



TO: Audit & Governance Committee

FROM: Head of Audit & Assurance

DATE: 10 January 2017

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

TITLE OF REPORT: Risk Management – 2016/17 Quarter 2 Review

1. PURPOSE

To provide Members with details of the risk management activity that has taken place in the period from 1 July 2016 to 30 September 2016.

2. RECOMMENDATIONS

The Committee is asked to:

- Discuss, review and challenge the progress made on the Corporate Risk Register as at the end of Quarter 2 2016/17;
- Note the risk management activity that has occurred during the period; and
- Select a key Corporate Risk to undertake a review of its assessment, control and monitoring at its next meeting.

3. BACKGROUND

The Council recognises that risk management is not simply a compliance issue, but rather it is a process to help ensure the successful delivery of the corporate objectives. Effective risk management arrangements should be inherent in the Council's culture and decision making processes as well as the operational and financial management arrangements operating within the Council. Risk management helps to demonstrate openness, integrity and accountability in all of the Council's activities.

4. RATIONALE

The Audit & Governance Committee terms of reference require it to review progress on risk management at least annually and to promote risk management throughout the Council. The Corporate Risk Management Strategy & Framework requires that the Audit & Governance Committee will receive regular reports setting out progress against corporate risk management action plans. This report meets both of these requirements.

5. KEY ISSUES AND RISKS

The Corporate Risk Register currently contains a total of 17 risks, the same as previous quarter as reported to this Committee on 20 September. A summary of the risks is attached at Appendix 1 of this report. The report shows any

movements in the residual risk scores between quarters to enable changes to be tracked. There has been no significant movement in the residual risk scores from the previous quarter.

The top corporate risks remain the same as the previous quarter, namely:

| Risk No. | Risk Description | Risk Owner |
|-----------------|---|---------------------------------------|
| 1 | Inability to deliver a balanced budget for 2016/17. | Louise Mattinson (S151 Officer) |
| 14 | High profile serious/critical safeguarding incident/case that is known to Council services. | Steve Tingle (DASS)/Linda Clegg (DCS) |

As part of the Council's Risk Management process corporate risks are reviewed and monitored on a regular basis to ensure that they are appropriate, and properly assessed going forward. The Corporate Risk and Resilience Forum (CRRF) carries out this role and the results are reported to Management Board. This includes a challenge of the sources, implications and mitigations of specific risks on a rolling basis. The CRRF review of the corporate risks in September recommended some amendments to the corporate risk for consideration by Management Board for quarter 3. These will be reported to Audit Committee at its next meeting.

The Council's current long term insurance agreement ends on 31 March 2017. The re-tendering exercise has been completed and the results will be reported to Executive Board for consideration and approval in February in order to have the new arrangements in place from 1 April 2017.

We continue to use the risk management support available from Zurich Municipal as part of the current long term insurance agreement. An Information Governance Health Check was undertaken by Zurich Municipal during August to assess the Council's information risk management practices against seven enabling categories. The final assessment report was received in November. This highlighted the Council was 'an organisation with strong leadership and the building blocks of a fully effective information governance programme. In all areas the fundamental aspects of an effective information management programme have been established.' Whilst the Council scored at level 2 – In Development in three of the categories the report noted that the actions required to improve are relatively easy to attain in the sections. Key areas for further improvement identified were:

- (i) identification and quantification of information assets throughout the organisation;
- (ii) robust implementation of Clear Desk Policy;
- (iii) periodic site visit audits to monitor compliance with governance and security policies; and
- (iv) improved knowledge of third party compliance with information security standards.

An action plan setting out the recommendations from the report is attached at Appendix 2 to this report. One of the recommendations made was for this Committee to periodically select a key select a key Corporate Risk and

undertake a deep dive into its assessment, control and monitoring, inviting a key officer for the subject area to attend the meeting. This would provide a level of challenge regarding the suitability and adequacy of the controls identified and improve the Committee's oversight and understanding of the key corporate risks.

Plans are also being made to use the support available to assist the Civil Contingencies Team to run a corporate business continuity exercise later in the year. We are also in liaison with colleagues to identify other areas of support

The Road Risk Management Group continues to meet quarterly to consider the risk management arrangements in place for the Council's motor fleet and drivers and staff use of private vehicles for Council business. The Group also reviews management reports to monitor trends in fleet damage and insurance claims to identify training needs. At the latest Group meeting in September it was identified that most Council fleet drivers had been issued with the revised Drivers Handbook and the first drivers' newsletter had been published.

6. POLICY IMPLICATIONS

There are no policy implications arising from this report.

7. FINANCIAL IMPLICATIONS

There are no financial implications arising from this report.

8. LEGAL IMPLICATIONS

There are no legal implications arising from this report.

9. RESOURCE IMPLICATIONS

There are no direct resource implications arising from this report.

10. EQUALITY AND HEALTH IMPLICATION

There are no equality implications arising from this report.

11. CONSULTATIONS

The Corporate Risk Register has been reviewed and updated by the Corporate Risk & Resilience Forum and agreed by Management Board.

Contact Officer: Paul Hankinson, Audit & Assurance Manager – Ext: 5630
Date: 30 December 2016
Background Papers: Annual Risk Management Report (including 2015/16
Quarter 4 Review)
Corporate Risk Management Strategy 2015/2020