

CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD October to December 2011

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 2011, 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 2011.**
- (c) Identify, as appropriate, risk profiles to be scrutinised in more detail as part of your responsibility 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 November 2011.

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	7 Amber	8 Amber	9 High Red
	Medium	4 Green	5 Amber	6 Amber
	Low	1 Green	2 Green	3 Amber
		Low	Medium	High
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 progress.

- Bad debts reduce the council’s income has been reduced from a medium amber 8 to a medium amber 5 due to the good work of all officers in the continuous monitoring of the income generation stream and the management of bad debts through a funding provision.

The attached appendix 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 attached to the previous agenda for this Committee and updates will be provided at the meeting.

- Health and Social Care Bill 2011
- Localism Act 2011
- Police Reform and Social Responsibility Act 2011
- Motor Insurance Regulation Bill 2011
- Local Government Finance Bill 2012

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 number of issues were raised at the last meeting of the Audit and Risk Committee. The following updates can be provided: -

Data Protection: when was it last reviewed, who reviewed it and signed it off – is a Scrutiny Committee responsible for examining it and its implications?

This query was raised with the Head of Human Resources and the following response was received:

“The Data Protection Policy has been incorporated into the Legal Responsibilities Policy which was developed by the Information Security Group, signed off by EMT and last revised in September 2011.

A copy of the policy can be found on eVoice - Audit Section (Information Security folder).

The scrutiny committee responsible for examining it would be Transformation and Resources Overview and Scrutiny.”

What is the situation regarding Gatedale?

This question was raised with Property Services and further information can be obtained from the Head of Assets and Regeneration given the nature of the enquiry.

Community Centre Insurance and its implications?

This is covered in the report found elsewhere on the agenda.

3. **Outcomes Linked to Sustainable Community Strategy and Corporate 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 Regulations 2010 state that:

“The relevant body shall be 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 arrangement 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 and Action Plan

8. **Background Papers**

None