



CORPORATE RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Committee Report

Public

Date of Meeting: 11 January 2007

Title: Corporate Risk Register

Report of: Deputy Chief Executive

Report reference: CE 05/07

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

CITY OF CARLISLE

To: Corporate Resources Overview and Scrutiny

Date: 11th January 2007

1. Background

In accordance with the Council's Risk Management Policy, the draft Corporate Risk Register is submitted to this Committee for consideration on a quarterly basis.

This Report contains the latest quarterly update of the Register.

The Risk Register is at Appendix 1.

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.

In addition to scrutinising and commenting on 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.

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.

Appendix 1 - CORPORATE RISK REGISTER Updated 2 November 2006

Ref	Risk Description	Impact	Likeli-hood	Risk Score	Move-ment	Current Action Status/Control Strategy	Responsible Officer
1	<u>Pay and Workforce Strategy</u> Failure in the implementation of PWS financial impact impact on staff including <ul style="list-style-type: none"> - 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
2	<u>Financial Reporting</u> following comments of audit Commission on standard of financial reporting- Failure will lead <ul style="list-style-type: none"> -reputational damage -have an impact on overall CPA assessment -poor relationship with District Audit 	3	3	9	=	Work continuing to improve the standard of all working papers in line with audit commission requirements. Following the IPF report an improvement Plan has been prepared for consideration by the Executive in November 2006. This will be monitored regularly by the Audit Committee. The Accounts for 2005/06 were approved by Council on 29th June for the purpose of audit. The statutory deadline for the completion of the audit was 30th September. The working papers have been quality checked and were handed over to the Audit Commission on 3rd July. The Audit Commission in their 2005/06 Annual Governance Report acknowledged	Director of Corporate Services

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						<p>significant improvements in working papers.</p> <p>The Statement of Accounts Action Plan approved by full Council was monitored weekly at SMT during the 2005/06 audit process and any outstanding issues will form part of the improvement plan.</p> <p>Risk Score stays the same until audit is signed off.</p>	
3	<p><u>Financial Management Information</u> provided must be accurate, robust & futureproof for Service Heads to manage failure leading to:-</p> <ul style="list-style-type: none"> poor information can lead to poor management decisions loss of credibility in information provided HBU's fail to focus on key objectives Not linked to performance management failure to adopt best practice and achieve value for money risks associated with Contractor Plus 	3	3	9	=	<p>Quarterly Budget monitoring report to Executive and CROS now highlights high-risk budget areas in greater detail and the linkage to performance and the impact on service delivery is identified.</p> <p>SMT now receive monthly-summarised budget monitoring reports and actions are taken as appropriate.</p> <p>Meetings are being arranged with Policy & Performance team to further improve linkage to performance.</p> <p>Further improvements to be targeted following receipt of Use of Resources Report.</p> <p>Following the IPF report an improvement Plan has been prepared for consideration by the Executive in November 2006. This will be monitored regularly by the Audit Committee</p>	Director of Corporate Services

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						<p>Risk score stays the same until IPF improvement plan is approved.</p> <p>Progress has been made on Contractor Plus, with an Action Plan developed and consultants appointed to assist in identifying a replacement system.</p>	
4	<p><u>Partnerships</u> (including framework agreement & collaborative working arrangements)</p> <p>Existing partnerships and New and proposed partnerships , failure to ensure 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 	3	3	9	=	<p>The Council now has a robust Partnership policy in place providing guidance on the nature and risks of partnerships</p> <p>Appendix E of the Council's Financial Procedure Rules now contain specific 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>Internal Audit will carry out sample testing of partnerships once the partnership register has been updated.</p> <p>Senior Management Team to be advised that risks from partnership working arrangements</p>	Director of Legal & Democratic Services

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						should be included in Operational Risk Registers.	
5	CPA - Failure to maintain and/or improve Council's current rating. reputational damage loss of freedoms more prescriptive/onerous inspection financial impact demotivation of staff Further risks arising from unclear date of next review and its Terms of Reference	3	3	9	=	Corporate Implementation Plan produced addressing issues from CPA , Direction of Travel and Use of Resources Review Monitor CPA announcements Reputational impact increased due to more interest from media and other Authorities following Audit letter Peer review has been carried out and we are awaiting feedback to help identify any actions we may need to take. Use of Resources self-assessment has been submitted to the Audit Commission.	Deputy Chief Executive
6	<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	2	8	↓	Second public consultation concluded. Ongoing dialogue with potential partners Renaissance team being built Programme Manager in place Dedicated risk registers for all projects in place	Director , Carlisle Renaissance
7	Risk of Flu Pandemic leading to:- - inability to maintain services due to impact on staff and suppliers	4	2	8	=	Directorates producing Contingency plans (specific issues regarding employees have been identified)	Deputy Chief Executive

