PART A

Report to: Audit Committee

Date of Meeting: 6th March 2007

Report of: Audit Manager

Title: Risk Management – Healthcheck Action Plan

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1. **SUMMARY**

This report presents the initial action plan drawn up in response to the recommendations contained in Zurich Municipal's report on risk management arrangements in the Council.

2. **RECOMMENDATIONS**

2.1 The action plan be approved and progress reports on implementation be submitted to future meetings of the Committee.

Contact Officer:

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Report approved by Janice Maule – Director of Finance

3.0   DETAILED PROPOSAL

3.1   Zurich Municipal's report was presented to the last meeting of this
       Committee when it was agreed that the Risk Management Group would
       consider the report and prepare an action plan in response to the
       recommendations.

3.2   The action plan is attached to this report. It contains the initial reaction to the
       report but it was felt that it more detailed actions need to be considered by the
       next meeting of the Risk Management Group as some complex issues
       needed to be tackled. This is reflected in the "comments" section of the plan
       with the Risk and Insurance Manager taking the initial lead at the next Group
       meeting.

4.   IMPLICATIONS

4.1   Financial
        The Director of Finance reports that there are no direct financial implications
        arising from the report.

4.2   Legal Issues (Monitoring Officer)
        The Head of Legal and Democratic Services reports that there are no specific
        legal issues in the report.

4.3   Staffing
        There are no implications in this report.

4.4   Accommodation
        There are no implications in this report.

4.5   Equal Opportunities
        There are no implications in this report.

4.6   Community Safety
        There are no implications in this report.

4.7   Sustainability
        There are no implications in this report.

4.8   Potential Risks

The findings of the Zurich Municipal review provide an opportunity to further develop our risk management arrangements.

Failure to effectively manage risks across the Council may have an impact on the achievement of operational and strategic objectives.

The absence of fully embedded risk management processes could adversely affect the Use of Resources score as risk management is one of the key assessment criteria in the "internal Control" section

Background papers:

Zurich Municipal Report:
File reference: None

Recommendation	Comment	Implementation By	Target Date
1 The existing Risk Management (RM) documentation needs to be updated and redrafted	Agreed. The existing documentation was introduced when the formal RM arrangements were first introduced. The new documentation will be reported to Committee for formal approval.	Risk and Insurance Manager (R&IM)	End of February
2 A two page laminate highlighting the key aspects of the RM process should be introduced.	Not agreed. It is felt that such a laminate would not be cost effective and it would not have any lasting effect.		
3 Risk prompts should be used when identifying risks.	Agreed. This will help focus on key risks and help widen the range of risks considered. Usage will be publicised via the next Risk Management Group (RMG). Set up on Intranet.	Initially by R&IM at RMG	End of March
4 The risk identification process should involve a number of key relevant people.	Agreed. This already happens in most services. The involvement of key staff, e.g. via brainstorming sessions, will help ensure that the full range of risks can be identified. Ways of doing this will be raised at next RMG.	Initially by R&IM at RMG, then in Service GMTs	End of March
5 Ensure the root cause of risks is identified and articulated.	Agreed. The wording used to describe risks will be reviewed by individual Services as risk registers are updated.	All Service representatives on RMG.	End of June
6 Consider removing "raw" or "abstract " assessment section from risk registers, considering risks with current and future controls in place.	It is proposed not to change the layout of risk registers so that those who find the "raw" assessment helpful may continue to use this approach.		
7 Use a risk matrix as a key element of the RM	This will be left to the discretion of individual	Initially R&IM	End of

			March
process.	services. Consideration to be given to the use of a matrix to record all significant (scoring 9, 12 or 16) and corporate risks.		March
8 Sort risks into priority rather than numerical order in risk registers.	Agreed	Services	End of March
9 Adopt a more robust process of action planning to address identified risks.	This requires further consideration and will be discussed at the next RMG.	Initially R&IM	End of March
10 There is a need for consistency in RM activity within the Council, particularly in service planning.	Agreed. This needs to be enforced by the RMG and the Better Performance Unit.	Initially R&IM	End of March
11 Ensure there is a regular review and management of risk as part of service planning.	Agreed. This is something that should already be happening and it is the responsibility of RMG to ensure that it does. The message will be reinforced at the next RMG.	Heads of Service	End of March
12 Consider including the top 4 – 5 risks from service registers in service plans, including those scoring 9, 12 or 16.	We will continue to include only risks scoring 9, 12 or 16 as service plans are high level documents and we need to focus on the most significant risks.		
13 Better define terms of reference of RMG.	Partly agreed. To be discussed at RMG.	Initially R&IM	End of March
14 RM roles and responsibilities should be recognised in job descriptions /performance appraisals where appropriate.	Not agreed. Not practical and likely to be of little value. Need for consistency with approach to other corporate issues		
15 Integration of Business Continuity Management into work processes at strategic and departmental	Agreed. This is something we are hoping to achieve but progress has been slow. A project	Initially R&IM	End of March

levels.	for RMG to oversee.		
16 Clear links between the strategic risk register and major projects/partnerships.	Agreed. Arrangements have recently been introduced to link project risk management and service planning. Partnership risk management is to be discussed at RMG.	Audit Manager	End of March
17 Develop consistent approach to RM in partnerships.	See above re partnership working.		
18 Identification of a lead member for RM.	Councillor Razzaq has now been appointed.		
19 There should be RM training for members.	A training session was held prior to the last Audit Committee meeting.		
20 There should be consistent completion and detail of risk section within committee reports.	Agreed. To be considered at next RMG.	R&IM	End of March
21 RM training for risk champions and other key officers.	Partially agreed. Training requirements have been discussed on various occasions at RMG and members of the Group have not felt the need for training. Training for other senior officers in some services has been undertaken but needs to be expanded to the remainder. Another issue for RMG.	R&IM	End of March