Appendix A – Risk Maturity recommendations, management comments, amendments to risk management strategy and update on progress

	Risk Maturity recommendations and management comments August 2008		Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	Recommendation and Categorisation	Management Comment	Further management comment	Amendment to risk management strategy	
1.	Introduce a standardised risk register format (as part of the strategy review and the implementation of the new risk management software CORVU). (Merits Attention)	Accepted The Council will consider introducing a standardised risk register format across the strategic risk register, service area risk registers and project/ partnership risk registers/ logs, as part of (a) its implementation of the risk management module (CorRisk) of the new CorVu performance management system and (b) its review of the Risk Management Strategy. Implementation Date: The risk management strategy is due for review by 30 September 2008. CorRisk has a separate implementation timetable. Manager Responsible: Finance Project Officer (FPO)	The risk register format is standard across the strategic and service area risk registers. These are the risk registers that will be included in CorRisk.	The Council will require projects to use the standard risk register format set out in this strategy. The Project Management Toolkit will be updated to reflect this and guidance will be made available within the Toolkit. The Council will encourage partnerships to use the standard risk register format set out in this strategy; however, the Council acknowledges that a partnership may choose to use another format appropriate to its needs. If a partnership chooses not to use the standard format, the lead officer should liaise with the Finance Project Officer (FPO) for guidance on how to structure the risk register/ log. Guidance will also be made available in the Partnership Toolkit. **(see paragraphs 5.2.2 and 5.2.3 of the draft revised strategy)**	Projects: Aligning the risk management element of the Project Management Toolkit with the risk management strategy is being discussed with the Applications and Information Manager. Partnerships: Guidance has been added to the Partnership Toolkit and to the guidance for developing partnership terms of reference. CorRisk: Awaiting implementation
5	The Council should identify both the inherent and the residual risk scoring within their risk register to identify the significance of the risk and the effectiveness of the controls in place resulting in the residual risk. (Merits Attention)	Not accepted Internal Audit (IA) included the following Note at the end of their Internal Audit Finding 1: "We were advised by the FPO that during 2004 the Council had made a decision not to formally incorporate the inherent and residual risk assessment within their risk registers as it was felt this overcomplicated the risk management process. Through discussion with the Chief Executive on this matter he considers the system in place is working well and is well established and understood by those with risk management responsibilities across the organisation, thus they have no plans to change the current system."	Identifying inherent and residual risk was considered when the Council first adopted a risk management strategy in January 2004. It was decided that this level of detail and complexity would not add sufficient value to the risk management process for the Council. The system in place is working well and is well established and understood by those with risk management responsibilities across the Council.	None required.	N/a

Risk Maturity recommendations and management comments August 2008			Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	*Recommendation and Categorisation*	*Management Comment*	*Further management comment*	*Amendment to risk management strategy*	
8	The Council should review all risks on the risk register to ensure that the risk identified is the actual risk to the organisation and not one of the possible causes and that the action plan in place addresses the true risk. (Significant)	Not accepted IA included the following paragraph within their Internal Audit Finding 8: "We discussed the methodology applied with the FPO, the Chief Executive and the Chairman of the Corporate Governance Committee and they consider the format methodology in place is suitable to their needs and have no plans to make any changes to the existing format." The wording of each risk is already considered as part of each quarterly review. Action plans already address the risk.	The standard format used for both strategic and service area risk registers is that each risk is given a title, followed by a description of the risk event, the consequence for the service/ objective/ priority, and possible outcome(s). This format is suitable to the Council's needs. The wording of all risks on each risk register is reviewed every quarter to ensure that they remain accurate and up to date.	None required.	N/a
10.	Review the terminology of the Council's risk appetite as set out in the Risk Management Strategy to provide greater clarity. (Merits Attention)	Accepted This will be included in the review of the Risk Management Strategy. Implementation Date: 30 September 2008 Manager Responsible: FPO	Greater clarification will be provided as part of the review of the risk management strategy.	The Council's risk appetite is clarified as being: "The Council will ensure that all risks identified are appropriately managed; however, it will require further attention to be given to: • risks having an Extreme impact, with a likelihood of Unlikely or higher; • risks having a High impact, with a likelihood of Possible or higher; and • risks having a Medium impact, with a likelihood of Likely or higher. ***(see paragraph 6.2.3 of the draft revised strategy)***	
11.	Seek to introduce a standard risk assessment template form as a means to ensure all elements required are clearly set out to provide greater clarity over the background to the risk assessment process. (Significant)	Accepted This will be an integral part of the new CorRisk module. Implementation Date: In line with CorRisk implementation timetable Manager Responsible: FPO	The CorRisk module will have an input screen setting out the elements required to record and assess a risk; there will also be a set of online guidance notes for each element. Template forms equivalent to the CorRisk input screen will be developed and added to the Project Management Toolkit and Partnership Toolkit, together with similar guidance notes, for use in projects and partnerships.	None required.	Awaiting CorRisk implementation. In the meantime, a standard risk assessment template form will be produced as part of this year's review of the risk management strategy. September 2009 FPO

