

	<p style="text-align: center;">Performance and Finance Select Committee 21st March 2006</p> <p style="text-align: center;">Report from the Director of Finance and Corporate Resources</p>
For Information	Wards Affected: ALL
<p>Report Title: RISK MANAGEMENT UPDATE</p>	

Forward Plan Ref:

1.0 Summary

- 1.1 This report outlines progress made in the implementation of the proprietary risk management software purchased by the council, senior officer and member training and sets out the next steps required to further embed risk management across the council. The report is provided in response to a request from this Committee for an update at this meeting. Significant progress continues to be made in furthering best practice risk management across the council. The Risk Management Strategy has been adopted by the council; proprietary software has been purchased and implemented; a software user group has been established and training has been provided to senior officers, members, end users and management teams.

2.0 Recommendations

- 2.1 The Performance and Finance Select Committee are asked to consider the report and endorse the actions proposed in paragraph 3.3 of the report.

3.0 Detail

Progress to date

3.1 Software implementation

The "Acertus" software purchased from Risk Governance Ltd was installed at the end of December. Migration of the risk detail maintained in the in-house Lotus Notes system was achieved in December. Initial user training of 25 staff was provided by the software supplier in December. Further definition and end user training related to the scoring model is required, as the financial model does not offer the most meaningful score. Corporate and Financial Hotspots are currently being converted to a risk format and included on the

register as are business continuity associated risks. We will then need to determine and agree the risk hierarchy i.e. which risks should be linked together as impacting on each other and which risks are cross cutting. The Risk Management Group met in February and agreed that a Risk Management Software User Group should be established with representatives from each service area. The User Group is scheduled to meet later this month and will make recommendations to the April meeting of the Risk Management Group. It is proposed that members of the P&FSC will be assigned access to the Risk Management software directly in the new municipal year. A hard copy extract of the register is provided as Appendix 1 to this report for information.

3.2 Risk Management Training

In addition to the software user training, general risk management guidance was issued to senior officers and members in January of this year. Senior Officers were advised that there is an on-line training solution which includes a self-assessment module. Members were each provided with a tailored risk management guidance CD, this also included a self-assessment module. Additional training is planned by the software User Group related to risk scoring and the Procurement and Risk Management team have further detailed officer training packages available as managers identify their needs.

3.3 Next Steps

An updated Action Plan is included as Appendix 2 to this report and highlights our next areas of focus.

3.3.1 Items 3, 5 and 12 on the action plan relate to corporate business risk linked to strategic objectives and planning. Transfer of the corporate and financial hotspots risks to the council-wide risk register, with assigned risk ownership will partly address the requirement. Regular review of the top strategic risks by CMT and this committee will contribute to adequate monitoring of that risk. It is proposed that pending final updating of the new risk register the top strategic risks are reported on and reviewed by CMT and this committee twice yearly. Additional work will be undertaken by the Procurement and Risk Management team to review procedures and provide guidance related to the consideration of risk linked to major policy decisions, major projects (to include procurement projects) and service development planning. The progress of this work will be reported back to this committee.

3.3.2 Item 7 on the action plan relates to our handling of partnership risk. The Procurement and Risk Management team will review procedures and provide guidance related to the assessment and management of partnership risk and its inclusion on the council wide register. The progress of this work will be reported back to the committee.

3.3.3 Item 10 relates to the reporting mechanisms surrounding risk and the risk register. The target has been partially met by our scheduling of reports to this

committee, however there is a need to report on risk to the full council. It is proposed that the top strategic risks are reported to the full council annually.

- 3.3.4 Item 14 relates to the council taking a balanced approach to risk to include the positive as well as negative aspect of risk. Failure to take this balanced view could result in lost opportunity to the council by taking a too risk-averse stance in its considerations. It is proposed that the Risk Management Group review this item and make future recommendations to this committee.
- 3.3.5 The Procurement and Risk Management team will continue to review training needs and offer guidance to Departmental Management Teams on the assessment and management of risk

4.0 Financial Implications

- 4.1 There are no direct financial implications arising from this report.

5.0 Legal Implications

- 5.1 There are no direct legal implications arising from this report

6.0 Diversity Implications

- 6.1 There are no apparent direct diversity implications arising from this report, an equality impact assessment of the Risk Management Strategy has been performed.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 There are no direct staffing implications arising from this report

8.0 Background papers

9.0 Contact Officers

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