

## **CORPORATE RISK MANAGEMENT REPORT FOR THE PERIOD July to September 2012**

**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 July to September 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 that have been identified between July to September 2012.**
- (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 September 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.

<b>L I K E L I H O O D</b>	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
<b>IMPACT</b>				

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.

- Failure to make services savings for recycling in 2012/13 and 2013/14 – this risk has been controlled by Cabinet approval to extend the contract for 3 years at a lower rate, whilst incorporating the risk into a new risk profile relating to the Waste and Recycling Strategy.

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 Acts/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.

It was requested that the Localism Act be looked at by the Member Development Committee as well as Audit & Risk Committee, given its wide focus and potential impact on the Council.

### 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**

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 – List of Council's most significant risks.

8. **Background Papers**

None