

To: Audit & Governance Committee

Date: 28th April 2009

Item No:

Report of: Heads of Finance

Title of Report: Corporate Risk Register – Corporate Risks for 2009-10

Summary and Recommendations

Purpose of report: To present to members the draft list of Corporate Risks for 2009-10

Report Approved by:

Finance:

Legal: Lindsay Cane

Policy Framework: None

Recommendation(s): That Members review the list and agree the key Corporate Risks for the 2009-10 Register

Review of the 2008-09 Corporate Risk Register

1. Throughout 2008-09, quarterly progress in managing the Council's key Corporate Risks has been reported to Audit & Governance Committee. The 2008-09 outturn is reported to this meeting of the Committee.
2. As part of reviewing the 2008-09 outturn, consideration has been given to whether the twelve risks on the 2008-09 register should remain as the key corporate risks for 2009-10. The Direction of Travel and final scores have been taken into account together with the Council's progress in achieving its corporate plan objectives.

3. It is proposed that Risk 9 - Failure to maintain a positive reputation with key stakeholders, and Risk 10 – Failure to prioritise and maintain strategic direction – should not be monitored as key corporate risks for 2009-10. Both risks were judged to have a probability reduced to Unlikely by the end of 2008-09, and that the progress and improvement made by the Council has significantly mitigated these risks.
4. For the other key risks from the 2008-09 register, the emphasis for 2009-10 should move from establishing processes and controls to delivery of actions so that the benefits are realised.
5. One area was considered to be a new key risk for 2009-10 – the delivery of services through partnerships, and the associated risk of weak contractor performance.
6. The changes to the proposed risks to be monitored in 2009-10 is set out in Appendix 1.

Review Process

7. The main review and 2009-10 focus described above was carried out alongside the 2008-09 outturn work with the lead officer for each risk, facilitated by KPMG.
8. The Risk Group (formed in 2008 as a subgroup of Service Heads) met to review these proposals. The Group considered other potential key risks such as Council wide business continuity but did not add further risks to the register at this time, considering that the ten areas now proposed captured the principal risk areas. These proposals were presented to the Wider Leadership Team.
9. Each Service Risk Register from Service Transformation Plans was reviewed and risks with a combined score of 10 or above considered for escalation to the corporate register. All of these significant risks from service registers fit within the Corporate risks already identified on the register, and risk owners will ensure that they are shown as causes of risk on the Corporate register. The majority relate to financial pressures and the impact of the economic downturn, reflecting current operating conditions.
10. Ongoing review of Corporate risks by the officers at the monthly Strategy & Resources Board, and by members at Audit & Governance Committee, will ensure that risks are regularly reviewed and new risks brought forward if judged significant. The escalation process from service registers and project and programme registers as set out in the Risk Management Strategy provides a mechanism to capture emerging risks. The Performance Board will review progress on Service risk registers on a quarterly basis.

Recommendation

11. Members are asked to review proposals and agree the key corporate risks for the 2009-10 register.

Next Steps

12. The Corporate Risk Register will be fully populated against the agreed risks and brought back to the June meeting of this Committee.

Name and contact details of author:

Penny Gardner/Sarah Fogden

Heads of Finance

Telephone: (01865) 252708

pgardner@oxford.gov.uk or sfogden@oxford.gov.uk

Background papers: None

Version number: 1.0

2009/10 Corporate Risk Register

	2008/09 Risks to the Council	2008/09 Impact	2008/09 Probability	2009/10 Focus
1	Failure to ensure sufficient management capacity and capability	Moderate	Possible	Overall staff capability and capacity in terms of building a performance culture.
2	Failure to deliver a balanced budget which allows the successful delivery of it's overall and service priorities	Minor	Rare	Delivery of expected budget out turn at year end
3	Failure to ensure the Council has and can deliver robust future plans which are integrated to the Corporate Plan and other key strategies.	Minor	Unlikely	Delivery of key strategies which are of significant importance
4	Failure to embrace change and the transformation agenda, embedding an improved and consistent performance culture across the Council	Major	Possible	Deliver transformation agenda its related benefits
5	Failure to understand and meet the investment needs of the Council's Assets	Moderate	Possible	Understand and meet the investment needs of the Councils Assets
6	Failure to embed and maintain a consistent Health and Safety culture across the Council	Moderate	Possible	Embed and maintain a positive Health and Safety Culture across the Council
7	Failure to identify and manage high risk areas which may be impacted by the credit crunch	Moderate	Likely	Identify and Manage high risk areas impacted by the financial economy and outlook
8	Failure to understand and manage the impact of job evaluation and single status	Moderate	Possible	Implement single status effectively
9	Failure to maintain a positive reputation with key stakeholders	Moderate	Unlikely	-
10	Failure to prioritise and maintain strategic direction	Moderate	Unlikely	-
11	Failure to deliver major projects on time in budget due to lack of skill or resources	Moderate	Possible	Delivery of major projects on time and to budget (Westgate, IT, CRM, Accommodation)
12	Failure to commission services effectively	Moderate	Unlikely	Commissioning of the right services with limited future risks to the Council
				Maintain and develop strong partnership which aid delivery of Councils objectives