

# AUDIT COMMITTEE

## Agenda Item 17

Brighton & Hove City Council

**Subject:** Risk & Opportunity Management (ROM) Update –  
Corporate Risk Register Updated May 2010

**Date of Meeting:** 29 June 2010

**Report of:** Director of Finance & Resources

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**Wards Affected:** All

### 1. SUMMARY AND POLICY CONTEXT:

- 1.1 The corporate risk register, accompanied by details of management actions to address these risks and opportunities, assist the Audit Committee to fulfil one of its roles set out in the Risk & Opportunity Management (ROM) Strategy 2008-11, i.e. “to annually provide assurance to Cabinet and other Members that the council has an effective system of Risk & Opportunity Management”.
- 1.2 The actions taken to address these corporate risks will be reported to this same Audit Committee meeting in the agenda item “Risk Management Action Plans Focus”.

### 2. RECOMMENDATIONS:

- 2.1 That the Audit Committee consider and provide comments on the Corporate Risk Register 2010-11 (Appendix 1).

### 3. BACKGROUND INFORMATION:

- 3.1 The ROM Strategy 2008 – 2011 includes provision for a six monthly update of the Corporate Risk Register (CRR) by The Management Team. Review sessions are usually scheduled in May and November each year.
- 3.2 Each time the Corporate Risk Register alters, it will be reported for information to Cabinet and to the next scheduled Audit Committee.
- 3.2 The risks contained in the CRR are presented in risk score (likelihood and impact) priority order rather than numerical order.

3.3 There are gaps in the numbering of risks as each risk is allocated a unique identifying number and a particular risk may be removed from the CRR. This accords with best practice and ensures that the CRR is current.

3.4 The CRR contains these Corporate Risks, further detail is provided in Appendix 1:

| Risk No. | Risk Summary   | Red/Amber/Green Rating<br>(from Risk Score) |
|----------|--|---|
| 2        | Financial Outlook for the Council                                      | RED   |
| 3        | Long Term Funding for Educational Premises                             | RED   |
| 5        | Brighton Centre  | RED   |
| 9        | Major Projects   | RED   |
| 19       | Effectively Managing Transformation                                    | RED   |
| 13       | Waste Reduction & Disposal   | AMBER                                       |
| 20       | Information Governance   | AMBER                                       |
| 1        | Council Housing Stock Condition  | AMBER                                       |
| 15       | Effective Procurement Process & Co-ordinated Organisational Compliance | AMBER                                       |
| 17       | Investing in the City's Sustainable Future                             | AMBER                                       |
| 18       | Protection of Vulnerable Children                                      | AMBER                                       |

#### **4. CONSULTATION:**

4.1 The agreed process to update the CRR outlines that Directors review the CRR with their Assistant/Directors, Directorate Management Team and Lead Cabinet Members to identify new risks and opportunities, and verify those currently recorded on the CRR.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

5.1 Financial Implications:

A number of corporate risks may have potentially significant financial implications for the authority either directly or indirectly.

Effective management of these risks ensures that all potential financial impacts are properly considered and that likely financial outcomes are reflected in medium term financial plans and budget strategies, which are continually updated to reflect changing assumptions and likelihood of risk.

The council's Section 151 Officer also has regard to risk assessments in developing the medium term financial strategy and budget strategy. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer of a local authority to report on the robustness of the estimates included in the budget and the adequacy of the reserves and contingencies for which the budget provides. The Chief Finance Officer must be satisfied that the budget estimates contain adequate provision for those items of expenditure which might reasonably be expected to occur in the financial year

*Finance Officer Consulted: Anne Silley*

*Date: 27 May 2010*

#### 5.2 Legal Implications:

There are no legal implications arising directly from this report.

*Lawyer Consulted: Oliver Dixon*

*Date: 27 May 2010*

#### 5.3 Equalities Implications:

There are no direct implications. The ROM package will address and promote the risk management aspects of equalities.

#### 5.4 Sustainability Implications:

There are no direct implications. The ROM package will address and promote the risk management aspects of sustainability and will be measured by the Audit Commission's Use of Resources assessment.

#### 5.5 Crime & Disorder Implications:

There are no direct implications.

#### 5.6 Risk and Opportunity Management Implications:

The ROM Strategy is focussed on improving the quality and consistency of risk & opportunity management of the council's activities.

## 5.7 Corporate / Citywide Implications:

There are no direct implications.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

1. Corporate Risk Register 2009 – 10 (Updated 12 May 2010)

#### **Background Documents:**

1. ROM Strategy 2008 -2011
2. ROM Toolkit (I DO RM)