

REPORT TO: POLICY AND RESOURCES COMMITTEE ON 12 MAY 2015

SUBJECT: RISK MANAGEMENT STRATEGY / CORPORATE RISK REGISTER UPDATES

BY: CORPORATE DIRECTOR (CORPORATE SERVICES)

1. REASONS FOR REPORT

- 1.1 To provide Policy and Resources Committee with an updated Risk Management Strategy together with the latest copy of the Corporate Risk Register for review and comment.
- 1.2 This report is submitted to Committee in terms of paragraph A43 of the council's Administrative Scheme relating to risk management.

2. RECOMMENDATION

- 2.1 **Committee is asked to consider and approve the updated Risk Management Strategy and the draft Corporate Risk Register dated March 2015.**

3. REPORT

- 3.1 A recommendation from the external auditor was that the Risk Management Strategy should be updated and approved, this last having been done in 2008. Notwithstanding the time lapse, much of what was in the strategy then remains current with the basic principles of risk identification, recognition and mitigation being as relevant today as they were when the strategy was last updated. Where the council has moved on is in the maturity of the process, with risk being uppermost in the minds of decision makers, being formally considered for recording in risk registers on a recurring basis and featuring in reports to the Council and its committees. Risk considerations also inform the annual service planning processes undertaken across departments.
- 3.2 The main change in the strategy is to delete reference to the risk management working group which was disbanded following the deletion of the risk management auditor post within Internal Audit. The deletion of the post recognised that the responsibility for risk rests with management; with internal audit more properly having responsibility only for the oversight of risk management processes, supporting the preparation of the corporate risk register and collating service risk registers prepared by Heads of Service. These revised risk management arrangements were externally reviewed under the Assurance and Improvement Planning process through the Local

Area Network Inspection team and were rated as 'no scrutiny required'. The updated Risk Management strategy is provided at **Appendix 1**.

- 3.3 The latest Corporate Risk Register provides an update on the risk mitigation measures taken and proposed to manage the principal risks facing the organisation. It is of note that the risk issues reported in prior risk registers remain as issues to be addressed, notwithstanding the steps taken to manage them. This can be viewed as positive in that the risks identified are the correct risks in terms of managing the core business and direction of the council, recognising that, at best, these risks are only likely to be contained and not eliminated as a result of wider political and economic factors. The updated risk register is given as **Appendix 2**.
- 3.4 The main revisions to the risk register since it was last considered at the meeting of this Committee on 7 October 2014 (para. 8 of the Minute refers) are summarised as follows:

Risk No.	Risk Description	Risk score/basis for change
1.2	Effectiveness of decision making.	Residual risk score has increased from 9 to 16 reflecting the challenge of securing policy decisions that are politically acceptable, sustainable and achievable.
2.4	DBS savings-efficiencies are not realised.	Residual risk score has reduced from 16 to 9 on the basis that the programme is well advanced and there is a reduced likelihood and associated impact that the programme objectives will not be delivered.
3.1	Inability to recruit and retain well qualified and experienced staff.	Residual risk score elevated from 12 to 20 giving focus to highlighted the staff shortages being experienced in a number of service areas
6.1	Council decisions result in litigation/judicial review.	Risk score reverted to 9 - essentially neutral - with no specific risk issues meriting elevated risk scores or management actions.
6.3 / 7.1	Service standards and performance do not meet expectation/requirements	Risk scores increased to reflect work being undertaken to assess workload and service pressures in terms of sustainability.

4. **SUMMARY OF IMPLICATIONS**

(a) **Moray 2023: A Plan for the Future/Service Plan**


Effective risk management practices are necessary to evidence how the Council identifies and addresses any issues that may impact on its ability to deliver its stated priorities and plans.

- (b) **Policy and Legal**
Effective risk management practice is an essential component of good governance.
- (c) **Resources (Financial, Risks, Staffing and Property)**
The management of risk falls within the day to day activities of service managers who as part of their duties have responsibilities for updating risk registers. Time is made available within the internal audit plan to review completed registers for context and consistency.
- (d) **Equalities**
No issues arising directly from the content of this report.
- (e) **Consultations**
The Corporate Management Team has considered the revised risk management strategy and updated the risk register; both attached as appendices to this report. The Business Continuity Officer and the Emergency Planning Officer were consulted during the update of the risk management strategy and their comments incorporated therein.

5. **CONCLUSION**

- 5.1 **Following their review and updating by CMT, Committee is asked to consider and approve the revised Risk Management Strategy and the latest Corporate Risk Register dated March 2015.**

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Background Papers:
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Signature:  Date: 29 April 2015

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