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6. Risk Management Update Report

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Purpose of the Report

To provide members of the Audit Committee with a summary of the risk assessment position of the Council and a general summary of the risk management process.

Recommendation

(1)   that the Audit Committee note the report and comment as appropriate;

(2)   that the Audit Committee endorse the approach that all staff and members must undertake the awareness-training module currently on the "InSite" Learning Pool.

Background

Risk management and the clear ability to understand and see the risk an organisation is taking is now an important part of local council work and activity. However, given the very nature of the public sector and that most of what a council is providing are services, not items, the normal commercial risk drivers have not been evident.

However, the Treasury and more recently the inspection authorities (Audit Commission) have taken an active interest in seeing risk management and risk awareness become more mainstream. Certainly risk management has and will continue to play an important part in our Use of Resources score under CAA.

The Report

The report is submitted to make members aware of the risk profile of the Council via periodic review of the risk register and, further, to highlight to the Committee areas in which the Risk Manager believes we are either falling down or that we need to give greater emphasis to.

For the purposes of ease of understanding a filter view of the risk profile is offered for consideration (referred to as the Heat Map), which gives a colour rendition of a risk profile at this time. Further a narrative around that Critical risk has been included.

The Committee are also offered the opportunity to review the whole risk register on line at the committee meeting if members consider it appropriate to do so.

Significant or Catastrophic risks – Presentation Report to Audit Committee April 2009

As of the 23rd March 2009 :-

One new catastrophic risk (Pioneer Somerset).

Total risk count now **363.** In October 2007, it stood at **273**

Gross Risk

Impact	Remote	Unlikely	Possible	Probable	Highly Probable
Catastrophic	1	2	5	4	1
Major	8	18	75	22	6
Moderate	4	19	92	21	4
Minor	2	22	32	4	2
Insignificant	3	1	0	0	0
Inherent Risk	Remote	Unlikely	Possible	Probable	Highly Probable Likelihood

Not Yet Entered	☐	**20**

Net Risk

Impact	Remote	Unlikely	Possible	Probable	Highly Probable
Catastrophic	0	1	2	0	0
Major	14	14	16	2	1
Moderate	19	59	76	6	1
Minor	15	54	42	3	1
Insignificant	11	6	0	0	0
Residual Risk	Remote	Unlikely	Possible	Probable	Highly Probable Likelihood

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Loss of 'political' support Loss of 'political' support during the five year delivery term of Pioneer Somerset, through national change in Government or through local elections/changes of administration.	■

Govt Policy on Concessionary fares could change from 1st April 2008. May mean a transfer of funds to either County or Regional level	■

Management of former landfill site - Birchfield Park Birchfield Park is a former landfill site that has the potential to cause a significant environmental incident.	■

Health and Safety of Staff and Public is compromised The market in Yeovil takes place in a pedestrian area. Market traders vehicles have access to the market which poses a hazard to pedestrians. There are also electric cables serving the various stalls which pose potential trip hazards as well as the more serious risk of injury or death if defective.	■

As members will notice we now have one new risk that has appeared on the critical RED area of the matrix. This risk centres on the work of the Pioneer Somerset Group and the fact that if this Group fails to deliver then the future risk to the Group's and this Council's reputation could be high.

Points of note for Committee members: -

- A new section on the risk register for " Partnering risk" (suppliers, other agencies etc)

- A new section on the risk register for Pioneer Somerset.

- There is a training and awareness module on "InSite". Members need to complete the awareness training and encourage others to do so.

- SSDC need to have a refresh of our approach to partnering risk especially under the new Inspection process. We should not ignore suppliers in this review either; as officers do tend to think they will always be available (and this may not be the case these days).

- Are SSDC still exposing themselves to High risk that we have not assessed and considered before the risk impact materialises?

Members of the Committee should be aware that under the new CAA (Comprehensive Area Assessment) our risk, especially with regard to reputation, could be adversely affected by the partnerships we are now being forced to get involved with: -

Partnering agencies that we may find have a dramatic impact on our risk profile:-

PCT and Heath authorities
Police and enforcement agencies

Regional Development agencies
Other councils, both District and County
Under County Councils it will include major services such as Social Services and the Local Education authority
All commercial suppliers
GOSW Government office of the South West
Parish and Town Councils
Highways agencies

Our future reputation and therefore risk may well now reside within many of these partnerships, and for this reason I would encourage the Committee to take an active role in reviewing that adequate process exists within these partnerships, that risk has been correctly identified and that management of that risk is adequately covered.

Background Papers: *Risk Management Policy and Procedure*