

STRATEGIC RISK REGISTER REVIEW

AND ACTION PLAN

1. INTRODUCTION

- 1.1 In response to the CIPFA/SOLACE good practice guidance on Corporate Governance, Gedling undertook a review of Strategic Risks in 2003/04 that could impact on the business of the Authority.
- 1.2 The report in 2003 identified the work undertaken by the Risk Management Group and the Senior Management Team, and how compliance with the Corporate Governance requirements in relation to Risk management and Internal Control, were going to be evidenced.
- 1.3 The links between Risk Management and other activities such as the Emergency Plan, Business Continuity, Internal Audit, Health & Safety and Property Management ensure a pro-active approach to Risk Management throughout the Authority at all levels.

2. BACKGROUND

- 2.1 Following on from the Risk Profiling exercise in 2003, the senior management team have continued to review the authority's strategic risks and those risks identified within the previous review as requiring an action plan have also been reviewed. This review was undertaken to ascertain whether the recommended action plan had been completed and whether this had any affect on the potential impact or likelihood of those risks identified as Actionable Risks.
- 2.2 In addition to this all of the other risks identified were reviewed to ascertain whether the impact or likelihood of those risks had altered during the year.
- 2.3 This year the departmental operational risks were reviewed. This was undertaken to ascertain whether any of the high or monitored risks on the operational risk register were significant enough to affect the authority strategically.
- 2.4 Finally, the review considered and identified new risks for the Authority.
- 2.5 This review was undertaken by Senior Management Team on 1st February 2005 and was facilitated by the Manager of Resource Services.
- 2.6 It is intended that future reviews will take place in September and March each year thereby informing the budget process and providing an annual position statement.

3. RESULTS FROM THE REVIEW 2005

3.1 Actionable Risks 2004/05

3.1.1 Seven risks were identified in 2004 as requiring action these were:

Profile number 1 – Human Rights Act, Equal opportunities, DPA and other legislation.

Profile number 29 - Insurance costs and consultants

Profile number 47 - Crime and Disorder

Profile number 81 - Car Park Charging

Profile number 82 - Waste Management

Profile number 85 - Changes to Senior Management Structure

Profile number 87 - Domiciliary Care

3.1.2 Some work had been undertaken in relation to all of the actionable risks. However, this had not resulted in all of them moving from high or monitored risk to managed or low priority review risks.

3.1.3 In relation to Profile number 1, the nature of this risk is that it will always remain a high risk. Legislation is always being amended or new legislation introduced and this is in addition to the legislation that is already in existence. The authority will always be required to keep up with the changes brought about through legislation.

However, the authority does take proactive steps to ensure compliance. Some of the more recent initiatives include:

- The appointment of a new solicitor post
- The Equalities group is operational.
- Corporate Monitoring under the Freedom of Information Act has been instigated.
- Training had been undertaken and given in relation to legislative changes

The result is that there is no change to the risk profile for this high risk (Probable & Major).

3.1.4 In relation to Profile number 29, the renewal of insurance in March 2005 included a reduction on the public liability policy to reflect the transfer of the highways agency. All other areas of insurance were renewed within existing terms due to the insurance market being more settled.

The review of Operational Risks was undertaken in September 2004 and an Operational Risk Register has been compiled, which departments review and a formal review will take place annually to inform the budget process. However, the Risk Management Strategy review has not been completed. It is anticipated that this task will be completed within 2005.

The result is that there is no change to the risk profile for this monitored risk (Probable & Major).

- 3.1.5 In relation to Profile number 47, Crime and Disorder remains a monitored risk for the authority, although it has no control over and can only influence through initiatives such as the Anti-Social Behaviour Co-ordinator, Neighbourhood Wardens and PCSOs. This risk will continue to be a priority of the Authority.

The result is that there is no change to the risk profile for this monitored risk (Probable & Major).

- 3.1.6 In relation to Profile number 81, Car Park charging has been delayed, in addition to this the possibility of on-street parking within the Borough has also increased.

The result is that there is no change to the risk profile for this monitored risk (Probable & Major).

- 3.1.7 In relation to Profile number 82, the authority has a waste management strategy and is actively looking at alternative options in relation to this risk. However, the Local Implementation of the Countywide Waste Management Strategy has been delayed.

The result is that there is no change to the risk profile for this monitored risk (Probable & Major).

- 3.1.8 In relation to profile number 85, changes to Senior Management Structure have taken place within the year and no problems encountered. This is no longer an area of major concern.

The result is that this risk profile has changed to being a managed risk (Probable & Minor).

- 3.1.9 In relation to Profile number 87, all Domiciliary Care was due to be transferred to the County April 2005. This has not happened. Social Services are providing all personal care to the tenants in the Extra Care Units. However, there has not been a transfer of Gedling staff to the County.

The result is that this risk profile has changed to being a managed risk (Probable & Minor).

3.2 Review Risks 2004/05

- 3.2.1 In 2004 the Authority's Strategic Risk register had a total of 89 risks identified. The remaining 82 risks when profiled were considered to be either Managed Risks or Low Priority Risks.

3.2.2 As part of the review in 2005 it was necessary to review these risks to ascertain whether they still remained a risk to the Authority or if their profile had been affected during the year.

3.2.3 For the majority of risks there had been no change to their profile and these will continue to be reviewed twice yearly.

3.2.4 However, one did change as follows:

Risk profile number 73 relating to the Local Plan has been re-instated. This is due to the appeals and associated costs. The profile is now considered to be a managed risk (Possible & Major).

3.2.5 Whilst some of the risks no longer exist for the Authority they will remain on the register should they need re-instating in the future (e.g. Local elections).

