

CORPORATE RISK REGISTER UPDATE

To: **Cabinet**

Date: **6th March 2012**

From: **Local Government Shared Services (LGSS): Director of Finance**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **To update Cabinet on the status of the main risks to the achievement of Council objectives.**

Recommendation: **Cabinet is asked to agree key updates to the Corporate Risk Register.**

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1. BACKGROUND

1.1 The Council's Corporate Risk Register is an important document, setting out the significant business risks that could impact on the Council's ability to meet objectives and statutory obligations. The Register also gives important assurance on how these risks are already managed and, where necessary, on further action that is to be taken.

1.2 This report is supported by:

- The summary Corporate Risk Register (Appendix 1) which has been informed by updates from services and consideration by the Council's Strategic Management Team.
- The full Risk Register detail of new risks and those risks showing changed risk scores (Appendix 2).

In order to ensure that Cabinet members are able to see the full detail of all corporate risks as required, an electronic version of the detailed Corporate Risk Register has been provided to Cabinet members.

1.3 The Corporate Risk Register will be subject to review by the Audit and Accounts Committee at its meeting on 28th March 2012.

2. MAIN ISSUES

2.1 Ownership of each risk is assigned to a specific Cabinet Member(s). Risks are also assigned to members of Strategic Management Team.

2.2 Cabinet Members are ultimately accountable for ensuring effective arrangements are in place for the management of corporate risks.

2.3 The main changes to the Corporate Risk Register from that previously reported to Cabinet in December 2011 are detailed in the following paragraphs.

NEW RISKS

- Risk 23 – Major Fraud or Corruption

The Audit Commission has identified an increased incidence of fraud across the Public Sector in these difficult economic times. The residual score for this risk is based on moderate likelihood as the Council has a reasonably robust control infrastructure in place. However it is felt to be important that the profile of this risk is heightened to reflect the national picture.

- Risk 24 – Information Management

This reflects concerns that there is a lack of awareness and understanding across the Council of the requirements for managing information in a secure and efficient manner.

CHANGES TO EXISTING RISKS

- Risk 1 – Integrated Performance Plan (IPP) Formulation and Delivery

The likelihood of this risk has been reduced from 'high' to 'low', on the basis of:

- the likely successful delivery of the 2011/12 Integrated Plan
- the updated IPP is at the point of approval with detailed savings proposals for 2012/13 onwards

The change in likelihood reduces the overall risk score from a red to an amber rating.

- Risk 4 – Procurement and Contract Management

In light of the improved control environment, the likelihood of this risk occurring has been reduced from 'moderate' to 'low'.

Additionally the impact of the risk has been reassessed on the basis that major contract issues such as the Guided Busway are separately reflected in the Register. The impact score has been reduced from 'critical' to 'marginal'.

The overall effect of these changes will be to reduce the overall risk score from amber to green.

- Risk 8 – Housing Growth

The likelihood of this risk occurring has been reduced from 'high' to 'moderate', on the basis of:

- there has been an increase in the number of new housing starts
- the impending planning application for the major Northstowe development
- the creation of the Joint Planning Unit

The reduced likelihood reduces the overall risk rating from red to amber.

- Risk 9 – Infrastructure Funding Shortage

The likelihood of this risk occurring has been reduced from 'high' to 'moderate' to reflect:

- Proposals contained in the Integrated Plan on funding for schemes such as Cambridge Science Park Station, Ely Crossing and Superfast Broadband
- Department for Transport moves to develop a new scheme in respect of the A14

The reduced likelihood will reduce the overall risk rating from red to amber.

- 2.4 Cabinet is asked to agree the key updates to the Corporate Risk Register as detailed above.

3. CORPORATE RISK PROFILE

- 3.1 The Risk Heat Map at Appendix 3 illustrates that there are 19 corporate risks, all of which are either amber or green rated.
- 3.2 The absence of any red residual risks in the Register was considered by Strategic Management Team. It was agreed that this is a reasonable reflection of the Council's risk position in the short term, particularly at this time of the financial year with a new Integrated Plan agreed. However Strategic Management Team did also acknowledge that the next Comprehensive Spending Review in 2014/15, combined with a poor economic outlook and rising public expectations and needs, is likely to provide the Council with even more challenges and risks in the medium to long-term.

4. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

- 4.1 The Corporate Risk Register has relevance to all of the Council's three Corporate Priorities:
- Supporting and protecting vulnerable people when they need it most
 - Helping people live healthy and independent lives in their communities
 - Developing the local economy for the benefit of all.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource and Performance Implications

There are no direct financial implications attached to this report; however individual risks within the Register would carry a financial impact if they were to occur.

5.2 Statutory, Risk and Legal Implications

The Register presents key risk management information.

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 Risk Champions Group, Strategic Management Team (SMT) and SMT/Cabinet.

Source Documents	Location
Corporate Risk Register	Internal Audit and Risk Management