

CORPORATE RISK REGISTER AND RISK MANAGEMENT POLICY UPDATE

To: **Cabinet**

Date: **2nd October 2012**

From: **Pat Harding, Corporate Director of Customer Services and Transformation**

Electoral division(s): **All**

Forward Plan ref: **Not applicable** *Key decision:* **No**

Purpose: **To provide Cabinet with details of:**
1. The updated Risk Management Policy.
2. The current status of corporate risk.

Recommendation: **It is recommended that Cabinet:**

a) Approves the updated Risk Management Policy.

b) Notes the position in respect of corporate risk.

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1. BACKGROUND

- 1.1 Cabinet has an executive role in the management of risk across the Council in its role of ensuring the delivery of the Council's objectives.
- 1.2 The creation of LGSS has provided the opportunity for Cambridgeshire and Northamptonshire councils to align risk management approaches as discussed in Section 2 below. As a result of this review an updated Risk Management Policy has been developed for approval by Cabinet.
- 1.3 This report is supported by:
 - The updated Risk Management Policy (Appendix A)
 - The Corporate Risk Profile (Appendix B)

2. RISK MANAGEMENT POLICY

- 2.1 A project group comprising representatives from Cambridgeshire and Northamptonshire councils has developed an aligned risk management approach which reflects the best of the risk management practices which previously operated in each council.
- 2.2 Whilst there has been significant alignment over the two councils, the autonomous nature of each means there are still some significant differences in policies and processes.
- 2.3 The main changes proposed to the Council's risk management approach are:
 - The Council's existing Risk Management Policy has been split into its two distinct elements of policy and process.
 - the management approach is split between Members (who have responsibility for setting overall policy direction) and officers (who have responsibility for managing policy and processes). In light of this clarification, the ownership of risks within the Corporate Risk Register is assigned to officers of the Council, rather than the current practice of joint ownership of risks between officers and Cabinet members.

The current Terms of Reference for the Audit and Accounts Committee require it to approve any changes to Risk Management Policy. However it is now recognised that the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 identifies responsibility for approving risk management policy as an executive function as an issue for Cabinet, not a decision for the Audit and Accounts Committee. The Audit and Accounts Committee still has a valuable role in reviewing any update to the Council's Risk Management Policy and providing advice to Cabinet at the point it considers any updates. The Audit and Accounts Committee will consider the updated Risk Management Policy at its meeting on 24th September. Cabinet will be advised verbally of the outcome of the Audit and Accounts Committee review.

- The Audit and Accounts Committee in meeting its remit to ‘consider the effectiveness of the Council’s risk management arrangements’ will receive details of the profile of service risk in addition to the information it currently receives in respect of corporate risk.
- The expression of the Council’s risk appetite has been simplified. The appetite is expressed as a maximum acceptable risk score set at 15 (see Appendix 1 of the Risk Management Policy). Above this level actions will be expected to be taken to reduce the risk score to 15 or below.
- The format and content of the risk register has changed:
 - To a format which provides a more succinct and focussed document
 - Narrative explanations of progress against actions will not be recorded on the risk register. Instead progress will be identified through a red, amber, green rating. Explanations for red rated actions will be obtained and reported as necessary.

3. CORPORATE RISK REGISTER

- 3.1 The Corporate Risk Register was last reviewed by Strategic Management Team (SMT) on 30th August.
- 3.2 SMT agreed that the Corporate Risk Register is a complete expression of the main risks faced by the Council.
- 3.3 There are no significant changes to the Corporate Risk Register from that previously reported to Cabinet in June 2012.
- 3.4 Corporate Risk Profile

Appendix B shows the profile of Corporate Risk against the Council’s risk scoring matrix. The ‘red’ segment of the matrix is the level of risk which would be in excess of the Council’s defined maximum risk appetite. Appendix B illustrates that there are 17 risks on the Corporate Risk Register, all of which are managed within the Council’s risk appetite, i.e. they are either amber or green rated.

4. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

- 4.1 Risk management seeks to identify and to manage any risks which might prevent the Council from achieving its three priorities of:
 - Developing the local economy for the benefit of all
 - Helping people live healthy and independent lives in their communities
 - Supporting and protecting vulnerable people when they need it most

5. SIGNIFICANT IMPLICATIONS

5.1 Resource and Performance Implications

Effective risk management should ensure that the Council is aware of the risks which might prevent it from managing its finances and performance to a high standard. The Council is then able to ensure effective mitigation is in place to manage these risks.

5.2 Statutory, Risk and Legal Implications

The Risk Management process requires managers to consider if any significant legislative or regulatory risks are faced which would impact on the Council's ability to deliver its priorities. Any such risks will be evaluated for the adequacy of existing mitigations, with additional mitigation being introduced where necessary. Additionally the mechanism for scoring the impact element of a risk includes a legal and regulatory category.

5.3 Equality and Diversity Implications

Not directly applicable

5.4 Engagement and Consultation

The Corporate Risk Register has been subject to review by the Officer Risk Champions Group and Senior Management Team

5.5 Public Health

There are no significant implications in respect of Public Health

Source Documents	Location
Corporate Risk Register	Internal Audit and Risk Management

