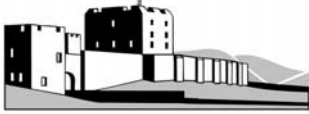


**CARLISLE
CITY COUNCIL**



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**CORPORATE RESOURCES OVERVIEW AND
SCRUTINY COMMITTEE**

Committee Report

Public

Date of Meeting: 6th April 2006

Title: CORPORATE RISK REGISTER UPDATE

Report of: DEPUTY CHIEF EXECUTIVE

Report reference: SP11/06

Summary: The purpose of this report is to give members of the Corporate Resources Overview and Scrutiny Committee the opportunity to consider the Corporate Risk Register.

Recommendations: The Committee is asked to consider and comment on the updated Corporate Risk Register and identify any emerging risks for consideration by the Corporate Risk Management Group.

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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

1. Background

Full Council agreed the Council's revised Risk Management Policy in July 2005. Subsequently the draft Corporate Risk Register was considered by this Committee in October 2005 at a workshop session.

Following this, the inaugural revised Corporate Risk Register (dated October 2005) was adopted. The Corporate Risk register and updates will be available to all members of the Council via their Member Support Officer and are also posted on Public Folders under Risk Management. The original agreement with this committee was that monitoring of the risk register would take place every six months. However best practice (as reflected in the Audit Commission's Key Lines of Enquiry) is quarterly review.

This Report contains the first quarterly update of the Register, approved by the Senior Management Team. The Corporate Risk register will be considered by the Corporate Resources Overview and Scrutiny Committee on a quarterly basis on the dates reported below. The Risk Register is at Appendix 1 and the summary of changes made in the last quarter is at Appendix 2.

In addition to scrutinising the Risk Register, members of this committee are invited to suggest emerging risks for consideration by the Corporate Risk Management Group. If appropriate these will be incorporated into the Corporate Risk Register and members will be able to track their management at the next quarterly update.

2. Comments on the Corporate Risk Register

Members will note that any change in the status of the risk is shown by a symbol in the movement column.

During the last quarter, all the Current Action Status / Control Strategy sections have been comprehensively addressed and the scoring of certain risks amended accordingly.

Meetings of the Corporate Risk Management Working Group and the Senior Management team to which it reports have been co-ordinated in order to provide the Committee with quarterly updates at its following meetings:

27 July 2006

19 October 2006

16 January 2007

mid-April 2007

3. Recommendations

The Committee is asked to consider and comment on the updated Corporate Risk Register and identify any emerging risks for consideration by the Corporate Risk Management Group.

CORPORATE RISK REGISTER –MARCH 2006-

Ref	Risk Description	Impact	Likeli-hood	Risk Score	Move-ment	Current Action Status/Control Strategy	Resp. Off
1	<u>Carlisle Renaissance</u> There is a risk associated with withdrawal of the support of government/other agencies and failing the public's expectations(individual projects and elements subject to their own risk assessment and management)	4	3	12	=	Public Consultation commenced Ongoing dialogue potential partners Renaissance team being built Programme Manager to commence on 6 th March 2006 to develop Delivery Plan and dedicated Risk Registers for all projects.	Director , Carlisle Renaissance
2	<u>Pay and Workforce Strategy</u> Failure in the implementation of PWS financial impact impact on staff including - Low morale/demotivation - Retention difficulties - Increased call on resources - Impact on business/productivity - Failure to implement succession planning	4	3	12	=	Implementation Plan and Programme determined and published Prince 2 methodology applied Training commenced in specialist areas Regular Staff updates via Management Briefing and newsletters Continual monitoring of progress by Project Manager overseen by Project Board	Deputy Chief Executive
3	Council's response to floods and ensuing perceptions - risk of disruption to services - risk of damage to the	4	3	12	=	Actions to be identified following Management conference workshops Information / contact numbers produced and distributed	Director of community services

