20 June 2012**

Agenda  
Item No.

Report prepared by: Tim MacGregor, Senior Policy Advisor

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## 2012-13 Corporate Risk Register

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Executive Councillor – Councillor Moring

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A Part 1 Public Agenda Item

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### 1 Purpose of Report

- 1.1 To inform Audit Committee of the refreshed Corporate Risk Register for 2012/13, along with progress in managing the identified risks, as a key element in the Council's overall risk management strategy.

### 2 Recommendation

- 2.1 **That the refreshed Corporate Risk Register for 2012/13 is noted as a key element of the Council's risk management strategy.**

### 3 Background

#### 3.1 Corporate Risk Register 2012/13

- 3.1.1 The Council's Corporate Risk Register sets out the key risks to the successful delivery of the Council's corporate aims and priorities and outlines the key controls and actions to mitigate and reduce risks, or maximise opportunities. The register is a key element of the Council's risk management strategy.
- 3.1.2 The register has been refreshed to reflect the challenges for 2012/13 following careful consideration by the Council's Corporate Management Team (CMT) and is attached at **Appendix 1**.
- 3.1.3 Some risks continue from the 2011/12 register, with controls, actions and scores reviewed for the coming year. These are risks on:
- Balancing the budget
  - Staff engagement
  - Reputational damage from budget savings and
  - Business continuity

Additional risks have been added, in relation to:

- Financial implications of Government action
- Impact of health service reforms

- Information management
- Stalled regeneration
- Contractor insolvency and
- Introduction of new Police & Crime Commissioner

#### 3.1.4 The Corporate Risk Register follows 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 identified actions. The current score is adjusted in light of progress against 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 then adjusted in light of progress against actions. It should be noted that the scoring of a risk is a subjective process following discussion with those closely involved in the issue and assessment by Corporate Management Team.

#### 3.1.5 Updates on the Corporate Risk Register are reported to CMT quarterly and to Audit Committee every 6 months.

#### 3.1.6 Corporate Directors ensure service specific risks are managed within their directorates, within service plans and in accordance with the Risk Management Strategy and processes. 'Red' rated risks with corporate implications can be escalated to CMT via Corporate Directors. Actions for all these risks are updated and managed by the Directorate risk leads and reviewed at departmental management team meetings.

#### 3.1.7 Operational risks, managed within Directorates, are also assessed as part of reviews undertaken by Internal Audit and Project risks are 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 2012/13**