

14 March 2018**Agenda Item: 5****REPORT OF SERVICE DIRECTOR, PLACE AND COMMUNITIES****CORPORATE RISK MANAGEMENT STRATEGY, RISK REGISTER AND RISK
MANAGEMENT POLICY****Purpose of the Report**

1. The purpose of this report is to seek committee approval for the County Council's Corporate Risk Management Strategy, and to seek approval to submit the Corporate Risk Management Policy to the Policy Committee for approval.

InformationBackground Information

2. Risk is expressed in terms of the probability of an event occurring and the consequences that follow if it does. Risk Management involves identifying and addressing potential threats and opportunities, and responding to these appropriately. The County Council's corporate risk management processes are managed through the work of the Risk, Safety and Emergency Management Board (RSEMB), under the leadership of the Service Director for Place and Communities. The RSEMB comprises representatives from all departments plus specialist support officers from emergency planning, risk and insurance and health and safety. The board meets five times each year, and Corporate Risk Management is a standing agenda item. It links into the Risk, Safety and Emergency Management Group (RSEMG) for each department and by this mechanism topics are cascaded down through the organisation and escalated up, as appropriate, from front line service delivery.
3. The County Council's approach to strategic risk management was the subject of an internal audit report in 2017. This concluded that there is "reasonable assurance" and that "risk levels are acceptable". The audit findings included a number of recommendations for which the implementation actions are being monitored by the RSEMB.

Corporate Risk Management Strategy

4. The Corporate Risk Management Strategy (**Appendix A**) was updated and approved by the RSEMB in December 2017 and by the Corporate Leadership Team in January 2018. The strategy sets out the role and purpose of Corporate Risk Management, and process used to monitor major risks affecting the County Council and maintain appropriate responses to these. The primary objective of Corporate Risk Management is identified as "to control those risks that may affect the achievement of the Council's overall Strategic Plan, and to do so in a

cost-effective manner". The strategy notes the role of the Governance and Ethics Committee to:

- Agree the risk management strategy
- Receive an annual report on the highest category risks
- Provide an annual assurance statement to stakeholders and the wider community within the Annual Governance Statement.

The Corporate Risk Register

5. The Corporate Risk Register (**Appendix B**) provides a summary scorecard of the main risks affecting the County Council at a strategic level, and assesses these in terms of their likelihood and potential impact were they to occur. It identifies measures in place to mitigate these risks and further measures that are planned for the future. Progress is monitored as part of the regular meetings of the RSEMB.
6. The current register includes eleven topics with an inherent (untreated) risk that has been evaluated as 'High', or 'Very High'. Mitigating actions have reduced the likelihood and / or impact of these risks, however the risk of 'Major failure of Information Governance remains' a 'Very High' risk at present. This risk is subject to a range of mitigating actions that will reduce the risk to 'High' during the coming weeks. Seven other risks are rated as 'High', and three are 'Medium'. The full list of risks in order of magnitude are:
 1. Major failure of Information Governance
 2. Failure to provide safe working conditions
 3. Major Supplier or Supply Chain Failure (including Contract Management failure)
 4. Inability to deliver critical services due to a sustained business interruption
 5. Failure to deliver the transformation programme and maintain critical services
 6. Failure to protect vulnerable children and young people
 7. Failure to deliver an effective Medium Term Financial Strategy
 8. Prolonged loss of ICT
 9. The move to greater financial self-sufficiency leaves the Council with significant new burdens and/or a financial shortfall
 10. Failure to respond effectively to a prolonged major emergency in the Community
 11. Failure to protect vulnerable adults at risk of harm

Political Reporting

7. The terms of reference for the Governance and Ethics Committee include that the committee has responsibility for the Council's risk management strategy. They also include that the Committee is responsible for Policy development in relation to governance and ethics, subject to approval by the Policy Committee or the Full Council. Accordingly, with the approval of the Governance and Ethics Committee, the Risk Management Policy (contained within the risk management strategy) will be reported to the Policy Committee for approval.

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required

Financial Implications

9. There are no specific financial implications arising from this report. However, it is worthy of note that sufficient and appropriate risk management ensures the avoidance of unnecessary costs arising from foreseeable issues. It also helps to enable benefits to be realised from opportunities available to the County Council.

RECOMMENDATION/S

10. It is recommended that:

- 1) Approval is given for the County Council's Corporate Risk Management Strategy;
- 2) Approval is given to seek Policy Committee approval for the proposed Corporate Risk Management Policy.

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Constitutional Comments [SLB 13/02/18]

11. Governance and Ethic Committee is the appropriate body to consider the content of this report.

Financial Comments [SES 13/02/18]

12. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All