

CORPORATE RISK REGISTER UPDATE

To: **General Purposes Committee**

Meeting Date: **21st March 2017**

From: **Sue Grace: Director of Corporate and Customer Services**

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.**

Recommendation: **It is recommended that the General Purposes Committee notes the position in respect of corporate risk.**

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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 The Corporate Risk Register was reviewed by SMT on 2nd March 2017.

1.5 This report is supported by:

- The Corporate Risk Profile (Appendix 1)
- Corporate Risk Register (Appendix 2)

2. CHANGES TO THE CRR FOR GPC TO REVIEW

2.1 Following the review of corporate risk by SMT on 2nd March, 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.

General points from the Audit and Accounts Committee on 24th January 2017 for GPC to review

A discussion took place on the issue of the number of Corporate Risks, there was a difference of opinion between the Chairman, who believed there should be more added, and the Vice Chairman, who indicated that most

organisations in his experience only held about 10 corporate, high level risks. In his view the County Council Corporate Risk Register contained too many risks and challenged whether the level of detail was accessible to senior management and asked that his views should be passed on.

Risk 1b 'Failure to deliver the current 5 year Business Plan 2016-2021' - Trigger 3 reading 'Organisations not sufficiently aligned to face challenges' – the Chairman asked whether those in the Council were?. In response it was indicated that this was being reviewed. The Chairman expressed concern that for such an important risk there seemed to be few actions and requested that this be looked at further. Councillor Chapman suggested there should be some reference to the right skills / resources being available.

Risk 3 'The Council does not have appropriate staff with the right skills and experience to deliver the Council's priorities at a time of significant demand pressures' The Chairman asked what the position would be when the UK left the European Union where he had seen figures saying there would be a loss of 2.4 million migrant workers and a gain 1.2 million older people with huge potential implications for adult social care, which he considered was a real and significant risk.

Risk 15 'Failure of the Council's arrangements for safeguarding vulnerable children and adults' a) The Chairman made reference to his concerns that DBS checks on taxi drivers being used by Councils was still not robust enough especially when a replacement driver was provided at short notice. b) Councillor Crawford suggested that the probability score should be higher to reflect the current issues regarding delayed transfers of care from hospital, not enough care home places were available and that the delays in assessments were adding to the problem.

Risk 20 'Non Compliance with legislative and regulatory requirements' – The Chairman suggested that loss of staff and the use of agency staff should be a consideration.

Risk 22 'The Total Transport project fails to identify and implement affordable solutions that allow service levels to be maintained' – There was a suggestion from the Chairman that the probability rating of 2 should be increased to 5. In response the Chairman of the Economy and Environment Committee Councillor Bates stated that this might apply to some parts of the County but not all, highlighting that Cambridge and market towns had better transport provision than rural areas, suggesting that the score might possibly need to be more than 2 but not as much as 5.

Risk 27 'The Pension Fund has the potential to be materially underfunded' – Reference should be made to the triennial review which the Chairman suggested had resulted in the probability risk reducing from 3 to 2.

- 2.2 **Appendix 1** shows the profile of Corporate Risk against the Council's risk scoring matrix and illustrates that there are two red residual risks. Risk 1a '*Failure to produce a robust and secure Business Plan over the next five years*', and Risk 1b '*Failure to deliver the current 5 year Business Plan*' remains unchanged from the previous report to the Committee.
- 2.3 The Audit and Accounts Committee have made some comments about the number of risks, the presentation of information in the Risk Register (including the risk map), and the need for the results of the comparison with other authorities' risk registers to be shown clearly in the Risk Register. Also, a new IT system, Grace, will be introduced from April 2017 to support improved risk management practice.
- 2.4 In response to these comments and in the light of the need to develop processes that make use of the new IT system, a review of the risk register will be undertaken in April and May. The approach will be to use workshops, facilitated by Business Intelligence and LGSS Internal Audit and Risk Management, with SMT and senior officers and Members, to design a risk register that is aligned with the Business Plan outcomes and monitoring, good risk management practice and that is accessible and easy to understand. A proposal will be brought to GPC as early as timescales allow.

3. ALIGNMENT WITH CORPORATE PRIORITIES

- 3.1 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

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There are no significant implications within this category.

4.2 Statutory, Risk and Legal Implications

This report discusses a range of risks and the Council's approach to managing those risks. These may have implications across the Council's areas of business, as set out in the risk register.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

There are no significant implications within this category.

4.6 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Sarah Heywood
Has the impact on Statutory, Legal and Risk implications been cleared by LGSS Law?	N/A
Are there any Equality and Diversity implications?	No Name of Officer: Tom Barden
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall
Are there any Localism and Local Member involvement issues?	No Name of Officer: Tom Barden
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell

Source Documents	Location
Corporate Risk Register	Internal Audit and Risk Management OCT1108