

TELFORD & WREKIN COUNCIL

CABINET - 8TH JUNE 2010
AUDIT COMMITTEE – 28TH JUNE 2010

ANNUAL REPORT ON RISK MANAGEMENT 2009/10

REPORT OF THE CHIEF EXECUTIVE – LEAD OFFICER FOR GOVERNANCE

1 PURPOSE

1.1 To inform Cabinet of Risk Management activities for 2009/10

2 RECOMMENDATIONS

2.1 **That Cabinet note the contents of this report demonstrating their 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 states that an annual report on Risk Management should be presented to Members.

3.2 Risk management continues to be well practised across the Council, however the current reorganisation has meant that much of the function's efforts have been concentrated on the Council's major projects.

4 PREVIOUS MINUTES

4.1 Cabinet – 9th May 2009
Audit Committee – 16th June 2009

5 BACKGROUND 2009/10

5.1 Risk management continues to be a key component of good governance and is incorporated into the Council's local Code of Good Governance.

5.2 Risk management continues to be well practised across the Council, however it is evident that the current reorganisation is having an impact on the risk management function and more work is necessary to ensure that all areas consider risk management in their development and management.

5.3 The Council had integrated risk management into its planning processes demonstrating good management practice. Following the reorganisation risk management will continue to work closely with the different Service Delivery Areas to ensure risks are identified and managed. Risk management will continue to support services and partners in the delivery of the Council's priorities and projects.

6 **ACHIEVEMENTS**

- Information sessions were held for Members in September 2009 and again in March 2010.
- Strategic risks were reviewed by Corporate Directors twice during 2009, once in May – Key risks were approved by Cabinet and reported to Audit Committee. The Strategic Risks were reviewed again in September, however at this stage it was decided that the Strategic Risks needed an overhaul and therefore they were not reported to Cabinet for approval.
- The Audit Committee has asked risk owners (Cabinet Member and Corporate Director) to attend the Audit Committee to provide assurances that key strategic risks are being managed and actions undertaken.
- The Council achieved a score of 3 for the Risk Management section in CAA Use of Resources 2009.
- The Risk Management Strategy was reviewed, updated and agreed at Cabinet in May 2010 and reported to Audit Committee. The updated Strategy outlines new arrangements for reporting Strategic, Priority Plan, Service Delivery Area Plan risks in line with the Council's new structure.
- Portfolio Risk Registers continued to be reviewed regularly up until the new structure was put in place. Portfolio risks are being aligned with the Council's 7 Priorities.
- Risk management training has been provided to team leaders and managers through the Ingredients for Financial Success training programme which runs 3 times a year. Feedback from these sessions has been very positive.

Service Delivery Units, Projects and Partnerships - Risk Management making a difference

- Much 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. Many risk workshops and reviews have been facilitated during 2009/10 (in excess of 100). These include :
 - Borough Towns Initiative
 - Borough Towns Initiative – Sports & Learning Communities
 - Putting People First
 - Town Centre – New Southwater development
 - Civic Offices – Relocation
 - Town Park
 - Single Status
- The function continued to support Transforming Telford / One Telford up to the transfer of its services back into the Council at the beginning of April 2010. This included specific support for the Transition Project ensuring that all risks associated with the transfer of One Telford's services were identified and managed and any ongoing risks continued to be managed by One Telford within the Economic Development services of the Council.

7 **RISK MANAGEMENT DEVELOPMENT AND CHALLENGES FOR 2010/11**

- To work with Corporate Directors and Heads of Service to identify risks to be monitored at Strategic, Priority Plan and Service Delivery Area levels.
- To establish a mechanism to ensure that risks at all levels are monitored and reported to assist the Council in achieving its corporate priorities;
- To continue to review and develop the corporate risk management strategy and processes particularly with reference to defining and providing guidance for the Council's risk appetite.

- To continue to embed and support risk management processes, enhancing the existing good management practices of the Council.
- To communicate updates and changes to the Risk Management Strategy, Strategic Risks and other risk information through corporate communication channels, i.e., intranet, e-news.
- The Authority continues to be a member of ALARM, (Association of Local Authority Risk Managers) and uses this membership to gain valuable benchmarking information for the development of the function. The Council is participating in the new CIPFA / ALARM Benchmarking club for risk management. The authority is also a member of the Midlands Risk Management Forum which is also a valuable benchmarking source.

8 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	There are no legal implications arising directly from the contents of this report.
Risk Management	The risks attached to the Corporate Risk Management Function have been reviewed and updated in the Corporate Governance for 2010/11 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. There is a small Risk Management Fund available to support initiatives across the Council which manage risks.
Ward Implications	Good management of the key strategic risks and risks associated with the Priority Plans will impact on the Council and therefore all the wards within the Borough.

9 BACKGROUND PAPERS

Risk Management Strategy 2010
 Code of Good Governance May 2008
 Strategic Risk Register May and September 2009
 Business Plan for Risk Management 2008/11

Report by Sarah Daffern, Principal Risk Officer 01952 383112