

AUDIT COMMITTEE	AGENDA ITEM No. 7
20 NOVEMBER 2017	PUBLIC REPORT

Report of:	Marion Kelly - Interim Corporate Director Resources	
Cabinet Member(s) responsible:	Councillor Seaton Cabinet Member for Resources	
Contact Officer(s):	Kevin Dawson, Head of Resilience	Tel. 453464

RISK MANAGEMENT - STRATEGIC RISKS

RECOMMENDATIONS	
FROM: Kevin Dawson, Head of Resilience	Deadline date: N/A
<p>It is recommended that Audit Committee:</p> <ol style="list-style-type: none"> 1. Comment on and note the latest Risk Management Report. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to the Audit Committee as a routine planned report on risk management.

2. PURPOSE AND REASON FOR REPORT

2.1 The report is also to provide the Committee with:

- The profile of Corporate risks faced by the Council;
- Details of significant changes to the Corporate Risk Register since the last report to the Committee in March 2017; and
- The profile of risks faced by corporate and executive directorates.

2.2 This report is for Audit Committee to consider under its Terms of Reference No. 2.2.1.12

To monitor the effective development and operation of risk management and corporate governance in the council.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
---	-----------	----------------------------------	-----

4. BACKGROUND AND KEY ISSUES

4.1 In accordance with best practice, the Council operates a risk management approach at corporate and service levels across the Council, seeking to identify key risks which might prevent the Council's priorities from being successfully achieved.

4.2 The risk management approach is encapsulated in the following key documents:

- Risk Management Policy

This document sets out the Council's Policy on the management of risk, including the Council's approach to the level of risk it is prepared to countenance as expressed as a maximum risk appetite.

The Risk Management Policy states that the Council aims to manage risk in a manner which is proportionate to the risk faced based on the experience and expertise of its senior managers, although this must be within the Council's risk appetite. Audit Committee members are therefore reminded that accepting a residual risk score of amber is appropriate provided that an objective risk assessment has been undertaken.

This document details the procedures through which the Council will identify, assess, monitor and report key risks. The Risk Management Procedures document is owned by the Corporate Management Team (CMT).

4.3 The key role of Audit Committee in the management of risk is:

- It provides independent assurance of the adequacy of the Council's risk management framework and the associated control environment.

4.4 Risk Identification

The Council's approach to risk identification is described in the following extract from the Council's Risk Management Policy as approved by CMT:

Risk management should operate within a culture of transparency and openness where risk identification is encouraged and risks are escalated where necessary to the level of management best placed to manage them effectively;

- Risk management should be embedded in everyday business processes;
- Officers of the Council should be aware of, and operate, the Council's risk management approach where appropriate;
- Members should be aware of the Council's risk management approach and of the need for the decision making process to be informed by robust risk assessment, with Audit Committee members being involved in the identification of risk on a six monthly basis.

Ownership of the Corporate Risk Register (CRR) lies with CMT.

4.5 **CORPORATE RISK REGISTER UPDATE**

Following a review of corporate risks during October/November 2017, CMT is confident that the CRR is a comprehensive expression of the main risks faced by the Council and that mitigation is either in place, or in the process of being developed, to ensure that each risk is appropriately managed.

4.6 **REVIEW OF CORPORATE RISKS**

Risk 1: Failure to plan for/realise implications of Growth Agenda

The Corporate Risk Register currently scores the residual risk of failure as amber and there has been no change in the score since the last review in April 2017.

Risk 2: Impact of social demographic change

The score within the Corporate Risk Register remains at red and the description and actions have been clarified to mitigate the risk.

Risk 3: School places

The score within the Corporate Risk Register remains at red and the strategies have been updated to mitigate the risk.

Risk 4: Corporate manslaughter/health and safety incident

There are no changes in this risk and the Corporate Risk Register score remains at amber.

Risk 5: Crime and ASB Reduction/Cohesion

The Corporate Risk Register continues to score this risk at amber however the actions have been reviewed and judged to reflect current practice

Risk 6: Safeguarding

The Corporate Risk Register continues to score this risk at red however the actions have been reviewed and reflect current practice.

Risk 7: Information Governance

The score and amber rating within the Corporate Risk Register remains the same however the actions have been revised to reflect the recent policy review and the moving of this function over to People and Communities

Risk 8: Financial position

The budget for 2018/19 has not yet been balanced, so the budget risk is red. Additionally, the budget for the 3 year MTFS is not yet sustainable. Mitigating actions will take place as part of phase 2 and the development of budget options for 2019/20 and 2020/21.

Risk 9 :Strategic Partnerships failing to deliver as per expectations

There have only been minor changes within this risk reflecting the current arrangement with Norse and the mutual termination of the current Amey Partnership. The amber rating remains the same.

4.6 This report is supported by:

- The Corporate Risk Management Policy
- The Corporate Risk Register

5. CONSULTATION

5.1 N/A

6. ANTICIPATED OUTCOMES OR IMPACT

6.1 Audit Committee note and comment on the contents of this report.

7. REASON FOR THE RECOMMENDATION

7.1 Risk management is a key component of the Council's Corporate Governance Framework which will take time to review and embed effectively.

8. ALTERNATIVE OPTIONS CONSIDERED

8.1 None

9. IMPLICATIONS

Financial Implications

9.1 None

Legal Implications

9.2 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes effective arrangements for the management of risk.

Equalities Implications

9.3 The identification of risks and the proper management of those risks will ensure that:

- The Council's environmental policies and ambitions can be met; the Council is able to mitigate against potential financial losses, litigation claims and reputational damage; the Council is able to effectively deliver the strategic priorities.

10. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

10.1 Peterborough City Council Risk Management Policy *v4.9 Nov 2017*