

Public Document Pack

Date of meeting Thursday, 27th September, 2012
Time 7.00 pm
Venue Committee Room 1. Civic Offices, Merrial Street,
Newcastle-under-Lyme, Staffs ST5 2AG
Contact Julia Cleary

Audit and Risk Committee ADDITIONAL INFORMATION

PART 1– OPEN AGENDA

- 3 a UPDATED Corporate Risk Management Report for the Period (Pages 1 - 6)
April to June 2012

Please replace the original report included in the agenda pack with this updated version.

Members: Councillors Loades, Waring, Miss Baker, Jones, Mrs Peers and Turner

'Members of the Council: If you identify any personal training / development requirements from the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Committee Clerk at the close of the meeting'

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

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CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD April to June 2012 (Updated)

Submitted by: Head of Business Improvement and Partnerships

Portfolio: Customer Services and Transformation

Ward(s) affected: All

Purpose of the Report

To provide an update to Members of the progress made by the Council in enhancing and embedding risk management for the period April to June 2012, including progress made in managing the 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 identified between April and June 2012.**
- (c) **Identify, as appropriate, risk profiles to be scrutinised in more detail at the next meeting.**
- (d) **Note the horizon scanning risks listed to bear in mind when making decisions on reports submitted to committees and the effect it may have on the future of the council.**

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 the necessary stages so that it becomes further embedded at each level of the authority. This will further develop the identification of key risks that potentially threaten the delivery of the corporate priorities. The new strategy will provide a formal and proportionate framework to manage these identified risks and thus reduce the council's exposure.

To assist the council in its corporate ambition of being an excellent council by helping deliver effective corporate governance, this proactive approach also helps demonstrate good risk management in terms of evidencing that effective risk management is further embedded with the corporate business processes.

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 for recording and managing risk.

The council currently reviews its High Red 9 risks at least monthly and its Medium Amber risks at least quarterly.

The last review of these risks was reported to your Committee in April 2012.

Risk owners are challenged by the Risk Champions in respect of controls, further actions, ratings and emerging risks and challenge reasons for inclusion or non-inclusion and amendment of these.

Projects are managed to a high level in relation to risk and are reviewed in accordance with the risk management strategy – monthly.

2. **Issues**

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

The Council regularly reviews and refreshes its risk registers in accordance with the risk management strategy. This is co-ordinated by the Strategic Risk Champion who works closely with the Directors, Operational Risk Champions and the Risk Owners.

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
IMPACT				

After the review of the risks had taken place, the following risks have been reduced – through good risk management by your officers, and by the re-rating process.

- ICT systems failure – this was mainly regarding Kidsgrove Town Hall – the room concerned has been protected from fire, and all staff that are normally sited there have been trained in the use of the extinguisher system, should the need arise.

Appendix A now highlights the Council's most significant risks, with the risks that fall into the top line of the ratings only, being reported.

2.2 **Horizon Scanning**

At the last meeting it was requested that a list of legislative developments be provided, either upcoming or current.

Below is a selected list of prospective legislation currently going through Parliament that could have an impact on the council. The list is not exhaustive, but represents a selection of the major pieces of proposed legislation currently under debate prior to Royal Assent

An outline of the proposed changes in each of these Bills and the potential impact on the Borough Council was discussed previously at the Committee and updates will be provided at the meeting.

- Health and Social Care Act 2011
- Localism Act 2011

- Police Reform and Social Responsibility Act 2011
- Motor Insurance Regulation Bill 2011
- Local Government Finance Bill 2012
- Legal Aid Sentencing and Punishment of Offenders Act 2012
- Mesothelioma “Scheme of Last Resort” – impact of a new scheme on insurance premiums and the effect on ways that claims are made

The full list of (local government related) Bills before Parliament in the current session (2012/13) includes the following: -

