6. Risk Management Update including Partnering (suppliers, other agencies etc.)

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Purpose of the Report

To update members of the committee on the state and nature of the partnering risk logged onto the risk register now referred to as the TEN risk register.

Recommendations

(1)   That members of the Audit Committee note the contents of the report;

(2)   that members note that ONLY risks that appear on the partnering register managed by the Third Sector and Partnership Manager are noted under partnering risk. All other risks will be embedded in the service risk register and will have a different label or risk tag.

Background

Attached at pages 5-6 is a copy of the risk register for partnering risk within the master risk register, some 13 strategic and significant risks. These are managed on a corporate level by the "Third Sector and Partnership Manager" however the individual risks are managed at a local level by the officer based within the service most connected with the risk. Members of the Audit Committee will be very aware that proactive risk management requires a number of interventions and should be seen as a dynamic process.

Step 1 Identify the risk
Step 2 Assess the risk
Step 3 Develop mitigation or controls
Step 4 Assess risk
Step 5 Apply an action to ensure all above are working and stable.

Clearly as can be seen from the example attached some of the risks do not appear to have actions recorded against them, so there is some concern as to how dynamic our risk management actually is. The system is unable to report on action review dates if its not entered. We are currently checking to see if its possible to have the system report on risk with no controls and no actions entered.

Unfortunately risk associated with commercial suppliers and/or other partner agencies that do not make it onto the corporate risk register cannot at this time be reported on, as they do not have a tag (Partnering risk) to be able to filter them from the whole.

In order to overcome this we are currently checking to see if an ITEMS report can be developed as we had with the previous system. This would allow me to individually select a risk from the various service-based risk registers that I consider contain an element of partnering or third party risk. To assist in this regard the system is being further adapted to have two business units created to cover strategic partnering risk

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(those that appear on the partnering register) and operation or service based partnering risk, as we need to do this to keep the two types of partnering risk separated.

Existing Partnering Risk Register

To be read in conjunction with this report is a copy of the strategic or significant partnering risk register, this has been taken directly from the TEN Risk register and should I hope look and feel similar to the risk report produced in the past from the Magique system.

A couple of risks are missing any actions, however on the whole it is a good report and shows an active and positive engagement with risk management. The Ten Risk register is still very much embryonic and being developed as we go so there is still improvements that can be made at this stage. It is being developed in house so it is much easier to add reports and additional functionality. As an example I hope to be able to bring an additional service based partnering risk report to the committee the next time I am called upon to report on risk.

However, for now I can confirm that I have read through the majority of risks on the system and looked at any that may specifically have a commercial or third party element to the control. A significant number may well depend on external resources to mitigate the risk. A separate report will be run asking officers to move any risk under the service based partnering labels once it is available.

Some further training will take place later in the year with staff in regard to risk mitigation. There is a training weakness based on officers only considering the risk horizon as within the confines of SSDC, and officers must reflect on the supply or communications chain that supports the mitigation they have put in place. As an example there is little point in saying employ additional contractors, if that contractor does not know that we could be calling on them in a given situation.

In summary I can report that officers are engaging with the system positively and well. The Ten risk system works well and it's a real positive step having an in-house resource able to build and adapt the system.

Financial Implications

There will be a saving from the previous system as regards maintenance and support of approximately £1,000.

Background Papers: *None*