

# CHESHIRE EAST COUNCIL REPORT TO CABINET

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**Date of meeting:** 14 February 2011  
**Report of:** Head of Policy & Performance  
**Title:** Risk Management Update Report  
**Portfolio Holder:** Councillor David Brown

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## **1.0 Report Summary**

- 1.1 Dealing with risk is very much a management activity but there is clear responsibility and accountability for Cabinet in the operation of the Council business which directly involves issues of risk management. This report provides Cabinet with an oversight of the effectiveness of risk management processes and enables Cabinet Members to seek assurance about the effectiveness of control arrangements as Portfolio Holders. Attached within the report is a summary of the management of the key corporate risks so that Cabinet may satisfy itself that the risks are being adequately managed.

## **2.0 Decision Requested**

- 2.1 Cabinet is requested to note the Key Corporate Risks provided in **Appendix A**. Cabinet will receive an annual risk report providing progress on all identified key risks. In addition, Portfolio Holders will be updated regularly on the management of risks relating to their individual area via the Risk Owners.

## **3.0 Reasons for Recommendations**

- 3.1 In order to seek assurance on the effectiveness of the Council's risk management arrangements, Cabinet needs to establish how key risks are identified, what the key risks are and how they are evaluated, managed and reviewed.

## **4.0 Wards Affected**

- 4.1 All

## **5.0 Local Ward Members**

- 5.1 N/A

## **6.0 Policy Implications including - Carbon reduction - Health**

- 6.1 Risk Management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

## **7.0 Financial Implications (Authorised by the Borough Treasurer)**

- 7.1 None

## **8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 As well as the need to protect the Council's ability to achieve its strategic aims, and to operate its business, general principles of good governance require that it should also identify risks which threaten its ability to be legally compliant and operate within the confines of the legislative framework, and this report is aimed at addressing that requirement.

## **9.0 Risk Management**

- 9.1 This report relates to overall risk management.

## **10.0 Background and Options**

- 10.1 It is considered good practice to include an update to Cabinet periodically on progress against key risks. This monitoring should summarise general direction of travel in order to

clearly demonstrate progress being made on specific risk items. If all is well then no discussion may be required; if all is not well then it is easy to identify the issues to pursue.

- 10.2 As part of the Council's risk management framework, risks are reviewed by the Corporate Risk Management Group and the effectiveness of the risk management framework is reviewed by the Audit and Governance Committee. The Corporate Risk Register is reviewed and discussed in detail by the Corporate Risk Management Group. It is not necessary for Cabinet to know about every risk but rather to know what the key risks are, whose job it is to deal with them and that they are being actively managed.
- 10.3 Attached at **Appendix A** is a summary of the Council's Key Corporate Risks and the net risk rating for each risk, (showing where we are at now), it is intended that this summary be reported periodically to Cabinet. The direction of travel for each risk has been shown as stable for each risk in this report but in future reports this will provide tracking of the direction of travel of risks, with a commentary for any risks that change. This can then be utilised as a tool to ensure that any risks not being managed to an acceptable level are monitored, reported on and escalated as required.
- 10.4 The assessment methodology used to score the risks is attached at **Appendix B** to this report for information.

#### **11.0 Access to Information**

- 11.1 The background papers relating to this report can be inspected by contacting the report writer:

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