

EAST RENFREWSHIRE COUNCIL
AUDIT AND SCRUTINY COMMITTEE

3 March 2016

Report by Chief Executive

RISK MANAGEMENT PROGRESS

PURPOSE OF REPORT

1. This report provides the Audit and Scrutiny Committee with an update on the progress taken with risk management over the past year.

RECOMMENDATION

2. The Audit and Scrutiny Committee is asked to note the progress of risk management within the Council.

OPERATIONAL RISK REGISTERS

3. In May 2015, the Corporate Risk Management Group held an advanced training session led by Zurich (training costs covered under the insurance contract). The session highlighted several areas for improving risk management moving forward. One of the key areas was to ensure that key operational risks were discussed at department management teams on a regular basis. As a result, the Corporate Business Manager attended the Corporate Management Team in June 2015. The Chief Executive emphasised that links between audit work and risk registers should be improved and that risk registers should be reviewed frequently. The Corporate Business Manager encouraged the CMT to focus on 6 to 8 key risks per service which should be managed proactively. The CMT agreed that risk registers would be discussed at a higher level more regularly.

4. Following the CMT discussion in June 2015, all departments have discussed their operational risk registers at senior management meetings. This has led to improvements in the quality of the information recorded. The Corporate Business Manager will continue to work with the departmental risk representatives on the Corporate Risk Management Group to ensure risks continue to be discussed at regular intervals.

5. The Corporate Risk Management Group met on 1 October 2015. The group requested a presentation on workforce planning for the next risk group.

6. The Education Department will hold risk workshops for all Head Teachers (Pre-5, Primary and Secondary) in February 2016. The management team is keen to refresh their operational registers going forward to become more focused, strategic and relevant at individual school level.

7. The Corporate Procurement Section has requested a risk workshop to help identify how they can work with departmental staff to improve risk recording in tender and contract documentation.

8. In October 2015, the Integrated Joint Board held a strategic risk workshop led by Zurich with representation from the departmental risk representative and the Corporate Business Manager. The senior management team discussed their key risks relating to the new arrangements and they started to develop a strategic risk register for the IJB.

9. Internal Audit has started an audit of corporate governance and risk management and they will check that risk registers have been discussed on a regular basis at senior management level.

10. Training on risk management was held on 5 February, 10 March, 12 May, 15 September and 17 November 2015. Courses ranged from partnership and project management risk to beginners risk management. Moving forward, it is clear that departments are keen to hold risk workshops on specific topic areas. Therefore, there will only be one course on the corporate training calendar on risk management in 2016/17. However through the departmental risk representatives, opportunities to hold risk workshop training will be promoted.

FREEDOM OF INFORMATION

11. In October 2015, the Council received a freedom of information request to release specific operational risk registers. This was the first time that such a request had been made. After consultation with various departments and discussions with the Council's Records Manager, the registers were released with some information redacted where necessary.

OPERATIONAL RISKS

12. Any significant operational risks are normally escalated to the strategic risk register. The main operational risks include issues relating to potential budget reductions and income reduction in some areas. There are resource issues in some areas due to difficulty sourcing staff (supply teachers), managing absence, emerging workforce requirements, succession planning or corporate capacity to support change. There are some medium risks associated with the introduction of new legislation. The protection of data from cyber attacks and other unexpected loss is a high priority. There is uncertainty around the impact of future welfare reform changes especially the implementation of Universal Credit which is planned for 2016 in East Renfrewshire.

13. A list of high and medium operational risks from across the Council have been sent to the Chief Auditor.

14. Risks continue to be managed across departments. A variety of improved control measures have reduced either the likelihood or the impact of risks.

STRATEGIC RISK REGISTER

15. The strategic risk register which sets out the key council strategic risks was considered by the Audit and Scrutiny Committee on 20 August 2015. There are 29 risks on the strategic risk register, of which 12 are evaluated as high, 15 medium and 2 low risk. The next update of the strategic risk register will be considered by the Audit and Scrutiny Committee on 3 March 2016 and the Cabinet on 24 March 2016.

16. As part of the next update, the Corporate Business Manager will ask representatives from the Council to provide any significant risks relating to the Trust and the IJB that they believe should be reflected in the Council's strategic risk register.

RECOMMENDATION

17. The Audit and Scrutiny Committee is asked to note the progress of risk management within the Council.

Lorraine McMillan, Chief Executive 8 December 2015

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KEY WORDS

This report provides the Audit and Scrutiny Committee with the latest progress on risk management within East Renfrewshire council.

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