

Audit Committee	AGENDA ITEM No.4
7 SEPTEMBER 2009	PUBLIC REPORT

Cabinet Member(s) responsible:	Councillor Dalton, Chair of Audit Committee	
Contact Officer(s):	Stuart Hamilton, Resilience Services Manager	Tel. 207207

RISK MANAGEMENT UPDATE

R E C O M M E N D A T I O N S	
FROM : Paul Phillipson, Executive Director Operations	Deadline date : N/A
<p>The Audit Committee is asked to:-</p> <ol style="list-style-type: none"> 1. Approve the Risk Management & Business Continuity Policy 2. Approve the Risk Management & Business Continuity Strategy 	

1. ORIGIN OF REPORT

- 1.1 This report is submitted to the Audit Committee as a result of the responsibility for Risk Management moving to the Resilience Team and a new Policy and Strategy being written to include Business Continuity Management, which has not previously been subject to a Policy or Strategy.

2. PURPOSE AND REASON FOR REPORT

The purpose of this report is to:-

- a. seek formal approval for the Risk Management & Business Continuity Policy (Appendix A)
- b. seek formal approval for the Risk Management & Business Continuity Strategy (Appendix B)

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. RISK MANAGEMENT IMPLEMENTATION

- 4.1 With Risk Management moving from Strategic Resources to the Resilience Team and the integration with Business Continuity, a new Policy and an updated Strategy has been written to reflect the change in how the service is going to be delivered.
- 4.2 Several 'Risk Champions' have been identified in each of the directorates to take forward the implementation of Risk Management in their area. The first workshop is planned for 5th November where the process of Risk Management implementation will be discussed.

4.3 The Resilience Team has a Senior Business Continuity & Risk Management Officer who will oversee the implementation of the new Policy and Strategy across the authority and will work with all the Directorates to ensure a consistent approach to Risk Management.

5. REVISED RISK MANAGEMENT and BUSINESS CONTINUITY STRATEGY

5.1 Below is a table showing the significant changes in the Risk Management and Business Continuity Strategy.

Amendment	Reason
Strategy changed to include Business Continuity	There was previously no Strategy for Business Continuity. The new Strategy incorporates Business Continuity as well as updating the Risk Management strategy
Consistency in approach	Previous Risk Registers were inconsistent in their approach and style between the Directorates. The new Strategy will ensure a consistent approach is adopted.
Change to Risk Matrix	Although still working on a 5x5 matrix, it has been simplified to three review categories instead of the current four
Change to Likelihood descriptors	Changed to be consistent with the Impact descriptors and to reflect the industry standard descriptors.
Classification system	This has been streamlined from the current 16 to 6 broad categories to enable a simplified approach
A move towards Enterprise Risk Management	This will offer a framework of processes to ensure a comprehensive and dynamic approach to Risk Management.
Change in reporting mechanism	All Directorates risk registers will be collated and monitored through the Resilience Team to enable the Corporate Risk Register to be current and meaningful.

5.2 The revised Policy and Strategy are attached (Appendix A & B) and Audit Committee are recommended to approve them.

6 CONSULTATION

The new Policy and revised Risk Management and Business Continuity Strategy have been approved by the Chief Internal Auditor.

7 ANTICIPATED OUTCOMES

7.1 Audit approval of the Risk Management and Business Continuity Policy and Strategy

8 REASONS FOR RECCOMENDATIONS

Risk Management and Business Continuity are key components of the Councils governance framework. By establishing a central focal point for all Risk Management activities including, reporting, training and information will improve the overall performance delivery of the Councils vision and corporate strategy.

9 ALTERNATIVE OPTIONS CONSIDERED

No alternative options have been considered as all local authorities have a statutory duty to have Business Continuity Plans in place and are expected to develop and implement risk management arrangements.

10 IMPLICATIONS

Environmental Impact

- 10.1 The identification of risks and proper management of those risks in respect of environmental issues will ensure that legislation and Councils policies and ambitions in respect of the environment are met.

EQUAL OPPORTUNIES

- 10.2 The identification of risks and proper management of them helps to ensure that legislation and the Council policies and ambitions in respect to equality are met.

Financial Implications

- 10.3 The management of risks in respect to claims and litigation and reviewing how risks are controlled should result in reduced financial costs to the Council. Good risk management will also enable the Council to identify potential opportunities.

Legal Implications

- 10.4 The proper management of risks should reduce the likelihood of litigation and claims against the Council and ensure continued compliance with existing and emerging standards and regulations.

Links with Corporate Priorities

- 10.5 Ongoing review of risk management strategy and processes will ensure that activities are in line with corporate priorities at all times.

11 Background Documents

None

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