CORPORATE RISK REGISTER UPDATE

To:	**Health Committee**
Date:	**July 2014**
From:	**Director of Public Health**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To provide the Health Committee with details of Public Health Directorate risks.**
Recommendation:	**It is recommended that the Health Committee:**
	Notes the position in respect of Public Health Directorate 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 and in service plans, from being successfully achieved.

1.2   The Council's approach to the management of risks is encapsulated in 2 key documents:

- Risk Management Policy (Appendix 1)

  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 corporate 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   Service committees also have a role, on a half yearly basis, in the management of service risk of:

- ensuring service risk registers are maintained on a timely basis, i.e. subject to quarterly review by service management
- ensuring that actions designed to better manage risk are implemented on a timely basis
- to discuss specific risk issues as appropriate

1.5   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;

1.6 As this is the first risk management report to be considered by the Health Committee, a brief explanation of risk scoring is appropriate.

There are 2 distinct elements to risk scoring:

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

These are represented on a scoring matrix as attached at Appendix 2. 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 2. The scoring of probability is left to the discretion of risk owners based upon their experience.

1.7 This report is supported by:

- Risk Management Policy   **(Appendix 1)**
- Risk Scoring Matrix   **(Appendix 2)**
- The Public Health Risk Register (**Appendix 3**)

2.   PUBLIC HEALTH DIRECTORATE RISK REGISTER

2.1 The Public Health Directorate operates risk management in accordance with the Council's Risk Management Procedures document whereby risks are reviewed at Directorate and service team level on a quarterly basis. It should be noted that there are some specific aspects to the way the Public Health Directorate scores its risks compared to the remainder of the Council, as some risks to the health of the public are included for which the Directorate has a monitoring and influencing role, as well as those where the County Council directly commissions or delivers services.

2.2   The Directorate's Corporate Risk Group member co-ordinates risk management across the Directorate liaising with representatives from services and teams to ensure this approach functions effectively.

2.3   Risk registers are maintained at each level of the Directorate as appropriate, in accordance with the requirement of the Procedures document to manage risk at the lowest appropriate level. Risks are identified on the basis that if the risks were to occur they would severely impact on the Directorate's ability to meet its defined objectives. The key stages of the detailed risk management process once a risk is identified are:

- possible causes of the risk are recorded. This stage helps to identify the mitigations required to manage the risk effectively.

- impacts on the Council if the risk was to occur are recorded. This highlights the significance of the risk and aids its scoring.

- mitigations in place are identified and the risk is scored

- management review the risk score to determine if that level of risk is appropriate having regard to the Council's defined risk appetite of a maximum risk score of 15.

- if the level of risk is deemed to be inappropriate, management will determine actions which when implemented will move the risk level to an appropriate level. Each action will be assigned an owner and a target date for delivery. This will be reviewed on regular basis as part of the quarterly review of risk registers.

- as actions are implemented, management will update the residual risk score as appropriate.

2.4   Following the review of Public Health Directorate risk by the Directorate Management Team (DMT) on 27 May 2014, DMT is confident that the Public Health Risk Register is a comprehensive expression of the main risks faced by the Directorate and that mitigation is either in place, or in the process of being developed, to ensure that each risk is appropriately managed.

2.5   The Public Health Directorate Risk Register is presented at Appendix 3 and illustrates that there are 18 directorate risks, none of which are currently at red residual level.

3.   ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

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 in their communities

- Supporting and protecting vulnerable people when they need it most

4. SIGNIFICANT IMPLICATIONS

4.1 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.

4.2 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.

4.3 Equality and Diversity Implications

Not directly applicable

4.4 Engagement and Consultation

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

4.5 Localism and Local member Involvement

There are no significant implications within this category

4.5 Public Health

There are no significant implications in respect of Public Health

Source Documents	Location
Corporate Risk Register Public Health Risk Register	Internal Audit and Risk Management

CAMBRIDGESHIRE COUNTY COUNCIL

RISK MANAGEMENT POLICY

1. INTRODUCTION

We want Cambridgeshire to be the best county in England in which to live and work. We aim to deliver this vision by focusing on our priorities:

- develop the local economy for the benefit of all
- help people live healthy and independent lives
- support and protect vulnerable people

We are a large, complex organisation and we need to ensure the way we act, plan and deliver is carefully thought through both on an individual and a corporate basis.

We have a plan for achieving this vision and, as an organisation; we need to make sure we are ready for the challenge.

There are many factors which might prevent the Council achieving its plans, therefore we seek to use a risk management approach in all of our key business processes with the aim of identifying, assessing and managing any key risks we might face. This approach is a fundamental element of the Council's Code of Corporate Governance.

The Risk Management Policy is fully supported by the Council, the Chief Executive and the Strategic Management Team, who are accountable for the effective management of risk within the Council. On a daily basis all officers of the Council have a responsibility to recognise and manage risk in accordance with this Policy.

The Accounts and Audit Regulations, 2003 state:

- The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(Additionally, the Civil Contingencies Act, 2004 places a statutory duty on local authorities to establish business continuity management arrangements to ensure that they can continue to deliver business critical services if business disruption occurs. The Emergency Planning Camweb site http://camweb/cd/cst/demmembserv/cemt/bcp/default.htm details the Council's approach to business continuity management which is a key aspect of effective risk management)

### 2.	WHAT IS RISK?

The Council's definition of risk is:

"Factors, events and circumstances that may prevent or detract from the achievement of the Council's corporate and service plan priorities".

3. RISK MANAGEMENT OBJECTIVE

The Council will operate an effective system of risk management which will seek to ensure that risks which might prevent the Council achieving its plans are identified and managed on a timely basis in a proportionate manner.

