Extract from the minutes of the Governance Committee meeting on 8 September 2015

15.   2014/15 Year End Review of Risk Management

Hayley McGrath, Corporate Governance Manager, introduced the Year End Review of Risk Management. The report requests the committee to note the work undertaken, consider and comment on the current strategic risk register, the proposed risk management strategy for 2015/16 and endorse the submission to Cabinet.

Hayley McGrath stated that the economy and cuts in public spending continue to have had a significant impact on the key risks during the year. Work undertaken during the year includes the recent Corporate Facilities Management Fundamental Service Review (CFM FSR) which has brought together the risk and governance team, leading to tightened controls for Governance. A main focus during the year has been to manage the vehicle incident risk and the health and safety risk for frontline staff.

In addition work has been undertaken to embed risk management within procurement processes, and that the risk process support the development of a commercial approach.

With regard to the Risk Management strategy for 2015/16 there are no fundamental changes, and the strategy has been approved by external auditors.
Hayley McGrath stated that the Strategic Risk Register has had a fundamental review. Specific risk 1E, relating to embedding the actions of the UCC FSR has been removed, as it has now been completed. Also the People section of the register had been reviewed to reflect the move to a more commercial environment. This included removing risks 3b (resources required for training and development) and 3c (visible and effective leadership). In addition risk 6C, which is the 'inability to deliver the budget strategy as planned, arising from changes to Government funding/decisions and general impact of economic climate' has increased its score after discussions with senior management.
The following issues were identified by Councillor:
- Councillor Locker – What is the methodology behind the scores attributed to the risks? Should there be a risk associated with a change in administration?
- Councillor Hayes – Asked for further information on the development of commercial approach as part of procurement.
- Councillor Arnold – Questioned the high score attributed to risk 6C.

Hayley McGrath provided the following responses:

- The scores are attributed to the risks after discussions have taken place with senior management. These discussions revolve around whether the risk is appropriate, what the impact would be on services and what is the probability of the risk occurring. Hayley McGrath stated that in her role she has access to the risk, insurance and governance issues for all services across the organisation which can be the basis of identifying risks after managerial discussions have taken place. Ann Hedges stated that risk 4A provides a broad risk to assess a range of changes to the Council.
- In response to Councillor Hayes, Hayley McGrath stated that embedding the risk management into the procurement process helps to identify the risks in potential tenders, and the liabilities, without restricting commercial possibilities.
- Hayley McGrath stated that the high score was a reflection on the external auditors' comments, with the expectation that resources will reduce over the next few years. Ann Hedges added it is anticipated that the Government spending statement in November is likely to affect grant and other funding streams, this might include New Homes Bonus. It is also recognised that there are risks around the appeals for NNDR. In addition funding changes for other public sector partners can also impact our priorities for service delivery and therefore budgets.

  RESOLVED that:

a) The Governance Committee notes the risk management work undertaken during 2014/15
b) The Governance Committee notes the current strategic risk register.
c) The Governance Committee notes the proposed risk management strategy for 2015/16
d) That Governance Committee endorse the submission of this report to Cabinet.