

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting: 19 November 2009
Report of: Head of Internal Audit and Compliance
Subject/Title: Update on Risk Management

1.0 Report Summary

- 1.1 The purpose of this report is to provide an update on implementation of the Risk Management Strategy for the Council. This strategy was recommended for approval by this Committee at its meeting on 25th June, 2009, and was approved by Cabinet on 14th July, 2009.

2.0 Recommendation

- 2.1 That the Committee note progress towards implementation of the Risk Management Framework.

3.0 Reasons for Recommendation

- 3.1 Risk Management is a fundamental element of Corporate Governance and a key contributor to ensuring a strong internal control environment. It is an integral part of the management of the Authority in supporting delivery of its objectives and outcomes. Consequently, it is critical that the framework is properly implemented, and this report aims to provide assurance that effective progress is being made.

4.0 Wards Affected

- 4.1 N/A

5.0 Local Ward Members

- 5.1 N/A

6.0 Policy Implications including - Climate change - 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, where necessary, as part of the strategic risk register.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

7.1 None

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

8.1 None

9.0 Legal Implications (Authorised by the Borough Solicitor)

9.1 Risk Management and Business Continuity are key elements in ensuring that the Council continues to perform its statutory functions and legal obligations.

10.0 Risk Management

10.1 This report relates to overall risk management.

11.0 Background

11.1 Objectives

The objectives of the Risk Management Strategy are to:

1. Embed risk management into the ethos, culture, policies and practices of the Council.
2. Ensure the Council successfully manages risks and opportunities at all levels – strategic, operational, programme, project and partnership.
3. Manage risk in accordance with all statutory and best practice requirements.
4. Ensure that risk management is a key and effective contributor to corporate governance and the Annual Governance Statement.
5. Clearly identify roles and responsibilities and ensure that all parties understand how they should contribute to the effective management of risk.
6. Ensure that risk management helps to secure effective arrangements to identify and achieve successful local and national priority outcomes.

11.2 The Corporate Risk Management Group (CRMG) (see Appendix 1) is the group which is responsible for implementing the agreed strategy, with Internal Audit supporting and coordinating the activities of the group. CRMG is chaired by the Head of Policy and Performance, and comprises senior officers representing each of the Directorates and Services, as well as the Portfolio Holder for Performance and Capacity. This group has met on two occasions since July 2009 and has developed an initial Strategic Risk Register, which is attached to this report (see Appendix 2). Each senior officer is also responsible for coordinating the

management of risks within their own Directorate/Service. Development of the Strategic Risk Register is an ongoing process, and individual meetings have been held with all members of the CRMG to ensure that each of the risks is clearly defined and evaluated, with mitigating actions clearly specified. Discussions are currently taking place to further develop the current Risk Register, and to ensure that all Strategic Risks are captured.

- 11.3 A Risk Manager has recently been appointed within Internal Audit, and this manager is working in conjunction with the two Audit Managers to support Services in the development of their Service Risk Registers, in order to ensure a comprehensive and cohesive approach to the identification and management of the risks to achievement of the Council's objectives. Discussions are also underway with the Audit Commission to assist in the embedding of risk and ensure that the process is robust and effective.
- 11.4 As part of the Council's commitment to risk management, all audit staff have recently been on a risk based auditing course to start to embed the process by which the internal audit plan is based on the key risks of the authority, and, equally, to establish internal audit as a reviewer of the effectiveness of risk management at departmental level.
- 11.5 A great deal of work has been put into assisting services to establish their risks, include risks in their service delivery plans and to link their performance measures and targets to their risk management plans. Clearly, some of this work, at departmental level, is still in its infancy, but there is a recognition that risk management is integral to overall management and, as service plans develop, this will be further enhanced.
- 11.6 Strategies and processes relating to Business Continuity Strategy, which help to create a resilient organisation, are an essential element of risk management. Over the past months significant effort has been made in all services to develop business continuity plans to ensure that critical functions can continue to be delivered in an emergency. To date, the focus has been on developing plans for coping with a shortage of staff during the current Flu Pandemic, and services are in a strong position to respond should instances of Swine Flu increase over the coming months. Work is also in progress to adapt these plans to cover other emergencies, which might cause disruptions to service delivery, such as loss of premises, or loss of IT systems. Planning for the Flu Pandemic is currently overseen by the Council's Emergency Management and Response Team, in conjunction with Risk Management and the Joint Cheshire Emergency Planning Team. However, responsibility for monitoring the progress and status of business continuity planning and the Council's level of resilience lies with the Corporate Risk Management Group and a report will be provided to this Committee each quarter as part of the Risk Management Report.
- 11.7 In order to embed risk management, a series of training sessions are required, which are currently being planned, and further work to link the risk management process to the performance management system is being developed, as the business planning framework is being reviewed and enhanced.

12.0 Overview of Year One and Term One Issues

12.1 N/A

13.0 Access to Information

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

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