



**CORPORATE RESOURCES  
OVERVIEW AND SCRUTINY  
COMMITTEE**

***Committee Report***

**Public**

**Date of Meeting:** 10th April 2003

**Title:** RISK MANAGEMENT UPDATE

**Report of:** Alan Wood - Procurement & Project Co-ordination Officer

**Report reference:** SP09/03

**Summary:**

The report updates members of progress on Risk Management.

**Recommendations:**

Members are asked to note progress to date.

**Contact Officer:** Alan Wood

**Ext:** 7430

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

## **BACKGROUND**

Members have previously been advised on the Council's action to date on Risk Management, particularly reports on Risk Management Strategy and the progress of the Best Value Reviews.

## **UPDATE**

A Corporate Risk Management Group has now been established and has held its inaugural meeting. The Terms of Reference previously considered by this committee form the basis for the Group's working.

Training events for Heads of Business units and Elected Members have been held and each Business Unit Head has produced an operational risk register. These will shortly be collated and analysed by the Group and will form part of the Business Planning process.

The Consultants who facilitated the training also advised on the setting up of a Corporate Risk Register, which is appended to this report. The terminology used is that of the Consultants and the Group will look again at this initial approach and customise it to a Carlisle situation and carry out a more detailed assessment and identify mitigating measures that can be undertaken.

The Group will, now that it has formally met, invite member involvement at the next and subsequent meetings as previously reported by the Head of Commercial & Technical Services.

The next actions to be targeted by the group are:

- Completion of Best Value Review
- Analysis of Business Unit Risk Registers
- Identifying training needs
- Producing revised guidelines for allocating risk management budget

A fuller and more comprehensive report will be brought to the next meeting of this committee and members are asked to note progress to date.

**DRAFT**

**CARLISLE CITY COUNCIL  
CORPORATE RISK REGISTER 2002/03**

**STRATEGIC**

- S1 Response to Comprehensive Performance Assessment, Audit / Inspection, Best Value, KPI's, etc.
- S2 Strategic Communications (internal and external)
- S3 Management of Cultural change
- S4 Service Continuity Management
- S5 Change in framework for Regional Government
- S6 Impact of changes in Local Economy
- S7 Alignment of Council key objectives with those of the Community
- S8 Strategic Emergency response planning
- S9 Future viability of core services

**SERVICE DELIVERY**

- D1 Revenue and Benefits Administration / Management and correctness of payments
- D2 Housing, Service delivery post – LSVT and monitoring performance
- D3 Arts and Cultural Services – choosing the right way to go
- D4 Local taxation, debt recovery – effectiveness of procedures

**THIRD PARTY CLAIMS**

- C1 From poor maintenance of public areas
- C2 From employees injuries and ill health

**OPERATIONAL MANAGEMENT**

- O1 Support for the procurement and risk management function. Selection and management of service suppliers
- O2 Suitability and sufficiency of Property portfolio, effectiveness of Asset Management Plan
- O3 Effectiveness, reliability and protection of current ICT systems, software, electronic data and non-electronic data

**HUMAN RESOURCES**

- H1 Sickness, absence and early retirement
- H2 Implementation of single status (if job evaluation implemented)

**FINANCIAL RISKS**

- F1 Investment and borrowing strategy
- F2 Level of Pension Funds

### **PARTNERSHIPS / COLLABORATIVE AGREEMENTS**

- P1 Partnership Working
  - nature of agreement
  - objectives, deliverables
  - responsibilities, procedures and monitoring
  - effectiveness of partners

### **PROPOSALS**

The Group feels this is a fair and reasonable assessment of the major corporate risks to the Authority at the current time.

It is proposed that the Corporate Risk Register form part of the agenda for the prioritisation meeting to be held on 13<sup>th</sup> March.

