

Report To:	CABINET	DATE:	14TH JUNE 2018
Heading:	CORPORATE RISK – YEAR END 2017/18 POSITION		
Portfolio Holder:	COUNCILLOR JASON ZADROZNY – LEADER OF THE COUNCIL		
Ward/s:			
Key Decision:	NO		
Subject to Call-In:	YES		

Purpose of Report

For Cabinet to review the Corporate Risk Register and the analysis of movement in risk and mitigating actions in respect of those risks. For Cabinet to also consider and approve the updated Corporate Risk Strategy.

Recommendation(s)

- **Cabinet are asked to endorse the current significant items on the Register and to consider whether any further immediate actions are necessary to mitigate those risks.**
- **Cabinet are asked to approve the updated Corporate Risk Strategy.**

Reasons for Recommendation(s)

To prioritise and manage the mitigation of Risk in order that the Council can achieve its objectives.

Updates to the Corporate Risk Strategy were considered appropriate in order to facilitate greater understanding of risk maturity and improved organisational performance against the Alarm national performance model for risk management in public services, as suggested by Internal Audit. This is also highlighted as an improvement action in the Annual Governance Statement.

Alternative Options Considered

None

Detailed Information

Context/Background

All strategic risks at corporate and directorate level are incorporated into the Pentana performance system to enable quarterly updates at the same time as updating performance, therefore enhancing the consideration of risk in the delivery of services.

The Risk Template was revised to incorporate new columns to ensure we identify:-

- business continuity links
- ability to influence
- actions required and milestones separate to actions completed

Risk Audit Update

An Internal Audit of risk was undertaken in 2016/17, outstanding recommendations in 2017/18 were:-

- *Ensure employees attend risk management training* –completed and incorporated into corporate training programme for CLT and ELT leadership levels
- *Ensure risk management training built into Member training schedule* –completed and incorporated into Member training programme
- *Reports to Members should include a section on the implications associated with Risk* – completed and now incorporated into the report template
- *Council undertake an exercise to identify its current risk maturity level using the ALARM model. The results of this should then highlight any areas for improvement and inform a plan of action to achieve the desired level of risk maturity and risk appetite* – the Corporate Risk Strategy has been reviewed and updated in order to facilitate improved performance against the ALARM model. Cabinet are requested to review and approve the revised strategy. A detailed action plan will be adopted in order to achieve the desired level of risk maturity against the model.

Corporate Risk Strategy

The Corporate Risk Strategy has been reviewed in order to ensure that it continues to meet the needs of the organisation and aligns with the Public Risk Management Association model known as “The Alarm national performance model for risk management in public services” . This model is comprehensive and focuses on seven strands of risk management activity, by which the organisation can measure current performance against recognised achievement levels for each of the seven strands. The model provides the basis for clear performance indicators and acts as a catalyst for improved risk management performance within the organisation. It will also inform assurance in corporate governance terms and the further embedding of risk management across the organisation. See Appendix 1.

Corporate Risk Register

See attached at Appendix 2

Risk Rating Summary

	2012/13 Qu 4	2013/14 Qu 4	2014/15 Qu4	2015/16 Qu4	2016/17 Qu4	2017/18 Qu4
Signif	23	15	10	10	9	7
Medium	10	11	9	7	6	10

Low	1	8	7	5	2	3
Total	34	34	26	22	17	20

Current assessments indicate that **levels of significant risks have continued to reduce.**

Those significant risks are (* mitigatable, and remained significant over last 12 months):-

- Ethical framework *
- Ability to achieve efficiencies and compliance in procurement*
- Failure to support and safeguard vulnerable people *
- Loss of resources under 100% retention regime
- Loss of capita financial services
- Kirkby leisure centre robust business case
- No single political group in overall control

Implications

Corporate Plan:

Effective risk management will enable the delivery of corporate and service level priorities, particularly ensuring our people, structures, systems, processes and practices are 'fit for purpose' and remove barriers to improvement and growth

Legal:

No direct legal implications

Finance:

Budget Area	Implication
General Fund – Revenue Budget	There may be resource implications to the improvement or mitigation of risk. Financial risks are incorporated into the Corporate Risk Register.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Risk:

Risk	Mitigation
Lack of an effective risk management framework could result in the organisation having a poor understanding of the major obstacles or blockages that could potentially impact upon its ability to maximise the delivery of its objectives and provision of services to customers	<ul style="list-style-type: none"> • Make risk management part of normal business and therefore incorporate within all decision making processes, including key project delivery. • Integrate risk management into the culture of the Council and cascade awareness through all levels of leadership and beyond. • Ensure the organisation has a clear understanding of its risk maturity level and is taking steps towards improving this to a desired level.

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Human Resources:

There is a need to ensure that service managers are clear with regards to the Corporate Risk Strategy and the requirement to follow the consistent processes contained therein. Risk Management training is a priority and refresher training is currently being scheduled for Members and Officers

Equalities:

No impacts

Other Implications:

None

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Corporate Risk Strategy – updated May 2018
Detailed Corporate Risk Register – Year end 2017/18

Report Author and Contact Officer

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