

**RISK REGISTER**

**(Report by the Audit & Risk Manager)**

**1. Purpose**

- 1.1 To inform the Panel of the changes that have been made to the risk register in the period from September 2010 to February 2011 and the current residual risk scores.

**2. Updating of the Risk Register**

- 2.1 Since the last meeting of the Panel, the register has been reviewed by Heads of Service and Activity Managers. They have also considered the effectiveness of the controls that are in place to manage those risks and updated the sources of assurance available to manage those controls. This information will help the Panel when it considers the annual governance statement.
- 2.2 The process by which the register is reviewed by Heads of Service is now well established and dovetails with the COMT quarterly performance reporting timetable. A similar review process has been introduced with Activity Managers, albeit on a six monthly basis.
- 2.3 All changes to the register are reviewed by the Audit & Risk Manager. This allows general over-sight and challenge of the risk entries and the inherent and residual scoring. The full risk register is available on the risk management intranet site.

**3. Current Register**

- 3.1 Since the last report to the Panel in September 2010, the following changes have been made to the risk register:
- 2 new register entries
    - 0 Corporate
    - 2 Operational
  - No risks have been deleted.
- 3.2 The attached annexes show the reduction in risk achieved by the controls that managers have in place for both Corporate and Operational risks. Risks with a “very high” residual risk are listed separately.

- 3.3 430 significant controls are recorded in the register as at 28 February, in respect of 149 individual risk entries, covering both corporate and operational risks. The levels of assurance are as follows.

Total No of Controls	Assurance Level			
	Substantial	Adequate	Limited	None
430	271	137	19	3
	63%	32%	4%	1%

78% of the assurances have been updated in the past six months and 98% in the last nine months.

- 3.4 As the risk register has become more robust, the Internal Audit Service have been able to place greater reliance on its contents. This in turn has led to them reviewing and challenging both the controls listed and the controls assurance ratings. If the work carried out by internal audit suggests that either the controls listed in the register or the assurance opinions are not appropriate then Heads of Service are requested to re-evaluate the risk register entries. This process helps to maintain a register that is both relevant and reliable and gives the Panel assurance that information presented to it is a fairly reflection of the current management of risk.
- 3.5 The risk management strategy requires the Cabinet to consider each of the very high residual risks to identify whether they should be further mitigated by cost-effective and affordable actions. Four of the five very high residual risks in the register were considered by Cabinet in July 2010. It is intended that risk option form for the remaining risk will be presented to Cabinet shortly.

#### **4. Recommendation**

- 4.1 It is recommended that the Panel note the report.

