

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

8 OCTOBER 2015

ANNUAL REVIEW OF RISK MANAGEMENT STRATEGY AND 6 MONTHLY REVIEW OF THE COUNCIL'S CORPORATE BUSINESS RISK REGISTER

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Summary

In accordance with paragraph 4.1 of the Council's Risk Management Strategy, this report is to discuss the 6 monthly review of the Council's Corporate Business Risk Register and the annual review of the strategic risk framework.

1. Budget and Policy Framework

1.1 The Risk Management Strategy underpins all aspects of Council work and is fundamental to the Performance Plan in terms of "giving value for money".

2. Background

2.1 **Risk Management Strategy** - Cabinet undertook the annual review of the strategy on 28 October 2014 and agreed the strategy and officers' recommendations that no significant changes needed to be made at that time.

2.2 **The Corporate Risk Register** - was last reviewed by Strategic Risk Management Group on 20 January 2015, Extended Management Team (EMT) on 4 February 2015 and Cabinet on 14 April 2015. The following changes were made to the register at that time:

2.3 SR03b Finance the risk score remains the same however the vulnerability has been updated to reflect the current climate.

2.4 SR26 Children's Social Care, SR25 Adult Social Care, SR27 Government changes to Local Authority's responsibility for schools the risk score remains the same however the risk treatment actions have been updated to reflect current works being undertaken.

- 2.5 SR32 Medway Nurse Implementation was removed from the strategic risk register, as Medway Nurse is now operational. The risk action identified concerning not making the savings/income did not materialise in 13/14 or 14/15 and is being overseen at Board Meetings and six monthly reports to Overview and Scrutiny.
- 2.6 SR21 Procurement and tendering is removed from the strategic risk register, as procurement processes are now mainstreamed and are consistent. However there is a growing concern relating to risks surrounding contract management and perhaps this should be reflected in the risk register.
- 2.7 SR30 Better for Less (BfL) risk was down-graded from BII to DIII and was removed from the corporate risk register.
- 2.8 SR04 Performance Management the risk score remains the same however risk owners have been widened to include Directorate Management Teams (DMT) to reflect the last discussion of the risk at EMT in August 2014.
- 2.9 SR13 Equality and Diversity the risk score remains the same however the risk treatment actions SR1306 and SR1307 have been removed as they are now complete.
- 2.10 SR31 Public Health Transition the risk score remains the same however the risk treatment actions have been updated to reflect current works being undertaken.
- 2.11 An additional risk was added to the Corporate Risk Register for 'The Better Care Fund' for the Director of Children and Adult Services risk rating of CII.
- 2.12 **The Risk Management Audit 2013/2014** - confirmed that risk management arrangements were satisfactory; it identified medium priority recommendations:
 - 2.13 The first recommendation, related to effective monitoring of risk through Assistant Director (AD) quarterly reporting. This has been addressed through Performance and Intelligence Managers for directorates issuing new service planning guidance including the need to identify risks as part of the annual service planning and the requirement to conduct service manager and AD quarterly reviews, with this information to be recorded on Covalent.
 - 2.14 Ongoing consideration about how risk is recorded would be given as part of potential changes to the way risk is identified.
 - 2.15 Directorate Management Teams to be responsible for the identification and management of risk to aid performance of directorate priorities. Resources and processes need to be identified and implemented to develop and maintain Directorate Risk Registers.
 - 2.16 Following attendance at risk management training by the Performance and Intelligence Manager (RCC) –

- i.a) a full review on the current Strategic Risk Management Framework to be completed to align Medway's Framework with current industry standards;
- i.b) senior and service managers to be provided with training on risk. This should ensure that service plans and risk registers are completed and uploaded to Covalent.

3. Advice and analysis

- 3.1 **Risk Management Strategy** - The Strategic Risk Management Group and Extended Management Team has reviewed the Risk Strategy, (Appendix A) and recommend that no significant changes need to be made at this time.
- 3.2 **Corporate Risk Register** - Risks owners have reviewed their risks and updated them taking account of the amendments made on 14 April 2015, those amendments highlighted **YELLOW** or stuck through in Appendix B and C are for consideration:
- 3.3 SR04 Performance Management and SR13 Equality and Diversity are removed from the Corporate Risk Register, as these are processes and not risks.
- 3.4 SR31 Public Health Transition is removed from the corporate risk register as the transition has been completed successfully and services incorporated into normal business.
- 3.5 SR28 Better Care Fund be removed from the Corporate Risk Register and all information be included in SR25 Adult Social Care Transformation.
- 3.6 SR32 Data and information be included in the Corporate Risk Register with a low risk scoring of DII as a result of new ways of working corporately and with partners.
- 3.7 **Risk Management Audit 2014/15** – whilst the audit confirmed that risk management arrangements are sufficient, it identified two recommendations.
- 3.8 A) Service managers should be reminded of the importance of identifying risks to service objectives, and mitigating actions, during the service planning process, and that these should be recorded in the service plan.
- 3.9 B) Risks identified in service / divisional plans should be monitored, and updated if necessary, as part of the AD quarterly reporting process.
- 3.10 Both recommendations have been addressed through Performance and Intelligence Managers for directorates issuing service planning guidance including the need to identify risks as part of the annual service planning and the requirement to conduct service manager and AD quarterly reviews.

4. Consultation

- 4.1 The Strategic Risk Management Group and risk owners have been consulted on the proposed amendments to the risk register. Members will be consulted on the Corporate Risk Register via Business Support Overview and Scrutiny on 8 October 2015 and Cabinet on 27 October 2015.

5. Financial, legal and risk implications

- 5.1 This report brings forward the annual review of the Strategic Risk Framework and six monthly review of the Council's risk register, which is integral to the Council's approach to risk management.
- 5.2 There are no direct financial or legal implications arising from this report although clearly the inability to control or mitigate risks could have a financial or legal impact.

6. Recommendations

- 6.1 Members' views are sought on the following, to be reported to Cabinet on 27 October 2015:
- a) The Risk Management Strategy, as set out in Appendix A to the report,
 - b) Management Team's recommendations on amendments to the Council's Risk Register as detailed in section 3 of this report.
 - c) The progress of the recommendations from the Risk Management Audit 2014/2015 as detailed in paragraph 3.10 of this report.

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Appendices: Appendix A - Risk Management Strategy
Appendix B - Record of Amendments
Appendix C - Corporate Business Risk Register

Background papers

None