

**To:** City Executive Board  
**Date:** 21 September 2011  
**Report of:** Head of Finance  
**Title of Report:** Risk Management Quarterly Reporting: Quarter 1 2011-12

### **Summary and Recommendations**

**Purpose of report:** To provide a summary of the changes to the Corporate Risk Register (CRR) and Service Risk Registers (SRR) submitted as part of the Quarter 1 update.

**Key decision No**

**Executive lead member: Councillor Ed Turner**

**Policy Framework: Efficient and Effective Council**

**Recommendation(s):**

**a) City Executive Board are asked to note that Risk registers are being regularly monitored, and actions to reduce risk are taking place.**

Appendix B - Risk Evaluation matrix

### **Summary**

1. This report represents the first quarter review of the Corporate Risk Register (CRR) and the Service Risk Register (SRR).
2. There are 8 Corporate Risk Register risks being reported this quarter. Two of these risks have a residual risk status of red (as determined under the Risk Management Strategy adopted on the 1<sup>st</sup> April 2010)
3. Following discussion with CMT there are no risks to be escalated from the service risk register.

## **Background**

### **Monitoring Process**

- 4 Since 31<sup>st</sup> May 2011 the Council has been using its performance management software CORVU , to monitor both service and corporate risks. Whilst the overall process to risk monitoring remains essentially the same the introduction of Corvu
  - Enables the monitoring of risks to be more streamlined and efficient
  - Enables automatic e-mail reminders to be sent to risk owners to remind of the need to update risks in their area
  - Enables the Risk Manager to track progress on risk updating
  - Provides a more efficient media with which CMT and Members can view risks
  
- 5 On 30<sup>th</sup> August CMT undertook its first 'paperless' review of corporate and Service Risks in order to provide an update to Members on the overall Corporate Risks currently effecting the authority. It is anticipated that the system will be used to update members in a similar fashion at their meeting of the 21<sup>st</sup> September 2011.
  
- 6 The Council's Risk Management Strategy requires that the Risk Management Group meets monthly and reports quarterly on its activities together with an updated Corporate Risk Register to the City Executive Board (CEB). The updates to the Corporate Risk Register are a consequence of the Corporate Management Teams review of both the current Corporate Risk Register and risks escalated by the Risk Management Group from Service Risk Registers.

### **Service Risk Registers**

- 7 Service Risk Registers have been reviewed at the end of quarter 1 (30<sup>th</sup> June 2011) for all service areas. As part of the update the risk owners have been asked to review their current risks, review progress against action plans and to report on their status.
  
- 8 The action plans to deal with each risk are not published in detail in this report but actions are progressing as expected and there are no concerns to report to CEB.
  
- 9 CMT have reviewed all Service risks and have concluded that there are no risks in this quarter that need escalating to the Corporate Risk Register

### **Corporate Risk Register**

- 10 The report focus is on risks which have a red status for residual and current risk status. The assessment of the risk score and consequently the overall risk is determined by a RAG status which is shown in Appendix A.

- **A red or high risk** is deemed to occur where the product score of the impact and probability is 12 or greater and the impact is 4 or greater.
- **An amber or medium risk** is deemed to occur where the product score of the impact and probability for is between 5 and 9
- **A green or low risk** is deemed to occur where the product score of the impact and probability for is deemed to be below 5

11 Three calculations are undertaken for each area of risk as follows :

- **Gross Risk** – The risk without any controls in place
- **Current Risk** – The risk with existing controls in place
- **Residual risk** – The risk with existing and further mitigating controls in place

12 CMT have reviewed these risk and at this stage consider that all new risks raised from Service Risk Registers should remain on the Corporate Risk Register

13 There are 8 risks on the CRR in Q1 2011/12. There are :

- 5 risks where the current risk is 12 or above
- 3 risks where the residual risk is 12 or above
- No risks transferred from the service risk registers for this quarter but

