

**REPORT OF THE EXECUTIVE MANAGEMENT TEAM
TO THE AUDIT AND RISK COMMITTEE**

16 February 2015

**CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD October to
December 2014**

Submitted by: Head of Business Improvement, Central Services and Partnerships

Portfolio: Communications, Policy and Partnerships

Ward(s) affected: All

Purpose of the Report

To inform Members of the progress made by the Council in enhancing and embedding risk management for the period October to December 2014, including progress made in managing identified corporate risks.

Recommendations

The Committee is asked to:-

- (a) Scrutinise the progress that has been made in managing the risks identified within the Strategic, Operational, Project and Partnership Risk Registers, where applicable**
- (b) Note the new risks that have been identified between October to December 2014**
- (c) Identify, as appropriate, individual risk profiles to be scrutinised in more detail at the next meeting of the Committee**
- (d) Note the report showing the overdue risks and the reason for the delay**
- (e) Note the report showing risk rating changes**

Reasons

The risk management process previously adopted by the Council has been reviewed to incorporate changes in the way the Council works and to provide continuity and streamlined reporting of risks to allow the process to become further embedded at each level of the authority. This will also aid the identification of key risks that potentially threaten the delivery of the Council's corporate priorities. The Risk Management Strategy provides a formal and proportionate framework to manage these identified risks and thus reduce the Council's exposure.

1. Background

- 1.1 The Council monitors and manages all its risks through the various risk profiles contained within GRACE (Governance Risk and Control Environment) – the Council's software used to record and manage risks.**

- 1.2 The Council currently reviews its high (red 9) risks at least monthly and its medium (amber) risks at least quarterly.
- 1.3 The last review of these risks was reported to the Council's Audit & Risk Committee in November 2014.
- 1.4 Risk owners are challenged by the Council's Risk Champions in respect of the controls, further actions, ratings and emerging risks related to their risks, and are also challenged on the reasons for inclusion or non-inclusion and amendment of these.
- 1.5 Projects are managed to a high level in relation to risk and are reviewed in accordance with the Risk Management Strategy (i.e. monthly).

2. **Issues**

- 2.1 Further to an Audit Assurance recommendation, your officer has been asked to report on overdue risk reviews that are 6 months out of date.
 - 2.1.1 At the time of the running report, there were 4 overdue risks. For transparency Appendix A shows those risks that were previously overdue, the due date, actual review date and the reason for the delay.
 - 2.1.2 The risks listed are the current medium risks that fall below those reported as Medium 7 and 8, and High 9 ratings, however there is a likelihood that they may increase due to their nature and potentially an event occurring.
 - 2.1.3 This Committee is now asked to note these risks.
- 2.2 Following a further meeting with the Chair, a request was made that a report was produced to show any risks where the risk level has increased.
 - 2.2.1 Your officer can report that there have been no risk level increases during the October to December 2014, however there were 18 new risks that fell into the Medium Amber ratings and can be categorised as follows: 3 x medium amber 6 rating; 12 x medium amber 5 rating and 3 x medium amber 3 rating.
 - 2.2.2 Should there be any increase during January to March 2015 these will be reported to the next Committee meeting.

3. **Strategic, Operational, Project and Partnership Risk Registers (Appendices)**

- 3.1 The Council regularly reviews and refreshes its risk registers in accordance with the Risk Management Strategy.
- 3.2 These reviews are co-ordinated by the Strategic Risk Champion who works closely with Directors, Operational Risk Champions and Risk Owners.

- 3.3 The risk map below shows the descriptions of the ratings, for ease of use.

L I K E L I H O O D	High 3	7 Amber	8 Amber	9 High Red
	Medium 2	4 Green	5 Amber	6 Amber
	Low 1	1 Green	2 Green	3 Amber
		Low 1	Medium 2	High 3
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- 3.4 During this quarter there have been no additional risks added of a final rating of medium (risk scores of 7 or 8) or high (risk score of 9).
- 3.5 There has however, been a reduction of one medium 8 risk in relation to Inability to implement outcomes from the Stock Condition Survey due to lack of finance (Asset Management Strategy).
- 3.6 After a challenge with the relevant officer it has been agreed that the existing controls that have been implemented since the last review provide confidence that the risk is in control. The controls listed as extra to mitigate the risk include the annual asset management review; stock condition survey updated; council's Tranche 2 land sale approved by Cabinet.
- 3.7 This risk will also be removed from the next quarter report.
- 3.8 Appendix B now highlights the risks that fall into the top line of the above risk map.

4. **Issues from last meeting**

- 4.1 It is noted that the risk of fraud no longer appears on Appendix B but Members can be assured that this is managed over various profiles and in every aspect of your officer's daily work. Should there be an incident that arises, it will be dealt with in accordance to Council's relevant policies and procedures.

5. **Outcomes Linked to Corporate and Sustainable Community Priorities**

- 5.1 Good risk management is a key part of the overall delivery of the Council's four corporate priorities of:
- Borough of Opportunity
 - A Clean, Safe and Sustainable Borough
 - A Healthy and Active Community
 - Becoming a Co-operative Council, which delivers high quality, community-driven services

6. **Legal and Statutory Implications**

- 6.1 The Accounts and Audit (England) Regulations 2011, state that:

*“The relevant body **is** responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control, which facilitates the effective exercise of that body’s functions and which includes arrangements for the management of risk”*

7. **Equality Impact Assessment**

- 7.1 There are no differential equality impact issues in relation to this report.

8.1 **Financial and Resource Implications**

- 8.1 None where actions are to be taken in order to mitigate the risks as these will be met from within existing budgets. Where this is not possible, further reports will be submitted to Members.

9. **List of Appendices**

Appendix A
Appendix B

10. **Background Papers**

None