

8. Risk Management Update

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Purpose of the Report

To update members of the Audit Committee on the Risk register and Risk management process at the Council in general and in particular the transition to the new system contained within the performance management system (TEN). To give Audit Committee members a general overview on Risk management and how we could take the foundations we have now built further.

Recommendation

- (1) that additional risk management training and awareness sessions are conducted by the risk manager for members at SSDC, and that the Audit Committee members should be the first group to undertake such awareness training;
- (2) that members note and comment on the position, approach and management of risks at SSDC.

Report

Risk management and the use of the existing risk register has been operating at this council for over 4 years and can now be regarded as an established part of our thinking both from the officer and member perspective. However, we face a number of major hurdles if we are really to reap the benefits of managing our risks in a productive way. I have summarised the issues we need to deal with in the coming months:-

1. We need to ensure that we are dealing with significant risk in a proactive manner. We really need to understand what a risk assessment is telling us, and what to do about it i.e. in terms of mitigation (controls and actions) and acceptance. We now need to demonstrate what we did and what we achieved as a result.
2. The move from the current system Magique over to the performance management system (TEN) of the risk register is almost complete but has taken time to build in the best format. This has been technically quite challenging and some of the early build of the risk register in Ten has had to be redesigned. However, the new system is looking very good and certainly much more user friendly. This will raise the profile further of risk management within managers and having risk and performance on the same system will improve usage.
3. We need to consider if at some point it will be appropriate to adopt a common approach to risk management at both this council and East Devon, in terms of the risk register.
4. We need to revisit how officers and members balance risk and risk taking, and whether we have sufficient knowledge to be able to do this. Does the current risk matrix within the District Executive reports make sense and can it be improved? Does the positive aspect of taking risk get drawn out sufficiently?
5. We need to ensure that as an organisation we are sufficiently risk aware. This includes our partners understanding risk, as risk is inherent in what we do and in

partnerships they need to be managed correctly. Do our partners understand risk in the way we do and if not what can or should we do about it?

In Summary

This Council has made huge progress in raising the awareness in risk management and putting in place excellent methods and procedures for managing significant risk across the organisation. However we need to continue to drive risk consideration in all that we do as members and officers. There is a need to continue to drive the process of risk management and risk taking into our day to day thinking. We not only need to make sure we have correctly and in a timely manner spotted the risk but that we then take it into account and change things as a result. So if you will as a result of being more aware of the risk, can ask what did we do differently? Can we take more risk now that we have a better grasp of the risk issues facing us?

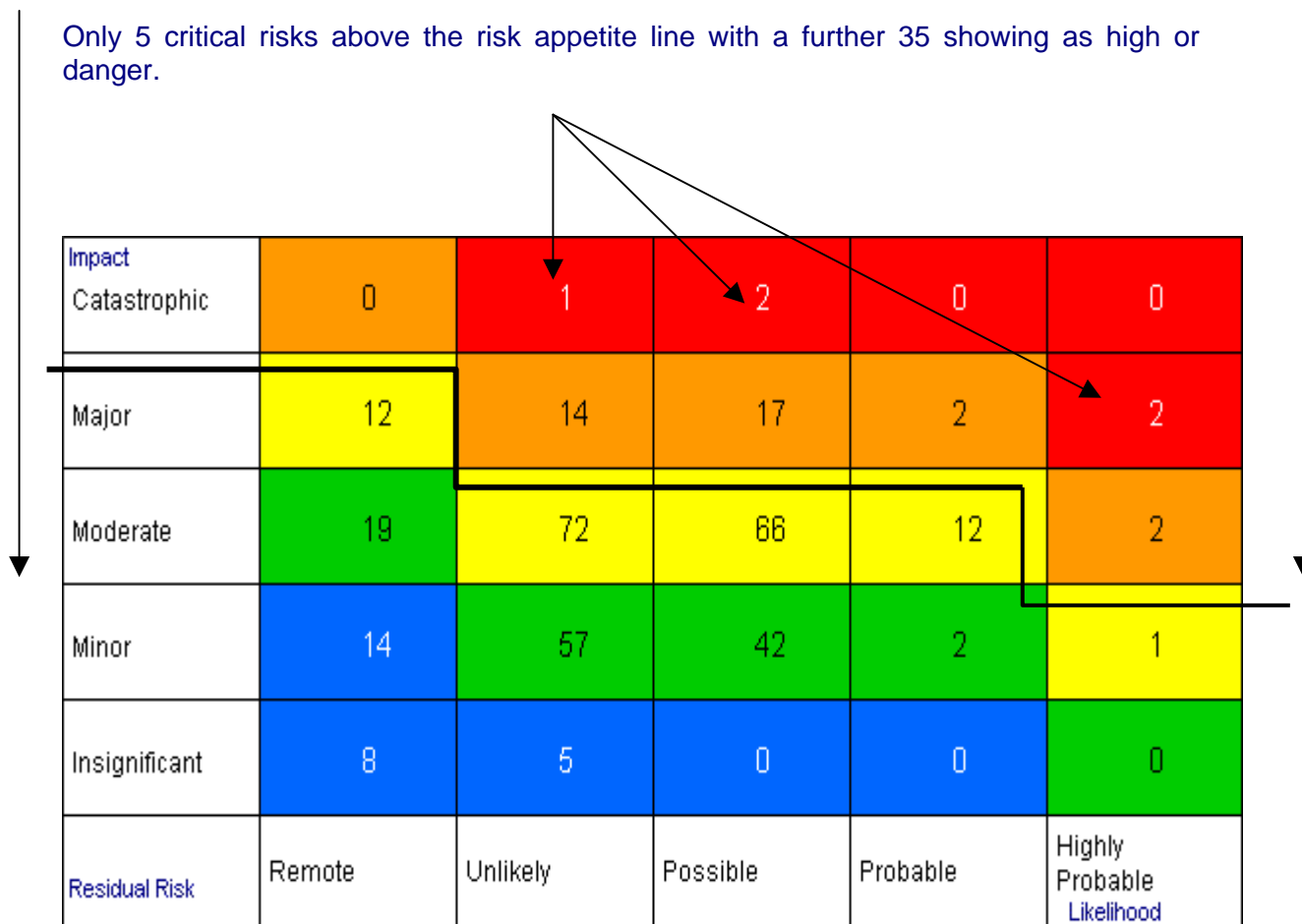
The Procurement and Risk Manager will provide an up to date copy of the risk register for members at the Committee. A summary of the risk register is shown below:

See risk score table for detail: -

Numeric score 21-25
20-16
15-11
10-6
5-1

Net Risk profile, expressed as Heat Map in the conventional way

Only 5 critical risks above the risk appetite line with a further 35 showing as high or danger.



Background Papers: None.