	Risk Maturity recommendations and management comments August 2008		Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	*Recommendation and Categorisation*	*Management Comment*	*Further management comment*	*Amendment to risk management strategy*	
12.	Consider introducing a system to quantify the risks across the various risk registers held within the Council to provide senior management / Members with an overall picture of the number of risks being identified / managed within the organisation on an ongoing basis. (Merits Attention)	Accepted This will be considered as part of the review of the Risk Management Strategy. Implementation Date: 30 September 2008 Manager Responsible: FPO	It is considered that information on the number of risks will not enable managers or Members to ensure that risks are managed any more effectively.	None required.	N/a
15	The sources of assurance over the controls in place to mitigate risks identified should be clearly documented and the outcome of these assurances fed back into the risk registers where appropriate. (Merits Attention)	Not accepted We included the following Note for IA's benefit under Internal Audit Finding 15: "This appears to assume that the Council goes through the analysis of inherent and residual risks - and identifying mitigating controls between them - which it does not do. Where action plans are prepared, these include a note of (a) what actions/ controls are already in place, (b) whether they are considered adequate and - if not - (c) what further action/ control is required. These actions/controls are subject to review - and can be challenged - at various stages by the FPO, EMT and Corporate Governance Committee.)"	The risk management strategy already provides that, where action plans are prepared, these include a note of (a) what actions/ controls are already in place, (b) whether they are considered adequate and (if not) (c) what further action/ control is required. These actions/controls are subject to review - and can be challenged - at various stages by the FPO, EMT and Corporate Governance Committee.	None required.	N/a

Risk Maturity recommendations and management comments August 2008			Review of risk management strategy September 2008		Update on progress June 2009
IA Ref	Recommendation and Categorisation	Management Comment	Further management comment	Amendment to risk management strategy	
22/ 23.	Seek to introduce additional mechanisms as a means to provide evidence that consideration is being given to: • Both Positive and negative risks • Ensuring a culture to encourage / challenge (and the documenting of any such instances) In order to work towards fully embedding risk management across all aspects of the Councils' business. (Merits Attention)	Accepted The use of the Risk Management Implications section of reports will be reviewed alongside the review of the Risk Management Strategy. Implementation Date: 30 September 2008 Manager Responsible: FPO Guidelines will be updated as necessary following this review and re-issued to report writers. Implementation Date: 31 October 2008 Manager Responsible: FPO	The use of the Risk Management Implications section of reports will be reviewed alongside the review of the Risk Management Strategy. Guidelines will be updated as necessary following this review and re-issued to report writers. At each of their last two training sessions, Cabinet and Corporate Governance Committee Members have been encouraged to challenge comments made in the Risk Management Implications section of reports. Reports to EMT and Corporate Governance Committee advise those bodies on their options in reviewing the strategic risk register, matrix and action plans. Healthy debate takes place at EMT and Corporate Governance Committee, as evidenced by the meeting minutes.	Positive aspects of the matter under consideration will generally be mainly described in the body of the report to Members, alongside the various "Implications" sections (Financial, Legal, Staffing, Equal Opportunities). Report writers can also use the Risk Management Implications section to highlight any positive risks (opportunities) not mentioned elsewhere in the report. **(see paragraph 8.5.9 of the draft revised strategy)** (Guidance to report writers will be updated to reflect this.) None required.	Completed N/a
24.	Seek to confirm that where risks are well managed / mitigated this is communicated to the insurers to determine whether discounts can be gained on premiums. (Merits Attention)	Accepted This will be discussed with the Council's insurance officer. Implementation Date: 31 August 2008 Manager Responsible: FPO	The Council liaises with its insurers on cover and risk management matters; potential discounts would be taken into account when insurance cover/ premiums are considered.	Updates of risk registers/ logs will be provided to the Council's insurance officer, to facilitate discussion of insurance cover and negotiation of any premium discounts or reductions with the Council's insurers. **(See paragraph 8.5.5 of the draft revised strategy)**	The insurance officer has advised that when the insurance tender document was produced we included a statement of our risk management procedures. This enabled underwriters to take these into account when quoting the premiums. Subsequent premiums at the annual renewal are based on claims experience and market conditions. We are expected to take measures to mitigate the possibility of claims and that would include risk management. By way of example, there was no reduction in premium for fitting tracker devices in vehicles.