Report to:	**AUDIT PANEL**
Date:	12 March 2019
Reporting Officer:	Kathy Roe – Director of Finance
	Wendy Poole – Head of Risk Management and Audit
Subject:	**RISK MANAGEMENT**
Report Summary:	To provide an update for members on Risk Management across the Strategic commission
Recommendations:	That members note the report.
Corporate Plan:	Managing risks effectively 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 the Council's objectives and demonstrates a commitment to high standards of corporate governance.
Financial Implications: **(Authorised by the statutory Section 151 Officer & Chief Finance 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)**	The report demonstrates compliance with the Accounts and Audit Regulations 2015 (Amended 2016) and the Council's 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 Plan.
Background Information:	The background papers relating to this report can be inspected by contacting Wendy Poole, Head of Risk Management and Audit Services:
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1.   **INTRODUCTION**

1.1   This report provides an overview of risk management in Tameside.

1.2   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.   **DRIVER FOR RISK MANAGENENT**

3.1   Two of the key drivers for risk management are:-

- 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.**

- 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 MANGEMENT**

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 (Executive Directors, Assistant Directors and Service Unit Managers) has 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 REGISTERS

6.1   A risk register is a tool for documenting risks and the actions to manage each risk and can be created at various levels within an organisation:-

- **Corporate Risks**
  Potential barriers to the Council achieving its priorities/objectives and they have the potential to disrupt several services areas.
- **Operational Risks**
  These are connected to internal resources, systems, processes and employees.
- **Project Risks**
  Relate to uncertainties that expose a project to potential failure to achieve its goals.

6.2   Each level is linked and the last thing any organisation wants is for a project to disrupt business as usual, causing financial implications which could affect other priorities/objectives.

7. RISK MANAGEMENT – THE WAY FORWARD

7.1   The Single Leadership Team has recently considered a report on risk management and the following work plan has been agreed:-

- A single corporate risk register is to be created covering the risks of the Council and the Tameside and Glossop Clinical Commissioning Group (CCG). As the format in both organisations is very different the Head of Risk Management and Audit will

work with colleagues from the CCG to devise a format that meets the requirements of both organisations;

- A Risk Development Session is to be organised for the Single Leadership Team;
- Standardise the criteria for assessing Impact and Likelihood;
- Assess how to measure risk, as the CCG use two levels (Initial Impact and Controlled Impact) whereas the Council only scores the Controlled Risk;
- Review the Business/Service Planning Template to ensure it captures keys risks;
- Review the output from Business Continuity work that is underway, to highlight any significant issues that need to feed into the risk register; and
- To work with service areas to create operational risk registers to support the corporate risk register.

7.2   A further report will be presented to the next meeting of the Audit Panel.

8.   RECOMMENDATION

8.1   As set out on the front of the report.