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	<p>Council's reputation due to an over-expectation of the level of the Council's responsibilities</p> <p>(May be viewed as a seasonal risk)</p>					<p>Continuing support for Communities Re-united</p> <p>Emergency planning and Business Continuity Planning reviewed and revised</p> <p>Council an active participant on flood Recovery Board (Environment Agency / United Utilities) which is developing more effective partnerships.</p> <p>ACTION NEEDED-Review risk again in September – considered too early to downgrade or delete at this stage</p>	
4	<p>Risk of Flu Pandemic leading to:-</p> <ul style="list-style-type: none"> - inability to maintain services due to impact on staff and suppliers - failure to contribute to emergency response due to extent of above 	4	3	12	=	<p>Directorates producing Contingency plans(specific issues regarding employees have been identified)</p> <p>NHS leading on multi-agency response with Local Authorities supporting this process</p> <p>County-wide Group formed to assess the consequential impact</p>	Deputy Chief Executive

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
5	Absence/Sickness monitoring and management <ul style="list-style-type: none"> - Failure to comply with indicators - Impact on business/productivity 	3	3	9	=	Sickness Action Plan produced mad reported on quarterly to Members at CROS Monitoring and management of absences – procedures reviewed and instigated – positive impact already evidenced Pilot of Occupational Health service is underway Stress Management activity is underway to help all Directorates to identify and address their issues Review scoring / actions at a future date after impact of actions above consolidated	Deputy Chief Executive
6	<u>Financial Reporting</u> following comments of audit Commission on standard of financial reporting- Failure will lead -reputational damage -have an impact on overall CPA assessment -poor relationship with District Audit	3	3	9	New risk	Work continuing to improve the standard of all working papers in line with audit commission requirements. Improvement Plan under preparation to be considered at Accounts committee on March 7th	Director of Corporate Services
7	<u>Financial Management Information</u> provided must be accurate, robust & futureproof for Heads of Business Units to manage; failure leading to:-	3	3	9	=	Quarterly Budget monitoring report to Executive and CR O&S (December) improved - highlights high-risk budget areas in greater detail and linkage to performance instigated.	Director of Corporate Services

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	<p>poor information can lead to poor management decisions</p> <p>loss of credibility in information provided</p> <p>HBU's fail to focus on key objectives</p> <p>Not linked to performance management</p> <p>failure to adopt best practice and achieve value for money</p> <p>risks associated with ContractorPlus</p>					<p>SMT now receive monthly summarised budget monitoring reports and actions taken as appropriate</p> <p>An Action Plan now drawn up (with DPPP) to further improve linkage to performance</p> <p>Further improvements to be targeted following receipt of Use of Resources Report</p>	
8	<p>Failure to develop and embed Diversity and Equality Best Practice</p> <p>unlimited financial damages</p> <p>severe impact on reputation of Council</p> <p>severe loss of credibility amongst stakeholders</p>	4	2	8	↓	<p>Corporate Equality Champion and other champions identified</p> <p>Programme for implementation identified</p> <p>Audit of Council's policies underway</p> <p>Consultation with stakeholders imminent</p> <p>Impact Assessment Pilot set up</p> <p>Training programme for all staff (and Members) to be developed</p>	Deputy Chief Executive
9	<p>Protection of IT E-records and data and hard copy information:-</p> <p>failure will have business/financial impact</p> <p>inability to meet legal/other obligation</p>	4	2	8	=	<p>Annual off-site testing of back-up procedures</p> <p>DIP (Document Image Processing) solution being progressed</p> <p>Discussions commenced with Connected Cumbria partnership on shared disaster</p>	Director of Corporate Services

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	impact on resources / cost of re-establishment					recovery facilities ACTION NEEDED-to determine timetable and end Date for DIP	
10	<p><u>MediumTerm financial planning and maintaining asset values; failure leading to:-</u></p> <ul style="list-style-type: none"> risk of systems and procedures failing to address MTFP objectives risk that expenditure not linked to key objectives and priorities fails to be forward looking and programmed lack of corporate ownership failure to achieve balanced budget through the budgetary process failure to match future commitments and aspirations compared to funding available maintaining asset values 	4	2	8	=	Next annual review due in summer 2006 which will focus on improved financial linkage to Corporate priorities , policies and strategies	Corporate Services
11	<p>Failure to have robust Business Continuity Planning arrangements</p> <p>severe impact on business/provision of services</p>	4	2	8	=	<p>Business Continuity Plan tested fully by 2005 floods</p> <p>Ongoing review and updates</p>	Deputy Chief Executive

