

Report to the Finance and Performance Management Cabinet Committee



**Epping Forest
District Council**

**Date of meeting: 26 January 2009.
Report Reference: FCC-022-2008/09.**

Portfolio: Finance and Performance Management.

Subject: Risk Management – Updated Corporate Risk Register.

Responsible Officer: Bob Palmer (01992 564279).

Democratic Services Officer: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) To agree the proposed amendments to the Corporate Risk Register;**
- (2) To consider whether there are any new risks that are not on the current Corporate Risk Register: and**
- (3) To consider whether the tolerance line on the risk matrix should be amended.**

Executive Summary:

The meeting of this Committee on 17 November 2008 agreed the addition of two new risks to the Corporate Risk Register. The register has subsequently been considered by the Risk Management Group on 9 December and the Corporate Governance Group on 17 December. Following these reviews it is proposed to increase the scoring of risks relating to key contracts and sickness absence.

Reasons for Proposed Decisions:

It is essential that the Corporate Risk Register is regularly reviewed and kept upto date. The decisions are a necessary part of this well-established process.

Other Options for Action:

Members may not agree with the suggested change to the risk scores and could ask for the risks to be rated differently.

Report:

1. The December meetings of the Risk Management Group and the Corporate Governance Group reviewed the risks and their scores to take account of any changes since 17 November. It was felt that to reflect the current state of the economy and the ongoing trading difficulties being experienced by most businesses the score for the risk on key contracts should be increased. The change proposed is from C2 (Significant Likelihood, Critical Impact) to B2 (High Likelihood, Critical Impact). This risk was already above the risk tolerance line and so the register has an existing action plan to address it.

2. Risk 15 details the issue of sickness absence, which was previously reduced by this Committee on 16 June 2008 from D3 (Low Likelihood, Marginal Impact) to E3 (Very Low Likelihood, Marginal Impact). This previous reduction followed the successful implementation of the Managing Absence Policy and a fall in the average number of days lost to sickness

absence. However, the trend in the first half of the current year has been an upward one. Given the wide spread flu outbreak in December it is anticipated that the average sickness figures at the end of the third quarter will show a further deterioration. On this basis it is proposed to increase the scoring of this risk to C3 (Significant Likelihood, Marginal Impact).

3. Members are now asked to consider the attached updated Corporate Risk Register (Annex 1) and whether the risks listed are scored appropriately, whether there are any additional risks that should be included and whether the tolerance line needs to be amended.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

No legal 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, Greener Implications:

None.

Consultation Undertaken:

The Risk Management Group and the Corporate Governance Group have been involved in this process.

Background Papers:

None.

Impact Assessments:

No equalities impacts.

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.