## **OTHER ISSUES RISK AND INSURANCE OFFICER**

14 For the past 12 months the Councils Risk Manager has been on maternity leave. On 14<sup>th</sup> September this person will return to work, on 3 days per week. The role of the Risk Manager has changed significantly over this period and Heads of Service are required to take more of a proactive approach in Risk Management for their service. In addition, the Council has commenced using CORVU, its performance monitoring software to monitor risk across the council, updating the monitoring from its previous email and spreadsheet labour intensive system. This has produced a number of efficiencies and the role of the Risk Manager will change to more of an advisory rather than 'hands on' one. Other activities for the role will include :

- To oversee the councils insurance cover and review insurance claims procedures
- To attend and reinstate the Councils Risk Management Group
- To undertake periodic training on Risk Management for Council Officers
- To introduce e-learning courses for risk management

- To review risk management procedures and processes 'on the ground'
- To spread 'good practice' on risk management arising from ALARM and other authorities

## **INSURANCE**

- 15 One mitigation of risk is insurance. The Council has standard insurance policies with excesses for different policies ranging from zero to £100,000. Claims above these excesses are recharged by the insurance company back to the Council and charged to the Councils Insurance Fund, which as at 31<sup>st</sup> March 2011 stood at £1,373,000, £146,000 having been charged to the fund in 2010/11. The fund is reviewed periodically by actuaries having regard to past and potential insurance claims. The last time the fund was reviewed was 2005 and plans are currently in place to undertake the review once again using actuaries from the Councils brokers Jardine Lloyd Thompson
- 16 For historical reasons the Council has not previously insured for terrorism but has reviewed this policy in the light of recent riots across England. As a result the Council is looking to provide cover on its Commercial and Industrial Properties and General Properties. Where the cover is in respect of council properties that are leased it will be possible to recover the cost of insurance for such risk from the tenant and therefore the net cost to the council, will be reduced to around £20,000, which will be an ongoing budget pressure. Going forward it may be possible to mitigate this further as there is an active insurance market specifically for this type of cover and officers will be pursuing this option.

## **DATA SECURITY**

- 17 Following the completion of an internal audit report on data loss prevention by Price Waterhouse Cooper LLP (PWC) in March 2011 and a subsequent internal report prepared by the interim FM Manager at Oxford City Council (OCC) in May 2011, EC Harris (the consultants) were appointed to lead a review of the physical security arrangements at St. Aldates Chambers (SAC) and The Town Hall (TH).
- 18 The report prepared by PWC identified a number of areas where some level of improvement was considered necessary, which can be categorised as follows:
- Management of paper based information
  - Physical security
  - Contact centre workstations
  - Information security training and awareness
  - Web based e-mail
  - Access to USB devices
  - Back up tapes

- Protective marking
- User account validation review
- Other general issues covering physical, procedural and training issues

19 A subsequent report to Corporate Management Team in June 2011, concluded that Corporate Assets should be responsible for progressing the following accepted recommendations:

- Access control; the proximity remit & card reader option should be sought and a centralised computer system to eliminate leavers should be considered;
- Perimeter entry controls;
- Additional intruder detection system;
- CCTV (for protection, rather than prosecuting reasons)

In addition a recommendation was also made to ensure visitors sign in, wear a visitors badge (detailing name, reason for visit and the date) and are escorted to and from reception.

Works to the Town Hall totalling around £100k have subsequently been commissioned and are currently in progress

#### **Financial Implications**

20 There are no financial implications relevant to this report,

#### **Legal Implications**

21 There are no legal implications relevant to this report.

#### **Name and contact details of author:-**

Name: Nigel Kennedy  
 Job title: Head of Finance  
 Service Area / Department: Finance  
 Tel: 01865 252807 e-mail: nkennedy@oxford.gov.uk

#### **List of background papers:**

**Version number**

**APPENDIX A**

**RISK MATRIX**