Ref	Risk Description	Impact	Likelihood	Risk Score	Move-ment	Current Action Status/Control Strategy	Resp. Off
	financial impact reputational impact legal liability					Incorporate feedback from Review of Council's actions (from Management briefing Seminar) ACTION NEEDED- Establish Timetable	
12	Failure to implement an effective IT Strategy:- failure to meet IEG targets failure to maximise benefits of e-business and e-procurement increased security risks	3	2	6	↓	IT Policy and Strategy approved by Council in January 2006 An e-Government Group has been set up and is working through its action plan Transformational duties incorporated into Head of ICT's role External assessment and penetration test carried out and action plan produced ACTION NEEDED-Review quality of Member training	Director of Corporate Services
13	Failure to focus clear Corporate Priorities leading to:- resources wasted on lesser priorities key objectives not achieved	3	2	6	↓	New Corporate Priorities now determined :- Greener , Cleaner and Safer The Learning City Carlisle Renaissance	Town Clerk & Chief Executive
14	Partnerships (including framework agreement & collaborative working arrangements) Existing partnerships and New and proposed partnerships , failure to ensure	3	2	6	↓	The Council now has a robust Partnership policy in place providing guidance on the nature and risks of partnerships Appendix E of the Council's Financial Procedure Rules now contain specific	Director of Legal & Democratic Services

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	<p>compliance with existing arrangements leading to:-</p> <ul style="list-style-type: none"> failure to meet stated objectives reputational and financial impact onerous terms and conditions, and inadequate exit strategy increased exposure to risk major review of compliance with partnership agreements or evidence of agreements not undertaken on a regular or structured basis 					<p>guidance on Officer's duties and responsibilities regarding partnerships</p> <p>The Director of Legal and Democratic Services instructed all Corporate Directors (by memo. 29/11/05) to obtain the necessary legal and financial advice at all stages of potential partnership working, to ensure full legal analysis and legal advice to Members and legal advice sought on appropriate contract models and safeguards.</p> <p>ACTION IDENTIFIED- Corporate Review of Partnership working, (and monitoring/enforcement procedures) to be considered by SMT. one option being- CRMG to audit partnerships at future meetings (evidence to be provided by Sponsor) to ensure compliance with the partnership agreement / Council procedures.</p>	
15	<p>CPA - Failure to maintain and/or improve Council's current rating.</p> <ul style="list-style-type: none"> reputational damage loss of freedoms more prescriptive/onerous inspection financial impact 	2	3	6	=	<p>Corporate Implementation Plan produced addressing issues from CPA , Direction of Travel and Use of Resources Review</p> <p>Monitor CPA announcements</p>	Deputy Chief Executive

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	demotivation of staff Further risks arising from unclear date of next review and its Terms of Reference						
16	<u>Performance Management challenges</u> Failure to embed performance management in the culture of the Council at all levels inefficient and ineffective management misdirected/wasted resources failure to meet target/continuous improvement	3	2	6	=	Quarterly Performance conferences now commenced to monitor and address performance corporately Performance Management included in Directorate's Service Plans	Deputy Chief Executive
17	Failure to adopt consistent and effective Project Management procedure leading to:- financial impact of failure (direct and indirect) damage to Council's reputation principles not applied universally	3	2	6	=	Introduction and Implementation of Business Case philosophy for all significant projects and schemes to ensure executive and corporate monitoring at SMT and Capital Programme Board Introduction of Prince 2 project management and commencement of corporate awareness training Establishment of dedicated Project Manager post within new structure	Deputy Chief Executive
18	Failure to implement Code of Corporate Governance failure to meet legal duty	3	2	6	=	Code of Corporate Governance and action plan reported to CR O&S Committee and will be reported quarterly	Director Corporate Services

