



Report To:	AUDIT PANEL
Date:	23 October 2018
Reporting Officer:	Kathy Roe – Director of Finance Wendy Poole – Head of Risk Management and Audit Services
Subject:	RISK MANAGEMENT
Report Summary:	This report provides an overview of risk management in Tameside. It presents the revised and updated Risk Management Policy and Strategy and Corporate Risk Register for comment, challenge and approval.
Recommendations:	<ol style="list-style-type: none"> 1. Members consider and approve the Risk Management Policy and Strategy at (Appendix 1). 2. Members consider and approve the Corporate Risk Register at (Appendix 2).
Links to Corporate Plan:	Managing risks will enable the Council to deliver services safely and in an informed manner to achieve the best possible outcomes for residents.
Policy Implications:	Effective risk management supports the achievement of Council objectives and demonstrates a commitment to high standards of corporate governance.
Financial Implications: (Authorised by the Section 151 Officer)	Effective risk management assists in safeguarding assets, ensuring the best use of resources and the effective delivery of services. It also helps to keep insurance premiums and compensation payments to a minimum.
Legal Implications: (Authorised by the Borough Solicitor)	Demonstrates compliance with the Accounts and Audit Regulations 2015 (Amended 2106) and the Code of Corporate Governance.
Risk Management:	Failure to manage risks will impact on service delivery, the achievement of objectives and the Council's Medium Term Financial Strategy.
Access to Information:	The background papers can be obtained from the author of the report, Wendy Poole, Head of Risk Management and Audit Services by contacting: <p> Telephone: 0161 342 3846</p> <p> e-mail: wendy.poole@tameside.gov.uk</p>

1. INTRODUCTION

- 1.1 This report provides an overview of risk management in Tameside.
- 1.2 It presents the revised and updated Risk Management Policy and Strategy and Corporate Risk Register for comment, challenge and approval.
- 1.3 Risk Management is facilitated by the Risk Management and Audit Service under the direction of the Head of Risk Management and Audit Services. All risks are owned by the members of the Single Leadership Team, with support from Assistant Directors, managers and staff.

2. WHAT IS RISK MANAGEMENT?

- 2.1 Risk Management is the process of identifying risks, evaluating their likelihood and potential impact and determining the most effective methods of controlling them or responding to them. It is a means of maximising opportunities and minimising the costs and disruption to the organisation caused by undesired events.

3. DRIVERS FOR RISK MANAGEMENT

Two of the key drivers for risk management are:-

- 3.1 Accounts and Audit Regulations 2015

PART 2, Section 3 – Responsibility for Internal Control, states at 4(1) that:-

A relevant authority must ensure that it has a sound system of internal control which:-

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk.

- 3.2 Code of Corporate Governance

Principal 4 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risks.

The supporting principal states:-

“Ensuring that an effective risk management system is in place”.

The related requirement is to:-

“Ensure that risk management is embedded into the culture of the authority, with members and managers at all levels recognising that risk management is part of their Risk Management”.

4. THE BENEFITS OF RISK MANAGEMENT

- 4.1 Effective risk management can deliver a number of tangible and intangible benefits to individual services and to the council as a whole:-

- Improved strategic management
 - Greater ability to deliver against objectives and targets.
- Improved operational management
 - Reduction in interruptions to service delivery;
 - Reduction in managerial time spent dealing with the consequences of a risk event having occurred; and
 - Improved health and safety of those employees and those affected by the Council's undertakings.
- Improved financial management
 - Better informed financial decision making;
 - Enhanced financial control;
 - Reduction in financial costs associated with losses due to service interruption, litigation etc.; and
 - Reduction in insurance premiums.
- Improved customer services
 - Minimal service disruption to customers and a positive external image as a result of all of the above.

5. RESPONSIBILITY FOR RISK MANAGEMENT

- 5.1 The Council recognises that it is the responsibility of all members and employees to have regard for risk in carrying out their duties. If uncontrolled, risk can have a negative impact on resources that could better be directed to front line service provision and to the meeting of the Council's objectives and community needs.
- 5.2 Senior Management (Directors, Assistant Directors and Service Unit Managers) have the responsibility and accountability for managing the risks within their own work areas. Employees have a duty to work safely, avoid unnecessary waste of resources and contribute to risk management initiatives in their own area of activities. The cooperation and commitment of all employees is required to ensure that Council resources are not squandered as a result of uncontrolled risks.
- 5.3 All reports presented to Decision Makers have to consider risks and the reporting templates used have a risk management comment on the front sheet which has to be completed.

