



Audit and Standards Committee

Date 24 September 2019

Report of: Director for Corporate Services

Cabinet
Member Leader

ANNUAL REPORT FOR 2019-20 ON RISK MANAGEMENT ARRANGEMENTS

1.0 Summary:

- 1.1 Risk Management forms part of the Audit and Standards terms of reference and have formal responsibility for overseeing the Risk Management arrangements for the Council.
- 1.2 This report provides an update on the risk management arrangements and outlines the current significant risks that have been captured on the recent review of the Council's strategic risk register by the Senior Leadership Team.

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 Strategic risk register and associated risk management action plan, as attached at Appendix B is noted.**

3.0 Report Detail

- 3.1 The current risk management policy and strategy was approved in June 2018 following a review which was supported by the Council's insurance provider Zurich Municipal who also supply training and consultancy support days relating to Risk Management as part of the insurance contract. This provided an opportunity to review the risks facing the council with the benefit of external challenge.
- 3.2 As well as updating the strategy the review resulted in updated templates for both the Strategic 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

- 3.3 Following the recent change in the Council's governance arrangements the Risk Management Policy and Strategy has been updated (see appendix A) to ensure references to committees are in line with the new governance arrangements. As part of the review, officers have also considered if any further changes are required but felt the current strategy is still fit for purpose for the Council's future risk management requirements.
- 3.4 The Strategic Risk register has been recently reviewed and updated by the Senior Leadership Team to capture the current significant risks and outline mitigating actions which was last reviewed in June 2018 by members of the previous Governance and Audit committee.
- 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 12 risks being monitored at this level – 3 high risks, 8 medium risks and 1 low risk.
- 3.6 In summary the top 5 key risks facing the council are:

RISK	RATING	SCORE	MITIGATING ACTION
The council housing stock not being compliant with property health and safety standards	High	24	<ul style="list-style-type: none"> • This to be managed at corporate level with appropriate levels of resources to be allocated through the HRA programme and prioritised as a key corporate action. • Regular monitoring of action plan for the compliance and quality of housing stock.
Failure to Secure financial stability in the medium term	High	15	<ul style="list-style-type: none"> • Consider savings options identified through review of corporate delivery plan. • Look at options for reducing demand e.g. prevention and demand reduction through service redesign. • Look at CIPFA financial management code requirements once final version issued.
Issues arising from 'no deal' EU Exit affecting local service delivery depending on the deal/no deal	High	15	<ul style="list-style-type: none"> • Project team co-ordinating communication campaign r to signpost key information to businesses and communities. Resource plans being reconsidered in anticipation of expected 31st October 2019.

agreed. Snap general election/ referendum, impact on supply chains and investments			<ul style="list-style-type: none"> • Planning underway for potential snap general election.
Future provision of ICT services following end of current outsourced contract	Medium	12	<ul style="list-style-type: none"> • Discussions with existing supplier led by client to be informed by partner authorities with a view to a solution that results in improved operational service delivery. • More regular strategic group meetings.
Lack of people and skills to deliver (capacity and resilience)	Medium	12	<ul style="list-style-type: none"> • Delivery of action plan supporting the Workforce Strategy. • Review impact of actions taken. • Reorientation of staff culture to support commercial ambitions.

3.7 The Senior Leadership Team will continue to review and monitor these 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 Consultation and Feedback

4.1 Consultation has been undertaken with the Portfolio Holder regarding the current risk management arrangements as well as the Chair of this committee

4.2 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.

5.0 Next Steps

5.1 None - The Senior Leadership Team will continue to monitor and update the Strategic Risk Register as appropriate and will report back to Cabinet with any significant changes during the year.

6.0 Financial Implications

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

7.0 Legal and Governance Implications:
7.1 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.

8.0 Equality and Safeguarding Implications:
8.1 There are no direct equality or safeguarding issues arising from this report.

9.0 Community Safety Implications:
9.1 There are no direct links to community safety arising from this report.


10.0 Other Implications
10.1 No other implications have been identified.

11.0 Risk & Mitigation:
11.1 All risks are outlined in the risk register in Appendix B

Background Papers:

Appendices
Appendix A – Risk Management Policy and Strategy Appendix B – Strategic Risk Register Sept 2019

Report Timeline:	Dated:
Equalities Check & Challenge	N/A
SLT Sign off	N/A
Previously Considered by Cabinet	N/A
Director Approval	29/08/2019
Chief Finance Officer Sign Off	29/08/2019
Monitoring Officer Sign Off	11/09/2019

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