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	- failure to contribute to emergency response due to extent of above					<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> <p>Likelihood reduced in September 06, as the risk is no longer considered imminent as control measures have been developed and awareness raised.</p>	
8	<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> <p>impact on resources / cost of re-establishment</p>	4	2	8	=	<p>Annual off-site testing of back-up procedures DIP (Document Image Processing) solution being progressed.</p> <p>Discussions commenced with Connected Cumbria partnership on shared disaster recovery facilities</p> <p>The DIP project is scheduled for completion as part of this year's IT Strategy</p>	Director of Corporate Services
9	<p><u>MediumTerm financial planning and maintaining asset values; failure leading to:-</u></p> <p>risk of systems and procedures failing to address MTFP objectives</p> <p>risk that expenditure not linked to key objectives and priorities</p> <p>fails to be forward looking and programmed</p>	4	2	8	=	<p>MTFP and other strategy documents approved by Council in July 2006, which focussed on improved financial linkages to Corporate priorities, policies and strategies.</p> <p>There is a need to review the MTFP projections in the light of current pressures arising and this will be done throughout the current budget process. In particular there is</p>	Corporate Services

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	<p>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</p> <p>Spending pressures of other key agencies may result in reduction of service provision that could impact on the City's ability to deliver services and on the reputation of the City Council through a lack of understanding, by the public, of roles and responsibilities of each authority</p>					<p>an added and growing risk arising to the Council's finance from shortfalls in income projections in a number of areas.</p> <p>Clear strategy for linking resources to corporate priorities is to be developed. The implementation of the Corporate Programme and Projects Board will support this.</p>	
10	<p>Failure to have robust Business Continuity Planning arrangements severe impact on business/provision of services financial impact reputational impact legal liability</p>	4	2	8	=	<p>Business Continuity Plan tested fully by 2005 floods</p> <p>This has been reviewed and updated and feedback received from review of Council's actions (from Management Briefing Seminar)</p> <p>An Internal Audit has been carried out. An Action Plan for implementing recommendations is being developed.</p> <p>Marsh Limited will be engaged to help develop a new Business Continuity Plan</p>	Deputy Chief Executive

Ref	Risk Description	Impact	Likeli-hood	Risk Score	Move-ment	Current Action Status/Control Strategy	Responsible Officer
11	Shape of Local Government as a result of the White Paper	4	2	8	New Risk	Risk to be assessed in January 2007 following establishment of the City Council's strategy and an analysis of the County Council's bid.	Deputy Chief Executive
12	<p>Council's response to floods and ensuing perceptions</p> <ul style="list-style-type: none"> - risk of disruption to services - risk of damage to the Council's reputation due to an over-expectation of the level of the Council's responsibilities <p>(May be viewed as a seasonal risk)</p>	3	2	6	=	<p>The Council's emergency information/contact numbers have been produced and distributed</p> <p>The Business Continuity Plan is regularly reviewed/updated</p> <p>The multi-agency "Making Space for Water" is well established and has updated an integrated flood response plan and is investigating localised flooding problems</p> <p>Council an active participant on Flood Recovery Board (Environment Agency / United Utilities) which is developing more effective partnerships.</p> <p>Work has now started on flood defences</p>	Director of community services
13	<p>Absence/Sickness monitoring and management</p> <ul style="list-style-type: none"> - Failure to comply with indicators - Impact on business/productivity 	3	2	6	=	<p>Sickness Action Plan produced and reported on quarterly to Members at CROS</p> <p>Monitoring and management of absences – procedures reviewed and instigated – positive impact already evidenced</p> <p>Pilot of Occupational Health service is underway</p> <p>Stress Management activity is underway to help all Directorates to identify and address</p>	Deputy Chief Executive

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						<p>their issues</p> <p>Review scoring / actions at a future date after impact of actions above consolidated</p> <p>Significant improvements made in year 1 and we are now a top quartile performing authority.</p> <p>SMART targets set for next year.</p> <p>Risk scores will be reviewed at financial year end to ensure this level of achievement has been maintained</p>	
14	<p>Failure to implement an effective IT Strategy:-</p> <p>failure to meet IEG targets</p> <p>failure to maximise benefits of e-business and e-procurement</p> <p>increased security risks</p>	3	2	6	=	<p>An Information Strategy Group has been set up and has been working through the action plan developed following approval of the strategy in January 2006.</p> <p>Regular IEG Statements produced. Evidence file produced to assist in Audit Commission grant assessment.</p> <p>Transformational duties incorporated into Head of ICT's role</p> <p>External assessment and penetration test carried out and action plan produced</p>	Director of Corporate Services
15	<p>Failure to focus clear Corporate Priorities leading to:-</p> <p>resources wasted on lesser priorities</p> <p>key objectives not achieved</p>	3	2	6	=	<p>New Corporate Priorities now determined :- Greener , Cleaner and Safer</p> <p>The Learning City</p> <p>Carlisle Renaissance</p> <p>Further work is in place to ensure that these are the drivers for focussing activity and expenditure</p>	Town Clerk & Chief Executive
16	<p><u>Performance Management challenges</u></p> <p>Failure to embed performance</p>	3	2	6	=	<p>Quarterly Performance conferences now commenced to monitor and address</p>	Deputy Chief Executive

