HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter:	Risk Management Update
Meeting/Date:	Corporate Governance Committee – 27 September 2016
Executive Portfolio:	Strategic Resources: Councillor J A Gray (Deputy Executive Leader)
Report by:	Internal Audit & Risk Manager
Wards affected:	All Wards

Executive Summary:

One of the Committees functions is to ensure that there are effective arrangements for the management of risk across the Council. This report summarises the current position.

The Committee (as the Corporate Governance Panel) received their last update in June 2015. Since that time the Cabinet (July 2015) have approved a new risk management strategy, introducing seven individual risk appetite statements. Risks have been re-evaluated against the appetite statements, and all those exceeding their appetite have been reviewed by Cabinet or the Corporate Management Team.

The risk register is reviewed frequently by individual members of the Senior Management Team (SMT) to ensure that it remains fit for purpose and captures the significant risks to the achievement of the Council's objectives. Following Cabinet's approval of a new risk strategy the SMT have reviewed the content of the risk register and in doing reduced the number of risks from 143 to 89. The risks that were deleted were considered 'business as usual' items.

Both the Overview & Scrutiny Panel (Performance & Customers) and Cabinet reviewed the corporate risk register in June 2016.

Procedures are in place to ensure that the risk register reflects the current risks facing the Council and the Committee should take reassurance that both Member's and Officers are reviewing and challenging the risk register.

Recommendations:

The Committee is
1) invited to comment on the current risk management procedures in place; and
2) determine whether it is able to take assurance from those procedures.

1. PURPOSE OF THE REPORT

1.1 To inform the Committee of the arrangements in place for the management of risk across the Council.

2. WHY IS THIS REPORT NECESSARY?

2.1 Risk management is a key strand of the corporate governance framework. Whilst Cabinet are responsible for approving the Risk Management Strategy and ensuring that risk management procedures are in place across the Council, the Committee require assurance that these arrangements are working effectively.

2.2 Arising from the Committee's 2015 effectiveness review, it was agreed that the Head of Resources would provide an annual report on risk management arrangements across the Council.

3. ANALYSIS

3.1 The Cabinet approved a new risk management strategy in July 2015. In recognising that the appetite for risk varies according to the activity undertaken and the outcomes required seven individual appetite tolerance statements were agreed. With the lower risk levels being concerned with minimising the Council's exposure to reputation, compliance and health and safety risk, whist accepting and encouraging increasing risk in the areas of transformation and people & culture. The diagram below summaries the individual risk appetite levels.
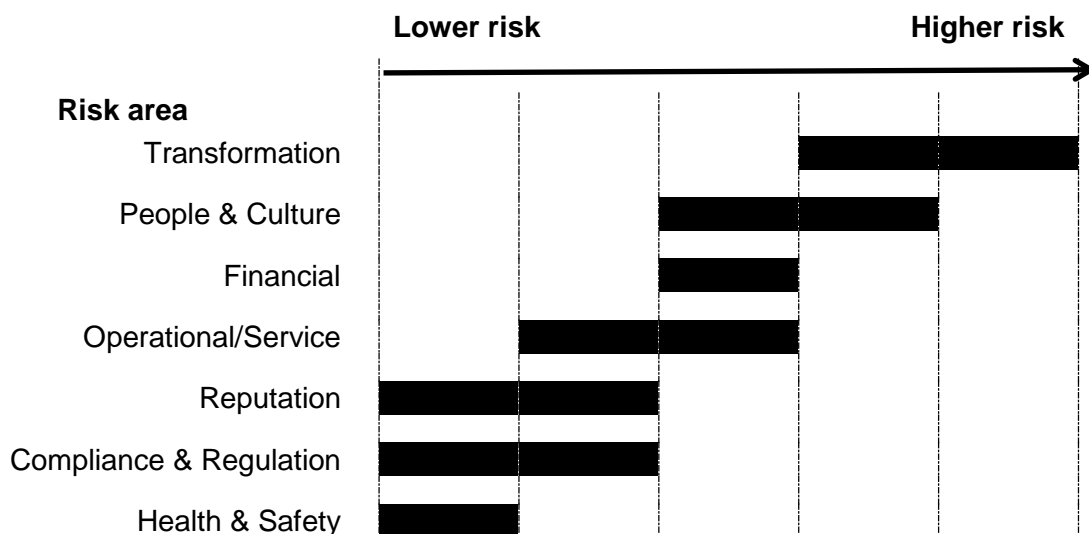
3.2 Risk register entries have been updated to reflect the new appetite levels. As part of the update, the Corporate Management Team (CMT) requested Heads of Service to consider whether any risks could be removed from the register, due to them being managed as 'business as usual'. Consequently the register has reduced in size – from 143 risks at July 2015 to 89 risks at 22 August 2016.

3.3 In June 2016 both Overview & Scrutiny Panel (Performance & Customers) and Cabinet reviewed the corporate risk register. The Panel and Cabinet reviews were detailed, questioning individual risks, risk scores and linkages between risks.

3.4 At the time of writing the report, all 15 risks that exceed their respective risk appetite levels have been reviewed by Cabinet or CMT and the risk been accepted.

3.5 All risk register entries, including assurance upon mitigating controls are reviewed by the Senior Management Team at least twice each year.

3.6 211 individual controls are recorded in the register as at 22 August. The levels of assurance are as follows:

Total No of Controls	Assurance Level			
	Substantial	Adequate	Limited	None
211	114	84	12	1
	54%	40%	6%	0%

74% of the assurances have been updated in the past six months. 2% of assurances are more than twelve months old.

3.7 In 2014 in response to recommendations made by the external auditor, the Managing Director introduced a number of Officer Governance Groups (OGG) to oversee specific governance areas – one of which was risk management. Following an internal audit review, the structure of the OGG has been changed. CMT have agreed to make all the OGG take responsibility for managing risk. Consequently the risk management OGG has been disbanded.

3.8 The Cabinet are required to review the risk management strategy annually. The next review is planned for the 22 September.

4. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND / OR CORPORATE OBJECTIVES

4.1 Effective risk management is integral to the delivery of the Corporate Plan. It supports sound decision making through a robust assessment of risks and opportunities.

5. RESOURCE IMPLICATIONS

5.1 There are no resources implications arising from this report.

6. REASONS FOR THE RECOMMENDED DECISIONS

6.1 In discharging its functions, the Committee need to ensure that risk management processes across the Council are robust. The report supports that view and the Committee are able to take reassurance from the procedures that are being followed.

BACKGROUND PAPERS
Risk register

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