

TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE – 17th June 2008

ANNUAL REPORT ON RISK MANAGEMENT 2007/08

REPORT OF THE CORPORATE DIRECTOR RESOURCES

1 PURPOSE

- 1.1 To provide the Audit Committee with an update on Risk Management activities for 2007/08.

2 RECOMMENDATIONS

- 2.1 That the Audit Committee notes the:
- a) contents of the Risk Management Annual Report 2007/08; and
 - b) the Cabinet's continued commitment to the Council's risk management processes and good governance.

3 SUMMARY

- 3.1 Good governance and the Council's Risk Management Strategy requires an annual report on Risk Management activity to be agreed by Members.
- 3.2 This is the fourth annual report to the Council and it sets out the key risk management activities for 2007/08.
- 3.3 Risk management is now well embedded within the Council's management processes and further work to support this has taken place during the year.

4 PREVIOUS MINUTES

Cabinet – 16th June 2008

Standards and Audit Committee – 19th June 2007

5 BACKGROUND AND ACHIEVEMENTS FOR 2007/08

- 5.1 Risk management continues to be a key component of good governance and is incorporated into the Council's local Code of Corporate Governance.
- 5.2 The Council has integrated risk management into service and business planning which demonstrates good management practice. The risk management function promotes the corporate risk management process and supports the whole Council in ensuring risks and opportunities are identified and managed appropriately.
- 5.3 **Key Achievements**
Strategic Level:
- 1. Induction training for new members was provided in May 2007 with further follow up dates arranged.

2. Strategic risks were reviewed by Corporate Directors in May 2007, September 2007, January 2008 and May 2008 and Key Risks were approved by Cabinet and reported to Standards and Audit Committee for information.
3. **For the second year running, the Council achieved a top score of 4** for the Risk Management section in the CPA Use of Resources for 2007.
4. In February 2008 a Risk Workshop was facilitated with the Agenda Group of the Local Strategic Partnership to formulate the Risk Register for the Partnership. Telford and Wrekin's methodology was used and a review process for this has been established with all Partners.
5. Once again as the Council is considered to be a leader in local government risk management, the Principal Risk Officer was invited to address the national LGC Conference in January 2008 to share the Council's risk management experiences with other local authorities and public bodies.
6. The Risk Management Strategy was reviewed and updated and agreed at Cabinet in November 2007
7. The Corporate Risk Management Group has met regularly and update reports on its activities have been reported to Standards and Audit Committee
8. Achieved top score for satisfaction in the Corporate Support Services Survey 2007/08 out of 16 support services, improving from a score of 85% to 88%. Risk management was also the top improving service and in the top 4 for value for money.

Portfolio Level:

9. All portfolios have Risk Registers which are subject to robust quarterly reviews. The results of these reviews are included in the review of the Strategic Risk Register.
10. Risk management training has been provided to senior managers, first line managers and employees at all levels.
11. Several sessions have been held with business managers and portfolio teams to increase their understanding of risk management and how to include risks in their business plans.

Business Units, Projects and Partnerships:

12. A wide variety of work has been undertaken with business units, projects and partnerships across the Authority to ensure that the management of risks and opportunities is embedded in these areas.
13. The function continued to service the SLA established with Transforming Telford to:
 - Offer risk management support and guidance
 - Review their risk management strategy
 - Establish rigorous risk management processes throughout their organisation.
 - Generate additional income for the Council

How Risk Management is making a difference:

14. A detailed risk workshop was held with the relevant stakeholders of the Small & Medium Enterprise Warehouse Project (which was part of Donnington Rail Freight Project). The results of this were presented to the Rail Freight Project Board and it was agreed that the Warehouse Project was not a viable proposition for the Council. Consequently the Project was withdrawn.

Communicating and embedding risk management:

15. A total of 200 risk workshops and risk reviews were undertaken during 2007/08.

16. The Risk Management Page on the new Intranet has been further developed and maintained throughout the year. All relevant information on risk management can be accessed on this page by officers and members.

Benchmarking:

17. The Authority continued to be a member of ALARM, the Association of Local Authority Risk Managers.
18. Process benchmarking has been undertaken with the Midlands Risk Management Forum which meets quarterly. The Council has continued to play a key part in the work of this group and the risk management strategy was updated in line with best practice.

Risk Based Approach to Internal Audit:

19. The Internal Audit Plan for 2008/09 has been developed based on the strategic risk register.
20. During 2007/08 Internal Audit and Risk Management have worked closely together with bi-monthly meetings to exchange information about controls and risks. Members of the Audit Team have also attended Risk Workshops.

6 KEY ISSUES FOR 2008/09:

- To ensure that risk management is used effectively throughout the Council, so that the Council achieves its community ambitions
- To continue to review and develop the corporate risk management strategy and risk management processes in line with good practice and good governance.
- To continue to embed and support risk management processes, enhancing the existing good management practices of the Council.
- To effectively support the Chief Executive and Corporate Directors in maintaining the Strategic Risk Register and their Portfolio Risk Registers.
- To retain a Use of Resources risk management KLoE score of 4

7 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	The identification of risks and proper management of them helps to ensure that the Council's commitments in respect to equalities are met.
Environmental Impact	The identification of risks and proper management of them in respect to environmental issues will ensure that legislative requirements and the Council's policies and ambitions in respect to the environment are met.
Legal Implications	The proper management of risks should reduce the likelihood of litigation and claims against the Council.
Risk Management	The risks attached to the Corporate Risk Management Function have been reviewed and updated in the Corporate Governance and Risk Management Business Plan for 2008/09 and these are being managed appropriately.
Links with Corporate Priorities	Managing risks as per the Council's risk management processes will help the Council to deliver effectively the Council's priorities.

Financial Implications	The management of risks in respect to claims and litigation and reviewing how risks are controlled could result in reduced financial costs to the Council. Good risk management contributes to the efficient use of resources. The Risk Management Fund is available to support initiatives across the Council which manage risks.
Ward Implications	Good management of the key strategic risks and Portfolio Risks will impact on the Council and therefore all the wards within the Borough.

8 **BACKGROUND PAPERS**

Risk Management Strategy 2007

Strategic Risk Register May 2007, September 2007, January 2008 and May 2008

Business Plan for Risk Management 2008/11

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