

BUSINESS SUPPORT OVERVIEW & SCRUTINY COMMITTEE

27 OCTOBER 2016

6 MONTHLY REVIEW OF THE COUNCIL'S CORPORATE BUSINESS RISK REGISTER AND ANNUAL REVIEW OF THE STRATEGIC RISK FRAMEWORK

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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.

The Business Support Overview and Scrutiny Committee is invited to consider the report and submit any comments to the Cabinet (22 November 2016).

1. Budget and Policy Framework

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

2. Background

2.1 Risk management is an integral part of good governance. The council recognises that it has a responsibility to identify and manage the barriers to achieve its strategic objectives and enhance the value of services it provides to the community.

2.2 This Risk Management Strategy incorporates and:

- promotes a common understanding of risk;
- outlines roles and responsibilities across the council;
- proposes a methodology that identifies and manages risk in accordance with best practice thereby seeking to prevent injury, damage, loss and reducing the cost of risk.

- 2.3 The strategy is reviewed annually to ensure that it remains up-to-date and continues to reflect the council's approach to risk management.
- 2.4 The Corporate Risk Register, which accompanies the strategy, ensures that all relevant key risks are recorded and this is reviewed and managed every 6 months by both management and Members.
- 2.5 **The Corporate Risk Register** - was last reviewed by the Strategic Risk Management Group on 8 January 2016, Extended Management Team (EMT) on 27 January 2016, Business Support Overview and Scrutiny Committee on 14 April 2016 and Cabinet on 10 May 2016.
- 2.6 At that time the Cabinet agreed the following proposed amendments to the Council's Risk Register from Corporate Management Team:
- a) The narrative for Risk SR30b (Finances) has been amended
 - b) SR17 Regeneration the new homes and population figures have been amended and an additional mitigating action of the Local Plan has been added.
 - c) Briefing notes on risk SR25.01 and SR26.06 have also been completed.
- 2.7 Extended Management Team (EMT) reviewed these amendments and additional proposals and changes to the Risk Register in Appendix A and B.
- 2.8 This included an additional risk of Welfare reform the risk is the responsibility of the Head of Finance.
- 2.9 **The Strategic Risk Framework** - was last reviewed by the Strategic Risk Management Group on 7 July 2015, Extended Management Team (EMT) on 22 July 2015, Business Support Overview and Scrutiny Committee on 8 October 2015 and Cabinet on 27 October 2015.

3. Advice and analysis Corporate Risk Registers

- 3.1 Risk owners have reviewed their risks and updated them taking account of the amendments made on 10 May 2016. Strategic Risk Management Group reviewed these amendments on 22 July 2016 and Corporate Management Team 10 August 2016. July 2016 amendments to the Risk Register are detailed in Appendix A and B and are for consideration (additions/amendments are highlighted **GREY**).

4. Advise and analysis – Risk Management Strategy

- 4.1 The Risk Management Strategy has completed its annual review. The following amendments have been made and were agreed by the Strategic Risk Management Group on 22 July 2016 and Corporate Management Team on 10 August 2016:

- The document has been formatted i.e. front cover, contents page
- Minor amendments have been made to the wording
- Pictures have been updated to aid understanding
- At the request of the Portfolio Holder the risk matrix has been developed with descriptions for likelihood and impact
- Appendix D has been added to aid understanding of how risk is incorporated into the Councils governance arrangements

5. Advice and analysis – Risk Management Audit

- 5.1 The operational risk management audit for 2014/15 was published on 1 June 2015. The conclusion of the audit was that the council was broadly compliant with the agreed strategic framework and therefore is **sufficient**.
- 5.2 There was one material recommendation for EMT to consider:
- 5.3 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.
- 5.4 B) Risks identified in service / divisional plans should be monitored, and updated if necessary, as part of the AD quarterly reporting process.

6. Consultation

- 6.1 Risk owners have been consulted on the proposed amendments to the risk register. Strategic Risk Management Group on 22 July 2016 and Corporate Management Team on 10 August 2016 reviewed the amendments and revised framework. Members will be consulted on the Corporate Risk Register via Business Support Overview and Scrutiny on 22 October 2016 and Cabinet on 22 November 2016.

7. Financial, legal and risk implications

- 7.1 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.
- 7.2 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.

8. Recommendations

- 8.1 The Committee is asked to consider the report and submit any comments to Cabinet on 22 November on the following:
- a) Officers' recommendations on amendments to the Council's Risk Register as detailed in Appendices A and B to this report.

- b) The reviewed Strategic Risk Framework, as set out in Appendix D to the report.

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Appendices: Appendix A – Corporate Record of Amendments
Appendix B – Corporate Risk Register
Appendix C – Current Strategic Risk Framework
Appendix D – Revised draft Strategic Risk Framework

Background papers

None