

WEST DUNBARTONSHIRE COUNCIL

Report by Executive Director of Corporate Services

Audit and Performance Review Committee: 25 September 2013

Subject: Risk Update

1. Purpose

- 1.1 To provide an update to Members on work being done in relation to risk.

2. Recommendations

- 2.1 It is recommended that Members of the Committee note the contents of this report.

3. Background

- 3.1 Various stages of development have taken place in the establishment of a Strategic Risk Register for the Council over the last three years. New strategic risks have been developed in relation to the Strategic Plan 2012/17.
- 3.2 At the meeting of the Audit & Performance Review Committee on 22 May 2013 it was agreed to progress a report for the next meeting of the Audit & Performance Review Committee on strategic risks deemed likely or very likely to occur along with indicative timescales in this respect.

4. Main Issues

Strategic Risk

- 4.1 As can be seen from Appendix 1:
- Four of the six strategic risks have a current likelihood score of 3 (Very likely), with a target score by 31 March 2017 of 2 (Likely)
 - Two of the six strategic risks have a current likelihood score of 2 (Likely) with a target score by 31 March 2017 of 1 (Unlikely).
- 4.2 Each strategic risk is managed through internal controls, linked actions and associated milestones with the objective being to reduce the level of risk on completion of linked actions over a period of time and / or ensure mitigation factors are adequate should the risks actually materialise.
- 4.3 The risk template that is reported to Committee shows the assessed level of risk which was determined when each risk was originally scored following agreement of the strategic priorities. The template also highlights the various mitigating

action which management have or will implement to try to reduce the likelihood or impact of the risk. The scoring of each strategic risk will be re-assessed by 31 December 2013, and on an ongoing annual basis, in conjunction with a review of the Council's strategic priorities.

- 4.4** The target risk score shown on each template is where managers have assessed where it would be possible to reduce the level of risk by 2017. The discernable movement of the likelihood or impact of risk that is impacted by the mitigating actions would be seen as the annual reviews are undertaken. However, unfortunately not all elements of each risk are controllable by the Council, so while the environment continues to change around the Council there is the potential for these other factors to work against the mitigating actions implemented by management.

Department / Service Risk

- 4.5** The development of department and service risk is now in progress across the Council as part of the service planning process. An assessment of the progress made will be carried out by the Risk Management Section by the end of October 2013.

5. Personnel Implications

- 5.1** There are no personnel issues.

6. Financial Implications

- 6.1** There are no financial implications.

7. Risk Analysis

- 7.1** Progressing with risk management will demonstrate that effective measures are put in place for the management of risk. The ability to demonstrate risk ownership should benefit the Council in terms of:

- Understanding risk and its potential impact on the Council's priorities and objectives;
- Reducing insurance premiums going forward by recognising that a mature approach to risk management will contribute to a reduction in the number and value of claims across a range of insurance classifications;
- Assisting with establishing priorities;
- Contributing towards incident prevention based upon post-incident investigation;
- Meeting statutory / regulatory requirements;
- Contributing to a better understanding and assessment of major project activity; and
- Ensuring better partnership working.

8. Equalities Impact Assessment (EIA)

8.1 There are no issues identified.

9. Consultation

9.1 This report has been subject to consultation with Finance Services and Legal, Democratic & Regulatory Services with no issues identified.

10. Strategic Assessment

10.1 This report relates to all five of the Council's Strategic Priorities.

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Angela Wilson
Executive Director of Corporate Services
Date: 4 September 2013

Person to Contact: Colin McDougall, Audit and Risk & Manager
Telephone 01389 737436
Email: colin.mcdougall@west-dunbarton.gov.uk

Appendices: Appendix A – Strategic Risk Report

Background Papers: Report to Audit & Performance Review Committee on 22 May 2013 (Risk and Business Continuity Update)

Wards Affected: All Wards