

Audit & Governance Committee

13 January 2009

Report of the Assistant Director (Customer Service & Governance)

Risk Management Monitor Quarter 3 2008/09

Overview

1. This paper presents to Members the corporate risk management monitor (Annex A) for the third quarter 2008/09. The risk monitor is reviewed by Council Management Team (CMT) on a quarterly basis and this report provides the opportunity for Members to raise any questions or concerns they may have in relation to the risks contained within the monitor.

Background

2. At Audit & Governance Committee (A&G) on 24 September 2008 Members approved recommendation b) of the Risk Management Mid-Term monitoring report to receive the corporate risk monitor on a quarterly basis. The purpose of this is to allow A&G Members to make a judgement and gain assurance on how risks are being managed across the organisation.
3. Effective Risk Management is important to the council as it acts as an enabler by supporting well informed decision making and it can facilitate sustainable improvements in service delivery. It is fundamental to good management practice and should not be viewed as a separate discipline or be carried out in isolation.

Current Issues

4. The impact of the current economic downturn is predicted to last into 2010 and the council's Executive has asked that the organisation seeks to identify its related internal and external risks. All directorates have been asked to review their services and a coordinated list of risks and issues will be taken to Executive early in the New Year.
5. The second headline issue for local authorities is in the field of child protection following the death of Baby P in Haringey. In the wake of this tragic incident major reviews are underway and it is anticipated that changes to inspection regimes are to be introduced by the government. Every council is currently being asked to review its arrangements for safeguarding children. The overall performance for Children's Services in York has been judged as outstanding. (Joint Area review 2008; Annual Performance Assessment 2008). The joint area review

indicates that the risk at York seems to be low but in the light new more stringent regulations being introduced by government and the inherent risks of child protection A&G could consider recommending to Executive that it is included in the corporate risk register.

Quarter 3 Risk Monitor

- 6 The risk monitor at Annex A of this report sets out the position of the key corporate risks (KCR's) at the end of the third quarter 2008/09. The monitor is complete in terms of accurately reflecting the information recorded in the Council's risk register (Magique) however, risk owners in some cases still need to consider their risks in more detail setting out clearly both existing controls and additional actions required to better manage the risk.
- 7 There is good evidence that the council is now far better at considering and identifying risk as part of its normal business processes. This can be seen across the organisation as a whole from major projects to policy and strategy documents.
- 8 Since the first quarter monitor was presented to CMT in June considerable support has been given to officers by the corporate risk management officer to develop its use as a management tool. However there is more work needed to ensure that officers to see risk management and the risk register part of their normal management process rather than as a stand alone function.
- 9 While A&G will need to review the monitor (Annex A) in full they may wish to consider in more detail the critical (red) risks, these include the following:

KCR 0001 Implementation of the new pay & grading structure

- Neighbourhood Services risk 9 (Legal Challenge)

KCR 0002 Unsuccessful delivery of accommodation review project

- Planning risk 3.4 (Planning Consent)
- Financial risk 5.3 (Project Affordability)

KCR 0003 Failure of waste management strategy partnership

- Planning Consent risk 2.4 (Failure to secure consent)
- Financial risk 4.1 (Increased costs)
- Financial risk 4.4 (Inability to fund the procurement)
- Leadership & Communication risk 5.4 (Termination)

Review of Risk by A&G

- 10 The attached corporate risk monitor (Annex A) helps to provide A&G Members with some of the detail around key corporate risk areas. Members however may wish to consider certain areas of risk in more detail at future meetings and it is suggested that the relevant risk owners provide a brief overview of their risks and how they are been managed. A current risk area that Members may wish to consider at the next A&G committee is the “Failure of waste management strategy partnership”.

Options

11. Not applicable.

Corporate Priorities

12. 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 reported in this paper support the actions required to improve the Council’s CAA (Use of Resources) score of 2 for Risk Management to 3 as a minimum .

Implications

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

Risk Management

14. The risk associated with the recommendation of this report is “Failure to provide adequate documentation to achieve a level 3 for risk management in CPA UOR” and was originally assessed at a net level of 18 (high).

Recommendations

15. Audit and Governance Committee are asked to:
- a) note the contents of this report and progress made during 2008/09;

Reason

To raise awareness of the progress made to date in respect of the risk management agenda and framework at the Council.

- b) consider if they wish to recommend to Executive that Child Protection is added to the corporate risk register;

Reason

To provide assurance that the council proactively seeks to consider new and emerging risk.

- c) agree to receive a report at the next Committee from the risk owner in relation to the risk set out at Para 10.

Reason

To provide assurance that key risks are being appropriately managed by the organisation .

Contact Details

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Report Approved

Date 18/12/08

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Risk Management Mid-term Report 2008/09

Annexes

Annex A Quarter 3 Key Corporate Risk monitor.