

REPORT TO: POLICY AND RESOURCES COMMITTEE ON 2 FEBRUARY 2010

SUBJECT: RISK MANAGEMENT

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 To provide Committee with an updated Corporate Risk Register for review and comment.
- 1.2 This report is submitted to Committee in terms of paragraph A52 of the Council's administrative scheme dealing with matters relating to risk assessment and management.

2. RECOMMENDATION

2.1 That Committee

- **considers the content of the latest corporate risk register;**
- **notes, as part of the process of embedding risk management into the Council's governance arrangements, that this updated register has been aligned to the plans and priorities of the Council as disclosed in the Moray Performs action plan.**

3. BACKGROUND

- 3.1 Risk management is the process by which risks are identified, evaluated and controlled. Effective risk management is an essential element of the Council's governance arrangements which supports decision making processes and ultimately contributes to improved performance.
- 3.2 The Corporate Risk Register is a high level document populated with the principal risks facing the Council. These risks have the potential to adversely affect the delivery of the Council's key objectives. The Register identifies the risks, describes how these risks are managed and controlled at present, and gives consideration to any further measures that might be required to mitigate these risks going forward. The register has been subject to detailed review and has been agreed by the Corporate Management Team. A copy of the register is attached as **Appendix 1**.
- 3.3 The practice of reviewing and updating the Corporate Risk Register and reporting to this Committee is now well established and there is a good awareness of the importance of effective management of risk by both Elected Members and Senior Officers of the Council. There is however a need to demonstrate that risk management is embedded into management

arrangements and, in this latest update, work has been undertaken to ensure the risk register is aligned to Council priorities and the 'Moray Performs' Action Plan. This alignment makes a linkage between the Council's strategic plans and the controls established to mitigate the risks that could impact on the ability to deliver the priorities as intended.

- 3.4 In future periods it is intended that the Corporate Risk Register will be reviewed and updated alongside the development of strategic plans of the Authority to ensure risks associated with any policy aims are identified, recorded, evaluated and managed in the most efficient and effective manner.
- 3.5 It should be noted that the Corporate Risk Register, whilst of key significance to the Council, is but one of what might be described as a hierarchy of risk registers. At a 'higher' level the government has developed a national risk register and the Grampian Strategic Co-ordinating Group a community risk register. Both of these focus on resilience, emergency response and recovery. The Community Planning Partnership is also currently developing a risk register for the partnership activities as defined in the Single Outcome Agreement. Then at a 'lower' level the Corporate Risk Register is underpinned by various arrangements within the Council including Departmental Risk Registers, a programme risk register for Designing Better Services and project risk management for the flood alleviation schemes. Reporting of risks also routinely informs committee decision making processes. Work to ensure that appropriate linkages are developed and maintained between the various registers is on-going and will be the subject of further reports to this Committee.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement / Service Improvement Plan

The Corporate Risk Register provides a mechanism for documenting recording and monitoring risks likely to impact on both the delivery of current priorities and on the development of future plans.

(b) Policy and Legal

There is a statutory duty on the Council to have adequate risk management arrangements in place.

(c) Resources (Financial, Risks, Staffing and Property)

The work to update the register has been supported by Internal Audit. The risk management post within the Council is presently being held vacant.

(d) Consultations

The Corporate Management Team has been consulted and been involved in the development of the Corporate Risk Register.

5. CONCLUSION

- 5.1 There is an expectation that the Council will adopt robust risk management processes to support its decision making. This latest version of the risk register gives a current assessment of the main risk issues facing the Council and how these risks are being managed and controlled.**

Author of Report: Atholl Scott, Team Leader (Audit)
Background Papers: None
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