

REPORT TO: AUDIT & STANDARDS COMMITTEE
DATE: 9 SEPTEMBER 2015
TITLE: RISK MANAGEMENT REPORT
LEAD OFFICER: SIMON FREEMAN, HEAD OF FINANCE (01279) 446228

RECOMMENDED that:

- A** the Committee notes the contents of this report and its appendix, acknowledging the positive progress the Council has made in recent years regarding risk management.

INTRODUCTION

1. The Audit and Standards Committee's terms of reference includes the responsibility to monitor the effective development and operation of risk management and corporate governance in the Council. This report is intended to support the Committee in the fulfilment of that function, to give an update on risk management developments and current corporate risks.

PROGRESS TO DATE

2. The Council has been developing and evolving its approach towards risk management since 2011 and in June 2013 the Audit and Standards Committee approved a new Risk Management Strategy and Toolkit. Following this, a series of training and development sessions were provided to the members of the Audit and Standards Committee during the period September 2013 to March 2014.
3. An on-line risk management training programme was developed, which is mandatory for third tier managers and above although other employees can complete this. The online training has been well received with the majority of managers having already completed it. Human Resources are monitoring the training and will ensure that those remaining Officers yet to complete it, will have done so in the near future.
4. In October 2014 the Risk Management Task and Finish Group, chaired by the Head of Finance, was reconvened to review the Council's risk management framework and to consider alternatives for the Service Planning Database (which captures corporate and operational risks) as the in house developed system was no longer a feasible option for the development of service planning and risk management reporting.
5. The Group has reviewed and refreshed the Risk Management Strategy which is attached as Appendix A. The risk management toolkit will be updated once the

new service planning and risk management functionality, being developed within the InPhasesystem, is complete. This is expected to be by the end of the 2015/16 financial year. A Council wide training and awareness programme will be launched as part of the project in order to prepare services for the input of their 2016/17 Service Plans.

6. CMT/HoS have undertaken two risk management workshops facilitated by the Internal Audit Manager and the Senior Insurance Officer in order to develop and refine the current corporate risk register format and risks descriptions. CMT/HoS are currently agreeing the risk descriptions, scoring and risk mitigation strategies (controls). The revised format will complement those being developed in the new service planning and risk management system and will be presented to the Audit and Standards Committee in November 2015.

CORPORATE AND STRATEGIC RISKS, 2015/16

7. The Corporate Risk Register relates to key and cross-cutting corporate issues and strategic risks contained in Service Plans. Corporate or service level exceptional risks scoring 18 or higher are reported to CMT/HoS. Risks scoring 20 or higher are presented to Cabinet within the quarterly Joint Finance and Performance Report.
8. The Year End Joint Finance and Performance Report which went to Cabinet on 23 July 2015, reported one risk that scored 20 or higher on the 1-25 risk scale (1 being low likelihood, low impact and 25 high likelihood, high impact) and is with regards to financial resilience. The majority of issues relating to the Council's finances are dictated by Government. However, the Council's financial situation continues to be monitored regularly and in-year monitoring is reported to Cabinet on a quarterly basis.
9. As advised earlier in this report, a revised Corporate Risk Register will be brought to the November 2015 Audit and Standards Committee for analysis and scrutiny to ensure that all key risks have been captured; are aligned to the Council's priorities (as detailed in the Corporate Plan); and have effective controls in place to ensure they are adequately managed within the Council's risk appetite.

IMPLICATIONS

Place (includes Sustainability)

None specific.

Author: **Graeme Bloomer, Head of Place**

Finance (includes ICT)

Any specific implications are set out in the report.

Author: **Simon Freeman, Head of Finance**

Housing

None specific.

Author: **Andrew Murray, Head of Housing**

Community Wellbeing (includes Equalities and Social Inclusion)

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

Governance (includes HR)

Risk Management is an important part of the Council's overall governance arrangements and is why the Audit and Standards Committee needs to consider the adequacy of overall arrangements on a regular basis.

Author: **Brian Keane, Head of Governance**

BACKGROUND PAPERS

Corporate and service risk registers
Risk Management Strategy and Toolkit

Glossary of terms/abbreviations used

CMT – Corporate Management Team
HoS – Heads of Service

Appendix

Appendix A – Risk Management Strategy