Appendix A

Recommendations regarding the Risk Management Strategy resulting from Internal Audit's review of Risk Management

Ref	Recommendation [Categorisation]	Management response	Update to Risk Management Strategy
1	The opportunity is taken to run a 'refresher' programme on risk to key staff, especially those involved in the management/ monitoring of the Service Risk Registers. This would also be a useful avenue to disseminate any changes that may be made as result of the outcomes of this review. [Low]	Refresher training will be arranged for: • officers involved in risk registers; • report writers; • Members (after Annual Council Meeting). The Risk Management Strategy will be updated to refer to including at least a refresher session annually.	Paragraph 9.2.1, third bullet point, has been updated to refer to including at least a refresher session annually.
2	If a new risk on a Service Area risk register has a score in excess of the tolerance level of 12 then EMT should decide if the risk should remain at the Service level or be escalated into the Strategic Risk Register. We would recommend that a note to this effect is made against the risk. Given that Service Area risk registers are only formally reviewed every 6-8 months then we would recommend that if a Service Area identifies a new risk with a score over 12 then this is referred to the next available meeting of EMT for review. [Low]	Corporate managers / the executive director formally review their service area risk registers and accept/approve risks onto them (paragraph 8.1.2 refers). EMT's role is to perform a quality review of service area risk registers periodically (paragraph 8.5.3 refers). Service managers can escalate service area risks for EMT to consider including in the strategic risk register (paragraph 8.4.2 refers). These points will be clarified in the strategy. The strategy will be updated to provide that EMT, as part of its reviews of service area risk registers, will consider whether a new	A reference to "new" risks has been added to paragraph 5.2.7, fourth bullet point and clarification regarding formal review of service area risk registers and approval/ acceptance of new risks has been added as a new paragraph 8.1.1 and to the bullet points under paragraph 8.1.2. Clarification regarding consideration of risks scoring 12 or more, especially if they are new risks, for possible referral to EMT as part of the next Strategic Risk Register review, has been added to paragraph 8.4.2. A reference to EMT, as part of its reviews of service area risk registers, considering whether new service area risks should also

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		risk should also be on the Strategic Risk Register. (It will be assumed not, unless minuted otherwise.)	be on the Strategic Risk Register, has been added to paragraph 8.5.3.
3	There is a need to ensure that risks detailed in the Strategic and Service Area risk registers are re-aligned to the new Corporate objectives for 2012/13. If there are cases where risks recorded relate to an already embedded objective then this will need to be differentiated when recording. [Low]	Risks in both the strategic and service area risk registers will be cross-referenced to the 2012/13 Actions. Where risks relate to previous objectives since embedded, the cross-referencing will be to the relevant 2012/13 Aim. The strategy and relevant annexes will be updated to reflect this.	Paragraphs 5.2.2 and 5.2.7 have been amended to refer to relevant Actions or Aims in the current Corporate Plan. The Strategic Risk Register CorVu report template (Annex C) and the Service Area Risk Register template (Annex D) have been updated to refer to the 2012/13 Actions or Aims.
4	We recommend that Service Areas submit their risk registers alongside their Service Plans to the Portfolio Holder so that there is an opportunity for the Holder to review the risks facing that area and to confirm that the risks detailed in the Service Plan have been mapped across. [Low]	The service plan process has changed so that service priorities are approved in October/November as the basis for emerging service plans, with full and final plans being published in the following March, including service area risks "above the line" – the strategy will be updated to reflect this. The strategy will also be amended so that a portfolio holder may request a briefing/ update from relevant corporate manager(s) / the executive director on the service area risk register(s) appropriate to their portfolio.	Paragraph 8.5.2 has been updated to reflect the changed process. This provision has been added as new paragraph 8.5.4 and the 'Executive' and 'Service managers' section of Annex H have been updated accordingly.
5	In cases where Service Areas have identified additional control measures / sources of assurance these should be assessed to determine if they change the impact and likelihood score of a risk and	Managers re-evaluate the Impact and Likelihood scores taking the additional control measures / sources of assurance into account - changes to the scores are shown in the 'Adjusted risk score' column.	Clarification regarding re-evaluating Impact and Likelihood scores has been added to paragraph 7.3.

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	this should be recorded. [Medium]	This will be clarified in the strategy.	
6	Ensure that report writers are reminded of the requirements on what information is to be included in the risk implications section of reports We would recommend that the guidance is enhanced to include the requirement that if a risk is reported then a suitable note should be recorded as to whether this is an existing risk. In which case where the risk is being managed, or if it is a new risk which would then require consideration as to where this risk should be included and managed in the future. [Low]	The use of the risk management implications section will be reviewed and guidance updated and training provided as necessary.	Paragraphs 8.5.8 to 8.5.10 will be updated as necessary resulting from the review.
7	In relation to the recording of controls, assurance and actions we recommend: • When recording ensure that there is a clear record as to which are the controls and which are the assurances detailed. (This could be through the use of 'C' or 'A' after each statement) • Ensure that controls are actual controls and not statements. • If a control has not yet been fully implemented, we recommend that for the Strategic Risk Register it is included in the 'Timescales to Progress' area and for Service Risk	The bullet points below correspond to those in the recommendation: • In March 2011 Corporate Governance Committee accepted that setting out control measures and sources of assurance separately added too much complexity to the process. • Agreed – this will be included in the refresher training. • Agreed – the strategy will be updated to reflect this and it will be included in the refresher training and applied the next time risk registers are reviewed.	 • N/a • N/a • The inclusion of control measures / sources of assurance not yet fully implemented under 'Timescale to Progress' has been added as new paragraph 5.2.5.

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	Registers it is included in the 'Additional Controls/Assurance column'. • In respect of assurances these need to be explicit in their nature and greater use could be made of trying to link these to existing performance indicators. [High]	• The linking to performance indicators will be added to the strategy and will be investigated the next time risk registers are reviewed.	• Performance indicators have been added to the sources of assurance under paragraph 5.2.4.
8	The process for dealing with managed risks should be clearly defined within the Risk Management Strategy. [Low]	A 'managed' risk is removed from the relevant risk register. Where the activity continues, it becomes part of day to day management of the relevant service area – this will be clarified in the strategy.	Paragraphs 7.5 and 8.1.1 have been added to provide for the removal of risks considered to be "managed".