4. RISK MANAGEMENT PRINCIPLES

- The risk management process should be consistent across the Council, clear and straightforward and result in timely information that helps informed decision making;

- 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 arrangements should be dynamic, flexible and responsive to changes in the risk environment;

- The response to risk should be mindful of risk level and the relationship between the cost of risk reduction and the benefit accruing, i.e. the concept of proportionality;

- 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 Purpose Committee members being involved in the identification of risk on an annual basis;

5. APPETITE FOR RISK

As an organisation with limited resources it is inappropriate for the Council to seek to mitigate all of the risk it faces. The Council therefore aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers. However, the General Purpose Committee has defined the maximum level of residual risk which it is prepared to accept as a maximum risk score of 15 as per the Scoring Matrix attached at Appendix A.

6. BENEFITS OF RISK MANAGEMENT

- Risk management alerts councillors and officers to the key risks which might prevent the achievement of the Council's plans, in order that timely mitigation can be developed either to prevent the risks occurring or to manage them effectively if they do occur.

- Risk management at the point of decision making should ensure that councillors and officers are fully aware of any key risk issues associated with proposals being considered.

- Risk management leads to greater risk awareness and an improved and cost effective control environment, which should mean fewer incidents and other control failures and better service outcomes.

- Risk management provides assurance to councillors and officers on the adequacy of arrangements for the conduct of business. It demonstrates openness and accountability to various regulatory bodies and stakeholders more widely.

7. RISK MANAGEMENT APPROACH

The risk management approach adopted by the Council is based on identifying, assessing, managing and monitoring risks at all levels across the Council:
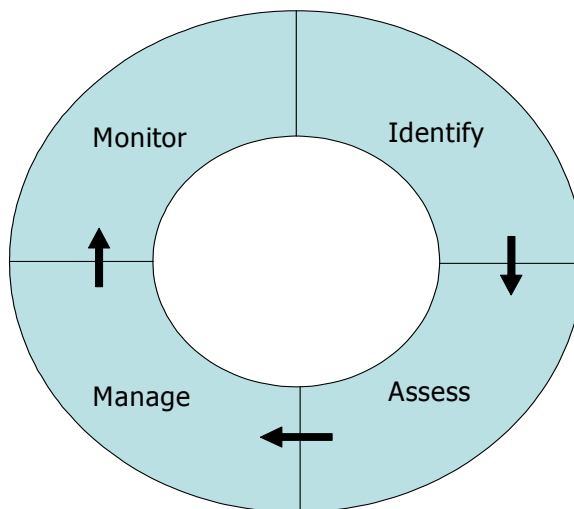
The detailed stages of the Council's risk management approach are recorded in the Risk Management Procedure document which is reviewed by Strategic Management Team on an annual basis. The Procedure document provides managers with detailed guidance on the application of the risk management process.

The Risk Management Procedures document can be located on Camweb at

http://camweb/lgss/lpg/audit/risk-management.htm

Additionally individual business processes, such as decision making, council planning and project management will include guidance on the management of risk within those processes.

8. AWARENESS AND DEVELOPMENT

The Council recognises that the effectiveness of its risk management approach will be dependent upon the degree of knowledge of the approach and its application by officers and councillors.

The Council is committed to ensuring that all councillors, officers and partners where appropriate, have sufficient knowledge of the Council's risk management approach to fulfil their responsibilities for managing risk. This will be delivered through formal training programmes, risk workshops, briefings and internal communication channels.

9. CONCLUSION

The Council will face risks to the achievement of its plans. Compliance with the risk management approach detailed in this Policy should ensure that the key risks faced are recognised and effective measures are taken to manage them in accordance with the defined risk appetite.

RISK SCORING MATRIX

VERY HIGH (V)	A 5	A10	A15	R20	R25
HIGH (H)	G4	A8	A12	R16	R20
MEDIUM (M)	G3	A6	A9	A12	A15
LOW (L)	G2	G4	A6	A8	A10
NEGLIGIBLE	G1	G2	G3	G4	A5
IMPACT / **LIKELIHOOD**	**VERY RARE**	**UNLIKELY**	**POSSIBLE**	**LIKELY**	**VERY LIKELY**

Red scores - excess of Council's risk appetite – action needed to redress, quarterly monitoring

Amber scores – likely to cause the Council some difficulties – quarterly monitoring

Green scores – monitor as necessary

Descriptors to assist in the scoring of risk impact are on the following page.

Likelihood scores are left to the discretion of managers as it is very subjective.

IMPACT DESCRIPTORS

The following descriptors are designed to assist the scoring of the impact of a risk:

	Negligible (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Legal and Regulatory	Minor civil litigation or regulatory criticism	Minor regulatory enforcement	Major civil litigation and/or local public enquiry	Major civil litigation setting precedent and/or national public enquiry	Section 151 or government intervention or criminal charges
Financial	<£0.5m	<£1m	<£5m	<£10m	>£10m
Service provision	Insignificant disruption to service delivery	Minor disruption to service delivery	Moderate direct effect on service delivery	Major disruption to service delivery	Critical long term disruption to service delivery
People and Safeguarding	No injuries	Low level of minor injuries	Significant level of minor injuries of employees and/or instances of mistreatment or abuse of individuals for whom the Council has a responsibility	Serious injury of an employee and/or serious mistreatment or abuse of an individual for whom the Council has a responsibility	Death of an employee or individual for whom the Council has a responsibility or serious mistreatment or abuse resulting in criminal charges
Reputation	No reputational impact	Minimal negative local media reporting	Significant negative front page reports/editorial comment in the local media	Sustained negative coverage in local media or negative reporting in the national media	Significant and sustained local opposition to the Council's policies