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

April 2018

CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD October to December 2017 (Quarter 3) and Agreement to Risk Management Strategy and Policy for 2018/19

Submitted by: Simon Sowerby - Business Improvement Manager

Portfolio: Corporate and Service Improvement, People 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 - December 2017 (Q3), 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 point 2.1.1 showing the number of overdue risks.**

    (c) **Note the point 2.2.1 advising of the risk level increases.**

    (d) **Note the point 2.2.2 regarding the new risks identified between October to December 2017.**

    (e) **Identify, as appropriate, individual risk profiles to be scrutinised in more detail at the next meeting of the Committee.**

    (f) **Agree minor changes made in the Risk Management Strategy and Policy documents, and associated Appendices.**

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.

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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 (Q2 2017) was reported to the Council's Audit & Standards Committee in November 2017.

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. at least 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 running the report, there were 2 overdue reviews. These are in the Strategic Housing profile in respect of failing to achieve statutory reductions in carbon emissions, and failing to achieve statutory duties and obligations (including performance targets).

2.2   Following a previous meeting a brief point is now produced to show any risks where the risk level has increased to a Medium 7, 8 or High 9.

2.2.1   Your officer can report that there have been 2 risk level increases. These have been included in Appendix A.

2.2.2   There have been no new risks added to profiles during October to December 2017.

2.2.3   Should there be any increase during January to March 2018 these will be reported to the next relevant meeting of the Committee.

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	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				

3.4   Appendix A now highlights the risks that fall into the top line of the above risk map.

4.   Risk Management Strategy and Policy

4.1   Attached at Appendix B is the annually reviewed Strategy and Policy and associated Appendices which are for agreement. The only changes are the dates associated with the documents.

5.   Issues from last meeting

5.1   None.

6.   Outcomes Linked to Corporate and Sustainable Community Priorities

6.1   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

7.   Legal and Statutory Implications

7.1   The Accounts and Audit (England) Regulations 2015, 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 facilities the effective exercise of that body's functions and which includes arrangements for the management of risk"*

8.   Equality Impact Assessment

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

9.   Financial and Resource Implications

9.1 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.

10. **List of Appendices**

Appendix A – Notable High and Medium risks
Appendix B – The updated Risk Management Strategy and Policy documents, and associated Appendices.

11. **Background Papers**

None