HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Risk Register Update

Meeting/Date: Corporate Governance Panel – 25 September 2014

Executive Portfolio: Resources: Councillor J A Gray

Report by: Internal Audit & Risk Manager

Ward(s) affected: All Wards

Executive Summary:

The risk register is regularly reviewed. This report updates the Panel on the changes that have been made to the register in the period, 12 March 2014 to 1 September 2014.

There have been no risks added or deleted from the register in the period.

415 controls are recorded in the register in respect of 155 individual risk entries.

> 90% of the controls have been assessed by management to be either at the substantial or adequate level.
> 57% of the controls have been reviewed and updated in the previous six months.

The risk management system is working effectively. Panel need to take this into account when considering the annual governance statement.

Recommendation:

It is recommended that the Panel note the report.

This page is intentionally left blank

1.   **BACKGROUND TO THE REPORT**

1.1   The Panel receive regular reports on the changes that have been made to the risk register. In preparing the annual governance statement, Panel are able to take assurance from the reports that the risk management process is working effectively and contributing to the effective management and delivery of services.

1.2   Panel last received a report on this matter at its March 2014 meeting. No new risks have been added to the register or been deleted in the reporting period. The full risk register is available on the risk management intranet site.

2.   **CURRENT REGISTER**

2.1   There are four appendices to the report that show the current status of risks. The reduction in risk achieved due to the controls that managers have in place for both corporate and operational risks are shown in appendix 1 and 2. Risks with a 'very high' residual risk are listed separately.

2.2   The risk management strategy requires the Cabinet to consider each of the very high residual risks to identify whether they should be further mitigated by cost-effective and affordable actions. No risk option forms have been presented to Cabinet since the Panel last met in March 2014.

2.3   Responsibility for the completion of the risk options forms rests with Heads of Service. Following the senior management re-structure, all of these post-holders are now employed by the Council. The Internal Audit & Risk Manager intends to meet with each Head of Service, to provide training on the risk register software and explain to them the Council's approach to identifying and mitigating significant risks. Following these meetings, they will prepare risk option forms in respect of very high residual risks.

2.4   With the introduction of the Corporate Plan in April 2014, work is underway to allocate risks to the new themes and aims. It is expected that this will be completed over the next few weeks. Risks contained in the register currently reflect Growing Success, the previous Corporate Plan.

2.5   The report that the Panel will receive in February 2015 will be aligned to the new Corporate Plan. Whilst it would be possible to prepare a reconciliation showing how the risks have moved between the respective Corporate Plan themes and aims it is proposed that this is not done, but simply presented as aligned to the current Corporate Plan. Information in respect of new and deleted risks will be reported to the Panel as normal.

3.   **CONTROLS ASSURANCE**

3.1   430 controls were recorded in the register as at 1 September 2014 in respect of 155 individual risk entries.

The levels of assurance are as follows:

No of Controls	Assurance Level			
	Substantial	Adequate	Limited	None
430	260	127	37	6
	60%	30%	9%	1%

3.2   57% of the assurances have been updated in the past six months (33% at March 2014). 6% of assurances are more than twelve months old (1% at March 2014).

4.   KEY IMPACTS/RISKS

4.1   The significant service risks that have the potential to affect the delivery of the Corporate Plan need to be identified, controlled and monitored. If this process does not take place, there is the possibility that the desired outcomes within the Corporate Plan will not be achieved.   Maintaining an adequate and effective risk register and risk management process is a key management control.

4.2   As the risk register has become more robust, the Internal Audit Service have been able to place greater reliance on its content for annual audit planning purposes. This in turn has allowed them to undertake audit reviews on the Council's significant risks, reviewing and challenging both the controls listed and the controls assurance ratings.   If the risk register is not maintained by Heads of Service then its value to internal audit will diminish as will the overall assurance that internal audit provides to both Heads of Service and the Corporate Governance Panel on the effectiveness of the risk management process.

5.   LEGAL IMPLICATIONS
        (Comments from the Head of Legal & Democratic Services)

5.1   There are no legal implications arising from this report.

6.   RESOURCE IMPLICATIONS
        (Comments from the Head of Resources)

6. 1   There are no financial implications arising from this report.

7.   LIST OF APPENDICES INCLUDED

        Appendix
            1   Risk matrix – inherent to residual scoring: Corporate risks
            2   : Operational risks
            3   Assurance on controls for very high inherent risks
            4   Risks with controls that are not working effectively
            5   Risk assessment model from risk management strategy

BACKGROUND PAPERS

Risk register

CONTACT OFFICER

David Harwood. Internal Audit & Risk Manager
Tel No. 01480 388115