

Report To: Performance Scrutiny Committee
Date of Meeting: 29 November 2012
Lead Officer / Member: Alan Smith / Cllr Barbara Smith
Report Author: Tony Ward
Title: Corporate Risk Register

1. What is the report about?

1.1. This report presents the latest version of the Corporate Risk Register for Denbighshire County Council (attached).

2. What is the reason for making this report?

2.1 To enable the Performance Scrutiny Committee to fulfil its role in ensuring that identified risks are being appropriately addressed by the implementation of effective measures to mitigate risks.

3. What are the Recommendations?

3.1 That Members confirm that the attached Corporate Risk Register provides full coverage of the major risks facing the council at this time, and that the actions identified in the Corporate Risk Register are appropriate to address the identified risks.

4. Report details.

4.1 The main changes made to the Corporate Risk Register since the last discussion at Performance Scrutiny Committee are:

- The removal of DCC003: *“The risk that demographic change leads to un-resourced demands on council services”*. It was deemed that this risk was too low level and that demographic change was just one of the factors that the council needed to take into account whilst strategic planning.
- The amendment of DCC005 from *“The risk that the time and effort invested in collaboration is disproportionate to the benefits realised”* to *“The risk that the time and effort invested in existing large-scale collaboration projects is disproportionate to the benefits realised”*. This is to enable the council to differentiate between the risk associated with existing collaboration projects and the collaboration agenda in general. This has led to the addition of the new risk (DCC015) described below.
- The removal of DCC008: *“The risk that political change impacts on the ability of the political leadership (Leader/Cabinet) to deliver a difficult agenda”*. This risk related to the uncertainty surrounding the level of political change brought about by the elections in May 2012, and it is felt that this risk is now not relevant enough to feature in the corporate register.

- The revision of DCC014: *“The risk of a health & safety incident resulting in serious injury or the loss of life”* since responsibility for health and safety has moved from the Head of Strategic HR to the Head of Environment. Consequently, this risk now has a number of new mitigating actions.
- The creation of the new risk DCC015: *“The risk that the council cannot influence the collaboration agenda and that further collaboration is forced upon on rather than entered into voluntarily”*. This risk is about the council’s ability to influence the collaboration agenda, and the potential democratic deficit if it is unable to do so.
- The creation of the new risk DCC016: *“The risk that the impact of welfare reforms is more significant than anticipated by the council”*. This risk is relevant to several services, and could have a significant impact within our communities.

4.2 The Corporate Risk Register has been developed by, and is owned by, the Corporate Executive Team. The process for reviewing the Corporate Risk Register is as follows:

- All service risk registers are reviewed by services (according to the corporate risk management methodology) prior each round of Service Performance Challenge meetings. Any issues or queries are discussed in the Service Performance Challenge meetings.
- The Corporate Improvement Team analyse all service risk registers to identify any risks of corporate significance or any risk themes emerging across services.
- Updates on current corporate risks are collected from risk owners, and updates on mitigation actions are collected from action owners.
- A risk workshop is held with CET to review existing risks; discuss progress on agreed mitigation actions; discuss and agree new corporate risks; review and update residual risk scores; update existing controls (in light of completed actions); and agree any new actions required to mitigate risks.

4.3 The Corporate Risk Register is formally reviewed by CET following each round of Service Performance Challenges (where each service risk register is reviewed and discussed). However, any significant new or escalating risks are brought to the attention of CET (via the Corporate Improvement Team) as and when they are identified. CET then take a view as to whether that risk should be included in the Corporate Risk Register.

4.4 Following each formal review of the Corporate Risk Register (twice per year), the revised document is presented to the Performance Scrutiny Committee. The presentation of this report to Performance Scrutiny was originally due in September 2012 (following the Service Performance Challenges in June/July 2012), but has been delayed due to pressures on the scrutiny agenda in September. The next reporting of the Corporate Risk Register to Scrutiny will be in the New Year, following the current round of Service Performance Challenges.

- 4.5 Actions identified to address corporate risks are included in Service Plans, where appropriate, which enables Performance Scrutiny Members to monitor progress. Any performance issues in relation to the delivery of these activities should be highlighted as part of the Service Performance Challenge process.
- 4.6 The council's Internal Audit function provides independent assurance on the effectiveness of the internal control procedures and mechanisms in place to mitigate risks across the council. It also offers independent challenge to ensure the principles and requirements of managing risk are consistently adopted throughout the council. Internal Audit Services also use information from our service and corporate risk registers to inform its forward work programme.
- 4.7 An annual review and report on progress of the risk management policy, produced for the Corporate Governance Committee, will identify weak areas that need to be strengthened to improve the risk management process.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 The purpose of the Corporate Risk Register is to identify the potential future events that may have a detrimental impact on the council's ability to deliver its objectives, including its corporate priorities. The identified controls and actions are therefore crucial to the delivery of the corporate priorities.

6. What will it cost and how will it affect other services?

- 6.1 The cost of developing, monitoring and reviewing the Corporate Risk Register is absorbed within existing budgets.

7. What consultations have been carried out?

- 7.1 Details of the consultation process to review the Corporate Risk Register are contained in paragraph 4.2.

8. Chief Finance Officer Statement

- 8.1 There are no financial implications arising from the process outlined in this report for developing, monitoring and reviewing the Corporate Risk Register.

9. What risks are there and is there anything we can do to reduce them?

- 9.1 The main risk associated with the risk management process is that the registers are not regularly reviewed and do not therefore become a dynamic and meaningful management tool. However, the new process is fully integrated into the council's performance management framework which should ensure that this does not happen.

10. Power to make the Decision

- Local Government Act 2000.