3.3 New Risks 2005/06

3.3.1 It is important that the Authority is aware of all of the Strategic Risks that it has to consider in operating an effective and efficient service. Therefore, the review also assessed whether there were any additional Strategic Risks that could affect the Authority's business in 2005/06.

3.3.2 The review identified 8 new Strategic Risks these were:

Profile number 90 -	Efficiency Agenda, including partnership working
Profile number 91 -	Arnold Central Area redevelopment
Profile number 92 -	Decriminalisation of Parking Enforcement
Profile number 93 -	Licensing
Profile number 94 -	Cultural Change Management/Industrial Relations
Profile number 95 -	Freedom of Information – resource implications
Profile number 96 -	Civil Contingencies – external environment
Profile number 97 -	Civil Contingencies – internal environment

3.3.3 All of the Strategic Risks identified are summarised in Appendix 1. Those shown above in bold are profiled as Monitored Risks and action plans have been produced. These action plans are detailed in section 4 of this report.

3.4 Operational Risks

3.4.1 During 2004 the departments undertook a risk profiling exercise of all Operational Risks. The results of this exercise were reviewed by Senior Management Team.

3.4.2 The review needed to ascertain whether any of the high risks identified were significant enough to have an impact on the Authority's Strategic operations.

3.4.3 No Operational Risks were identified that warranted being recorded within the Strategic Risk register. Some were identified as being elements of Strategic risk already recorded.

3.5 Risks Profiled

3.5.1 All of the strategic risks identified were profiled dependent on how likely and how frequently they could potentially impact upon the Authority’s business. The table below shows how the risks are assessed and identified. Those identified as High Risk or Monitored risk are regarded as needing an action plan.

	No Impact	Minor	Major	Catastrophic	
Frequent	LOW PRIORITY	Managed Risk	HIGH RISK		
Probable			Monitored Risk	HIGH RISK	
Possible		Managed Risk			
Almost Never		LOW PRIORITY			

3.5.2 Appendix 2 shows the results of the review for each Strategic Risk. The first table shows the risks as they are within the Authority with the controls that are already in place. For comparative purposes the second table shows how the risks could impact upon the authority if there were no controls in place.

3.5.3 There will always remain some risks where it is unlikely that they will ever be controlled or eliminated (e.g. Virus/hackers and fraud). For these risks the Authority will have to remain aware of and do all that it can to minimise the likelihood of occurring.

4 ACTION PLANS FOR 2005/06

The following section details the action plans for those risks identified as either High Risk or Monitored Risk in the profiling exercise.

RISK MANAGEMENT STATEMENT A – HIGH RISK

4.1 PROFILE NUMBER 1

Risk: Human Rights Act, Equal Opportunities, Data Protection Act and other legislation.
Likelihood: Frequent
Impact: Major

4.1.1 Action taken to address this high risk and controls in place:

- Ongoing training sessions
- Equalities group meetings
- Corporate monitoring under the Freedom of Information Act
- Money Laundering Policy to be introduced
- Additional Solicitor in post

4.1.2 Potential Result

It is unlikely that this risk will ever reduce significantly at best it will move from being high risk to monitored. This reflects the serious nature of the risk and the fact that legislative changes occur often.

RISK MANAGEMENT STATEMENT B – MONITORED RISKS

4.2 PROFILE NUMBER 29

Risk: Insurance costs and consultants
Likelihood: Probable
Impact: Major

4.2.1 Action taken to address this risk and controls in place:

- Insurance renewal negotiations ensured that the Long Term Agreement was maintained and costs kept within the budgeted figures.
- Review of the Authority's Risk Management Strategy has been started and will be completed in 2005.
- Operational Risks at departmental level have been profiled in 2004/05 and will continue to be monitored and updated.
- Ongoing review of policies to ascertain whether efficiencies could be made by bringing in-house.
- Good professional communication with our insurers and brokers.
- Knowledge and understanding of the issues affecting the external insurance market.

4.2.2 Potential Result

It is anticipated that this risk could become a managed risk (Possible & Major).

4.3 PROFILE NUMBER 47

Risk: Crime & Disorder
Likelihood: Probable
Impact: Major

4.3.1 Action taken to address this risk and controls in place:

- Role of the Neighbourhood wardens and Police Support Officers
- Role of the Anti-Social Behaviour Co-ordinator
- Cabinet focus on neighbourhood work

4.3.2 Potential Result

It is not likely that the profile of this risk will ever change. It is a risk that the authority gives priority to and is embedded within its mission statement. However, it is also a risk where the authority has limited control and can only influence through the initiatives it undertakes. As such this will remain a monitored risk.

4.4 PROFILE NUMBER 81

Risk: Car Park Charging
Likelihood: Probable
Impact: Major

4.4.1 Action taken to address this risk and controls in place:

- Development of a Car Park Charging Strategy
- An agreed project plan for the introduction of car park charges
- Involvement of relevant staff (e.g. legal, technical & operational), including a working party.

4.4.2 Potential Result

The successful implementation of the Strategy and charging policy could see this risk change to being a managed risk (Possible & Minor). However, this has yet to be implemented.

4.5 PROFILE NUMBER 82

Risk: Countywide Waste Management Strategy – Local Implementation
Likelihood: Probable
Impact: Major

4.5.1 Action taken to address this risk and controls in place:

- Budget Allocation made for the purchase of twin bins
- Countywide liaison group in place
- Additional Performance Monitoring by Notts PSA
- Alternative options being considered (e.g. operate own facility)

4.5.2 Potential Result

In the short term this risk is not likely to see a profile change and will remain a monitored risk. Longer term this risk is anticipated to become a managed risk (Probable & Minor).

5. RECOMMENDATION

Members are asked to note the contents of the report and the review findings. Members are also asked to approve the action plans detailed within section 4 of the report.