RISK MANAGEMENT REPORT

To:	**Audit and Accounts Committee**
Date:	**21st March 2017**
From:	**Sue Grace, Director, Customer Services and Transformation**
Electoral division(s):	**All**
Forward Plan ref:	**N/A** *Key decision:* **N/A**

Purpose:	• **To provide the Audit and Accounts Committee with the profile of Corporate risks faced by the Council** • **To provide details of significant changes to the Corporate Risk Register since the last report to the Committee in January 2017** • **To provide the Audit and Accounts Committee with the profile of risks faced by corporate and executive directorates**
Recommendation:	**Audit and Accounts Committee comments on and notes the latest Risk Management Report.**

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1.   **BACKGROUND**

1.1   In accordance with best practice, the Council operates a risk management approach at corporate and service levels across the Council, seeking to identify key risks which might prevent the Council's priorities, as stated in the Business Plan, from being successfully achieved.

1.2   The Corporate Risk Register (CRR) was reviewed by Strategic Management Team (SMT) on 2 March 2017. A report detailing significant changes to the CRR will be presented to the General Purposes Committee at its meeting of 21st March 2017.

1.3   This report is supported by:

- The Corporate Risk Profile and common risk themes (Appendix 1)
- The Corporate Risk Register (Appendix 2)
- New risk template (Appendix 3)

2.   **CORPORATE RISK REGISTER UPDATE**

2.1   Following the review of the CRR by SMT on 2 March, SMT is confident that the CRR 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.

2.2   Responses to the general points raised from the Audit and Accounts Committee on 24th January 2017 have been included in the minutes of that meeting.

3   **REVIEW OF THE CORPORATE RISK REGISTER**

3.1   At the Committee on 24 January, officers noted 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.

3.2   The Committee is also aware that a new Information Technology (IT) system, Grace, will be introduced from April 2017 to support improved risk management practice.

3.3   In response to these comments and in the light of the need to develop processes that make use of the new IT system, SMT has recommended to General Purposes Committee (GPC) that a review of the risk register is 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 good practice.

3.4   Some of the areas this review will look at include:

Benchmarking / content of risk registers:

Number of risks on Corporate Risk Register

3.5   In the recent benchmarking exercise, CCC had slightly more than the median number of risks on its' register, with 18 risks compared to a median of 14. Milton Keynes Council has only 4 risks, which include 'corporate' issues of the medium term financial strategy and organisational capacity, and service delivery issues about growth and safeguarding. Hertfordshire County Council (CC) and Suffolk CC have 34 or 35 risks, which cover these issues as well as a wide range of service issues such as the annual Public Sector Network accreditation, under investment in road maintenance, Better Care Fund budget sufficiency, education standards and the Syrian refugee crisis. They also sometimes break down a theme into more than one risk – for example logging the high cost of care as a risk, and also logging the introduction of the National Living Wage as increasing the cost of care.

3.6   The top ten most common themes in risk registers are as follows:

- Safeguarding

- Spending within budget

- Data protection

- Business continuity

- People / staff

- Legislation

- Growth and infrastructure

- Fraud

- Industrial action

- Business plans

3.7 As an indicator of what these results would look like if applied to the Council's Risk Register, see Appendix 1, which highlights which of Cambridgeshire's risks would be included.

3.8 Risk map and templates:

The Committee commented that the risk map was not clear, and requested a simplified template be produced. A possible option, based on what was circulated to the Committee in March 2016, that takes account of the application of the benchmarking results, is included at Appendix 1 for comments.

3.9 There have also been comments that the Risk Register template is unwieldy, difficult to read on a computer screen, and prone to printing errors. The introduction of Grace allows for a new template to be designed. A possible template is included at Appendix 3.

4 SERVICE RISK

CORPORATE AND EXECUTIVE DIRECTORATE RISKS

4.1 The following table overleaf shows the profile of directorate risk across the Red, Amber, Green (RAG) range and comparison with the previous quarter's profile.

ANALYSIS OF DIRECTORATE RESIDUAL RISKS AS AT FEBRUARY 2017

DIRECTORATE	Green		Amber		Red		Total	
	Dec	Feb	Dec	Feb	Dec	Feb	Dec	Feb
Children, Families and Education (Nov-16)	1	1	14	14	0	0	15	15
Economy, Transport and Environment (Oct-16)	1	1	19	19	0	0	20	20
Corporate (Apr-15)	0	0	7	7	0	0	7	7
Public Health (Oct-16)	0	0	22	22	0	0	22	22
TOTAL	**2**	**2**	**62**	**62**	**0**	**0**	**64**	**64**

The Table illustrates that there are 64 risks recorded in service risk registers. 64 of the risks are managed within the Council's stated risk appetite of a maximum score of 15 as defined in the Risk Management Policy.

5. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

Risk management seeks to identify and to manage any risks which might prevent the Council from achieving its 3 priorities of:

• Develop the local economy for the benefit of all

- Help people live healthy and independent lives
- Support and protect vulnerable people

Source Documents	Location
Corporate Risk Register	Box OCT1108 Shire Hall Castle Hill Cambridge, CB3 0AP
Benchmarking review document (20/09/16)	Council and committee meetings - Cambridgeshire County Council > Meetings