All

**CARLISLE CITY COUNCIL  
FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003  
RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment			Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact			
<b>PART A – STRATEGIC</b>							
A1	Audit/inspection & performance monitoring (BY, KPIs, etc)						
A2	Strategic communication (internal and external)						
A3	Management of cultural change						
A4	Management of political change						
A5	Response to Comprehensive Performance Assessment						
A6	Compliance/ Governance monitoring						
A7	Service Continuity Management						
A8	Implementation of E- Government project						
A9	Change in framework for regional government						
A10	Effectiveness of Local Strategic Partnership (LSP)						
A11	Ethical policy/ Code of Conduct for Members						
A12	Impact of changes in the national economy						
A13	Impact of changes in the local economy						

**CARLISLE CITY COUNCIL  
FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003  
RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Financial Impact			Reputation Impact			Total Impact			Risk Assessment			Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential							
A14	Response to external funding opportunities															
A15	Effectiveness of engagement with the Community															
A16	Alignment of Council key objectives with those of the community															
A17	Development/implementation of environment strategy															
A18	Development/ implementation of democracy strategy															
A19	Development/ implementation of the Housing Needs strategy															
A20	Development/implementation of cultural strategy															
A21	High profile local projects/initiatives (eg. from National Lottery Funding)															
A22	Strategic emergency response planning (local emergency/incident)															
A23	Appropriateness of decision making/effectiveness of Scrutiny Committee															
A24	Rationalisation/reorganisation/change management - General															
A25	Rationalisation/reorganisation/change management post LSVT															

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Financial Impact				Reputation Impact				Total Impact				Risk Assessment				Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Reputation Impact	Reputation Impact	Reputation Impact	Reputation Impact	Reputation Impact	Reputation Impact	Likelihood Occurrence	Control Potential	Control Potential	Control Potential	Control Potential						
A26	Compliance monitoring and governance																			
A27	Management of strategic partnerships (see Section H)																			
<b>PART B - SERVICE DELIVERY TO THE COMMUNITY</b>																				
B1	Service delivery – Regeneration: City Centre																			
B2	Service delivery - Regeneration: Outlying Areas																			
B3	Service delivery – Regeneration: Specific Projects																			
B4	Service delivery - Community Economic Development																			
B5	Service delivery - Welfare & Benefits Administration Services/ Management and correctness of payments																			
B6/1	Service Delivery – Housing Needs/ Housing Strategy – effectiveness post ESVT																			
B6/2	Service Delivery – Housing Needs/ Housing Strategy – monitoring performance of the new housing services trust																			

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
B7	Service Delivery – Sports & Leisure Services (Choosing the right way to go forward)								
B8	Service Delivery – Arts & Cultural Services								
B9	Service Delivery – Waste Management & Cleansing Services								
B10	Service Delivery – Statutory Enforcement Responsibilities								
B11	Service Delivery – Local Taxation/ levels of debt/ effectiveness of debt collection procedures								
B12	Service Delivery – Bereavement Services								
B13	Service Delivery – Planning services								
B14	Service Delivery – Market services								
B15	Service Delivery – Parks and open spaces								
B16	Service Delivery – Highways maintenance and related services								
B17	Service Delivery – Technical/ engineering services								
B18	Service Delivery – Management of Electoral Register								



**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
B19	Service Delivery – Licensing services								
B20	Service delivery – Emergency planning								
B21	Service Delivery – Transport Services								
<b>PART C – THIRD PARTY CLAIMS</b>									
C1	From repair and/or maintenance of Housing Stock								
C2	From poor maintenance of public access areas								
C3	From disclosure of confidential information								
C4	From provision of information and/or advice								
C5	From planning administration/decisions								
C6	From implementation of statutory enforcement responsibilities								
C7	From employee injuries and/or ill health								
C8	From application of engineering and/or other technical expertise-								
C9	From contact with asbestos, legionella and similar hazards								

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
<b>PARL D – PROCUREMENT &amp; MANAGEMENT OF INTERNAL GOOD &amp; SERVICES</b>									
D1	Identification and securing of external funds								
D2	Relationships with funding agencies								
D3	Dependencies on specialist advisors (e.g. legal, project evaluation, etc.)								
D4	Evaluation/ presentation of "the business case"								
D5	Management/ monitoring of contractor performance (quality/timeliness, etc)								
D6	Contractor financial management/ monitoring systems – audit trails								
D7	Evaluation/ selection of contract ors								
D8	Clarity/ completeness of contractual terms and conditions								
D9	Compliance with Standing Orders/ Financial Regulations								
D10	"Claw back"								
D11	Specialist contracts (e.g. demolition)								
D12	Disposal of land and/or property								

