

**CORPORATE RISK REGISTER – YEAR END REVIEW 2015/16**

**REPORT OF CORPORATE DIRECTOR RESOURCES    AGENDA ITEM: 7.2**

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**Reason for Report**

1. The Audit Committee Terms of Reference sets out their responsibility for Governance, Risk & Control and also Financial Reporting. This report allows the Committee to be updated with reference to the above.
2. This report has been prepared to bring the Corporate Risk Register (CRR) to the attention of the Audit Committee, in order to consider the strategic risks facing the Council.

**Background**

3. To support the arrangements for good corporate governance, it is necessary for the Council to have a clear statement of its overall position in relation to corporate risks which are reviewed on a regular basis.
4. Sections 81 to 87 of the Local Government (Wales) Measure 2011 sets out provisions for Audit Committees. One of the key roles of the Committee is to review, scrutinise and issue reports and recommendations on the appropriateness of the authority's risk management, internal control and corporate governance arrangements.
5. The CRR should identify the main risks facing the Council so that elected Members and senior management can make informed decisions and prioritise actions, with these high level risks in mind. The process followed is to identify the risk and then to address it through the control measures and mitigations in place or planned within the Council. This exercise results in a residual risk score which should demonstrate the effectiveness of the controls in place to manage the risk.
6. From 2016/17, the responsibility for leading on risk management was assigned to the Information Governance and Risk Section. Work has commenced in order to build upon the risk management practices previously facilitated by the Internal Audit Section. The existing reporting processes and the well-established risk management infrastructure will continue.
7. The Audit Committee last sighted the CRR on 30 November 2015 containing 24 risks, which reflected the mid-year position 2015/16. The register continues to be updated quarterly and presented to the Senior Management Team, to ensure their collective ownership and agreement of the strategic risks facing the Council. On this occasion the register has been updated to reflect the year end position 2015/16.

8. The CRR is a key governance document and the intention is to continue to bring the register to the attention of the Audit Committee on a biannual basis in line with reporting to Cabinet.

## Issues

9. The CRR is currently made up of 24 risks, all of which are assigned to members of the Senior Management Team to ensure the most senior level of ownership and accountability by officers.
10. Each risk has been reviewed and updated by the respective risk owner to reflect the year end position, and then the full register was shared with all Directors at the Senior Management Team meeting on 24 May 2016, to gain their collective agreement. It is felt that the updates have strengthened the mitigating actions against the risks currently identified.
11. At the meeting with Senior Management Team, the corporate risks register was discussed together with collated comments received from the Risk Champion Team. The consensus was that that two risks from the year-end position have been sufficiently addressed, which were:
  - Preparing a Local Development Plan that is considered 'sound' by the inspector, within the proposed timescale, and;
  - To ensure effective operation of the Council's Asset Management Board to achieve effective strategic oversight and saving.
12. For the year-end position risk descriptions, controls and risk ratings have been updated resulting from the management review. Some positive milestones have been achieved in relation to certain corporate risks which represent areas of good progress. However, in 2016/17 consideration will be given to whether achieving certain milestones will represent the closure of particular risks, or whether it is a case that new risks have now emerged which require management and monitoring at a corporate level. Decisions about any changes to the content and structure of the CRR will be made in the next Risk Management Steering Group meeting and prior to the mid-year review for 2016/17.
13. When considering progress made in respect of the CRR it is important to be reminded that there are some areas, such as Social Services and Health & Safety, where there will always be an element of unpredictability which merits a high priority score irrespective of how well the service is managed. For these, the important aspect is to continue to demonstrate sound management, a proactive approach to mitigating the risks and a robust monitoring process.
14. It is important to note that risks are liable to change as circumstances alter and the CRR presents the position at a point in time i.e. this report reflects the year end position. The register will continue to be refreshed quarterly and the identified risk owners have a responsibility to ensure the register remains focused and relevant.
15. In order to recognise the importance of monitoring and reviewing the CRR, the Audit Committee and Cabinet will continue to consider reports on a biannual basis. Councillor Graham Hinchey's role, as Member Risk Champion, includes raising the profile of risk management and promoting the benefits to Members, as well as promoting the accountability and responsibility of all staff within the Council as set out in the Council's Risk Strategy. The Member Champion will bring forward ideas from the Members to the

Risk Management Steering Group which they consider relevant for the Corporate Risk Register.

16. In order to recognise the fundamental importance of the CRR, in the governance of the Council, the Audit Committee will continue to consider reports on a biannual basis prior to Cabinet. On this occasion the register will be presented to Cabinet in July 2016.
17. Following last years' success, the opportunity has continued to raise management awareness around the CRR, through the Cardiff Manager Programme, which includes a separate training session on risk management.
18. It is appreciated that there is considerable detail in the complete register and, therefore, two appendices are attached; Appendix A details the complete register while Appendix B is a summarised version.

### **Legal Implications**

19. There are no direct legal implications arising from this report. However, one of the benefits of identifying risk is that mitigation measures may be taken, if appropriate, and consequently successful claims against the Council may be avoided altogether, or reduced.

### **Financial Implications**

20. There are no direct financial implications arising from this report. The Corporate Risk register will be used to guide the Internal Audit Plan and the Council's resource planning processes and forms an important part of the governance arrangements for the Council.

### **Recommendation**

21. The Audit Committee is recommended to note the content of the Corporate Risk Register and to have regard to its content when considering its Work Programme.

### **CHRISTINE SALTER CORPORATE DIRECTOR RESOURCES**

The following Appendices are attached:

- Appendix A** – Corporate Risk Register (Detailed)
- Appendix B** – Corporate Risk Register (Summary)