



26 September 2018

Agenda Item: 6

REPORT OF THE SERVICE DIRECTOR FOR PLACE AND COMMUNITIES

UPDATE ON CORPORATE RISK MANAGEMENT

Purpose of the Report

1. The purpose of this report is to provide an update on the operation of the County Council's Corporate Risk Management Strategy, and to seek Committee approval to receive a further report in six months time.

Information

Background Information

2. As previously reported, 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, Place and Communities. The RSEMB comprises representatives from all departments plus specialist support officers. The board meets five times each year, and Corporate Risk Management is a standing agenda item. The RSEMB links to the Risk, Safety and Emergency Management Group (RSEMG) for each department, and by this mechanism topics are cascaded through the organisation as appropriate.
3. The County Council's approach to strategic risk management was the subject of an internal audit in 2017. This concluded that there is "reasonable assurance" and that "risk levels are acceptable". Implementation of findings from the audit are being monitored by the RSEMB. These included that there should be six-monthly monitoring reports to Members, by the Chair of the RSEMB, to provide assurance on the effectiveness of risk management arrangements.
4. The last report to the Governance and Ethics Committee was made in March 2018, when the Committee approved a Corporate Risk Management Strategy for the authority. The strategy sets out the role and purpose of Corporate Risk Management, and the processes used to monitor and maintain appropriate responses to the major risks affecting the County Council. 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 is to:
 - Agree the risk management strategy
 - Receive an annual report on the highest category risks (next due in spring 2019)

- Provide an annual assurance statement to stakeholders and the wider community within the Annual Governance Statement.

Recent developments

5. The terms of reference for the Governance and Ethics Committee 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) was reported to the Policy Committee and gained approval in May 2018.
6. The Corporate Risk Management Strategy will be reviewed by the RSEMB in November, and the outcome of this will be included in the next report to the Governance and Ethics Committee.
7. The RSEMB have continued to monitor implementation of audit recommendations, and have looked again at possible procurement of risk management software. Enquiries were made about a product used by another County Council, however it was decided not to pursue this option due to the resource implications. The audit highlighted that each County Council department should maintain its own Risk Register, and that these existed at different stages of maturity. The recommendation that Place Department should have its own departmental risk register has been fulfilled, and the RSEMB has initiated a process of looking at one departmental risk register at each of its meeting. A new departmental risk register (and RSEMG) is required for the newly formed Chief Executive's Department.

The Corporate Risk Register

8. The Corporate Risk Register (**Appendix A**) 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.
9. 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'. Seven other risks are rated as 'High', and three are 'Medium. The next detailed review of the register is due to take place in November 2018. 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

Statutory and Policy Implications

10. 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

11. 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 enables benefits to be realised from opportunities available to the County Council.

RECOMMENDATION/S

12. It is recommended that:

- 1) The Committee agrees to receive a further update report in six months time, and that this be included in the work programme.

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Constitutional Comments [LM 30/08/2018]

13. The Governance and Ethics Committee is the appropriate body to consider the contents of the report.

Financial Comments [RWK 30/08/2018]

14. The financial implications are set out in paragraph 11 of the 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