**RISK DELETED (SEE SECTION H)**

**RISK DELETED (SEE SECTION H)**

**RISK DELETED (SEE SECTION H)**

**RISK DELETED (SEE SECTION H)**

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
D13	Management of in-house delivered contract services (refuse collection, street cleaning, etc.)								
D14	Exit strategies for funded projects/ schemes								
D15	Dependencies on the support of Members								
D16	Support for/ establishment of the new centralised procurement function								
<b>PART E – OPERATIONAL MANAGEMENT</b>									
E1	Selection & management of service suppliers – advisory services								
E2	Selection & management of service suppliers – service delivery								
E3	Selection & management of service suppliers – contract management								
E4	Suitability/sufficiency of property portfolio (excluding Housing Stock)								
E5	Standards of physical security in public buildings								
E6	Management of other physical assets (plant/ equipment/ vehicles)								
E7	Management of contaminated land								

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
E8	Loss of/ damage to premises due to fire, flood or other perils								
E9	Effectiveness/ reliability and protection of current ICT systems								
E10	Implementation of new hardware/software systems								
E11	Protection of software and electronic data								
E12	Protection of documents/ non-electronic data								
E13	Effectiveness/ reliability & protection of telecommunication systems								
E14	Suitability/ sufficiency of Housing Stock								
E15	Procurement of assets								
E16	Management of vehicles								
E17	Compliance with Data Protection Act and Freedom of Information Act								
E18	Management of insurance programme								
<b>PART F – HUMAN RESOURCE/PEOPLE DEVELOPMENT</b>									
F1	Recruitment & retention of staff								
F2	Selection and vetting of staff								

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
F3	Staff morale								
F4	Staff training & development								
F5	Key personnel/ succession planning								
F6	Communication and consultation with staff								
F7	Relationship with Trade Unions								
F8	Sickness absence/ Early retirement								
F9	Management of "Equality" legislation								
F10	Management of health and safety legislation/ compliance								
F11	Major health and safety risks (injuries /ill-health)								
F12	Abuse/threats/ acts of violence towards staff								
F13	Emerging health and safety risks e.g. stress, sick building syndrome								
F14	Disciplinary Processes								

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment			Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact			
F15	Industrial tribunals						
F16	Transfer of personnel (TUPE)						
F17	Implementation of "Single Status"						
<b>PART G – FINANCIAL RISKS</b>							
G1	Management of departmental budgets/ overspending						
G2	Effectiveness of internal financial controls						
G3	Effectiveness of financial controls over external partners/ collaborators						
G4	Payroll and other key financial software systems						
G5	Robustness /effectiveness of financial reporting systems						
G6	Investments and borrowings strategy						
G7	Level of financial reserves						
G8	Internal fraud						
G9	External fraud						

**CARLISLE CITY COUNCIL**  
**FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003**  
**RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment					Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence	Control Potential			
G10	Changes stemming from Government SSA								
G11	Level of Pension Funds								
G12	Levels of debt owed to the Council								
G13	Management of Housing Revenue Account								
<b>PART H PARTNERSHIPS/COLLABORATIVE AGREEMENTS</b> (See also list of Part D – Project management risks)									
H1	Nature/ enforcement of the partnership/ collaborative agreement								
H2	Definition/ collective understanding of the aims/objectives/ deliverables, etc								
H3	Definition/ collective understanding of responsibilities and accountability								
H4	Procedures for monitoring progress								
H5	Dependencies on the commitment/ performance/ abilities of partners								
H6	Own ability to deliver on commitments made to partnerships								
H7	Key person dependencies								
H8	Management of potential liabilities								

**CARLISLE CITY COUNCIL  
FIRST DRAFT CORPORATE RISK REGISTER – FEBRUARY 2003  
RISKS RECOGNISED AS POTENTIALLY SIGNIFICANT HAVE BEEN HIGHLIGHTED**

Risk No	Risk Description	Risk Assessment				Action Score/ Priority	Responsibility	Review Date
		Financial Impact	Reputation Impact	Total Impact	Likelihood Occurrence			
H9	Financial management/ monitoring systems – audit trails							
H10	Evaluation of potential "partners"							
H11	Role/effectiveness of external advisors in agreements							
H12	Dependencies on the Support of Members							