

**Audit Committee**  
**Monday the 27 June, 2011**

Electoral Division affected: All
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**Risk Management Report**  
(Appendices 'A & B' refer)

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**Executive Summary**

An important part of the remit of the Audit Committee is to advise the council on the adequacy of the Authority's strategic processes for risk management and to consider reports in respect of the Authority's risk register and the action taken in response.

This report introduces the latest version of the register.

**Recommendation**

In accordance with the Audit Committee's terms of reference, members may wish to consider whether:

- the content of the corporate risk register reflects the key risks facing the council and whether there are any perceived gaps;
- the actions being taken in response to identified risks appear to be appropriate and, in the light of these considerations; and
- the current process for identifying risk is effective.

**Background and Advice**

Risk management has been an integral feature of corporate and directorate business and financial planning over many years. The corporate risk register is a high level summary of the significant risks which the council faces. It may be regarded as a checklist to identify and track the status of key risks and how these are being managed.

The process for preparing the register has been further refined so that Executive Directors and their senior management teams have direct input into its development. Reference has also been made to risks identified in the areas of business continuity, emergency planning and health and safety, to ensure that no important risks have been overlooked and all significant risks are reported in one place.

## **Updated content**

The risk register reflects recommendations from the last Committee meeting where it was agreed that anomalies identified in the scores used to assess several potential risk areas would be referred back to the directorates concerned for further consideration.

The council has a scoring matrix for each risk to be assessed against (Appendix B) and the scoring is initially carried out within directorates and subsequently agreed by individual management teams. A corporate challenge takes place where directorate reps come together and explain scoring for each of the risks identified and an assurance process takes place. This is then circulated and discussed with Management Team.

As a result of the Corporate Policy Review, the Localities Team has been disestablished and the locality working functions have been delegated to the directorates. The directorates are confident through their current locality working arrangements that this is in hand and therefore no need for a corporate risk around localities working.

The issue previously discussed at Committee with regard to the third sector taking on service delivery responsibility on behalf of the council has not materialised as a result of the budget cuts and neither has the concept of Big Society taken off as intended by the coalition government. Therefore a corporate risk around this particular issue is not relevant for the corporate risk register.

## **Future risk reporting**

The Committee may wish to note that as the Policy Unit is reconfigured, the Internal Audit Service will take on a greater role in facilitating risk management across the council from 1 July 2011.

The corporate risk register will be updated and presented quarterly, so that members of the Audit Committee are kept up to date with significant changes to the content of the risk register and will be able to scrutinise the actions being taken in response.

## **Consultations**

N/A

## **Implications:**

## **Risk management**

Risk management is the subject matter of the report.

**Local Government (Access to Information) Act 1985  
List of Background Papers**

<b>Paper</b>	<b>Date</b>	<b>Contact/Directorate/Ext</b>
Risk Management update report to Audit Committee	21 March 2011	Habib Patel, OCE Policy Unit Tel. 36099
<b>Reason for inclusion in Part II, if appropriate – N/A</b>		