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	failure to adopt sound, consistent, transport and auditable processes						
19	Failure to comply with New Emergency Planning procedures under Civil Contingencies Act failure to meet legal responsibilities	3	2	6	=	Cumbria-wide partnership formed with Cumbria CC Emergency Planning Unit to support and assist	Deputy Chief Executive
20	Flood restoration works financial impact of failing to ensure recovery of all monies and funding impact on community of failing to carry out physical works	3	2	6	=	Regular meetings with Council's Insurers to recover monies and resolve issues, Bellwin claim submitted and awaiting audit Expenditure of ODPM budget planned and in progress ACTION NEEDED- Review at next meeting	Director Community Services
21	Health & Safety management and systems failure could lead to:- exposure to legal action financial impact of failing to ensure recovery of all reputational impact on Council increased exposure of staff to H&S risks creation of image of non-proactive employer	3	2	6	=	Council' Health and Safety Policy fully adopted Qualified H&S Manager employed in a corporate role Clear H&S management systems installed across the Council Health and Safety action plan regularly updated and ongoing auditing of current practices Developing partnership arrangements with HSE	Deputy Chief Executive

Ref	Risk Description	Impact	Likelihood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off
	lack of understanding of Health and Safety Manager's role					Developing local P I's Continuing training of staff as appropriate including mandatory training for newly appointed employees Role of Health and safety to be included in Service plans	
22	Failure to ensure External Communications are consistent across the authority and on-message, leading to:- reputational damage caused by mixed/inaccurate messages loss of established relationships negative perception of the Council	3	2	6	=	Robust and consistent approach to all External Communications at executive level supported by highly qualified and experienced Communications Unit Full integration and consistency of external communications in relation to Carlisle renaissance Ongoing development of Web-site ACTION NEEDED- to develop a Communications Strategy	Deputy Chief Executive
23	<u>Organisational Review</u>	-	-	-	↓	RISK DELETED	Deputy Chief Executive
24	<u>Risk Management procedures</u>	-	-	-	↓	RISK DELETED	

Ref	Risk Description	Impact	Likeli -hood	Risk Score	Move -ment	Current Action Status/Control Strategy	Resp. Off

CORPORATE RISK REGISTER MARCH 2006 ;QUALITY CONTROL DOCUMENT(changes in last quarter)

Approved by Senior Management Team 14th March 2006

REF NO.	BRIEF DESCRIPTION	SCORE	COMMENTS
1	Carlisle Renaissance	12=	Text revised and Control Strategy identified
2	Pay and Workforce Strategy	12=	Control Strategy revised
3	Perception of Council's flood response	12=	Control Strategy revised /action needed added
4	Flu Pandemic	12=	Control Strategy revised
5	Absence / sickness monitoring	9=	Control Strategy revised
6	Financial Reporting	9=	NEW RISK ADDED TO REGISTER
7	Financial Management Information	9=	Text added and Control Strategy revised
8	Embedding Diversity and Equality	8 ↓	Reduced from(4X3=12) : Control Strategy revised
9	Protecting IT records	8=	Control Strategy revised /action needed added
10	Medium term financial planning	8=	Control Strategy revised
11	Business Continuity Plan	8=	Control Strategy revised
12	Implement IT Strategy	6 ↓	Reduced from(3X3=9) : Control Strategy revised /action needed added
13	Corporate Priorities	6 ↓	Reduced from (4X3=12) : Control Strategy revised
14	Partnerships	6 ↓	Reduced from (3X3=9) : Text added and Control Strategy revised
15	CPA score	6=	Text added and Control Strategy revised
16	Performance Management	6=	Text added and Control Strategy revised
17	Project Management	6=	Control Strategy revised
18	Corporate Governance	6=	Control Strategy revised
19	Emergency Planning procedures	6=	Control Strategy revised
20	Flood restoration works	6=	Control Strategy revised
21	Health and Safety	6=	Text added and Control Strategy revised
22	External Communications	6=	Control Strategy revised
23	Re-structure	-	Risk deleted
24	Risk Management	-	Risk deleted