



**TO: Audit & Governance Committee**

**FROM: Head of Audit & Assurance**

**DATE: 11 April 2017**

**PORTFOLIOS AFFECTED: All**

**WARDS AFFECTED: All**

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**TITLE OF REPORT: Risk Management – 2016/17 Quarter 3 Review**

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**1. PURPOSE**

To provide Members with details of the risk management activity that has taken place in the period from 1 October 2016 to 31 December 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 3 2016/17, including the detailed review of the two corporate risks considered by the Committee during the training session held prior to the start of this meeting;
- note the risk management activity that has occurred during the period;
- select a Corporate Risk for the Committee 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 15 open risks; this is a reduction of two since the previous quarter as reported to this Committee on 20 September. A summary of the risks is attached at Appendix 1 of this report. The following changes should be noted since the Risk Management 2016/17 Quarter 2 Review Report to this Committee:

- The Business Continuity and Emergency Planning risks have now been separately recorded and assessed (Risks 7 & 7b);
- The Finance, Community Cohesion, and Growth Risks (Risks 1, 10, 12, and 18) have been reviewed and updated following the last Risk Report to Committee.
- The IT Infrastructure/Resilience Risk has been incorporated into the Business Continuity Risk and Failure to deliver a robust medium Term Financial Strategy (Risk 16) has been combined with the updated Risk 1.

The attached report shows any movements in the residual risk scores between quarters to enable changes to be tracked. The report shows that the residual score for the Finance and Community Cohesion Risks (Risks 1 and 10) have reduced.

Risk 14, a high profile serious/critical safeguarding incident/case occurring that is known to Council services is the top corporate risk.

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. No amendments to the corporate risks were identified by the CRRF at its meeting in January. However changes will be required following the recent review of Directors and senior managers responsibilities. These will be reported to Audit Committee at its next meeting.

The Council's previous long term insurance agreement ended on 31 March 2017. Following the completion of a tender exercise the February Executive Board meeting approved the award of long term agreements to the two successful bidders, Axis Syndicate 1686, via Aon Crisis Management, to provide terrorism cover, and Zurich Municipal providing all other policies. These agreements are an initial period of three years with an option to extend for a further two year period. The new arrangements have been in place from 1 April 2017.

During the last quarter we continued to use the risk management support available from Zurich Municipal as part of the 2012/17 long term insurance agreement. A Motor Fleet Risk Review has recently been completed by Zurich Municipal. This is a follow up to the review on this area carried out in March 2014. The results will be reported to Committee at its next meeting.

Risk management colleagues from Zurich Municipal have also provided support to assist the Civil Contingencies Team to run the corporate business continuity exercise carried out in March.

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.

**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 or health 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.

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| Contact Officer:   | Colin Ferguson, Head of Audit & Assurance– Ext: 5326  |
| Date:              | 31 March 2017   |
| Background Papers: | Annual Risk Management Report (including 2015/16<br>Quarter 4 Review)<br>Corporate Risk Management Strategy 2015/2020 |