



TO: Audit Committee

FROM: Head of Audit, Assurance & Procurement

DATE: 13 January 2015

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2014/15 Quarter 2 Review

1. PURPOSE

To provide Members with details of the risk management activity that has taken place in the period from 1 July to 30 September 2014.

2. RECOMMENDATIONS

The Committee is asked to:

- note the progress made on the Corporate Risk Register as at the end of Quarter 2 2014/15.

3. BACKGROUND

The Council recognises that risk management is not simply a compliance issue, but rather it is a way of viewing its operations with a significant impact on long-term viability. Risk Management helps to demonstrate openness, integrity and accountability in all of the Council's activities. It also benefits how we operate.

4. RATIONALE

The terms of reference require the Audit Committee to review progress on risk management. The Corporate Risk Management Strategy requires that the Audit Committee will receive a summarised quarterly report setting out progress against corporate risk management action plans. This report meets both of these requirements.

5. KEY ISSUES

The Corporate Risk Register currently contains a total of 15 risks. A summary of the risks is attached at Appendix 1. Currently the top corporate risks are:

Risk No.	Risk Description	Risk Owner
01	Adequacy of Resources	Denise Park
15	High profile serious/critical safeguarding incident/case that is known to Council services.	Sally Mclvor

As part of the Council's Risk Management process we review and monitor our Corporate Risks on a regular basis to ensure that we have the appropriate, properly assessed corporate risks going forward. This is monitored through the Corporate Risk and Resilience Forum and reported to Management Board. The last review was at the Forum meeting on 22 September 2014. In addition, Departments continue to review and update their risk registers on a regular basis.

This monitoring process has resulted in the review of the corporate risk register and the following change being agreed:

- the risk rating for Risk 3: IT Infrastructure (Resilience) has been revised downward from high to medium. This is due to the implementation of a number of treatments including (i) the prioritisation of critical IT systems within the information asset register; (ii) the installation of a second internet connection; (iii) the transfer of user files to more resilient data centre nodes; and (iv) scheduling of regular business continuity tests. This has reduced both the residual likelihood and residual impact of this risk.

It should also be noted that an internal audit review of the Council's risk management arrangements is currently taking place. The results of this review will be reported to a future Audit Committee meeting within the Audit & Assurance – Progress and Outcomes report.

In addition the terms of reference of the Corporate Risk & Resilience Forum, have been revised following an internal audit review of business continuity. There have been no changes to the Forum's objectives in relation to risk management.

During the period the Council has continued to utilise the risk management support available from Zurich Municipal, provided as part of the long term insurance agreement. A Road Risk Group has been established as a result of the Motor Fleet review. The first meeting of the group was on 11 December. This group will consider the adequacy and effectiveness of risk management arrangements in place covering the Council's Motor Fleet and staff use of private vehicles for Council business and monitor progress of the actions arising from the report (see Appendix 2). Motor accident investigation training has been delivered to relevant managers. New procedures will be implemented regarding this area in line with the action plan.

The actions from the Aon claims defensibility and Zurich stress management review will be addressed as part of the Priorities Implementation Plan set out in the Health, Safety and Wellbeing 2014 Corporate Annual Report reported elsewhere on this agenda. A detailed two year plan will be developed to support the Council's Health and Wellbeing Strategy and the high level priorities identified in the new year following the implementation of the Health and Safety module for ResourceLink.

We are liaising with colleagues regarding additional areas of risk management support for the remainder of the year. We have requested information and quotes from Zurich regarding areas including a review of lone working arrangements, training for Environmental Services managers regarding defence

of employer liability claims and health and safety training for building managers, head teachers and site supervisors.

The risks associated with these areas should reduce as a result of the training that is delivered and implementation of action plans. The Council should experience a reduction in claims or be better prepared to defend any that are received relating to these areas as a consequence of this activity.

6. POLICY IMPLICATIONS

There are no policy implications arising from this report.

7. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

8. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

9. RESOURCE IMPLICATIONS

There are no direct resource implications arising from this report.

10. EQUALITY AND HEALTH IMPLICATION

There are no equality implications arising from this report.

11. CONSULTATIONS

The Corporate Risk Register has been reviewed and updated by the Corporate Risk & Resilience Forum and agreed by Management Board.

Contact Officer: Paul Hankinson, Audit & Assurance Manager – Ext: 5630
Date: 31 December 2014
Background Papers: Risk Management – 2014/15 Quarter 1 Review
Corporate Risk Management Strategy