

GOVERNANCE COMMITTEE

12th JUNE 2018

REPORT OF DIRECTOR FOR CORPORATE SERVICES

ANNUAL REVIEW OF RISK MANAGEMENT

1.0 PURPOSE OF REPORT

- 1.1 To update Members on the management of risk within the Council during 2017/18.
- 1.2 To present an updated risk management policy and strategy for Members approval.

2.0 RECOMMENDATIONS

- 2.1 **It is recommended that the updated risk management policy and strategy attached as Appendix A be approved.**
- 2.2 **That the updated corporate risk register and associated risk management action plan, as attached at Appendix B be approved.**

3.0 KEY ISSUES

- 3.1 The previous risk management policy and strategy was implemented in 2015 and covered the period to 2018 and as such was due to be reviewed. In addition with the number of changes that have and continue to take place within the Council in the last twelve months including changes in leadership and the review of the governance structure it was considered that a review of the risk management policy and associated procedures was timely. This intention was reported to this committee when the last annual report was presented in September 2017.
- 3.2 Support for the review was provided by the Council's insurance provider ZM who also supply training and consultancy support days relating to Risk Management as part of the insurance contract. This provides an opportunity to review the risks facing the council with the benefit of external challenge.
- 3.3 The resulting updated risk Management Policy and Strategy recommended for approval is attached as Appendix A. The key changes that have been made over the previous policy and strategy are as follows:
 - Titles and responsibilities have been changed to reflect changes to the officer structure following the realignment;
 - The previous 3 stage process has become four stages recognising the important step of monitoring risks.
- 3.4 As well as updating the strategy the review resulted in updated templates for both the corporate risk register and service risk register. These are much more streamlined and easy to use and as a result provide greater clarity over the responsibility for risks and also the actions that are required to be taken to mitigate

these. Those high level risks where ownership is at a director level are recorded, managed and monitored through the Strategic Risk Register. Below this each directorate has a service risk register which is owned by the Third Tier Managers.

3.5 A copy of the Strategic Risk Register is attached as Appendix B. This consists of a Risk Matrix which plots the risks being managed at this level along with the actual register itself which includes the current and target risk score, along with further details for each risk such as potential consequences, the controls in place and any action required. Members will note there are currently 8 risks being monitored at this level. This compares to 4 when the annual report was presented in September 2017 to this committee. For comparison the previous 4 risks are listed below.

- Local Plan – Delivering growth and sustainable development
- Achieving a balanced budget as a result of government funding cuts and non achievement of the efficiency plan and growth estimates without resulting in significant cuts in service provision
- Roll out and impact of welfare reforms (UC) increases issues for vulnerable people and impacts on key revenue streams
- Challenge of cultural issues which could undermine our ability to change the Council to deliver required savings, generate income, become more efficient and manage supply and demand.

It can be seen that for some of the risks the focus has merely changed over time and also the external challenge afforded by the review has brought some other risks to the fore in terms of strategic focus.

3.6 Senior Management Team have a timetabled programme of review in place to monitor and manage the strategic risks with oversight of service level risks being undertaken at a directorate level. Members can request copies of the service risk registers should they wish to have details of the risks recognised and being monitored at this level.

4.0 **POLICY AND CORPORATE IMPLICATIONS**

4.1 As stated in the introduction to the policy, risk management has never been more important given the many challenges that face Local Government currently this strategy is not about preventing all risks, but about understanding the risks we are taking. The risk strategy sets out in a practical manner how this Council is going to ensure that we can make risk management work for us. Risk identification and management is a process that should produce benefit for the council as it seeks to achieve its objectives.

5.0 **FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

5.1 There are financial implications from poor Risk Management however, with robust procedures these should be minimised or eradicated.

6.0 **LEGAL IMPLICATIONS/POWERS**

6.1 Failure to adequately address Legal issues arising from any activity of the Council increases risk. Officers endeavour to ensure Members are adequately advised and projects properly implemented to ensure that Legal requirements are met.

7.0 **COMMUNITY SAFETY**

7.1 There are no particular implications arising from this report.

8.0 **EQUALITIES**

8.1 There are no particular equalities issues arising as a result of this report.

9.0 **RISKS**

9.1 There are all dealt with within the report.

10.0 **CLIMATE CHANGE**

10.1 There are no particular implications arising from this report.

11.0 **CONSULTATION**

11.1 Members of this committee have been offered training prior to this meeting in order to understand more about risk management in general as well as the council's process in order to allow for robust scrutiny and consideration of this report.

12.0 **WARDS AFFECTED**

12.1 All

Contact Officer Dawn Garton
Date: 1.6.18

Appendices : A Risk Management Policy and Strategy
 B Corporate Risk Register

Background Papers:

Reference : X:\Cttee, Council & Sub Cttees\Governance\201819\120618