

Audit Committee Meeting	Agenda Item: 7
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Meeting Date	18 March 2013
Report Title	Strategic Risk Register – Action Plan Refresh
Portfolio Holder	Cllr Dewar-Whalley – Finance Portfolio
SMT Lead	Mark Radford – Director of Corporate Services
Head of Service	Brian Parsons – Head of Audit Partnership
Lead Officer	Jennifer Daughtry – Audit Manager
Key Decision	No
Classification	Open

Recommendations	<p>That Audit Committee agrees that:</p> <ol style="list-style-type: none"> 1. the risk management action plans provide sufficient assurance that the individual risks are being adequately managed 2. the risk scores recorded for each risk accurately represent the current status of each risk 3. the target risk scores recorded for each risk provide a realistic representation of the level of control which can be achieved for each risk
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1 Purpose of Report and Executive Summary

- 1.1 To agree amendments to the Council’s Strategic Risk Register and Action Plans prior to 6-monthly reporting to Cabinet, in accordance with the agreed framework.

2 Background

- 2.1 The Council’s Strategic Risk Register was approved by Cabinet in September 2012. Cabinet agreed that the risks and associated action plans will be monitored and reviewed on a six-monthly basis to ensure that they remain relevant and up to date.
- 2.2 Cabinet also requested to see the new risk management action plans when they were first completed. The Council’s Risk Action Plans were, therefore, considered and approved by Informal Cabinet on 17th December and noted by Audit Committee at its meeting on 19th December 2012. Both Committees were satisfied with the actions that were being taken to manage the Council’s Strategic Risks.

- 2.3 Recommendation arising from the meetings required action plan review dates to more clearly reflect future action requirements, rather than past/completed actions. Minor changes to wording were also made.
- 2.4 In line with the Council's Risk Management framework, Risk Action Plans are now due for six-month review.
- 2.5 The Risk Register will be reconsidered in more detail in April/May, following completion of the Council's Corporate Plan, Service Plans and Medium-Term Financial Strategy, to ensure that the register continues to record the key risks facing the Council.

3 Proposal

- 2.6 In line with the requirements of the Council's Strategic Risk Management framework, risk owners have reviewed their risk action plans and risk scores. Audit Committee is asked to consider and agree the amendments prior to them being reported to Cabinet on 17th April 2013.
- 2.7 The management action plans have been updated and amended where necessary to reflect the actions being taken to manage the risks. The amended action plans are attached at **Appendix I**.
- 2.8 In addition, the current risk scores for each risk have been reviewed and amended by the risk owners and target risk scores have been proposed.
- 2.9 A summary of the risk scores is set out below:

Ref.	Risk title	Target Score	Score as at September 2012	Current Score (March 2013)	Movement
1	Impact of Welfare Reform	(4, 2)	(4,3)	(5,3)	↑
2	Regeneration	(5,3)	(5,3)	(5,3)	↔
3	Localism	(3,2)	(3,2)	(3,2)	↔
4	Financial Uncertainty	(4,4)	(4,4)	(4,4)	↔
5	Becoming the Council we need to be	(2,3)	(4,3)	(3,3)	↓
6	Safeguarding	(3,4)	(1,4)	(3,4)	↑

Current Risk Scores

- 2.10 As a result of the current risk review, three risk scores have remained unchanged and one risk score has reduced/improved. However, the scores for two risks have increased/worsened.
- 2.11 The score for Risk 5 – Becoming the Council we need to be – has been reduced/improved due to the significant progress that has been made in putting in mitigating arrangements, therefore reducing the likelihood of the risk occurring. Progress includes consultation with business communities to better align our economic development services to meet business' needs and corporate priorities; implementation of a corporate training programme to meet leadership development needs; improved staff engagement - as evidenced from the results of recent IIP and Best Councils surveys – and development of a new Workforce Plan and Strategy which sets a clear and flexible strategic direction.
- 2.12 The score for Risk 1 – Welfare Reform – has increased/worsened to reflect the significance of the impact of some of the changes in welfare reform that the Council is now experiencing. This is particularly in relation to increases in demand for benefits, increases in housing needs and incidents of homelessness.
- 2.13 The score for Risk 6 – Safeguarding – has increased/worsened following more recent assessment of the adequacy of the systems, procedures and protocols currently in place to control the safeguarding risk. This assessment has concluded that there is a greater likelihood of the risk occurring than had previously been identified. This particularly relates to implementation of reporting systems/procedures and improved understanding/awareness of safeguarding procedures.

Target Risk Scores

- 2.14 As a result of the risk review, target risk scores have been proposed by risk owners to show the level of control that can be achieved by the Council over the risks in the medium term future (1-3 years), as a target.
- 2.15 The current assessment identifies that four risks will remain in the red area of the risk matrix. This is predominantly due to activities or influences (triggers) being outside of the Council's control. This includes Central Government decisions on funding settlements, changing legislation, prevailing economic conditions and the nature of the Council's ongoing responsibilities in terms of providing public services at a local level.
- 2.16 In line with the requirements of the Council's Strategic Risk Management framework, Audit Committee is asked to consider and agree the amendments and to note that the amended Risk Management Action Plans to be presented to Cabinet at its meeting on 17th April 2013.

- 2.17 SMT/CLT will be asked to reconsider the Risk Register in more detail in May 2013 following completion of the Council's Corporate Plan, Service Plans and Medium-Term Financial Strategy, to identify whether the register continues to record the key risks facing the Council, whether any risks need to be amended or removed and whether any new risks have arisen since the register was initially adopted in September 2012.

4 Alternative Options

- 4.1 It is important that a process exists to ensure that key risks to the delivery of strategic objectives are reviewed on a regular basis. The Council's Risk Management Framework and the Audit Committee Terms of Reference require that Audit Committee considers the effectiveness of the Authority's risk management arrangements and, therefore, is satisfied that appropriate action is being taken to manage and mitigate the risks. There are no alternative options.

5 Consultation Undertaken or Proposed

- 5.1 The Risk Management Action Plans were compiled and agreed by senior officer and Cabinet Member 'Risk Owners'. Following consideration by SMT, the action plans are reported to Audit Committee and Cabinet in line with the Council's agreed Risk Management framework.

6 Implications

Issue	Implications
Corporate Plan	The strategic risk register is intended to reflect the key priorities within the Corporate Plan
Financial, Resource and Property	Some of the risks have financial and resource implications and effective risk management arrangements will help protect to the Council's budgets.
Legal and Statutory	None identified at this stage
Crime and Disorder	None identified at this stage
Risk Management and Health and Safety	Risk Management is the basis of this report
Equality and Diversity	None identified at this stage
Sustainability	None identified at this stage

7 Appendices

7.1 The following documents are to be published with this report and form part of the report

- Appendix I: Strategic Risk Register Management Action Plans (March 2013)

8 Background Papers

8.1 Strategic Risk Register