

 EXECUTIVE 11th JANUARY 2012		Agenda Item No. 9A
Title	Significant Business Risk Register & Service Risk Register Review Arrangements.	
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Service Area	Finance	
Wards of the District directly affected	Not applicable	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	12 th October 2011	
Background Papers	Minutes of Senior Management Team	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	No (N/A: no direct service implications)

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	7 Dec 2011	Andrew Jones
Chief Executive		
CMT		
Section 151 Officer	7 Dec 2011	Mike Snow
Legal		
Finance	7 Dec 2011	As S151 Officer
Portfolio Holder	7 Dec 2011	Councillors Doody & Mobbs
Consultation & Community Engagement		
Senior Management Team review of Significant Business Risk Register.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1 SUMMARY

- 1.1 This report sets out the latest version of the Significant Business Risk Register.

2 RECOMMENDATIONS

- 2.1 That Executive should review the Significant Business Risk Register attached at Appendix 1 and consider if any further actions should be taken.
- 2.2 That Portfolio Holders should review their respective Service Risk Registers (SRR) quarterly with their service area managers.
- 2.3 That Portfolio Holder Statements (PHS) should include top three risks.
- 2.4 That Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.
- 2.5 That the relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

3 REASON FOR THE RECOMMENDATIONS

- 3.1 To assist members fulfil their role in overseeing the organisation's risk management framework (see section 7, below).

4 POLICY FRAMEWORK

- 4.1 The Significant Business Risk Register is based on the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future.

5 BUDGETARY FRAMEWORK

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.
- 5.2 The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6 ALTERNATIVE OPTION(S) CONSIDERED

- 6.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

7 RESPONSIBILITY FOR RISK MANAGEMENT

- 7.1 In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the chief executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the chief executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

8. SIGNIFICANT BUSINESS RISK REGISTER

- 8.1 In keeping with members' overall responsibilities for managing risk, the Executive is required to review the Significant Business Risk Register.
- 8.2 The Council has had for several years a risk register that is intended to consider all risks to the Council's operations, key priorities, and major projects. This has been known as the Corporate and Strategic Risk Register. Individual services also have their own risk registers, known unsurprisingly as 'service risk registers'.
- 8.3 The Register was recently overhauled by the Senior Management Team (SMT) to bring it into line with current thinking on organisational risk registers as well as streamline the approach in line with Lean Systems thinking principles and in particular the Fit for the Future Programme.
- 8.4 The latest version of the Significant Business Risk Register is set out as Appendix 1 to this report.

- 8.5 A summary of the risks and their position on the risk matrix, as currently assessed, is set out as Appendix 2.
- 8.6 The scoring criteria for the risk register are judgemental and are based on the likelihood of something occurring, and the impact that might have. Appendix 3 sets out the guidelines that are applied.
- 8.7 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top, right hand (north-east) corner of the matrix whilst the converse is true for those risks plotted towards the bottom, left hand (south-west) corner of the matrix. If the matrix were in colour, the latter risks would be within the area shaded red, whilst the latter set of risks would be within the area shaded green; the mid-range would be shown as yellow.

9. **ARRANGEMENTS FOR REVIEW OF SERVICE RISK REGISTERS**

- 9.1 To help members fulfil their responsibilities for risk management a number of arrangements are proposed. Most of these focus on the involvement by Portfolio Holders and Finance & Audit Scrutiny Committee in reviewing the service risk registers. These arrangements are set out in Appendix 4.