

**CORPORATE GOVERNANCE COMMITTEE – 14 JUNE 2013****REPORT OF THE DIRECTOR OF CORPORATE RESOURCES****RISK MANAGEMENT UPDATE****Purpose of the Report**

1. This report updates the Committee on progress with current risk management initiatives. It covers:
  - Refresh of the Corporate Risk Register;
  - Feedback from the Member Risk Workshop on 8th April 2013;
  - Revised Corporate Risk Register (CRR).

**Refresh of the Corporate Risk Register**

2. At its meeting in February 2013, the Committee was presented with an update on the implementation of the revised risk management framework, which also included details on the production of a revised Corporate Risk Register (CRR).
3. Information from departments initiated the overall process to refresh the Corporate Risk Register. Key risks from services formed departmental risk registers, which were reported to individual Departmental Management Teams, setting clear accountability for managing them. A corporate review of departmental registers was performed to identify 'high' risks for inclusion in the Corporate Risk Register, either individually or as a consolidated risk.
4. As part of the above process, risks from the existing Corporate Risk Register (approved February 2013) were re-assessed for relevance using the new assessment criteria. In some cases, this resulted in the downgrading or removal of risks, as well as new and more relevant risks being added. As per the Committee's request, a summary of risks removed from the Register has been provided and attached as Appendix 1.
5. The refresh also involved an All Member Workshop which took place on 8 April 2013 to ensure Elected Members' views on the changes were obtained. A similar workshop took place to establish the previous CRR and Members' input to this proved invaluable.

**Member Workshop**

6. At its meeting on 4 April 2013, the Corporate Management Team (CMT) was presented with an update on the implementation of the revised risk management framework. This included an initial list/register of corporate risks identified (including cause, consequence and current risk score).

7. CMT was requested to review and comment on this list, with feedback incorporated to produce a final draft for the Member risk workshop. At the workshop, Members were given a brief introduction to the revised draft CRR and the background on how it had been collated. As part of the session, Members were asked to partake in two group exercises.
8. During exercise 1, the groups were provided with an extract of 4-5 risks from the revised CRR and asked to discuss, from a Member perspective, the consequences if this risk materialises. Members engaged well and also commented on the format of the CRR. In order for them to be more engaged they wanted the consequence column to be more articulate, consistent and informative. In particular, it would help them greatly if:
  - Where possible, reference was made on whether the risk was related to a statutory responsibility and/or if any of the consequences would impact a statutory responsibility;
  - Where relevant, consequence(s) are covered by 4 key headings: service delivery; people; reputation and financial.
9. During exercise 2, the groups were provided with a summary list of the CRR and were asked to identify any other risks they felt were missing from the revised CRR. This exercise was very well received, with a variety of risks identified. Outcomes from the workshop are attached as Appendix 2.
10. Risks identified were communicated to relevant departments for discussion and, where necessary, to rate the County Council's exposure to the risk (impact and likelihood) given Members' views. In many cases, the departments' assessment of the identified risk(s) has resulted in either a 'green' or an 'amber' risk score and therefore included within the relevant service or departmental risk register. For consistency, where the risk score did not result in a high/red risk, departments were requested to obtain agreement with their Lead Member.

### **Revised Corporate Risk Register**

11. The production of departmental service plans and corresponding risk registers is coming to completion; this, combined with Members' input, has resulted in an update to the CRR presented to the CMT in April. A summary of the updated revised CRR is attached as Appendix 3. The full register is attached as Appendix 4.
12. At its meeting on 3 February 2010, the Committee agreed that at each meeting it would take an in-depth look at specific areas of the Corporate Risk Register to consider how each risk was identified, the key controls put in place, further action to be taken and scoring mechanisms in terms of likelihood/impact and residual risk. Given the value of the exercise for both Members and Officers, it is assumed that the Committee will wish to continue with this arrangement and select a risk for scrutiny for its next meeting in September 2013.
13. The improvements introduced to the risk management framework acknowledge that the CRR is a working document and therefore assurance

can be provided that through timetabled 'corporate' view of departmental risk registers, high/red risks will be introduced to the Corporate Risk Register on an ongoing basis, as necessary. Equally, as further mitigation actions come to fruition and current controls are enhanced, the risk scores will be reassessed and this will result in some risks being removed from the CRR and being reflected within the relevant departmental risk register.

### **Recommendation**

14. The Committee is asked to note and comment on the contents of this report, and identify a risk for presentation at its next meeting.

### **Resources Implications**

None.

### **Equal Opportunities Implications**

None.

### **Circulation Under the Local Issues Alert Procedure**

None.

### **Background Papers**

Report of the Director of Corporate Resources – 'Risk Management Update' – Corporate Governance Committee, 3 February 2010

Report of the Director of Corporate Resources – 'Risk Management Update' – Corporate Governance Committee, 13 February 2013

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### **Appendices**

Appendix 1 – Summary of risks removed

Appendix 2 – Outcomes of Member Workshop

Appendix 3 – Summary of Revised Corporate Risk Register

Appendix 4 – Revised Corporate Risk Register

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