

Appendices: 4



NORTHAMPTON
BOROUGH COUNCIL

AUDIT COMMITTEE REPORT

Report Title	Risk Management Update
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AGENDA STATUS: PUBLIC

Meeting Date:	9 th January 2012
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr Alan Bottwood
Ward(s)	Not Applicable

1. Purpose

1.1 To provide an update on progress in Risk Management across the authority.

2. Recommendations

- 2.1 To note the recent assessment of the Council's Risk Maturity.
- 2.2 To note the latest Strategic Risk Register and Strategic Scorecard.
- 2.3 To note the high risks from across the Council.

3. Issues and Choices

3.1 Report Background

3.1.1 Audit Committee requested an update on the developments within Risk Management.

3.2 Issues

3.2.1 Risk management is a fundamental aspect of the Council's business practices. Cabinet has an executive role in the management of risk across the Council, the Audit Committee provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.

3.2.2 In recent years the management of risk across the Council has improved significantly. This is evidenced in a recent audit, undertaken by the Council's Internal Auditors, PWC.

- 3.2.3 The report states, "We have assessed Risk Management and Business Continuity as low risk. Overall, Risk Management and Business Continuity is well controlled at the Authority". There were only two findings in the audit report, both classified as medium 'operating effectiveness'.
- 3.2.4 The Risk Management Strategy and The Risk and Business Continuity Management Handbook have undergone a review to ensure they comply with general good practice and reflect any developments across the authority.
- 3.2.5 The key developments within the Risk Management Strategy were presented to the Committee on 24th November 2011. Cabinet approved the changes to the Strategy on 14th December 2011.
- 3.2.6 In revising the Risk Management Strategy, an assessment of the Council's Risk Maturity was undertaken. This enables us to benchmark the Council's current risk management capability and helps us to understand where improvements can be made. The current assessment of the Council's risk maturity is Level 4 - Managed, please see Appendix A.
- 3.2.7 Management Board is expected to undertake a quarterly review of the Strategic Risk Register on 5th January. Management Board will review outstanding actions, discuss any new risks to be added to the register and ensure awareness of the high risks. The Strategic Risk Register and quarterly review process provide an early warning system to alert Management Board to potential opportunities and threats. A copy of the current Strategic Risk Register is attached, Appendix B.
- 3.2.8 At an earlier Management Board meeting, the Board requested that a consistent method of scoring Strategic Risks be developed. Subsequently, Management Board has approved the Strategic Scorecard attached in Appendix C. This approach helps to remove any bias from the scoring process and should result in a more consistent method of scoring.
- 3.2.9 A summary of the service-level risks from across the Council, that are currently scored as high, is provided in Appendix D.
- 3.2.10 The management of risks within projects across the authority is well embedded. The awareness of risk management among Project Managers has notably increased. The Corporate Risk Manager sits on the Council's Project Initiation Group, which provides an excellent opportunity to challenge and input at every stage of the project management cycle.
- 3.2.11 A Local Resilience Forum Risk Assessment Working Group has been created to support the delivery of Northamptonshire's Community Risk Register. The Council's Corporate Risk Manager is a member of this group, representing the Northamptonshire districts and boroughs. Partners from across Northamptonshire are currently updating the Community Risk Register, this includes Police, Fire, Environment Agency, NHS and NCC. Once completed the Community Risk Register will be available on the NCC web site.

3.3 Choices (Options)

3.3.1 None.

4. Implications (including financial implications)

4.1 Policy

4.1.1 There are no policy implications arising from this report.

4.2 Resources and Risk

4.2.1 There are no specific resource implications arising from this report.

4.3 Legal

4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 The Director of Finance and Support and the Head of Finance have been asked to comment on this report.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Deliver value for money services.

4.6.2 Sustain effective and prudent financial management.

4.6.3 Be an agile, transparent organisation with good governance.

4.7 Other Implications

4.7.1 None.

5. Background Papers

5.1 Appendix A – Risk Maturity Assessment.

5.2 Appendix B – Strategic Risk Register.

5.3 Appendix C – Strategic Scorecard.

5.4 Appendix D – Summary of Service-Level Risks.

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