

FALKIRK COUNCIL

Subject : CORPORATE RISK REGISTER
Meeting : AUDIT COMMITTEE
Date: 16 NOVEMBER 2009
Author : DIRECTOR OF DEVELOPMENT SERVICES

1. INTRODUCTION

- 1.1 The Corporate Risk Register is considered to be a key part of ensuring the Council's risk management arrangements are robust and continue to be fit for purpose. Its role is critical in ensuring the elements of the approved Risk Management Policy (Appendix 1) are achieved and its place is specifically noted in the corresponding strategy document (Appendix 2).
- 1.2 The internal audit review of the Council's corporate risk management arrangements (2007) noted that the Corporate Risk Register had not been formally reviewed since February of that year and that some thought should be given as to whether or not it remained relevant or required to be altered. Work on the review has been ongoing for some time and has been informed by the views of Chief Officers at a workshop to consider our approach to our Corporate Risk Register and has been the subject of extensive consideration by the Corporate Risk Management Group.

2. BASIS OF PROPOSED REVIEWED CORPORATE RISK REGISTER

- 2.1 It became increasingly apparent, during the review process, that there were significant challenges in producing a register which would achieve the aims described in both the policy and strategy documents. Whilst there was clearly a need to produce a comprehensive document, the register needed to be sufficiently relevant and manageable to help to embed good risk management processes and accountabilities into the every day operation of the authority.
- 2.2 The proposed approach is based on the following:-
 1. Consideration of all that we do as an organisation in the context that risks lie in us not doing what we ought to do and / or doing what we ought not to do.
 2. The above requires, in turn, recognition that our activities are not limited to those which we are required to do but also include those which we are empowered to undertake.
 3. Identification of the component parts (both internal and external) that are the contributory elements to everything we do.
 4. Recognition that it is within these component parts that things can go wrong and result in the risk being realised.

5. Development of methodologies to properly manage these component parts and thus “de-risk” our operations at every level.
- 2.3 The proposed new draft register is attached as Appendix 3.
- 2.4 This approach has been endorsed by the Internal Audit Manager and by the Corporate Risk Management Group as has the final draft register presented as part of this report.

3. NEXT STEPS

- 3.1 If Members are minded to support this approach and the draft register, the Corporate Management Team and Services will require to apply the terms of the Register to our activities and ensure that all of our day to day operations, projects and strategic approaches are underpinned by a strong framework to minimise the risk of failure at any level.
- 3.2 As part of this work, an exercise to streamline and include all the existing corporate working groups in the Register needs to be completed. These groups form a critical part of the monitoring regime which is necessary to ensure the integrity of the risk management process. They must be effective to guarantee that their value is realised. Without proper reporting arrangements, their potential to properly influence the risk management process could be lost.

4. RECOMMENDATIONS

That Members:-

- 4.1 **Approve the terms of the draft Corporate Risk Register.**
- 4.2 **Agree that the exercise to review corporate working group arrangements described in paragraph 3.2 be completed and the results of this review be incorporated into the Register.**
- 4.3 **Request periodic reports from officers on the Register and its operation.**

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Director of Development Services

10th November, 2009