

Report To: **AUDIT PANEL**

Date: 4 June 2019

Reporting Officer: Kathy Roe – Director of Finance
Wendy Poole – Head of Risk Management and Audit Services

Subject: **CORPORATE RISK REGISTER UPDATE**

Report Summary: To present the Corporate Risk Register detailed at **(Appendix 1)** for comment, challenge and approval.

Recommendations:

1. Members consider and approve the Corporate Risk Register at **(Appendix 1)**.
2. Members note the development work identified in Section 8 of the report.

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: 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.
(Authorised by the statutory Section 151 Officer and Chief Finance officer)

Legal Implications: Demonstrates compliance with the Accounts and Audit Regulations 2015 (Amended 2106) and the Code of Corporate Governance.
(Authorised by the Borough Solicitor)

Risk Management: Failure to manage risks will impact on service delivery, the achievement of objectives and the Council's Medium Term Financial Plan.

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:

 Telephone: 0161 342 3846

 e-mail: wendy.poole@tameside.gov.uk

1. INTRODUCTION

- 1.1 The report presents the revised and updated Corporate Risk Register for comment, challenge and approval.
- 1.2 Risk Management is facilitated by the Risk Management and Audit Service under the direction of the Head of Risk Management and Audit. All risks are owned by 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 meeting the Council's priorities outlined in the Corporate Plan.
- 5.2 Senior Management (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 MANAGEMENT POLICY AND STRATEGY

- 6.1 The Risk Management Policy and Strategy was approved by the Audit Panel in October 2018 as a two year strategy and therefore is not presented as part of this update.

7. CORPORATE RISK REGISTER

- 7.1 The Corporate Risk Register is attached at **Appendix 1**.
- 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 and that it presents an up to date view of the corporate risks facing the Council.
- 7.3 The revised format details:-
- Corporate Plan Theme;
 - Risk Number;
 - Risk Description;
 - Evaluation of Controls;
 - Impact Score;
 - Likelihood Score;
 - Risk Rating (Impact/Likelihood);

- Risk Owner (Director); and
- Responsible AD/SUM

7.4 The 22 Corporate Risks can be summarised in the risk matrix below:-

	Impact level				
	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Major Disaster (5)
Likelihood					
Almost Certain (5)					
Very likely (4)				3	1
Likely (3)			1	8	2
Unlikely (2)			2	3	2
Very Low (1)					

8. DEVELOPMENT WORK

- 8.1 A detailed review of the risk management process is being undertaken with the Single Leadership Team 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.
- 8.2 The Corporate Risk Register will be further reviewed to ensure that the risks link to the both the themes and priorities in the Corporate Plan.

9. RECOMMENDATIONS

- 9.1 As set out at the front of the report.