

**Report to the Finance and Performance
Management Cabinet Committee**



**Epping Forest
District Council**

Report Reference: FPM-024-2012/13

Date of meeting: 21 March 2013

Portfolio: Finance & Technology

Subject: Risk Management – Corporate Risk Register & Risk Management Documents

Responsible Officer: Edward Higgins (01992 564606)

Democratic Services: Gary Woodhall (01992 564470)

Recommendations/Decisions Required:

- (1) To note the updating of the Corporate Risk Register;**
- (2) To consider whether there are any new risks that are not on the current Corporate Risk Register;**
- (3) To consider whether the tolerance line on the risk matrix should be amended;**
- (4) To consider and recommend the updated Risk Management Strategy and Policy Statement to Cabinet for adoption; and**
- (5) To note the updated Terms of Reference of the Risk Management Group.**

Executive Summary:

The Corporate Risk Register and risk management documents have been considered by both the Risk Management Group on 25 February and the Corporate Governance Group on 27 February. These reviews identified amendments to the Corporate Risk Register and minor amendments to the wording of corporate risk documents.

The methodology and documentation for Risk Management were established in 2006 as a response to the Audit Commission's Comprehensive Performance Assessment (CPA) regime. Audit comments on these arrangements have been favourable over an extended period as they have encapsulated best practice in this area. However, Members have requested an update to the Corporate Risk Register to make it more accessible.

Following this request the Director of Finance & ICT and the Chief Executive met with an external consultant to discuss the options. The consultant confirmed that whilst the existing arrangements and documentation remained extremely robust and valid, some authorities had used the demise of the Audit Commission as an opportunity to streamline the risk management process.

It has been decided to take the process of streamlining forward by devoting a Management Board meeting in May to a fresh consideration of corporate risks and how they are recorded and presented. This is likely to result in a very different Corporate Risk Register being presented to the June meeting of this Committee.

Reasons for Proposed Decisions:

It is essential that the Corporate Risk Register is regularly reviewed and kept upto date. The annual review of the corporate risk management documents helps ensure that the risk management process remains relevant and up to date.

Other Options for Action:

Members may suggest new risks for inclusion or changes to the scoring of existing risks.

Report:

1. The Corporate Risk Register was reviewed by the Risk Management Group on 25 February and the Corporate Governance Group on 27 February. A number of amendments have been identified and incorporated into the register (Appendix 1).
2. Risk 1 Recruitment Restrictions has been removed following the decision by Cabinet on 10 January to revoke the restriction.
3. New Risk 37 – At the meeting of this committee on 21 January, Members requested the groups to consider the Gazetteer as a risk. It was agreed that a new Corporate risk should be added, the risk and associated Action plan can be seen within the Corporate Risk Register. The Risk has been scored as D2 (Low likelihood, Critical Impact)
4. Risk 3 Potential difficulty producing Local Plan to timetable – an additional Vulnerability, Trigger and Consequence have been added to the risk to cover budgetary aspects. An additional management action has also been added to the Action Plan to reflect the work of the Local Plan Cabinet Committee.
5. Risk 17 – Significant amount of capital receipts spent on non-revenue generating assets. The effectiveness of control has been updated to reflect the capital programme.
6. Risk 29 – Gypsy Roma Traveller Provision. The vulnerability has been updated as the GTAA is now underway.
7. A timeline of all current risks is also included as Appendix 2.
8. At the 17 July 2006 meeting of this committee, Members considered and adopted the Risk Management Strategy, the Risk Management Policy Statement and the Terms of Reference of the Risk Management Group. Cabinet then adopted the Risk Management Strategy and the Risk Management Policy Statement on 13 November 2006.
9. This Committee undertakes an annual review of these documents. The review last year was on 19 March 2012, with subsequent Cabinet approval on 23 April 2012.
10. These documents should be reviewed and updated on an annual basis and so are presented here for Members consideration. After consideration by the Risk Management Group and the Corporate Governance Group the proposed adjustments are as follows:

Document	Proposed amendment
Risk Management Group – Terms of reference (Appendix 3)	Minor wording changes within paragraph one and two.
Risk Management Strategy (Appendix 4)	Within Organisation, the portfolio holder has been amended to “Finance & Technology”.
Risk Management Policy Statement (Appendix 5)	No change

11. Members are now asked to consider the attached updated Corporate Risk Register and whether the risks listed are scored appropriately, whether there are any additional risks that should be included and whether the tolerance line needs to be amended.

12. Members are also asked to consider the proposed amendments to the corporate risk management documents.

Resource Implications:

No additional resource requirements.

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

The corporate risk management documents are an important part of the Council's overall governance arrangements and this Committee is required to review the documents on an annual basis.

Safer, Cleaner, Greener Implications:

None.

Consultation Undertaken:

The Risk Management Group and the Corporate Governance Group have been involved in the process.

Background Papers:

None.

Impact Assessments:

Risk Management

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately.

If the corporate risk management documents were not reviewed and updated they could become inconsistent with other Council policies and objectives and this would undermine the Council's approach to risk management.

Equality and Diversity

Did the initial assessment of the proposals contained in this report for relevance to the Council's general equality duties, reveal any potentially adverse equality implications? No

Where equality implications were identified through the initial assessment process, has a formal Equality Impact Assessment been undertaken? N/A

What equality implications were identified through the Equality Impact Assessment process?
N/A

How have the equality implications identified through the Equality Impact Assessment been addressed in this report in order to avoid discrimination against any particular group?

N/A