CORPORATE RISK REGISTER UPDATE

To:	**Adults Committee**
Meeting Date:	**4 December 2014**
From:	**Adrian Loades, Executive Director: Children, Families and Adults Services**
Electoral division(s):	**All**
Forward Plan ref:	**Not applicable** *Key decision:* **No**
Purpose:	**To provide the Adults Committee with details of the CFA Directorate risk register.**
Recommendation:	**It is recommended that the Adults Committee considers the risk register and the actions being taken to mitigate risks.**

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1.0 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 two 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 appropriate and effective

- 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 Adults Committee, a brief explanation of risk scoring is appropriate.

There are two distinct elements to risk scoring:

- The probability of a risk event occurring

- The impact on the Council, and/or service users and the wider community 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 CFA Risk Register   (**Appendix 3**)

2.0   CFA DIRECTORATE RISK REGISTER

2.1   CFA operates risk management in accordance with the Council's Risk Management Procedures whereby risks are reviewed at Directorate level on a quarterly basis.

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 a Directorate and project level, 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 they were to occur then they would severely impact on the Directorate's ability to meet its 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, and/or service users and the wider community 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 The CFA risk register is presented at Appendix 3 and illustrates that there are 15 directorate risks, none of which are currently at red residual level. The Register also illustrates for each risk the actions that are planned to ensure the risk remains within the Council's defined risk appetite.

2.5 The risks with the highest residual scores are:

- Failure of the Council's arrangements for safeguarding vulnerable children and adults

- Lack of capacity to respond to rising demand for service provision

- Care homes unable to accept local authority-funded residents

- Failure to meet our performance targets.

3.0 ALIGNMENT WITH CORPORATE PRIORITIES

Risk management seeks to identify and to manage any risks which might prevent the Council from achieving its three priorities of:

3.1 Developing the local economy for the benefit of all

3.1.1 Effective risk management should ensure that the Council is aware of any significant risks which might impact on our ability to achieve this priority. The Council is then able to ensure effective mitigation is in place to manage these risks.

3.2   Helping people live healthy and independent lives

3.2.1   Effective risk management should ensure that the Council is aware of any significant risks which might impact on our ability to achieve this priority. The Council is then able to ensure effective mitigation is in place to manage these risks.

3.3   Supporting and protecting vulnerable people

3.3.1   Effective risk management should ensure that the Council is aware of any significant risks which might impact on our ability to achieve this priority. The Council is then able to ensure effective mitigation is in place to manage these risks.

4.0   SIGNIFICANT IMPLICATIONS

4.1   Resource Implications

4.1.1   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

4.2.1   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

4.3.1   There are no significant implications within this category.

4.4   Engagement and Consultation Implications

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

4.5   Public Health Implications

4.5.1   There are no significant implications within this category.

4.6   Localism and Local Member Involvement

4.6.2   There are no significant implications within this category.

SOURCE DOCUMENTS GUIDANCE

It is a <u>legal</u> requirement for the following box to be completed by the report author.

Source Documents	Location
None	