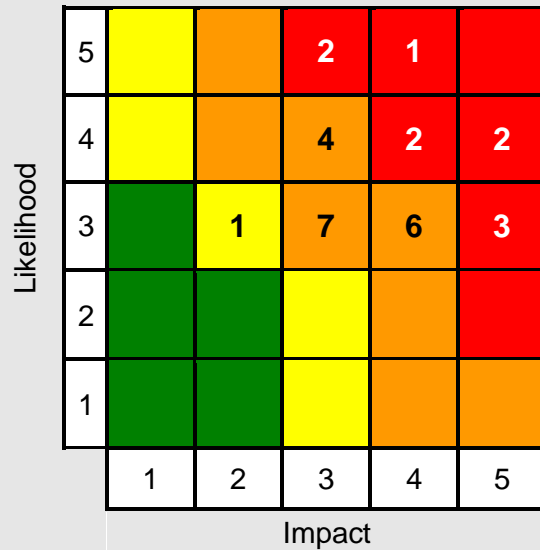
### **ACCESS TO INFORMATION ACT 1985**

Risk Register

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# Corporate Risks

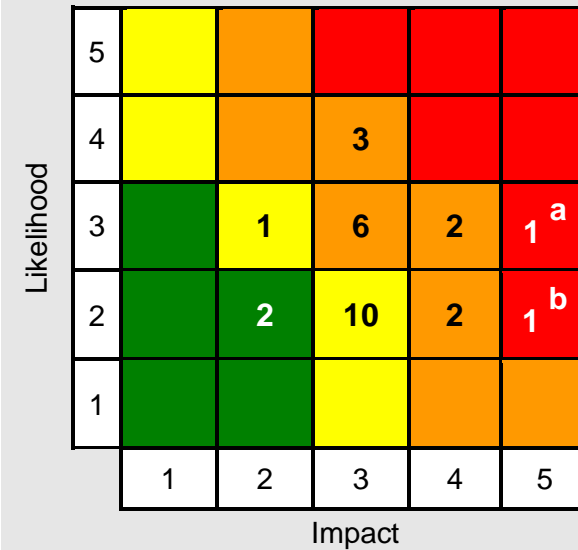
**Inherent Risks  
before controls  
February 2011**



*Residual risk scores rely on the identified controls working effectively.*

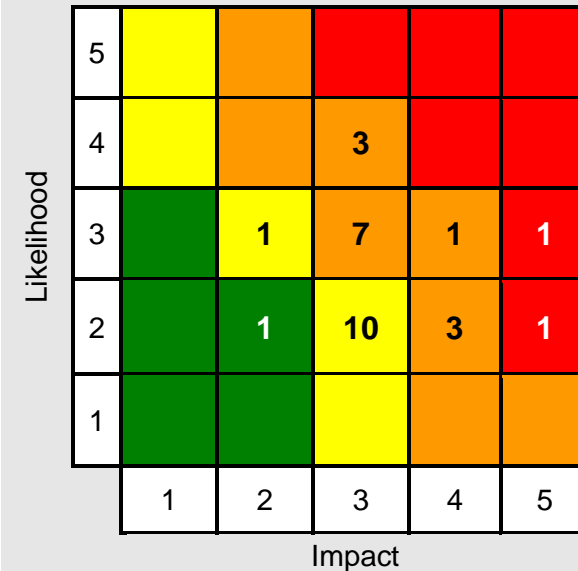
*CGP and COMT rely on internal audit and managers' 'assurance' statements to judge whether this is the case.*

**Residual Risks  
after controls  
February 2011**



total  
**28**

**August 2010**



total  
**28**

	'Very High' Residual Risks	Feb 2010	Aug 2010	Accepted by Cabinet
130 a	Failure to achieve financial savings	Red	Red	July 2010
47 b	Investment decisions not appropriate	Red	Red	July 2010

# Operational Risks

**Inherent Risks  
before controls  
February 2011**

Likelihood	5	1	5	6	1	
	4	7	14	7	2	
	3	1	6	32	22	3
	2	4	5	2	2	
	1				1	
		1	2	3	4	5
		Impact				

*Residual risk scores rely on the identified controls working effectively.*

*CGP and COMT rely on internal audit and managers' 'assurance' statements to judge whether this is the case.*

**Residual Risks  
after controls  
February 2011**

Likelihood	5	1				
	4	2	3	6		
	3	2	16	11	4	
	2	1	21	32	12	3 <sup>c</sup>
	1		2	3	1	1
		1	2	3	4	5
		Impact				

total  
**121**

**August 2010**

Likelihood	5	1				
	4	2	3	6		
	3	2	16	11	4	
	2	1	20	32	12	2
	1		2	3	1	1
		1	2	3	4	5
		Impact				

