

<b>Local Members Interest</b>
N / A

## **Audit and Standards Committee – 7 December 2015**

### **Risk Management – Development of the Corporate Risk Register**

#### **Recommendations**

1. To note the updated position in relation to the Corporate Risk Register and the planned development areas.
2. To note the revised risk scoring methodology and the associated assessment criteria.
3. To identify any risk area(s) upon which Members of the Committee would like to receive further details at a future meeting.

#### **Joint Report of the Director of Finance & Resources and Director of Strategy, Governance & Change**

#### **Background and Commentary**

4. Work has commenced to refresh and review the risk management process used by the authority to manage its strategic risk profile as part of its transformation to a Commissioning Authority. Part of this work has involved revisiting the actual risk scoring methodology used to evaluate potential risks and determine whether they are considered to be high/medium/low. The information is provided at Appendix 1.
5. The risk categories used to assessed risk remain as follows:
  - 1 = Policy & Performance
  - 2 = Service Related
  - 3 = Corporate Governance & Information Security
  - 4 = Human Resources
  - 5 = Organisational Development
  - 6 = Health & Safety
  - 7 = Procurement
  - 8 = Legal
  - 9 & 10 = Finance
  - 11 = Change Management
  - 12 = ICT
  - 13 = Property
  - 14 = Customer Services
6. The refreshed corporate risk register reflects the key strategic risks facing the Authority (i.e. those that have been assessed as being scored >15) and is attached at Appendix 2.

Note: Detailed operational risks registers covering the medium and low level risks are managed locally.

7. The document has been agreed by Lead Officers in order to:
  - Confirm that the risks are scored correctly and in line with the new scoring criteria
  - Confirm the action to be taken to mitigate the risk including agreement of the timescale for delivery
  - Identify any new emerging high Service related risks that need to be included on the Register

8. From the updated Corporate Risk Register provided at Appendix 2, the top risks have been identified as follows:
- Health & Social Care Integration
  - Stakeholder Engagement and Community Development
  - Commercial Services Capacity
  - Major Incident Response
  - MTFS & Budgetary Control
  - Information Security
  - Independent Futures
  - Education & School Improvement
  - Digital Technology Developments
  - Children's System Redesign
  - Financial System Replacement
9. Work is currently being undertaken to:
- Develop the approach to risk management with external partners
  - Consider how often the Corporate Risk Register should be produced / refreshed
  - Consider how to present the split between current and emerging risks
  - Develop and strengthen the linkage with the Strategic Plan/Business Plan
  - Embed risk management into the culture of the organisation, to include the monitoring and reporting of progress against mitigating actions
  - Develop the process for Elected Member engagement

### **Risk Profile**

10. The County Council is developing its risk management process which will continue to evolve as the governance structures surrounding risk are confirmed. As a consequence, the format of the Corporate Risk Register will continue to be revised.

### **Equalities Implications**

11. There are no direct implications arising from this report.

### **Legal Implications**

12. Failure to comply with legislation or legal requirements (e.g. health and safety and data protection) can result in external censure, financial loss and damage to reputation.

### **Resource and Value for Money Implications**

13. The mitigating actions shown in Appendix 1 and their resource implications should be managed by the Senior Leadership Team and reflected within their Service Plans. Any new significant costs arising that cannot be contained within existing budgets will need to be considered within the Medium Term Financial Strategy (MTFS).

### **Risk Implications**

14. The completion of Mitigating Action Plans will reduce the County Council's Risk Profile and assist the delivery of objectives.

## **Climate Change Implications**

15. There are no direct CO2 implications arising from this report.

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### **List of Background Papers:**

Corporate Risk Register