

CORPORATE RISK REGISTER UPDATE

To: **Cabinet**

Date: **15th April 2014**

From: **Corporate Director: Customer Services and Transformation**

Electoral division(s): **All**

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

Purpose: **To provide Cabinet with details of the current status of corporate risk.**

Recommendation: **It is recommended that Cabinet 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 two 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 Cabinet.

- 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 Cabinet and the Audit and Accounts Committee in the management of risk are:

- Cabinet 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 10th February 2014.

1.5 This report is supported by:

- The Corporate Risk Profile (**Appendix 1**)
- An extract from the Corporate Risk Register (**Appendix 2**).

2. CORPORATE RISK REGISTER

2.1 Following the review of corporate risk by SMT on 10th February 2014, SMT is confident that the Corporate Risk Register is a complete 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 Risk management procedures require any red residual risks and any other risks where scores have been changed since the last report to Cabinet (17th December 2013) to be reported to Cabinet.

2.3 Appendix 1 shows the profile of Corporate Risk against the Council's risk scoring matrix and illustrates that there are two red residual risks.

2.4 The following significant changes have been made to the Corporate Risk Register:

Risk 9 - Failure to secure funding for infrastructure. This risk has been increased to a red residual level as Government has informed the Council that funding for schools infrastructure will be reduced from an anticipated £34m to £4m. This reduction will mean that the Council's ability to provide basic school places will be significantly hampered.

Risk 15 - Failure to safeguard vulnerable children and adults. SMT has reconsidered the risk rating and considers that the circumstances of vulnerable children and adults mean that the residual risk of harm will always be high, despite the considerable focus given to ensuring that the Council's safeguarding arrangements are effective and improving and that risk is minimised. This increases the residual risk level from amber to a red rating.

Risk 25 – Failure to transfer effectively from a Leader/Cabinet model to a committee system. This risk has been included on the Corporate Risk Register to illustrate the inherent risk from the governance change determined by Council and the steps the Council has taken to mitigate the risk. SMT is confident that the action that has been taken to move to the new governance arrangements represents a relatively low residual risk level. SMT is confident that the high standards of governance expected of the Council will be maintained.

The Corporate Risk Register extract for the above risks is attached at Appendix 2.

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 Public Health

There are no significant implications in respect of Public Health.

Source Documents	Location
Corporate Risk Register	Internal Audit and Risk Management