6. RISK MANAGEMENT POLICY AND STRATEGY

- 6.1 The Risk Management Policy and Strategy has been reviewed and updated and is attached at **Appendix 1**. The roles and responsibilities have been updated to reflect recent changes to the titles of those involved.
- 6.2 The Policy consists of four sections covering:-
- Definition of Risk Management;
 - Policy statement;
 - Objectives; and
 - Responsibility for Risk Management.
- 6.3 The Strategy consists of eleven sections covering:-
- Introduction;
 - The Benefits of Risk Management;

- The Purpose of the Risk Management Strategy;
 - Roles and Responsibilities;
 - Arrangements for Managing Risks;
 - Monitoring Risks;
 - Training and Communication;
 - Funding for Risk Management Initiatives; and
 - Review of Risk Management Strategy.
- Risk Appetite;
- Risk Maturity;
- Partnerships;
- Insurance Cover;
- Conclusions;
- Appendix A - Roles and Responsibilities;
- Appendix B - Risk Management Guidelines; and
- Appendix C – Risk Management Funding Bid.

7. CORPORATE RISK REGISTER

7.1 The Corporate Risk Register is attached at **Appendix 2**.

7.2 The Corporate Risk Register has been updated in conjunction with the Single Leadership Team to ensure that the risks are recorded against the correct Director following the recent changes to the management structure and that it presents an up to date view of the corporate risks facing the Council.

7.3 The following risks detailed in Table 1 have been amended in the register:-

Table 1 – Risks Updated and Amended

Ref	Original Risk	Updated Risk – September 2018
2 ↓	Following the liquidation of Carillion on 15 Jan 2018 the building is not completed within time and budget. Risk Rating: 25	Following the liquidation of Carillion on 15 Jan 2018, the new shared services centre is not completed within time and budget. Risk Rating: 20
5 ↓	The demolition of TAC and rebuilding of the service centre does not run to time or budget and the specification is not in line with future service delivery plans. Risk Rating: 16	The specification of the new shared services centre is not in line with future service delivery plans. Risk Rating: 12
17 ↔	Impact of the recession on Tameside - The economic climate affects Tameside to the detriment of residents and local businesses. Risk Rating: 12	Tameside is unable to exploit growth opportunities and this has a detriment to residents, local businesses and the borough's future prosperity. Risk Rating: 12
20 ↔	Failure to open a new secondary school in September 2018. Risk Rating: 9	Failure to ensure sufficient school places for all school-age children. Risk Rating: 9

Ref	Original Risk	Updated Risk – September 2018
21 ↑	The property portfolio rationalisation necessary for the delivery of appropriate council wide services is not delivered and consequently savings are not achieved. Risk Rating: 9	The property portfolio rationalisation necessary for the delivery of appropriate council wide services is not delivered and consequently savings are not achieved. Risk Rating: 12
25 ↔	Pension Fund investments do not provide the appropriate/anticipated level of return/income, to support the development of the fund. Risk Rating: 8	Pension Fund investments do not provide the appropriate/anticipated level of assets to meet liabilities. Risk Rating: 8
30 ↑	Increase of illegal dumping of waste on both public and private land within the borough. Risk Rating: 6	Increase of illegal dumping of waste on both public and private land within the borough. Risk Rating: 12

7.4 The following new risks have been added to the risk register:-

- Despite funding for the new Ashton Old Baths Data Centre being approved in Dec 17 delays to the associated phase 3 annex redevelopment means the construction of the new Data Centre in Ashton Old Baths has been delayed. This means that all the Council's key computer systems are still being hosted in Rochdale's Data Centre. There is only a single high speed BT link between Tameside's new Core LAN/WAN network and Rochdale and any failure will result in a loss of access to all systems.
Risk Rating: 20
- Failure to comply with, or evidence compliance with, the Pension Regulator Code of Practice.
Risk Rating: 4

7.5 The following risk has been removed from the register:-

- Work on public service reform does not deliver the expected savings and impact on the Community. The internal ability to deliver Public Sector Reform, the savings and transformation agenda is vulnerable to capacity constraints, financial restraints and external policy.
Risk Rating: 12

7.6 The Corporate Risk Register will be presented to the Single Leadership Team on a regular basis and updates provided to the Audit Panel.

8. SERVICE AREA RISK REGISTERS

- 8.1 A detailed review of the risk management process will be undertaken over the coming months to compare our process with best practice including the revised ISO 31000 (2018) for Risk Management, practices across other local authorities and the Tameside and Glossop Clinical Commissioning Group.

9. RECOMMENDATIONS

9.1 As stated at the front of the report.