

Public Document Pack



Date: **8 March 2016**
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GOVERNANCE AND AUDIT COMMITTEE

15 MARCH 2016

A meeting of the Governance and Audit Committee will be held at **7.00 pm on Tuesday, 15 March 2016** in the Council Chamber, Council Offices, Cecil Street, Margate, Kent.

Membership:

Councillor Buckley (Chairman); Councillors: Ashbee, Campbell, Connor, Day, Dexter, Dixon, Edwards, I Gregory (Vice-Chairman), G Hillman, Jaye-Jones, Larkins, Game and Taylor-Smith

SUPPLEMENTARY AGENDA No.1

Item
No

12. **CORPORATE RISK REGISTER QUARTERLY UPDATE** (Pages 1 - 4)

This report replaces the report at item 12 of the main agenda pack.

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UPDATE REPORT ON THE CORPORATE RISK REGISTER

To: **Governance and Audit Committee – 15 March 2016**

Main Portfolio Area: **Finance and Estates**

By: **Director of Corporate Resources**

Classification: **Unrestricted**

Ward: **Not Applicable**

Summary: **To provide Governance and Audit Committee with an update report on the refreshed Corporate Risk Register**

For Information

1.0 Introduction and Background

1.1 Risk Management is a fundamental element of the Council's arrangements for ensuring goals are achieved and opportunities are taken up. To this end the Council has established its Risk Management Strategy and Process and has assigned responsibility to councillors and officers to ensure that the Council uses its resources effectively and all that can be reasonable done, is done to mitigate risk.

2.0 The Current Situation

2.1 The Corporate Risk Register now reflects the Corporate Priorities 2015-19 adopted in October 2015 by Council. The draft Corporate Plan identifies three Priorities and three Values, and is supplemented by a number of Measures of Success along with the relevant performance metrics developed through the service plans.

2.2 The Corporate Management Team has met to consider the events that could potentially materialise to knock the Council off its intended course. These potential risks were then scored against the possible likelihood of them occurring and the impact they would have if they did. The Corporate Risk Register is not designed to deal with known incidents of events that have already occurred and are therefore already being managed – rather it is a way of predicting the future and taking whatever action can be reasonably taken to prevent an incident from occurring or indeed maximising and ceasing a good opportunity and outcome.

2.3 On 18 February members of this committee attended a workshop which ran through the council's risk framework and requested member views on corporate risks. This was done to enhance understanding as risk management is an officer responsibility, but feedback from the workshop is reflected in this report.

3.0 Updated Corporate Risk Register

3.1 A summary of the updated Corporate Risk Register now aligned to the draft 2015-19 Corporate Plan follows:

Previous Score	Description	Revised Score
9	Information Governance	12
8	Limited Resources	12
8	Political Stewardship	12
12	Health and Safety	12
New	Dreamland Operator	9
12	Project Management	9
New	Recruitment & Retention	9
New	Maximising Digital Delivery	9
6	Safeguarding Vulnerable People	8
6	Business Continuity	6
New	Officer Decision Making	6

3.2 Removed from the Risk Register

Four risks were removed from the Corporate Risk Register as they are either being effectively managed at the operational level, or residual risks are being tolerated:

- Partnerships (risk score of 4)
- Local Plan Delivering Sustainable Development (8)
- Reputation Public Perception (9)
- Too Many Priorities (12)

Additionally, two risks have been combined: Business Continuity and Major Emergency, as the mitigating actions are similar. This continues to have a likelihood of 2 and an impact score of 3 total score 6.

3.3 Risks reduced

One risk has a reduced score as follows;

- Project Management now has a likelihood of 3 and an impact score of 3 total score 9 which is reduced from 12 to recognise the progress on project management in the last few months.

3.4 Risks Increased

Four risks have an increased score as follows;

- Safeguarding Vulnerable People now has a likelihood of 2 and an impact score of 4 total score 8 which is increased from 6, in recognition of new legal responsibilities being passed to local authorities.
- Information Governance now has a likelihood of 3 and an impact score of 4 total score 12 which is increased from 9, in recognition of the seriousness of imposed fines if there is an incident or breach.

- Limited Resources now has a likelihood of 3 and an impact score of 4 total score 12 which is increased from 8, in recognition of the challenges in balancing the budget and substantially reduced reserves.
- Political Stewardship now has a likelihood of 3 and an impact score of 4 total score 12 which is increased from 8, in recognition of challenges since the election for the new administration.

3.5 **New Risks**

Four new risks have been added in this period:

- Dreamland Operator a likelihood of 3 and an impact score of 3 total score 9 should the concession operator fail.
- Officer Decision Making a likelihood of 2 and an impact score of 3 total score 6 regarding effective use of the Scheme of Delegation.
- Maximising Digital Delivery a likelihood of 3 and an impact score of 3 total score 9 which recognises the challenges of making the fundamental changes to our business processes and investment needs in future.
- Recruitment & Retention a likelihood of 3 and an impact score of 3 total score 9 reflecting the ongoing challenge to secure the right, permanent employees.

3.6 **Unchanged Risks**

Two risk scores have not changed since the last quarter, but that does not mean that no action has been taken. For example regarding Health & Safety, all relevant staff have received Institute of Occupational Safety and Health training; and a new Health and Safety Manager has been appointed.

- 3.7 In light of the relatively significant changes to the updated risk register, Corporate Management Team has allocated each corporate risk to a Director who will refresh the actions required to reduce (mitigate) the likelihood of the risks occurring. In addition, CMT has a standing agenda item for risk management.

4.0 **Options**

- 4.1 That Members note the content of this update report on the Corporate Risk Register and identify any issues on which they require more clarification.

5.0 **Next Steps**

- 5.1 The Corporate Risk Register will continue to be reviewed regularly and the scores of individual risks reviewed as circumstances change.

6.0 **Corporate Implications**

6.1 **Financial and VAT**

- 6.1.1 Whilst the Corporate Risk Register includes a comprehensive review of corporate financial risks, there are no financial implications for the recommendation required by this report.

6.2 **Legal**

6.2.1 Whilst the Corporate Risk Register includes consideration of legal matters in as far as they relate to risks to the Council, there are no legal implications for the recommendation required by this report.

6.3 Corporate

6.3.1 The Corporate Risk Register sets out how the Council will seek to control the risks it faces. The approach suggested is in accordance with the requirements of the Council's Constitution and agreed Risk Management Strategy and Process.

6.4 Equity and Equalities

6.4.1 There are no equity or equalities issues arising from this report. The risk register identifies a number of activities designed to control risks and these will each need to be assessed for equality impact in their own right.

7.0 Recommendation

7.1 That Members note the content of this report.

8.0 Decision Making Process

8.1 This recommendation does not involve the making of a key decision and may be taken by the Governance & Audit Committee.

Contact Officer:	Christine Parker, Head of Audit Partnership DDI 01843 577189
Reporting to:	Tim Willis, Director of Corporate Resources DDI 01843 577617

Background Papers

Title	Details of where to access copy
<i>Risk Management Strategy & Process</i>	http://democracy.thanet.gov.uk/ieListDocuments.aspx?CId=114&MId=4078&Ver=4

Corporate Consultation Undertaken

Finance	Matt Sanham, Corporate Finance Manager
Legal	Tim Howes, Director of Corporate Governance & Monitoring Officer