

**CABINET: 15 DECEMBER 2016**

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**CORPORATE RISK REGISTER 2016/17 (MID-YEAR)**

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 3**

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**PORTFOLIO: CORPORATE SERVICES & PERFORMANCE (COUNCILLOR  
GRAHAM HINCHEY)**

**Reason for this Report**

1. To bring the Corporate Risk Register (CRR) to the attention of the Cabinet, in order to consider the strategic risks facing the Council.

**Background**

2. 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 is subject to regular review.
3. 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 CRR process involves identifying and assessing key risks, and taking proportionate action to manage risks within an acceptable level (risk appetite). Risk registers are used to record and track how identified risks are currently being managed together with details of planned commitments to reduce risks further, where required.
4. The CRR is a key governance document which continues to be updated and presented to the Senior Management Team quarterly, to ensure their collective ownership and agreement of the strategic risks facing the Council. It is reported to the Cabinet and Audit Committee on a biannual basis. The Cabinet last sighted the CRR on 27 July 2016, at which time it set out the year-end position 2015/16.
5. For the Mid-Year update a detailed review of the CRR was completed to ensure that the key corporate risks facing the council are represented and assessed consistently. This review involved the Senior Management Team, the Risk Management Steering Group and the Risk Champion Network.

## Issues

6. The CRR is currently made up of 24 risks, which have been reviewed and updated to reflect the mid-year position. To assist in this process, a guidance document was produced by the Information Governance and Risk Team and issued to each risk owner to ensure risks are framed and scored on a consistent basis. The full register was shared with all Directors at the Senior Management Team meeting on 15 November 2016, to gain their collective agreement.
7. A Corporate Risk Map (Appendix A) has been produced which plots corporate risks in the standard risk matrix format and connects the risk score with the risk appetite this represents. The corporate risk appetite is presently being explored by the Risk Management Steering Group and officers, and engagement will be made with Cabinet when a draft position has been developed. The intention is to further improve information and guidance to ensure consistent and proportionate responses to opportunities and risks.
8. In defining risk appetite , there are four areas of the risk spectrum.

<b>Minimalist</b>	Preference for ultra-safe business delivery options that have a low degree of inherent risk and only have a potential for limited reward.
<b>Cautious</b>	Preference for safe delivery options that have a low degree of residual risk and may only have limited potential for reward.
<b>Open</b>	Willing to consider all potential delivery options and choose the one that is most likely to result in successful delivery while also providing an acceptable level of reward (and value for money etc.).
<b>Hungry</b>	Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

9. The following changes have been made to the CRR since the 2015/16 year end:
  - Two new risks have been added – ‘Promoting Independence’ and ‘Safeguarding’ with Delayed Transfers of Care now covered within Promoting Independence;
  - Two risks have been downgraded from ‘red’ to ‘red/amber’, ‘Organisational Development’ and ‘Performance management’;
  - One risk was downgraded from ‘red / amber’ to ‘amber / green’ – ‘Schools SOP’;
  - One risk has moved position, but remained within the same overall priority rating - ‘Information Governance’

- Two risks have been removed - 'Local Development Plan' and 'Delayed Transfers of Care'.
10. Risks on the CRR are currently scored between medium and high ratings, with eight risks (1/3) scored as 'red.' This represents both an improvement on the year-end position and a more accurate representation of the management of corporate risks.
  11. It is important to note that risks are liable to change as circumstances alter, and that the CRR presents the position at a point in time. The potential impact on the Council of the UK leaving the European Union is a particular issue that will be monitored and considered for inclusion at the appropriate time. The Register itself will continue to be refreshed quarterly and the identified risk owners have a responsibility to ensure the risks included on the register remain focused and relevant.
  12. In order to recognise the importance of monitoring and reviewing the CRR, the Member Risk Champion, Councillor Graham Hinchey, has an important role as set out in the Council's Risk Strategy. This role 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. The Member Champion will bring forward ideas from the Members to the Risk Management Steering Group considered relevant for the CRR.
  13. It is appreciated that there is considerable detail in the complete register and, therefore, three appendices are attached; Appendix A is the Corporate Risk Map while Appendix B is a summarised version and Appendix C details the complete register.

### **Reason for Recommendation**

14. As part of the arrangements for good corporate governance, it is necessary for the Council to have a clear statement identifying what strategic risks the Authority faces. The CRR will update Members and enable them to make informed decisions. In addition, the Council will be able to demonstrate that there are effective and robust systems in place for managing risk.

### **Legal Implications**

15. 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**

16. 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**

The Cabinet is recommended to note the content of the Corporate Risk Register.

**CHRISTINE SALTER**  
**Corporate Director Resources**  
**9 December 2016**

*The following Appendices are attached:*

**Appendix A** - Corporate Risk Map 2016/17 (Mid-Year Position)

**Appendix B** - Corporate Risk Register 2016/17 Mid-Year Position (Summary)

**Appendix C** - Corporate Risk Register 2016/17 Mid-Year Position (Detailed)