

Report to the Finance & Performance Management Cabinet Committee



**Epping Forest
District Council**

Report reference: **FPM-002-2013**

Date of meeting: **20 June 2013**

Portfolio: **Finance and Technology**

Subject: **Risk Management – Corporate Risk Register**

Responsible Officer: **Bob Palmer – (01992 – 564279)**

Democratic Services Officer: **Rebecca Perrin - (01992 – 564532)**

Recommendations/Decisions Required:

- 1. To note the updating of the Corporate Risk Register;**
- 2. To consider if the risks have been correctly scored; and**
- 3. To consider whether there are any key strategic risks that are not on the current Corporate Risk Register.**

Executive Summary:

Following requests from Members to make the Corporate Risk Register more accessible, the Director of Finance & ICT and the Chief Executive met with an external consultant to discuss the options. The consultant confirmed that whilst the existing arrangements and documentation remained extremely robust and valid, some authorities had used the demise of the Audit Commission as an opportunity to streamline the risk management process.

It was decided to take the process of streamlining forward by devoting the Management Board meeting on 15 May to a fresh consideration of corporate risks and how they are recorded and presented. This has resulted in the attached Corporate Risk Register which incorporates the following key changes –

- a) Use of a 4 x 4 matrix instead of 6 x 4;
- b) Stronger focus on key risks;
- c) Removal of tolerated risks; and
- d) New system of colour coding.

Reasons for Proposed Decision:

It is essential that the Corporate Risk Register is regularly reviewed and kept upto date.

Other Options for Action:

Members may suggest other risks for inclusion or changes to the scoring of existing risks.

Report:

1. The meeting of Management Board on 15 May worked through the Corporate Risk Register with the intention of providing a sharper focus on the key risks and ensuring that the risks were described and presented in a more accessible way. The Corporate Risk Register that was adopted by the last meeting of this Committee in March contained 26 risks, which were split with 16 above the tolerance line and 10 below the tolerance line. These risks have now been reduced to 6 and 2 new risks have been added to give a total of 8 key strategic risks. The risks and their related action plans are fully set out in the attached register, but are summarised below for ease of reference.
2. Risk 1 covers the Local Plan and related issues and brings together risks 3, 11 and 29 from the previous register. This risk has been given the highest score of very high likelihood and major impact.
3. Risk 2 is a new risk and has been created to capture the issues around the Council's strategic sites and their development. This risk has also been given the highest score of very high likelihood and major impact.
4. Risk 3 replaces the old risk 34 and covers the issues around Welfare Reform. This risk has been given the score of very high likelihood and moderate impact.
5. Risk 4 consolidates the many threats to the Council's income and brings together risks 27, 30 and 35 from the previous register. This risk has been given the score of high likelihood and moderate impact.
6. Risk 5 is the second new risk and has been created to address the issues around Economic Development. This risk has also been given the score of high likelihood and moderate impact.
7. Risk 6 replaces the old risk 18 and covers issues around data and information use and security. This risk has been given the score of medium likelihood and major impact.
8. Risk 7 replaces the old risk 8 and deals with business continuity management. This risk has been given the score of medium likelihood and moderate impact.
9. Risk 8 replaces the old risk 22 and considers the issues to do with partnerships. This risk has been given the score of medium likelihood and minor impact.
10. Risks 1 to 5 are in the red area of the matrix and so will be subject to monthly monitoring by Management Board. Risks 6 to 8 are in the amber area of the matrix and are therefore scheduled for quarterly monitoring by Management Board. The monitoring by Management Board is an additional process to enhance the control over action plans. The Risk Management Group and Corporate Governance Group will continue their roles of evaluating existing and new risks on a quarterly basis, this role concentrates on the description and scoring of risks. Previously the control of the action plan has been left to the nominated Director and Portfolio Holder.
11. Members are now asked to consider the attached updated Corporate Risk Register, whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None.

Consultation Undertaken:

The Risk Management Group has been consulted on the revised Corporate Risk Register.

Background Papers:

None.

Impact Assessments:Risk Management

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately.

Equality and Diversity:

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties; reveal any potentially adverse equality implications?

No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken?

What equality implications were identified through the Equality Impact Assessment process?

N/a

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/a