



Leicester  
City Council

**WARDS AFFECTED:**

**Corporate Directors' Board  
Standards and Audit Committee  
Cabinet**

**13<sup>TH</sup> March 2007  
28<sup>th</sup> March 2007  
23<sup>rd</sup> April 2007**

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## **Corporate Risk Management Strategy**

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### **Report of the Chief Financial Officer**

#### **1 Purpose of Report**

- 1.1. To review progress made towards implementing the Council's Corporate Risk Management Strategy and consider the challenges ahead.
- 1.2. To seek the agreement and support of the Committee and the Cabinet for the revised Risk Management Policy and Risk Management Strategy as contained within the supporting information

#### **2 Recommendations**

##### **The Standards & Audit Committee are recommended to:**

- 2.1 Note the achievements made in implementing the Risk Management Strategy to date, (see Paragraph 4 - Supporting Information).
- 2.2 Note that the focus of the risk register will be on Business Critical systems.
- 2.3 Consider the revised Risk Management Policy and Risk Management Strategy and make such comments or recommendations to the Cabinet, as the Committee sees fit (see Appendix 1 - Supporting Information).
- 2.4 Agree to review business-critical risks, quarterly.
- 2.5 Support the delivery of risk briefing for elected members

- 2.6 Agree that the Council withdraws from active participation in the Alternative Risk Transfer developments, but continues to monitor them.
- 2.7 Agree that negotiations be held with the Council's Insurance Brokers (Marsh Ltd.) to extend the existing contract by one year to September 2009, to better facilitate the re-tendering of the Council's insurance portfolio in September 2008.

**The Cabinet is recommended to:**

- 2.8 Approve the Risk Management Policy and Risk Management Strategy and endorse the action plan contained in the Supporting Information.
- 2.9 Confirm that the Cabinet Member for Resources and Corporate issues should be the lead Member for Risk Management and actively participate in the development of the Risk Management Strategy and associated action plans.
- 2.10 Support the delivery of risk briefing for members.

### **3 Summary**

- 3.1 As set out in its Risk Management Policy, the Council acknowledges that risk is a feature of all business activity and is a particular attribute of the more creative of its strategic developments. Some risks will always exist and can never be eliminated. They therefore need to be assessed and appropriately managed.
- 3.2 The Council is prepared to take a measured approach to risk in order to achieve its objectives, and to manage risks assumed as part of its established corporate and business planning procedures.
- 3.3 There has been much by way of progress since the Strategy was last reviewed especially in relation to the profile of risk management within the operational processes of the Council. The basic infrastructure for the management of risk now exists and is understood.
- 3.4 The challenge now is to involve everyone in the process of managing risk, by considering the risks attaching to any activity and the measures necessary to mitigate the consequences of any incident arising.
- 3.5 Now that we have several years' experience of a formalised system for managing risks' the review of the Strategy has been more challenging than usual. It has identified, in particular that:
  - despite best efforts, the process is perceived to be, and in some respects has become, too bureaucratic.
  - a sharper focus for the role of Risk Management Services is needed in challenging, and then supporting essential changes and to generate solutions that support the delivery of the Council's objectives.

- a clearer link is needed between the objectives in the Corporate Plan; the risks to the achievement of those objectives; and the control measures used to manage them.
- a more cohesive approach to business continuity planning is needed, to replace previous arrangements whereby each business unit was tasked to prepare its own.

3.6 It is only a matter of time before public enquiries and other legal processes will expect access to Risk Registers and the Corporate Business Continuity Plan. The Council has in place a system to identify, assess, share, manage, review, and report on its significant risks, and it will be better positioned to meet these anticipated demands, if the proposed Strategy is approved.

#### 4 **Headline Financial and Legal Implications**

Refer to Item 8 - Supporting Information

#### 5 **Report Author/Officer to contact:**

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|--------------------------------------|---------------------|
| <b>Key Decision</b>                  | No                  |
| <b>Reason</b>                        | N/A                 |
| <b>Appeared in Forward Plan</b>      | N/A                 |
| <b>Executive or Council Decision</b> | Executive (Cabinet) |