



AUDIT COMMITTEE REPORT

Report Title	Risk Management Overview
---------------------	---------------------------------

AGENDA STATUS: PUBLIC

Meeting Date:	25 th July 2011
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr Alan Bottwood
Ward(s)	Not Applicable

1. Purpose

- 1.1 To provide an introduction to the Council's Risk Management function and to update on progress in Risk and Business Continuity Management across the authority.

2. Recommendations

- 2.1 To note recent progress in Risk and Business Continuity Management across the authority.

3. Issues and Choices

3.1 Report Background

- 3.1.1 To provide an introduction to the Council's Risk Management function.

3.2 Issues

- 3.2.1 The Risk Manager will provide a verbal outline of the Council's Risk Management Function, covering key processes and procedures to the Committee. An highlevel overview to risk management is attached at **appendix A**.
- 3.2.2 Over recent months the Strategic Risk Register has undergone a significant refresh. The following definition was used for guidance in identifying strategic risks, 'strategic risks are those risks concerned with ensuring overall business

success, vitality and viability'. The current version of the Strategic Risk Register is attached for information – **appendix B**.

- 3.2.3 The Council's Risk Appetite was reviewed and updated by Management Board in May. A definition of 'risk appetite' is the level of residual risk the Council is willing to accept in order to achieve its corporate objectives. Management Board agreed that the Council's risk appetite was over-cautious and needed adjusting to reflect the Council's entrepreneurial and innovative in approach to exploring opportunities and in the current economic climate, where managed risk taking is an inevitable by-product of the tough decisions facing the Council, along with the need to target resource more effectively.
- 3.2.4 Risk management is one element of good partnership governance and contributes to partnerships achieving the objectives they set out to deliver, whilst protecting the interests of the individual partners and stakeholders. The Risk Manager has been working with the Council's Partnerships Group to ensure risk management is adequately covered within the Partnership Protocol to meet the Council's requirements. The protocol is now complete and available on the intranet.
- 3.2.5 Significant improvements to Risk Management within the Council's key projects has been seen over recent months. Risk Management forms part of the Council's Project Governance requirements and a large number of the Council's key projects can evidence excellent risk management arrangements. The Risk Manager is a member of the Council's Project Initiation Group which enables support and guidance to be provided to projects in their very early stages of initiation.
- 3.2.6 The Risk Manager is in the process of developing the Corporate Business Continuity Plan. Part of this process involves updating the Council's Critical Functions. Once a draft is complete, a report, seeking final approval, will go to Management Board.
- 3.2.7 Many Service Continuity Plans require a significant update following the recent move from Cliftonville House. The Risk Manager has contacted Heads of Service to remind them of the need for updates and a deadline has been set for all plans to be reviewed by the end of July.
- 3.2.8 On 7th July the Council ran an internal desktop exercise to test the Council's emergency arrangements. The exercise incorporated some tough Business Continuity challenges and provided some excellent lessons-learned for teams to take away with them.

3.3 Choices (Options)

- 3.3.1 To suggest any additional areas to cover in future updates.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None.

4.2 Resources and Risk

4.2.1 This report provides an update on the progress being made to ensure that risk and business continuity management arrangements are in place across the Council.

4.3 Legal

4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

4.5.1 The Director of Finance and Support and the Head of Finance have been asked to comment on this report.

4.6 How the Proposals deliver Priority Outcomes

4.6.1 Providing an early warning system to alert Officers and Members to potential opportunities and threats.

4.6.2 Targeting resources at areas and issues of greatest risk where the Council's objectives are most under threat.

4.6.3 Reduction in interruptions to service delivery.

4.6.4 Continuity of critical Council activities.

4.6.5 Enabling the Council to act proactively, avoiding reactive management wherever possible.

4.6.6 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

4.7.1 Not applicable

5. Background Papers

Appendix A – Introduction to Risk Management

Appendix B – The current Strategic Risk Register (please print in colour on A3 paper)

Sue Morrell
Corporate Risk and Business Continuity Manager, ext 8420