

CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD October to December 2013

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 October to December 2013, 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 that have been identified between October to December 2013.**
- (c) **Identify, as appropriate, risk profiles to be scrutinised in more detail as part of your responsibility at the next meeting.**

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 Risk Management 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 ambitions 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 within 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 the Council's Audit & Risk Committee in November 2013.

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				

During this quarter there have been no additional risks added of a final rating of Medium 7, 8 or High 9.

Officers have mitigated certain strategic risks in their profiles for this quarter, and have closed a risk. Details of this and the reason why can be seen below.

High red risk regarding reputation damage has been closed by the Chief Executive, with the following explanation –

- The risk has been reviewed and in light of the control measures which have been introduced, and which now form part of organisational operational practice, it is considered that this risk can now be closed. This matter is a risk to the council, but remains part of routine operation which is constantly reviewed. All formal reports of the council, including all key decisions are also subject to a risk assessment.

High red risk regarding the failure of the overall budget realisation failing has been reduced to a medium amber 6 by the Executive Director – Resource and Support Services, with the following explanation –

- due to further review of the combination of various risks and the control measures in place, the council is in a position to monitor, combined with the Medium Term Financial Strategy, the budget on a regular basis.

Another high red risk that has been reduced is the breach of Data Protection, down to a medium amber 6.

- The risk rating has reduced due to the likelihood being controlled through measures and constant monitoring and refresher training. Staff are aware of procedures to follow and the notification of fines that other larger authorities have received for breaches.

The Appendix now highlights the risks that fall into the top line of the ratings being reported.

2.2 **Issues from last meeting**

None were raised.

2.3 **Horizon Scanning**

Members will recall that a list of legislative developments was provided at past meetings of the Committee.

At the request of the Chair, a selected list of legislation either currently going through Parliament that could have an impact on the Council or Acts which are important in local government terms. The list is not exhaustive.

Members are asked to study the list and to request further information if required.

A number of major pieces of legislation have been passed during the current Parliament (May 2010-May 2015). These include: -

- Health and Social Care Act 2011
- Localism Act 2011
- Police Reform and Social Responsibility Act 2011

A current selection of local government-related Bills and Acts include the following: -

- Anti Social Behaviour, Crime and Police Bill 2013
- Electoral Register Bill 2014
- Local Audit and Accountability Act 2014

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: Risk Report

8. **Background Papers**

None