

GOVERNANCE COMMITTEE

27 JUNE 2012

REPORT OF HEAD OF CENTRAL SERVICES

ANNUAL REVIEW OF RISK MANAGEMENT

1.0 PURPOSE OF REPORT

1.1 To update Members on the management of risk within the Council during 2011/12.

2.0 RECOMMENDATIONS

2.1 **That the report be noted.**

2.2 **That revised risk management policy and strategy at Appendix A be approved.**

3.0 KEY ISSUES

3.1 The Council has maintained its focus on key risks throughout 2011/12. This is undertaken through Management Team through regular reporting and review of the corporate risk register and scrutiny of the service risks as contained within the service plans. The risks contained in the service plans is the one element of the service plans that is reviewed and updated regularly within services in order to feed into these more strategic reviews by the Management Team. Risk logs are maintained as appropriate for individual projects by the Project Manager and would be reported to the Council's Programme Board through regular highlight reports as the need arose.

3.2 The Lead Member for risk in 2011/12 was the Leader and it was at his request that the existing risk management policy and strategy was reviewed. This review was undertaken in conjunction with our insurers Zurich Municipal who also provide risk management advice to the council as part of the insurance contract. Attached at Appendix A is a revised copy of the policy and strategy for members' consideration and approval.

3.3 One of the key changes in the policy and strategy is the risk prioritisations set out in section 5 and 6. This enables management to determine the appropriate action that should be taken for each risk depending on its level. From the table at para 6.5 it can be seen that those risks that score above 12 will be those where a Director focus is required and as such these are the risks that will be reflected in the corporate risk register. Risks below this level will be managed within services at the appropriate level and will be reflected in service plans.

3.4 In line with this approach to classifying risks the service plans for 2012/13 will be utilised to extract all risks scoring above 12 and these will be used to refresh the corporate risk register. Once this has been completed an action plan will be devised and the resulting updated register brought to the meeting of this committee in September 2012.

3.5 Following the AGM in May a new Risk Management Lead member was appointed, Councillor Jeanne Douglas, this committee's Vice Chair providing a useful link into the responsibilities of this committee. Regular liaison will be established with Councillor Douglas throughout 2012/13 in order for her to perform her role and support this committee

3.6 The Council's insurance provides Zurich Municipal supply to the Council training days on Risk Management and these have been fully taken up in 2011/12 directed towards areas of

specific need including member training following the elections and the review of the policy and strategy During 2012/13 Zurich Municipal will be assisting with a review of the Council's project management system.

4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 As set out in the body of the report.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 There are financial implications from poor Risk Management however, with robust procedures these should be minimised or eradicated.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 Failure to adequately address Legal issues arising from any activity of the Council increases risk. Officers endeavour to ensure Members are adequately advised and projects properly implemented to ensure that Legal requirements are met.

7.0 COMMUNITY SAFETY

7.1 There are no particular implications arising from this report.

8.0 EQUALITIES

8.1 An equalities impact assessment has been undertaken on the revised policy and strategy and changes made to the policy as a result.

9.0 RISKS

9.1 Dealt with within the report.

10.0 CLIMATE CHANGE

10.1 There are no particular implications arising from this report.

11.0 CONSULTATION

11.1 Management Team have been consulted on the revised policy and strategy.

12.0 WARDS AFFECTED

12.1 All

Contact Officer: Lynn Aisbett, Chief Executive
Date: 16 September 2011

Appendices : A – Corporate Risk Register: Melton Borough Council

Background Papers: Notes of Meetings with Lead Member for Risk 2010/11
Corporate Risk Register Monitoring Template
Relevant aspects from Management Team discussion – Service Risks

Reference : X:\Cttee, Council & Sub Cttees\OSA\2011 12\270911