

CITY OF CARDIFF COUNCIL CYNGOR DINAS CAERDYDD

AUDIT COMMITTEE: 22 June 2015

CORPORATE RISK REGISTER – YEAR END REVIEW 2014/15

REPORT OF CORPORATE DIRECTOR RESOURCES AGENDA ITEM: 6.6

Reason for Report

1. 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

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 are reviewed on a regular basis.
3. 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.
4. 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 environment 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.
5. The Audit Committee last sighted the CRR on 08 December 2014, which reflected the mid year position 2014/15, containing 24 risks. 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 2014/15.
6. 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

7. The CRR is currently made up of 25 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. This is one more than last reported as no risks have been removed, but one added around financial resilience, considered a strategic risk due to the concern over the medium term as a result of the scale of the financial challenges faced by the Council.

8. Each risk has been reviewed and updated by the respective risk owner to reflect the year end position, and the full register was shared with all Directors at the Senior Management Team meeting on 05 May 2015, to gain their collective agreement. It is felt that the updates have strengthened the mitigating actions against the risks currently identified.
9. At the meeting with Senior Management the opportunity was taken to discuss the possibility of expanding the Hostile Vehicle Mitigation risk to accommodate wider concerns expressed around radicalization and the view was that the risk captured in the register should remain as it is, as it is considered to be one where the Council can take ownership and actively look to mitigate the risk where possible. The wider risk was recognised as important, as was the responsibility Council officers had to work with others, across the community, to seek ways to mitigate the risk.
10. During the quarter only three residual risk ratings changed, relating to Education & Lifelong Learning risks, raised from C2 (Medium Priority) to B2 (High Priority).
11. It should be noted that there are some areas, such as Health & Social Care, Children's 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 be able to demonstrate sound management, a proactive approach to mitigating the risks and a robust monitoring process.
12. 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 reflect 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.
13. 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 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.
14. 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 2015.
15. In recent months the opportunity has been taken to raise awareness around the CRR, through the Cardiff Manager programme, which now includes a separate training session on risk management. An e-learning module for risk management is also being developed.
16. It is appreciated that there is considerable detail in the complete register and, therefore, two appendices are attached; Appendix A details the complete register, Appendix B is a summarised version.

Legal Implications

17. 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

18. 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

19. 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)