

Report to: Audit & Governance Committee **Date of Meeting:** 7 December 2016

Subject: Corporate Risk Management

Report of: Chief Internal Auditor **Wards Affected:** All

Is this a Key Decision? No **Is it included in the Forward Plan?** No

Exempt/Confidential No

Purpose/Summary

This report details the refreshed approach to Corporate Risk Management and seeks the Committee's approval of the Corporate Risk Management Handbook and asks members to review and note the Corporate Risk Register.

Recommendation(s)

Members are requested to:

- (i) Approve the Corporate Risk Management Handbook and the arrangements captured in the document for embedding robust risk management in the organisation.
- (ii) Note the Corporate Risk Register.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	✓		
2	Jobs and Prosperity	✓		
3	Environmental Sustainability	✓		
4	Health and Well-Being	✓		
5	Children and Young People	✓		
6	Creating Safe Communities	✓		
7	Creating Inclusive Communities	✓		
8	Improving the Quality of Council Services and Strengthening Local Democracy	✓		

Reasons for the Recommendation:

A robust system of risk management will assist the Council in meeting its identified objectives.

What will it cost and how will it be financed?

There are no financial costs associated with this report.

(A) Revenue Costs

There are no direct financial implications arising from this report. However, the Council benefits from the work of the section in reducing the impact and likelihood (and so the cost) of risk.

(B) Capital Costs

There are no direct capital cost implications arising from this report.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal		
None		
Human Resources		
None		
Equality		
1.	No Equality Implication	<input checked="" type="checkbox"/>
2.	Equality Implications identified and mitigated	<input type="checkbox"/>
3.	Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

What consultations have taken place on the proposals and when?

The Head of Corporate Resources was consulted and has agreed the report (FD 4409/16).

The Head of Regulation and Compliance was consulted and comments have been incorporated into the report (LD 4409/16).

Are there any other options available for consideration?

No

Implementation Date for the Decision

Immediately following the Committee

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Background Papers:

None

1. Introduction/Background

- 1.1 Risk Management is defined as 'systematic application of principles, approach & processes to the task of identifying and assessing the risk and the planning and implementing of risk responses'.
- 1.2 Whilst the process of risk management is routinely undertaken within the Council in a number of areas, both at a strategic level and operationally, it is recognised that there is scope to develop a more integrated risk management approach. This report seeks to initiate the process of formalising a system of robust Corporate Risk Management, and embedding this into the organisation.
- 1.3 The Risk and Audit Service has reviewed the arrangements in place and this report proposes that a fresh approach, which will maximise the effectiveness of risk management processes in assisting the Council in meeting its objectives, is implemented. Members of the Committee are asked to provide their endorsement of the approach.
- 1.4 This report suggests two key areas of the system of Corporate Risk Management:
 - Appendix A - Corporate Risk Management Handbook – this sets out the process for formalising risk management activity across the Council, giving guidance for officers and members in their roles and responsibilities. This also shows the expected development of the system over the medium term, so as to embed the system of risk management in the Council's business, and maximise the benefits of this in the achievement of objectives. Members of this Committee are asked to note in particular their own role as detailed in Annex A (Roles & Responsibilities) of the Handbook.

The Handbook has been refreshed so as to reflect best practice, and is presented for approval. The Handbook will be subject to an annual review, and will be presented to Committee for annual approval.

- Appendix B - Corporate Risk Register – this has been reviewed by senior officers so as to ensure that this reflects the most significant risks facing the Council, and shows how the Council is managing these. This should give members assurance that there is a robust corporate approach to the management of the most significant threats to the achievement of the Council's objectives. It is the intention to provide an updated Corporate Risk Register to every meeting of the Audit and Governance Committee from now on.