6.   **Risk Management Update - Report on recent SWAP Audit, Risk Management (Risk Registers including Major Projects)**

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Purpose of the Report

The purpose of the report is to update members of the Audit Committee on the status of the risk management register and the status of risk management across the council at this time. At the previous update report dated March 2011, mention was made of the impending move of the risk register from the then current system over to TEN, a performance management based system that was being adapted to include a risk register. During this period SWAP conducted an audit on the following mentioned aspects of the risk management and registers at SSDC and the report is attached at pages 7-8 for reference.

This report therefore aims to do two things; firstly to indicate to Audit Committee members the actions required to comply with the audit findings and update the Committee on those remedial actions. Secondly to update members more fully on the journey we have been on with building the TEN risk register and the new enhanced features we now have with TEN.

Recommendation

That member's note the report and the remedial work needed to address the weaknesses found by the recent SWAP audit;

Report

The building of the risk register within the TEN performance management software has not been a simple task and a certain degree of tailoring of the system was needed to get best fit and benefit for users. We also had some technical issues with running a common module containing both performance management and risk management. Clearly this was creating conflicts in terms of access times etc. We now have two applications built under the same overarching system and this is now working well.

As has already been suggested the new system TEN does things in a different way from the previous system and whilst managing risk can be seen as a generic process, many minor differences were found between the two systems. Ultimately a manual transfer of data was going to be the only really reliable way of ensuring that the risks were transferred in a correct way and that information ended up in the correct fields and places. Transferring nearly 450 significant risks has been a challenge in terms of time and resources, and has by necessity been an "as and when" process.

However the good news is that it is now complete, the new system is better than the old and has many new features that will assist the Risk Manager and the Council in taking risk management forward.

AC

SWAP Audit Report - Agreed Action Plan

The 3 actions attaching to the audit report have my comments inserted alongside the recommendations. As you can clearly see all have been addressed or will be with the roll out of the new risk register.

Many details of the audit, not mentioned in the report, were very useful in shaping the development of the TEN risk register and for this I will be indebted to Jenny Watts the lead auditor for her insight and comments.

As members will be aware any project large or small should have a risk log attaching to it under SSDC's project methodology. Our methodology indicates to users the style and detail required for certain types of projects and offers them a template to use to capture risk. It is evident from the audit report findings that again the use of this methodology has been inconsistent across the council. Although risks are assessed as part of the approval process the audit highlighted that these are not consistently kept up to date and refreshed as some projects progress. It may well be that we need to consider some refresher training on project management methodology as well as risk management.

Background Papers: *None.*