- Caravan Sites Bill 2012-13
- Disabled Person’s Parking Badges Bill 2012-13
- Electoral Registration and Administration Bill 2012-13
- Land Value Tax Bill 2012-13
- Landlord Accreditation Bill 2012-13
- Littering From Vehicles Bill 2012-13
- Local Government Finance Bill 2010-12 to 2012-13
- Local Services (Planning) Bill 2012-13
- Off-Road Vehicles (Registration) Bill 2012-13
- Plastic Glasses and Bottles (Mandatory Use) Bill 2012-13
- Prevention of Social Housing Fraud Bill 2012-13
- Property Boundaries (Resolution of Disputes) Bill 2012-13
- Public Service Pensions Bill 2012-13
- Regulation of Signage and Ticketing Technology (Public-Available Car Parks) Bill 2012-13
- Town and Country Planning (Control of Advertisements)(England) Regulations 2007 (Amendment) Bill 2012-13

Members are asked to nominate any further areas of legislation they might wish to consider at a future meeting and to consider whether they wish to receive further information on the Bills listed here.

2.3 Issues raised at the last meeting

A request was made at the last meeting of the Audit & Risk Committee regarding how embedded risk management is at the council. In dealing with this request, a number of areas have been explored.

At Newcastle Borough Council, risk is part of the everyday responsibilities for officers. As such, it forms part of the induction process to new employees, where it informs staff of their responsibility to ensure that all corporate priorities and service objectives are met during their term of employment with us.

The Risk Management Policy and Strategy documents are updated annually, and this year the policy has been signed by the Chief Executive and Leader of the Council, adding certification that risk is an important part of the council’s operation. In terms of officer views, most senior officers recognise the importance of risk for the

GRACE is the preferred system that is used to hold all the current risks within the council, whether as strategic, operational, project or partnership risks, with the historical ability to house “archived” or “closed” risk profiles, that can be used to inform new profiles as developed. The system is available for anybody to have on their desktop, and any person can view any profile, however, confidential risks are limited to authorised personnel only. The system is designed to be open and transparent. There are currently 107 risk profiles held on GRACE by the organisation.

Many officers throughout the council have also obtained qualification in Prince2, which incorporates risk management as part of its process. Throughout any project where Prince2 methodology is used, the risks are recorded in this format so as not to duplicate work and to ensure best use of officer time.

The Chair and Vice-Chair of the Audit & Risk Committee have recently attended a risk management course on Essentials of Enterprise Risk Management, and previous training has been attended by other members of the committee. As the risk landscape is constantly changing and is so varied, training needs are reviewed accordingly, and courses that are deemed relevant are investigated to see if they would benefit your officers and members respectively. Previously training was done using the council's old risk management policy and strategy, but the document is available on the council's intranet, and members may recall that you have your own hard copy from the meeting back in July 2012.

The Business Improvement Officer (Risk & Insurance) has obtained qualifications at certificate level for risk, through the Institute for Risk Management and the Chartered Institute of Insurance, along with the Registered Risk Practitioner status for ALARM, which is gained through attendance at meetings, seminars and learning forums and gaining CPD points each year.

The management of risk is undertaken by the respective officers responsible for the risk profile, and then follows through on the review and communication process as outlined in the strategy, reporting to the necessary committees and officer groups. The challenge of the risks is then further strengthened by these meetings, and members can then feel confident that their officers are controlling risks for major projects, strategic risks and operational ones. A network of risk champions are in place for the organisation, representing each of the four Directorates and working with officers to ensure that risks are highlighted and considered on a regular basis.

Despite these positives, there are some areas which still require some attention. For example, of the 103 Cabinet reports which have been considered in 2012, only four have risk profiles against them. In addition, not all major strategies and plans developed by the Council have risk profiles, although the vast majority do (with some in the process of being developed).

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

- 3.1 Good risk management is key to the overall delivery of Council and local improvement priorities.

4. **Legal and Statutory Implications**

- 4.1 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”*

5. **Equality Impact Assessment**

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

6. **Financial and Resource Implications**

- 6.1 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.

7. **List of Appendices**
Appendix A

8. **Background Papers**
None

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