

NORTH YORKSHIRE COUNTY COUNCIL

CORPORATE AND PARTNERSHIPS OVERVIEW & SCRUTINY COMMITTEE

14 NOVEMBER 2011

CORPORATE RISK REGISTER

Report of the Corporate Director – Finance and Central Services

1.0 PURPOSE OF REPORT

- 1.1 To consider the latest version of the Corporate Risk Register.

2.0 BACKGROUND

- 2.1 The County Council has a systematic approach to Risk Management that is overseen by the Audit Committee as part of its role regarding the Corporate Governance arrangements of the County Council.
- 2.2 Applying a bottom-up approach formal Risk Registers are produced at Service Unit, Directorate and then Corporate levels. Risk Registers are also compiled, as and when, for individual procurements (eg the Waste PFI) or major projects (eg Microsoft Transition).
- 2.3 The Risks are all recorded on a standardised IT system managed and operated by the Insurance and Risk Management Team within Finance and Central Services.
- 2.4 All Registers are required to be updated annually but many management teams update them more frequently particularly if service circumstances change between the scheduled annual review dates.

3.0 CORPORATE RISK REGISTER

- 3.1 The Corporate Risk Register (CRR) is both a compilation of risks elevated from Directorate Risk Registers plus those risks that only exist at corporate or authority wide level.
- 3.2 The CRR has recently been reviewed by the Management Board and the latest version is attached as an Appendix.
- 3.3 It comprises 7 risks that are considered critical to the overall performance of the County Council.
- 3.4 To assist Members unfamiliar with the format of the Appendix the following explanation is provided.

- Risks are identified by Management Board during a preparatory meeting and subsequent workshop
- Each risk has then to be ranked based on the following:
 - existing risk controls in place
 - probability of the risk occurring (based on existing controls)
 - impact of the risk occurring (based on existing controls)
 - further risk controls which may reduce current probability or impact
- The prioritisation system then follows a fairly traditional risk evaluation approach in that the **probability** of risks is measured using High, Medium, Low and Nil categories.
- However, to facilitate the assessment of the severity of each risk this is done in relation to 4 distinct **impact areas**. Each level within the County Council (ie. Service Units, Directorates and Corporate) will rank their risks against their specific 'risk appetite' (known as a Risk Classification Table) which reflects their key objectives and uses familiar performance measurements where possible. The impact of risks is then assessed in terms of:
 - Obj = failure to meet key objectives and standards – reflecting current service plans
 - Fin = Financial impact – reflecting current budgets
 - Serv = delays in service delivery – reflecting current service indicators
 - Rep = loss of image or reputation – reflecting key image indicators

As each risk is ranked with reference to current controls and then future controls, the risk prioritisation system can compute a "score" in the range of 1 to 5

- 1 and 2 being a 'red' risk
- 3 and 4 being an 'amber' risk and
- 5 being a 'green' risk

One of the key things to look for in the Register is the movement of the score (described as 'Cat' in the Appendix) as between the '**Pre**' (i.e. present stage) and '**Post**' (i.e. after risk mitigations are in place). For certain risks, however, this does not change as the risk mitigations cannot prevent the event (e.g. severe flood) but can address/reduce its impact.

3.5 Of the 7 risks included in the CRR

3 are carried forward from last year's CRR ie

- Waste Strategy
- Delivery of the MTFS
- Major Emergencies in the Community, whilst

4 are new risks that are now assessed as relevant at the 'corporate' level of the County Council ie

- Health responsibilities
- One Council change programme
- Communications to all stakeholders
- organisational performance management

3.6 As part of its routine work programme, the Audit Committee, receives a report on how each Directorate in addressing the risks in its Risk Register. A similar report on the CRR is scheduled for the Audit Committee at its meeting on 8 December 2011.

3.7 The Corporate Risk Register is also reported to the Executive.

4.0 RECOMMENDATIONS

4.1 The Committee is asked to consider the updated Corporate Risk Register and determine if it wishes to pass any observations to the Audit Committee on the Risk Register process and/or the Executive regarding the specific risks contained in the updated Corporate Risk Register.

JOHN MOORE
Corporate Director – Finance and Central Services

County Hall
Northallerton

7 November 2011

Background documents – None

CEO Corporate Risk Register

Risk Register: month 0 (Oct 2011) - summary
Report Date: 26th October 2011 (cpc)

Identity			Person		Classification												Fallback Plan			
Risk No	Risk Title	Risk Description	Risk Owner	Risk Manager	Pre						RR		Post						FBPlan	Action Manager
					Prob	Obj	Fin	Serv	Rep	Cat	RRs	Next Action	Prob	Obj	Fin	Serv	Rep	Cat		
20/47	20/47 - Health Responsibilities	Failure to be sufficiently prepared for our Health responsibilities and deliver integrated approaches with Health partners resulting in lost financial opportunities through joint provision of services, inability to protect the public adequately and not make sufficient progress in health improvement	CEO	CD HAS	H	M	M	M	M	2	7	29/02/2012	H	M	M	M	M	2	Y	CD HAS
20/45	20/45 - Waste Strategy	Failure to deliver the Waste Strategy	CEO	CD BES	M	M	H	L	H	2	10	31/12/2011	L	M	H	L	M	3	Y	CD BES
20/1	20/1 - Delivery of 4 year MTFS	(a) Failure to deliver the 4 year MTFS (2011/15) including the savings programme resulting in inability to balance the budget, potential distortion of priorities and public dissatisfaction. (b) Potential adverse effect of Government's review of business rates and council tax benefits and their impact on future funding levels	CEO	All Mgt Board	M	M	H	H	M	2	8	30/11/2011	L	M	H	M	M	3	Y	All Mgt Board
20/207	20/207 - One Council Change Programme	Failure to deliver the One Council change programme resulting in financial cost, poorer service outcomes, lost opportunities, need to revisit savings on front line services	CEO	CEG DMG	M	M	H	M	M	2	7	31/10/2011	L	L	H	L	M	3	Y	All Mgt Board
20/51	20/51 - Communication	Failure to effectively inform, consult, engage and involve the public/staff/Members, resulting in public dissatisfaction, loss of reputation, low morale, criticism of Members and missed opportunities	CEO	CEG DMG	M	M	M	M	H	2	2	31/12/2011	M	M	M	M	M	4	Y	CEG DMG
20/8	20/8 - Major Emergencies in the Community	Failure to plan, respond and recover effectively to major emergencies in the community resulting in risk to life and limb, impact on statutory responsibilities, impact on financial stability and reputation	CEO	CEO	L	L	H	L	H	3	5	31/10/2011	L	L	H	L	M	3	Y	CEO
20/49	20/49 - Organisational Performance Management	Lack of focus on performing at service, team and individual level resulting in poorer service delivery, public dissatisfaction, criticism increased costs and lost opportunities	CEO	CEG ACE PPP	M	M	M	M	M	4	4	31/12/2011	M	M	M	M	M	4	Y	CEG ACE PPP