

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

12 APRIL 2018

SIX MONTHLY REVIEW OF THE CORPORATE RISK REGISTER

Report from: Phil Watts, Chief Finance Officer / Chair of Strategic Risk Management Group

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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. Following scrutiny by Business Support Overview and Scrutiny, this report will be presented to Cabinet on 15 May 2018.

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 every six months by both management and Members.

- 2.5 The last six monthly review of the Corporate Risk Register was discussed at Cabinet on 21 November 2017. Cabinet approved all amendments made to the risk register including a change to the risk rating of Transformation from C2 to B2, and the inclusion of three additional risks; Successful delivery of the corporate transformation programme; Homelessness and Alternative service delivery models. Cabinet also agreed to include more detailed updates on the progress of actions to mitigate risk from January 2018.
- 2.6 The Cabinet noted the comments of the Business Support Overview and Scrutiny Committee on 26 October 2017 where officers undertook to look into a request that the narrative on the alternative delivery model risk should include more detail about concerns previously raised at the Committee regarding TUPE and pensions risks.
- 2.7 At Business Support O&S Committee on 30 November 2017 it was agreed that the capacity of the voluntary sector (VCS) in Medway would be assessed through the next six monthly review of the Corporate Risk Register. Discussions at the Strategic Risk Management Group and CMT concluded that there is positive work underway to engage with the VCS, including through the implementation of the Three Conversations Model in social care, the forthcoming O&S Review of Social Isolation and the upcoming tender for VCS by Partnership Commissioning; as such this was not considered to be a significant corporate risk for inclusion in the Corporate Risk Register. A further report on this will be presented to the Business Support Overview and Scrutiny Committee in April 2018.

3. Advice and analysis Corporate Risk Registers

- 3.1 Risks owners have reviewed and updated each risk, taking account of the amendments requested at Cabinet on 21 November 2017. All amendments to the Risk Register are detailed in Appendix A and B and are for consideration (additions/amendments are highlighted GREY). As Cabinet agreed, this also includes detailed updates on the progress of actions to mitigate risk each risk.

4. Advice and analysis – Risk Management Audit August 2017

- 4.1 The review considered the effective arrangements that are in place for the management of operational risk in line with the Risk Management Cycle in the Council's Strategy. The review found information is available on the intranet to help Service Managers understand their role in the Risk Management Framework and how to produce a service plan. All nine services knew how to identify, analyse and prioritise risks; one service did not have an up to date service plan. Service Managers demonstrated inconsistencies in their risk rating, the templates they use to report risks and the majority were not using the Council's Pentana software, which supports the opinion of some Service Managers that more training is required.
- 4.2 Four medium priority recommendations were made in relation to providing training and introducing arrangements to ensure all services complete service plans and appropriately scored risk registers consistently. Training arrangements have been reviewed and all managers will receive Risk Management Training by

30 April 2018. A process has been established to confirm all Service Plans have been completed by 1 April 2018.

5. Consultation

- 5.1 Amendments to the Risk Register proposed by risk owners have been reviewed by the Strategic Risk Management Group and CMT and Members will be further consulted via Business Support Overview and Scrutiny on 12 April 2018 and Cabinet on 15 May 2018.

6. Financial, legal and risk management implications

- 6.1 This report brings forward the six monthly review of the Council's Corporate Risk Register, which is integral to the Council's approach to risk management. 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.

7. Recommendation

- 7.1 The Committee is asked to:
- i) Review the amendments proposed to the Corporate Risk Register as detailed in Appendices A and B.
 - ii) Agree submission of the revised Corporate Risk Register to Cabinet on 15 May 2018 for final approval.

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Appendices:

Appendix A – Corporate Record of Amendments
Appendix B – Corporate Business Risk Register

Background papers

None