

**CORPORATE GOVERNANCE/RISK MANAGEMENT**

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**1. SUMMARY**

- 1.1 A formal assessment of business risks is required to be undertaken by the Council in accordance with Corporate Governance arrangements. The services of our public liability insurers and claims handlers – Risk Management Partners and Gallagher Bassett will be used to facilitate this exercise and create a formal Risk Register.

**2. RECOMMENDATION**

- 2.1 The Audit Committee note the arrangements in place to train staff with regard to strategic and operational risks; the creation of a Risk Register and the ongoing monitoring and updating of the Register.

**3. DETAIL**

- 3.1 An essential part of Council business is to ensure that major business risks are identified and covered as far as possible. A process has to be undertaken whereby such risks are identified by Management and Members with appropriate officers tasked to monitor such risks with pre-agreed timescales. This process is an essential part of Corporate Governance.
- 3.2 In order to facilitate an exercise of formally identifying business risks and preparing a Risk Register the Strategic Policy Committee, on 12 December 2002, agreed to utilise the services of Risk Management Partners and Gallagher and Bassett who are our public liability insurers and claims handlers respectively. The following proposal, which sets out a framework to assist the Council with the carrying out of risk audits within Services, the development of risk profiles and the compilation of a Risk Register, has been agreed -
- 3.2.1 30 January - Presentation to all Members following Strategic Policy Committee.
- 3.2.2 3 and 24 February - Half day training sessions for Management Team; Heads of Service and Members of the Risk Management Group.

- 3.2.3 5 and 6 March - Strategic Interviews with at least two Heads of Service per department, carried out by loss control consultant firm Gallagher Bassett and the Council's Risk and Insurance Manager.
- 3.2.4 7 – 20 March - Preparation of draft Report and Risk Register - carried out by loss control consultant firm Gallagher Bassett in association with the Council's Risk and Insurance Manager and Heads of Service.
- 3.2.5 3 April - Presentation of Report and draft Risk Register to Strategic Policy Committee.
- 3.2.6 May/June - Chief Executive/Leader of the Council to "sign off" an appropriate control statement for 2002/03 to include statement on procedures in place in terms of identification of risks.
- 3.2.7 May to July - Four training seminars for operational managers to be held in Helensburgh; Dunoon; Oban and Lochgilphead.
- 3.2.8 July to September - Four workshops for operational managers on identification and assessment of operational risks to be held in Helensburgh; Dunoon; Oban and Lochgilphead.
- 3.2.9 Thereafter - the Risk Management Group to determine ongoing monitoring of identified risks; identification of new risks and updating of Register; post Council restructuring. It is anticipated that this will be achieved via discussions with Heads of Service who will be asked to confirm how they are managing risks and identifying new risks.
- 3.2.10 Risk Register to be in place by end of financial year 2003/04.
- 3.2.11 Annual report to Audit Committee including updated Risk Register from April 2004 onwards.

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