CORPORATE RISK REGISTER UPDATE

To:	**General Purposes Committee**
Date:	**1st July 2014**
From:	**Director of Customer Services & Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** **Key decision: No**

Purpose:

- **To provide the General Purposes Committee with details of the current status of corporate risk.**

- **To inform the General Purposes Committee of the outcome of the annual review of the Risk Management Policy**

Recommendation: **It is recommended that the General Purposes Committee:**

- **Notes the position in respect of corporate risk; and**

- **Approves the annual review of the Council's Risk Management Policy.**

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1. BACKGROUND

1.1 In accordance with best practice the Council operates a risk management approach at corporate and directorate levels across the Council seeking to identify any key risks which might prevent the Council's priorities, as stated in the Business Plan, from being successfully achieved.

1.2 The risk management approach is encapsulated in 2 key documents:

- Risk Management Policy

  This document sets out the Council's Policy on the management of risk, including the Council's approach to the level of risk it is prepared to countenance as expressed as a maximum risk appetite. The Risk Management Policy is owned by the General Purposes Committee.

- Risk Management Procedures

  This document details the procedures through which the Council will identify, assess, monitor and report key risks. Risk Management Procedures are owned by Strategic Management Team (SMT).

1.3 The respective roles of the General Purposes Committee and the Audit and Accounts Committee in the management of risk are:

- The General Purposes Committee has an executive role in the management of risk across the Council in its role of ensuring the delivery of priorities

- The Audit and Accounts Committee provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.

1.4 Risk Identification

The Council's approach to risk identification, which is, in some ways, the most difficult part of the risk management process, is described in the following extract from the Council's Risk Management Policy as previously approved by the General Purposes Committee:

- Risk management should operate within a culture of transparency and openness where risk identification is encouraged and risks are escalated where necessary to the level of management best placed to manage them effectively;

- Risk management should be embedded in everyday business processes;

- Officers of the Council should be aware of, and operate, the Council's risk management approach where appropriate;

- Councillors should be aware of the Council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with General Purposes Committee members being involved in the identification of risk on an annual basis;

Ownership of the Corporate Risk Register (CRR) lies with SMT which reviews the Register on a quarterly basis, following an initial review by the Corporate Risk Group (CRG), chaired by the Director for Customer Services and Transformation. The review by CRG will identify if any executive/corporate directorate risks should be considered by SMT for inclusion on the CRR.

Significant changes to the CRR are reported to the General Purposes Committee on a quarterly basis.

1.5 As this is the first Corporate Risk Report to be considered by the General Purposes Committee, it is appropriate to provide a brief explanation of risk scoring.

There are 2 distinct elements to risk scoring:

- o   The probability of a risk event occurring.
- o   The impact on the Council if the risk does occur

These are represented on a scoring matrix as attached at **Appendix 1**. In order to assist managers in the scoring of impact risk and to ensure consistency across the Council, a set of impact descriptors has been designed across five impact types which can be viewed at the second page of Appendix 1. The scoring of probability is left to the discretion of risk owners based upon their experience.

1.6 The Corporate Risk Register was reviewed by SMT on 19th May 2014.

1.7 This report is supported by:

- Risk Scoring Matrix **(Appendix 1)**
- The Corporate Risk Profile (**Appendix 2**)
- The Corporate Risk Register (**Appendix 3**)
- The Risk Management Policy (**Appendix 4**)

2.   CORPORATE RISK REGISTER

2.1 Following the review of corporate risk by SMT on 19th May, SMT is confident that the Corporate Risk Register is a comprehensive expression of the main risks faced by the Council and that mitigation is either in place, or in the process of being developed, to ensure that each risk is appropriately managed.

2.2 **Appendix 2** shows the profile of Corporate Risk against the Council's risk scoring matrix and illustrates that there is 1 red residual risk.

2.3   The following significant change has been made to the Corporate Risk Register:

Risk 15 –'Failure of the Council's arrangements for safeguarding vulnerable children and adults'. This risk has been reworded from 'Failure to Safeguard Vulnerable Children and Adults' to better reflect the degree to which the Council is able to influence the safeguarding of children and adults. The risk score has been reduced from a 'red' to an 'amber' rating, partly due to the more accurate wording of the risk and partly as a result of the improvements made by the Council in its Children's Safeguarding processes and arrangements.

The full Corporate Risk Register is attached at Appendix 3.

3.   RISK MANAGEMENT POLICY

3.1   The Risk Management Procedures document requires that the General Purpose Committee reviews the Risk Management Policy on an annual basis. SMT review of the Policy on 19th May confirmed that it continues to provide the Council with an effective approach to risk management and does not therefore require any significant update. The Policy is attached at Appendix 4.

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

- Supporting and protecting vulnerable people

5.   SIGNIFICANT IMPLICATIONS

5.1   Resource 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 seeks to identify any significant risks which might prevent the Council from achieving its plans as detailed in the Council's Business Plan or from complying with legislative or regulatory requirements. This enables mitigation to be designed to control each risk, either to prevent the risk happening in the first place or if it does to minimise its impact on the Council.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation

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

5.5 Localism and Local Member Involvement

There are no significant implications within this category.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Corporate Risk Register	Internal Audit and Risk Management