

Audit & Governance Committee

31 March 2009

Report of the Assistant Director of Resources (Customer Service & Governance)

Risk Management Monitor Quarter 4 2008/09

Overview

1. This paper presents to members the corporate risk management monitor (Annex A) for the fourth 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 current economic downturn continues to make the headlines and since the last monitor to A&G in January the team have been coordinating an exercise aimed at identifying any associated risks and issues to the council. This work was requested by Executive in October 2008 and a detailed report on the risks and issues identified will be presented to Executive in April 2009. The work to complete this task is still ongoing and the outcomes will be reported to A&G as part of the 2008/09 outturn report in June 2009.
- 5 At A&G in January one of the topical risk issues highlighted was in relation to child protection following the death of Baby P in Haringey. The Quarter 3 report set out that *'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 indicated that the risk at York seemed to be low but in the light of new more stringent regulations being introduced by government and the inherent risks of child protection A&G asked for some assurance that risks were being actively managed. Annex B to this report provides an extract from the relevant department's risk register to assure A&G members that the risks are being well managed.

Quarter 4 Risk Monitor

- 6 The risk monitor at Annex A of this report sets out the position of the key corporate risks (KCRs) at the end of the fourth 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 describing their risks in more detail clearly setting out both existing controls and additional actions required to better manage them.
- 7 A&G commented in January that some of the risks seemed to be out of date and that risk control actions had passed beyond due dates without becoming formal controls. The current monitor attached at Annex A reflects the work undertaken by officers to update their risks. There is limited resource within risk management (1 FTE) to coordinate this work across the council as a whole and some risk control actions still remain out of date however these are now in the minority.
- 8 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

- Design & Planning Risk 3.1 (Planning Approval)
- Transformational Change 4.1 (Change Management)
- Challenge to Procurement 8.1 (Procurement)
- Requirements not delivered 8.2 (Procurement)

KCR 0003 Failure of waste management strategy partnership

- Planning Consent risk 4 (Failure to secure consent)
- Financial risk 1 (Increased costs)
- Financial risk 4 (Insufficient Budget)
- Financial Risk 6 (Inability to Secure Private Finance)
- Leadership & Communication risk 4 (Termination)

Review of Risk by A&G

- 9 Members agreed in January 2009 that whilst the risk monitor (Annex A) provided headline information around key corporate risks they would like to consider certain areas of risk in more detail. As a result of this a more comprehensive report on the risks associated with the Waste PFI project was requested for this meeting (Annex C). Following the presentation of this report members may wish to suggest a further detailed risk report from another area for consideration at A&G in June 2009.

Options

10. Not applicable.

Corporate Priorities

11. 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 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 .

Implications

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

Risk Management

13. 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

14. 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 the evidence presented to manage the risks relating to child protection and the Waste PFI project and whether any further assurances or follow-up action is required;

Reason

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

- c) suggest a further detailed risk report for A&G in June as set out at Para 9.

Reason

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

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

Risk Management Mid-term Report 2008/09
Risk Management Monitor Quarter 3

Annexes

Annex A Quarter 4 Key Corporate Risk monitor.

Annex B Children's Services Risk Register

Annex C Waste PFI Risk Report