

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 September 2011 to 13 March 2012 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.
- 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.
- 2.4 This report includes six Annexes, which provide information on

Annex

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| 1 | Risk matrix – inherent to residual scoring: Corporate risk |
| 2 | : Operational risk |
| 3 | Risk register amendments |
| 4 | Assurance on controls for very high inherent risks |
| 5 | Risks with no controls |
| 6 | Risks with controls that are not working effectively |

3. Current Register

- 3.1 Since the last report to the Panel in September 2011, 2 risks have been added, and 5 risk deleted from the register. See Annex 3.
- 3.2 The annexes 1 and 2 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.

- 3.3 431 significant controls are recorded in the register as at 5 March, in respect of 148 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
431	272	134	19	6
	63%	31%	5%	1%

56% of the assurances have been updated in the past six months (78% at August 2011). 2% of assurances are more than twelve months old (1% at August 2011).

- 3.4 As the risk register has become more robust, the Internal Audit Service have been able to place greater reliance on its content. 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. It is intended that risk option forms will be presented to the May Cabinet meeting in respect of the seven risks that fall into this category.

4. Recommendation

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

ACCESS TO INFORMATION ACT 1985
Risk Register

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