

Audit & Governance Committee

15 January 2008

Report of the Assistant Director (Audit and Risk Management)

Risk Management User guide & Key risk monitoring report

Overview

- 1 This purpose of this paper is to present Members with the draft risk management User Guide, draft key risk monitor and draft detailed risk register report including controls and actions used in managing corporate risks.

Background

- 2 The framework for risk management has been developing at City of York Council since the Best Value review in 2001/02. The limited resource available to deliver this work has meant that progress in recent years has been slow. The appointment of a full time risk management officer in October 2006 has provided the opportunity to deliver a higher profile for risk across the organisation and a more comprehensive risk register and framework.
- 3 The additional capacity since October last year has allowed for more detailed work to be undertaken with both Council Management Team (CMT) and Corporate Leadership Group (CLG) in identifying the key organisational risks creating focus and momentum on risk management as a vital component of good management.

User Guide

- 4 The development of the draft User Guide has provided the opportunity to bring together the framework documents used in delivering risk into one complete document. The draft guide is attached to this report at Annex A and includes:
 - a. Risk Management Strategy;
 - b. Risk Management Policy;

- c. Training & Communication Plan;
 - d. Magique User Guide;
 - e. Risk Champion Role;
 - f. Risk Categories;
 - g. Risk Assessment guidance;
 - h. Service Planning guidance.
- 5 The draft risk management strategy at paragraph 15 still requires some further work to set out clearly the current position of risk management across the organisation, a vision statement setting out where we would like it to be in three years time and the medium term action plan required to deliver this change.
- 6 This is a comprehensive document, which provides detailed guidance for all Officers and Members who have responsibility for managing risk. It has been written as simply as possible to provide clarity and remove any myths that risk management is a complicated scientific process. The document is intended as a desk reference guide in the same way as Financial Regulations and the Procurement Practitioner Manual. It is intended that the final document will be printed in a similar format and help to develop a complete suite of Governance guidance manuals for officers. The information is also available on the risk management intranet site.

Risk Monitor

- 7 CMT asked that following their work to identify key corporate risks (Paragraph 3) a monitoring report on progress in managing and mitigating them could be brought on a quarterly basis. This has proved to be a challenging request as any report needs to show clear progress and direction of travel with regards to the level of the risk and at the same time be brief enough that it does not require a great deal of time to interpret the information presented.
- 8 A draft of the format that may be used for the monitor is attached to this report at Annex B and Members views on its lay out and content would be welcomed.

Corporate Risks & Controls

- 9 In trying to establish risk management at City of York Council the annual monitoring report to Executive has been delivered in a number of formats intended to help create focus and engagement. This has meant that much of the detail around corporate risks has been removed and just the headline issues included.
- 10 It was felt that this type of approach was a pragmatic solution that would assist in engaging Executive Members while at the same time not overloading them with detailed information. This approach while being more successful has been criticised by the Audit Commission

and is the main reason why the 2007 refresh score for risk management remained at 2.

- 11 The work in identifying all controls and actions around the key corporate risks is ongoing as can be seen from the monitoring report attached at Annex B. The information being collected for this exercise is being transferred into Magique to create a comprehensive overview of the risks at both directorate and corporate level and provide a proper management tool for action planning. Annex C of this report provides a download of the information currently held in Magique in relation to these risks including the controls and actions identified to date.

Options

- 12 Not applicable.

Corporate Priorities

- 13 Risk management relates directly to the Council's priority to *'improve leadership at all levels to provide clear, consistent direction to the organisation'* clear and consistent leadership and direction requires a thorough understanding of all the risks and challenges to the organisation. As risk management should be integrated into all the Council's processes and routines it should help contribute to the effective delivery of all 13 corporate priorities. The key development issues raised in this paper support the actions required to improve the Council's CPA score of 2 for Risk Management to 3 as a minimum prior to the next inspection.

Implications

- 14 There are no financial, legal, HR or other implications arising from this report.

Risk Management

- 15 In compliance with the Council's Risk Management strategy. There are no risks associated with the recommendations of this report.

Recommendations

- 16 Audit and Governance Committee are asked to:
- a) consider and comment on the draft risk management user guide (Annex A);

Reason

To help deliver a more consistent and well understood approach to risk management across the Council.

- b) consider and comment on the draft monitoring report Annex B;

Reason

To provide clear focus on managing the key threats to the Council and assess opportunity that may arise in doing so.

- c) consider and comment on the draft magique report Annex C.

Reason

To provide clear focus on managing the key threats to the Council and the action been taken to manage them.

Contact Details

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Report Approved

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Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

**For further information please contact the author of the report
Background Papers**

Annexes

Annex A Risk Management User Guide.
Annex B Draft risk management monitor.
Annex C Magique key risk report.