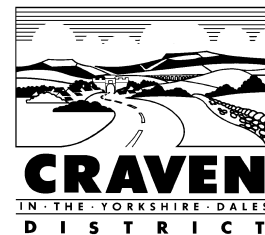


Audit & Governance Committee – 24th September 2013



Risk Management Update

Ward(s) affected: ALL

Report of Insurance, Risk & Procurement Manager

1. **Purpose of Report** – To update Members on Risk Management changes and developments.
2. **Recommendations** – Members are recommended to:
 - 2.1 Note the summary of new risks scored under 10 from the reviewed Risk Profile at Appendix A.
 - 2.2 Approve changes to the Risk Register summarised at Appendix B
 - 2.3 Approve the revised/updated Risk Register at Appendix C
 - 2.4 Approve the reviewed Risk Management Strategy and Policy Statement at Appendix D.
 - 2.5 Note the Skipton Developments Risk Register at Appendix E
3. **Report**
 - 3.1 **Changes to Risk Profile – Annual Review**

The Council's Risk Profile features all risks identified across the Council and is subject to an annual review. The review process gives the opportunity for each identified risk to be reviewed to ensure that the wording still accurately reflects the risk and provides an opportunity to amend the impact and likelihood scores.

The annual review of the Council's Risk Profile has been undertaken during July and August 2013. Meetings have taken place with all responsible officers to review individual risk profiles. At this review a particular emphasis has been placed on rationalising the number of risks with a view to including risk management within the TEN performance management system. To this end, risks scoring 4 or under have been scrutinised and deleted if not deemed to be significant enough. A number of risks have also been reworded, amalgamated or deleted where appropriate. The review has resulted in a reduction in the number of risks from 200 in March 2013 to 120. The whole risk profile is available to view but has not been included in this report.

There have been 2 new risks which have been identified which score under 10 and will feature on the Council's Risk Profile. These are summarised in Appendix A.

3.2 **Changes to Risk Register – Biannual Review**

The Risk Register taken to Audit Committee earlier this year featured 8 risks. Only those scoring over the Council's Risk Appetite of 10 (based on a 5x5 risk matrix) are included on the Risk Register.

A review of the Risk Register has resulted in two risks dropping off the Risk Register, one new risk being added and one risk being upgraded from the risk profile. The position is briefly summarised below and can also be found summarised in more detail at Appendix B.

3.3 **Risks Dropping off Risk Register**

As a result of this review, the following risk has dropped off the Risk Register:

- **Risk 167** – Loss of IT services – Following completion of disaster recovery site at Selby the likelihood score has reduced from 2 to 1 making overall score 5.
- **Risk 215** – Skipton Developments – A review of the individual risk register for Skipton Developments has resulted in the amalgamation and down scoring of risks associated with Horse Close site. The overall score reduces to 8 and drops off the Risk Register but will remain on the Council's Risk Profile. The individual Risk Register can be found at Appendix E.

3.4 **Upgraded risks from Risk Profile**

As a result of this review the following risk has been upgraded and reworded from the profile

- **Risk 255** - General capacity issues & Lack of in-house expertise in coping with demands made on Information services, both externally /internally leading to inability to deliver full IT and other services. Non- compliance with legislation. The score has increased from 9 to 12.

3.5 **New Risks on Risk Register**

The following risk has been identified and scores 12, hence featuring on the Risk Register.

- CDC fails to deliver on their responsibilities associated with the Tour De France coming through Craven district including additional hub activities leading to loss of reputation

3.6 **Amendments to existing risks on the Risk Register**

The following risks remain on the Risk register, any changes are summarised at Appendix B.

Risk 314 – Insufficient capital resources to fund capital programme- score remains unchanged at 12

Risk 309– Reduction in Government funding in future years – score has been increased from 12 to 16 in view of recent announcement from central Government. Current plans and services will need to be re-assessed.

Risk 280 – Financial position of Council – on review, impact score remains unchanged at 12

Risk 294 –Skipton town hall – score remains unchanged at 12 but risk reworded

Risk 267 – Possible increase in planning appeals – The score of 10 remains unchanged at this review.

Risk 163 – Data Handling Obligations – The score has increased from 12 to 16 following internal audit report on data handling by Members and pending delivery of training to staff and Members.

As a result of this review of the Risk Register subject to Member's approval, there will now be a total of 8 risks on the Council's Risk Register. 5 risks are strategic risks and 3 risks are operational. The proposed Risk Register can be found at Appendix C.

For those risks featuring on the Risk Register, Action plans must be completed which are reviewed on a biannual basis, the action plans include: -

- Additional measures required to reduce the risk
- Responsible officer/committees
- Links to the budget
- Key dates
- Links to the Council priorities and KPI's

Action plans for existing risks on the Register have been updated. Action plans for new/upgraded risks will be completed following approval by Members for inclusion on the Risk Register.

3.7 **Risk Management Strategy, Terms of Reference and Policy Statement**

The Risk Management Strategy document was originally drawn up in 2003 setting out the Council's proposals to establish and embed risk management into all areas of the council's activities. A review of the strategy has taken place on an annual basis since then to ensure that it accurately reflects the current position. A further review has been

undertaken this year and the amended strategy circulated to all present at the last Risk Management Group meeting. There is no change to the document other than updating the membership of the Corporate Risk Management Group. The document can be found at Appendix D.

The Risk Management Policy Statement has also been reviewed.

Members are requested to approve the revised documents.

4. **Financial Implications** – There are no financial implications associated with this report.

5. **Legal Implications** – None.

6. **Contribution to Corporate Priorities** –

Risk Management contributes to all our Corporate Priorities by identifying hazards and ensuring adequate controls are in place to help ensure corporate priorities are achieved.

7. **Risk Management** – There are no risks arising as a direct result of this report.

8. **Consultations with Others** – Risk Management Group, Strategic Managers.

9. **Access to Information: Background Documents** – Risk Register and Risk Profile.

10. **Author of the Report** – Carol Lee

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11. **Appendices**

Appendix A - Summary of new risks scoring under 10

Appendix B – Summary of changes to Risk Register

Appendix C – Draft Risk Register

Appendix D – Risk Management Strategy and Policy Statement

Appendix E - Risk Register – Skipton Developments