

REPORT TO GOVERNANCE AND AUDIT COMMITTEE

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF224

DATE: 14 March 2013

TITLE:	Risk Management and Strategy Update	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	None	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Well Run Council Portfolio Holder	
CONTACT OFFICER:	David Scott Finance Support Manager (Finance and Risk) d.scott@southkesteven.gov.uk Tel: (01476) 406218	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required:
Equality and Diversity	N/A	No
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS		

1. RECOMMENDATION

The Governance & Audit Committee is requested to:

- i) Endorse the actions being taken in respect of the Risk Management Advisory Review
- ii) note the latest version of the Corporate Risk Register
- iii) approve the updated Risk Management Strategy

2. PURPOSE OF THE REPORT

One of the key areas for the Committee as part of its terms of reference is to monitor and review the risk management arrangement in place and activities undertaken. This includes reviewing the Corporate Risk Register and Approval of the Councils Risk Management Strategy.

3. DETAILS OF REPORT

Risk Management Advisory Review

As part of the internal audit work plan for 2012/13 an advisory review has recently been undertaken on the effectiveness of the Risk Management arrangements in place across the Council. This is a critical success factor in the Council achieving its objectives and aids continuous development, and as far as possible, safeguard against loss or failure. The management of risk is central to good governance to ensure that direction and control is established and maintained.

Overall a positive conclusion was given on how the Council is managing risk effectively with Internal Audit noting the Council demonstrates it is a risk 'managed' organisation which is a result of adapting its risk management arrangements over the last year.

A copy of the Internal Audit report can be found at Appendix A which provides further details around the objectives of the review, findings and management comments on those areas for improvement.

Corporate Risk Registers

The Committee last reviewed the Corporate Risk Register at its meeting on 29th June 2012. In order to ensure the risk register is up to date and fit for purpose for the current environment a recent review has been undertaken in conjunction with Heads of Services and senior management to refresh existing risks to ensure they remain relevant and identify any other emerging risks. Consideration and review of the Corporate Risk Register is undertaken at the Performance and Programme Board. The resulting and updated Corporate Risk Register can be found at Appendix B. Whilst this hasn't resulted in any new risks being included there are number of updates which have been made, these are:

- **Economic/Financial Climate** – updated to include impact on collection rates / income levels following welfare reform changes.
- **Partnership Funding** – Mitigating actions have been identified and included on the latest risk register update
- **Town Centre Regeneration** – the risk and effects around the delivery around some key projects have been included along with actions required around these risks.
- **Performance of the Local Economy** – a number of additional controls have been identified including; Economic Development Strategy Action Plan, proposals to fund business support and enterprise week 2013.
- **Civil Parking Enforcement (CPE)** – CPE has now been introduced and therefore this risk has been removed off the register.

Risk Management Strategy:

Risk management, including the implementation of the strategy is a key element of the Council's overall governance arrangements. The strategy was last updated in June 2011 and in line with the Committees Terms of Reference it is good practice to review this every few years.

The review hasn't identified any fundamental changes to the existing strategy but there some areas which need updating including those identified in the recent Risk Management Advisory review in order for it to be more in line with the council's current operational processes. In the summary the changes are;

- **Types of Risk (section 5)** – Project risk has been included as part of the Councils new reporting and monitoring framework with the establishment of the Performance and Programme Management Board.
- **Risk Procedures (Appendix A)** – this has been updated to reflect the current working environment
- **Risk Management Process (Appendix B)** – a new section on Risk descriptions (section 3) has been added in order to support managers in the how they identify and managing risks. The tables within assessing the risks (section 4), has been represented to be more user friendly for officers using the strategy. Recognition of the new committee reporting template which places greater emphasis on risk identification to enhance members awareness and provide assurance (section 8)
- **Risk Categories (Appendix C)** – this remains unchanged
- **Roles and Responsibilities (Appendix D)** – this has been updated to reflect the role of the Performance and Programme Management Board.

The updated Strategy can be found at Appendix C and the next update of this strategy is likely to be undertaken in 2015 to ensure it remains fit for purpose and in line with the Councils risk management requirements.

4. OTHER OPTIONS CONSIDERED

None

5. RESOURCE IMPLICATIONS

This report has no direct impact on the Council's resources, including finance/ budget, people, land/property etc.

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

None

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None

8. CRIME AND DISORDER IMPLICATIONS

None

9. COMMENT OF FINANCIAL SERVICES

These are contained within the report.

10. COMMENT OF LEGAL AND DEMOCRATIC SERVICES

Members of the Committee are responsible on behalf of the Council for monitoring actions taken by Cabinet and Management Team to identify corporate business risks and assess whether they are being effectively managed. It is essential they are kept up to date with details of the risks and how they have been mitigated.

11. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

None

12. APPENDICES:

Appendix A – Internal Audit Risk Management Advisory Review Report

Appendix B – Corporate Risk Register – March 2013

Appendix C – Risk Management Strategy March 2013 Update