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	management in the culture of the Council at all levels inefficient and ineffective management misdirected/wasted resources failure to meet target/continuous improvement					performance corporately Performance Management included in Directorate's Service Plans Performance Management Framework will be published by January 2007.	
17	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 lack of understanding of Health and Safety Manager's role	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 Developing local Performance Indicators which will be reported on in the Council's performance management reports to Corporate Resources Overview & Scrutiny Committee Continuing training of staff as appropriate including mandatory training for newly appointed employees Role of Health and safety to be included in Service plans	Deputy Chief Executive

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						H&S Audit to be included in next Audit Plan H&S reports to be submitted to CROS on a regular basis	
18	Rising energy/fuel costs	2	3	6	New Risk	Additional capital funding has been allocated for energy efficiency measures to generate £10,000 approx efficiencies Guidance/advice is being issued to all staff/Members and usage will be monitored The procurement team are progressing the County-wide procurement of energy with the associated benefits of economies of scale	Deputy Chief Exec and Director of Community Services
19	Failure to implement Code of Corporate Governance failure to meet legal duty failure to adopt sound, consistent, transparent and auditable processes	4	1	4	=	The Code of Corporate Governance Action Plan is updated and reported to the Audit Committee quarterly. The Code itself is currently being reviewed - the CIPFA/SOLACE Working Group on Good Governance in Local Government has recently issued a consultation document relating to the proposal to update the governance framework. This is to be reviewed by the Director of Legal and Democratic Services and the Head of Audit Services, have formulated a response by the deadline date of 11th September 2006.	Director Corporate Services
20	Failure to adopt consistent and effective Project Management procedure leading	3	1	3	=	Introduction and Implementation of Business Case philosophy for all significant projects and	Deputy Chief Executive

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	to:- financial impact of failure (direct and indirect) damage to Council's reputation principles not applied universally					<p>schemes to ensure executive and corporate monitoring at SMT and Capital Programme Board</p> <p>Introduction of Prince 2 project management and commencement of corporate awareness training</p> <p>Establishment of dedicated Project Manager post within new structure</p> <p>More staff are now qualified PRINCE2 practitioners. Project management training has been recommended for inclusion in the management training programme.</p> <p>Consistent project management approach has been established within the Authority.</p> <p>Can now be removed from CRR</p>	
21	Failure to comply with New Emergency Planning procedures under Civil Contingencies Act failure to meet legal responsibilities	3	1	3	=	<p>Cumbria-wide partnership formed with Cumbria CC Emergency Planning Unit to support and assist</p> <p>Emergency Planning Working group established with terms of reference and action plan for compliance with Civil Contingencies Act. As we are complying with this it can now be removed from the CRR</p>	Deputy Chief Executive
22	Failure to ensure External Communications are consistent across the authority and on-message, leading	3	1	3	=	Robust and consistent approach to all External Communications at executive level supported by highly qualified and experienced	Deputy Chief Executive

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	to:- reputational damage caused by mixed/inaccurate messages loss of established relationships negative perception of the Council					<p>Communications Unit</p> <p>Full integration and consistency of external communications in relation to Carlisle renaissance</p> <p>Ongoing development of Web-site</p> <p>Corporate Marketing Group established</p> <p>All significant communications to go through Communications Unit</p> <p>Move from Corporate Risk Register to People, Policies & Performance Operational Risk Register</p>	
23	Shared Services to be assessed	1	3	3	New Risk	<p>A shared services protocol that has been agreed by the Executive is currently in place. This clearly articulates that no shared services arrangement will be entered into by the City Council unless there are clear benefits for the authority that can be demonstrated in a full business case.</p> <p>This services as a containment action that will reduce the impact of any shared services arrangements into which the City Council enters. The impact is therefore scored at 1.</p> <p>It is likely that the authority will enter into</p>	Deputy Chief Executive

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						shared services arrangements with other organisations as central government appears keen to progress the shared services agenda. The publication of the local government white paper may also precipitate further action on shared services. The Cumbria Local Authorities Strategic Board has agreed in principle that procurement will be delivered as a shared service in Cumbria. Probability is therefore scored at 3.	
24	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	2	1	2	↓	The Council has now fully settled the insurance claim with the insurers The Bellwin claim has been settled The ODPM grant has been substantially spent/committed and the current balance approx £120,000 is being assessed Sheepmount negotiations completed. To be moved to Operational Risk Register	Director Community Services
25	Carlisle Northern Development Route				New Risk	The County Council are awaiting Government approval of the revised scheme costs The City Council has responded positively to a request for the provision of its land for inclusion in the scheme The Action Plan being prepared for improvement in air quality on Scotland Road and the benefits delivered by the CNDR are an important element	Director of Development Services