Total  
**119**

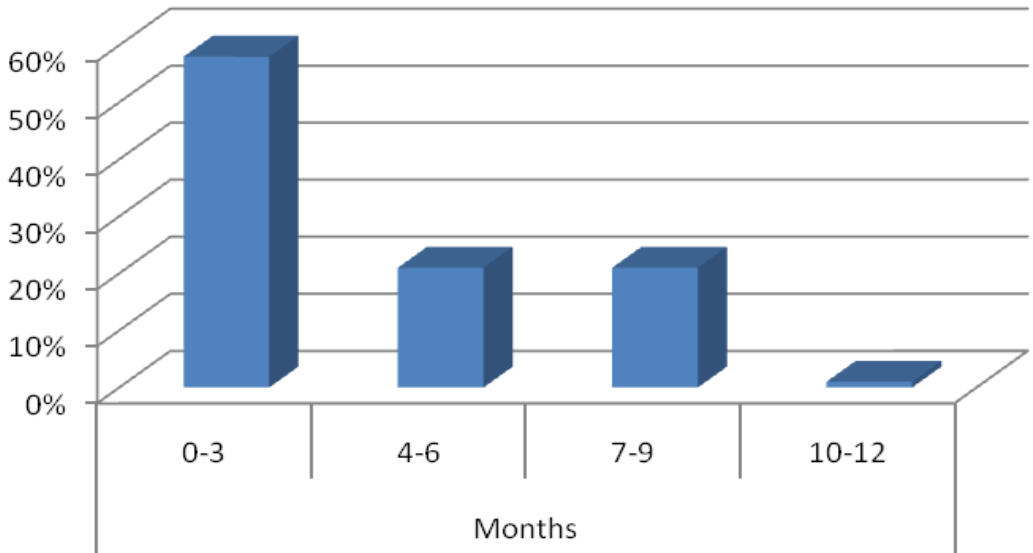
+ 2

	'Very High' Residual Risks	Feb 2010	Aug 2010	Accepted by Cabinet
15 c	ICT security is breached			July 2010
58 c	Information or data is lost			July 2010
223 c	MMI run-off			-----

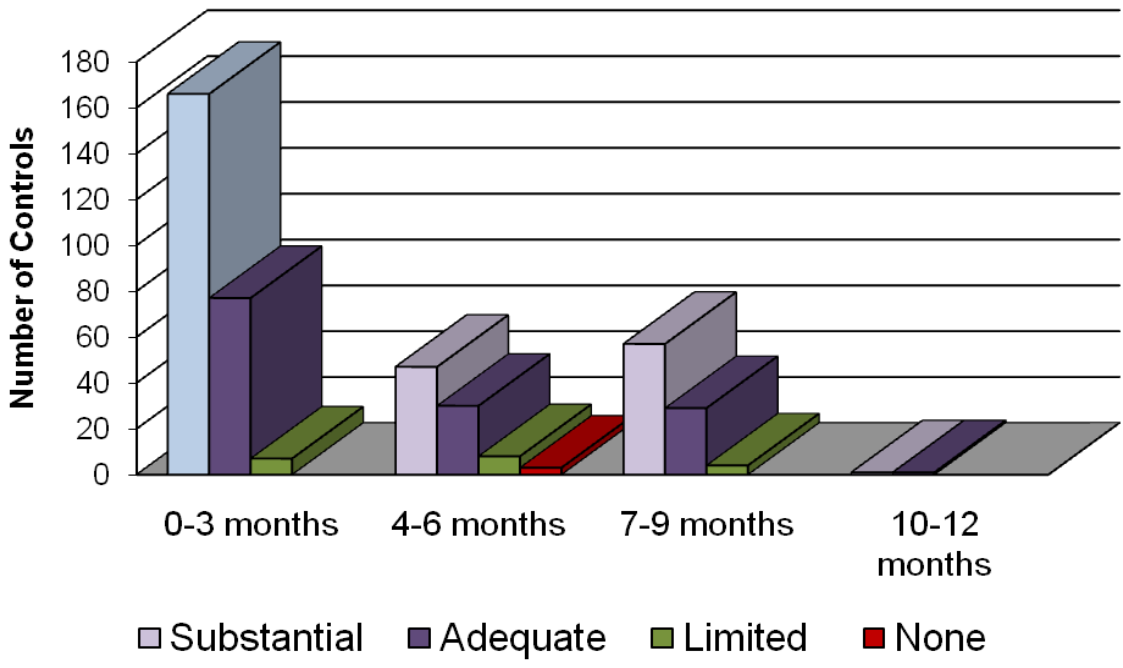
**Operational**

# Assurance Details

## Controls Assurance : Months since last update



## Controls Assurance Rating by Months since last Updated



## Assurance Type by % age

