

Appendix A

Recommendations resulting from the Internal Audit risk maturity update regarding the Risk Management Strategy

<i>Ref</i>	<i>Recommendation</i>	<i>Categorisation</i>	<i>Management response, Implementation date, Manager responsible</i>	<i>Action taken</i>	<i>Update to risk management strategy</i>
1a	Identify and record mitigating controls for all risks identified.	Significant	<p>We accept that identifying and recording mitigating controls for all risks may be good practice, but there is a need to apply a reasonableness test.</p> <p>The Finance Project Officer (FPO) will ensure that mitigating controls are identified and recorded for all risks assessed above the tolerance line: in action plans (strategic risk register) or service plans (service area risk registers).</p> <p>31 December 2009 Finance Project Officer (FPO)</p>	<p>The risk register format was revised in February 2010 to include control measures.</p> <p>Control measures will be included for risks “above the line” in the first instance. Control measures for risks “below the line” will be included in later versions of risk registers, on a prioritised basis.</p>	The revised risk register format has been incorporated in the updated risk management strategy. (Annex C)

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1b	Ensure that actions to mitigate service risks are recorded and monitored and that specific key dates are included in all action plans.	Merits Attention	<p>Guidance to corporate and service managers on risk management and service planning has been updated to emphasise this.</p> <p>The FPO will remind corporate and service managers to include key dates where possible; however, it is not always possible to be specific.</p> <p>30 September 2009 FPO</p>	An email was sent to all corporate managers in September 2009 reminding them of this.	The updated risk management strategy requires service managers to include control measures to address risks (paragraphs 5.2.2 and 7.3)
1c	Ensure that risks in service plans are consistent with the risk registers.	Merits Attention	<p>Guidance to corporate and service managers on risk management and service planning has been updated to emphasise this.</p> <p>30 September 2009 FPO</p> <p>The FPO will liaise with corporate and service managers to facilitate this.</p> <p>31 December 2009 (first draft) 31 March 2010 (final version) FPO</p>	An email was sent to all corporate managers in September 2009 reminding them of this.	Service area risks above the line will be noted in the Overview section of service plans. (paragraph 8.5.2)

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2a	Ensure that service risk registers are reported to EMT at least annually.	Merits Attention	The FPO has suggested a forward plan to the Executive Director (Operational Services) to facilitate this. 30 September 2009 FPO	An email was sent to the Executive Director (Operational Services) in August 2009; updated in December 2009.	N/a (but paragraph 8.5.2 refers)
2b	Ensure that the risk registers on the intranet are updated to reflect the latest versions.	Merits Attention	The FPO will forward updated versions of risk registers to the Web Services Officer for uploading to the intranet. 30 September 2009 FPO	An email was sent to the Web Services Officer in September 2009.	(paragraph 9.1.2)

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4	Consider use of numeric scores for impact so that a combined score can be produced for each risk i.e. impact x likelihood which will clarify the prioritisation of risks.	Merits Attention	<p>The numeric only assessment for report writers was to help them know what to do when risks being mentioned in reports are above the tolerance line. Managers are familiar with the alpha-numeric references in risk registers and the risk management strategy specifies how risks are prioritised.</p> <p>However, the use of numeric only scores will be considered when the risk management strategy is reviewed.</p> <p>31 March 2010 FPO</p>	<p>The revised risk register format incorporates a double-numeric assessment.</p> <p>This will be applied to risk registers from March 2010 onwards.</p>	The double-numeric assessment has been incorporated in risk management strategy. (Annexes D, E and F; paragraphs 6.1.1 and 6.2.1)

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5	Reconsider the use of inherent and residual risk assessment.	Significant	<p>The possible use of inherent and residual risk was considered when the Council first implemented its risk management strategy in January 2004 and discounted at that stage as not adding any value to the Council in the management of risks and possibly causing confusion.</p> <p>Other district councils locally and the County Council do not appear to use inherent and residual risks. The Council's risk management consultants have consistently advised that using inherent and residual risk would be too detailed for the Council's needs.</p> <p>The Executive Director (Corporate Services) has also concurred with that view, having made his own assessment.</p> <p>We remain to be convinced that the extra work involved in identifying and then maintaining a process of</p>	N/a	N/a

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			inherent and residual risks would benefit the Council.		
7	Ensure that all risk registers are cross referenced to the Council's Aims, Approaches and Actions framework.	Merits Attention	The FPO will remind risk owners and corporate managers to do this. 30 September 2009 FPO	An email was sent to all corporate managers in September 2009 reminding them of this.	N/a (but paragraph 5.2.1 refers)
11	Service risk registers should be monitored and reviewed at team meetings on a quarterly basis and feedback from these reviews provided to the FPO for comment and report to EMT as necessary.	Merits Attention	The FPO will remind corporate managers to do this. 30 September 2009 FPO	An email was sent to all corporate managers in September 2009 reminding them of this.	N/a (but paragraphs 8.1.1 and 8.5.2 refer)
14	Cross reference between the strategic and service risk registers and ensure that risk descriptions are consistent where relevant.	Merits Attention	The FPO will facilitate cross-referencing between the strategic and service area risk registers. Risk descriptions may not always be consistent between the strategic and service area risk registers, e.g. where a risk has a particular effect in a service area. 31 December 2009 FPO	Review of the strategic risk register identified only one risk that was also recorded on a service area risk register; the others were of such a corporate nature that they were not also recorded in service area risk registers. It is therefore suggested that no further action be taken with regard to this recommendation.	N/a

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15	Following the inclusion of mitigating controls (see recommendation 1) sources of assurance should also be recorded.	Significant	As part of the refresh of the risk management strategy, the action plan template and its use will be reviewed to ensure that it provides the required assurance. 31 March 2010 FPO	The inclusion of “additional control measures” for a risk would suggest that the control measures in place were not considered wholly adequate. By inference, therefore, if no additional control measures are recorded, this would indicate that the control measures in place are judged to be adequate.	N/a
16	Ensure that risks identified in reports are included in risk registers in accordance with the strategy.	Merits Attention	New arrangements are being trialled for ‘signing off’ Cabinet reports. The FPO will use this to assess what guidance and training report writers need to ensure best use of the risk management implications section of reports and that risks assessed above the tolerance line are reported as necessary. 31 December 2009 FPO	The trial is due to continue to the May 2010 Cabinet meeting. However, it does appear that the risk management implications section needs reviewing and training given. FPO to discuss with Executive Director (Corporate Services) by 31 March 2010.	N/a (but paragraph 8.5.6 refers)

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20	Consider the introduction of acceptance software for staff to acknowledge their risk management responsibilities.	Merits Attention	Acceptance software was already being considered by HR; however, its introduction would depend upon: (a) a budget being identified to incur the expenditure against; (b) staff in HR and ICT having the capacity to implement it. 31 March 2010 HR Manager	No budget is available.	N/a