

25 July 2017

Report of	Assistant Director Policy & Corporate	Author	Hayley McGrath ☎ 01206 508902
Title	2016/17 Year End Review of Risk Management		
Wards affected	Not Applicable		

**This report reviews the Risk Management work undertaken for the period  
1 April 2015 to 31 March 2016.**

## 1. Decision(s) Required

- 1.1 The Committee is requested to:
- 1.2 Consider and note the risk management work undertaken during 2016/17.
- 1.3 Consider and comment on the current strategic risk register.
- 1.4 Consider and comment on the proposed risk management strategy for 2017/18.
- 1.5 Endorse the submission of this report to Cabinet.

## 2. Reason for decision

- 2.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance & Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 2.2 Regular progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

## 3. Key Messages

- The main risks on the register continue to be the potential impact of future central government decisions to reduce public funding, failure or inappropriate management of a strategic partner and the potential impact of the European Union referendum result. These are all outside of the direct control of the Council. However the impact of these risks can be mitigated, and risks identified in section 6 - Assets and Resources - are a reflection of the work that is undertaken to ensure that the organisation can respond to these challenges.
- Risk Management principles continue to be reinforced and embedded in the organisation. The 2015/16 Annual Audit Report, issued by the Council's external auditors, Ernst & Young, in December 2016, did not include any findings of anticipated risks occurring. This is further demonstrated by the 2016/17 internal audit review which provided a substantial assurance level.

## 4. Supporting Information

- 4.1 The aim of the Council is to adopt best practices in the identification, evaluation, cost-effective control and monitoring of risks across all processes to ensure that risks are properly considered and reduced as far as practicable.

- 4.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
  - Operational – risks related to the day-to-day operation of each individual service
  - Project – consideration of the risks relating to specific initiatives
- 4.3 Strategic risks are essentially those that threaten the long term goals of the Council and therefore are mainly based around meeting the objectives of the Strategic Plan. They may also represent developing issues that have the potential to fundamentally affect service provision, such as proposals to dramatically change welfare processes. Strategic risks are owned by members of the Senior Management Team.
- 4.4 Operational risks are those that threaten the routine service delivery of the Council. Each service area has their own operational risk register that details the risks associated with providing the service. These registers are reported, in summary format, to the Senior Management Team and committee on an annual basis. High risks and the success in controlling them are reported to Senior Management Team on a quarterly basis, as these assist in the formulation of the strategic risk register.
- 4.5 Project risks are those that relate solely to the successful delivery of that specific project. They tend to be quantifiable issues, such as resource or time related, and constantly change and develop over the course of the project as each stage is completed. The lead on the project is responsible for ensuring that there is an appropriate risk register and high level issues are reported to the senior management team.

## **5.0 Summary of 2016/17**

- 5.1 Health and Safety is a key part of managing operational risks and work continues to ensure that the Health and Safety framework is embedded across the organisation. A more detailed report will be provided to committee later in the year however key projects have included reviewing the support for lone workers and managing challenging customers.
- 5.2 Work has been undertaken supporting the Community Stadium and football club with their Safety Advisory Group (SAG), in particular with regards to the recent Olly Murs concert. Officers also support the Colchester SAG, reviewing the risk elements of event plans.
- 5.3 There were no fundamental changes to the processes used to identify and control risk, during 2016/17.
- 5.4 An audit of the risk management function was carried out in January 2017. This produced four level two recommendations. These related to managing the operational risk registers and
- 5.5 The risk registers for the Joint Museum Service and the North Essex Parking Partnership both continue to be produced and reported to the joint committees.

## **6. Strategic Risk Register**

- 6.1 During 2016/17 the strategic risk register was reviewed by the senior management team every quarter and reported to the Governance & Audit Committee every six months. The current register is shown at appendix 1. These risks have been mapped onto a risk chart as shown at appendix 2.
- 6.2 The Corporate Governance Manager reviewed the strategic risks with each member of the Senior Management Team in March 2017, and in June the Performance Management Board (PMB) comprehensively reviewed the register to ensure that the identified risks were still appropriate.
- 6.3 A separate exercise was undertaken to review the actions highlighted on the register to ensure that they are suitable to control the identified risks and an audit review was carried out to verify that actions were being implemented.
- 6.4 A new risk has been added at 3.e – increase in challenging behaviour from customers, when the Council cannot meet the customer's expectations. Alongside partners being unable to provide support or having incorrectly signposted the customer to the Council.
- 6.5 There were no changes made to the scores following the review.

## **7. Risk Management Strategy for 2017/18**

- 7.1 The Council's current approach to managing risk was introduced in 2006/07. A requirement within the strategy, and also of the annual audit assessment, is to review the approach each year to ensure that it is still appropriate to the Council's needs.
- 7.2 Therefore a review has been undertaken and the strategy has been updated for 2017/18. The revised strategy is attached at appendix 3. There are no fundamental changes proposed to the risk process with amendments only to external review comments and the updating of role titles.

## **8. Proposals**

- 8.1 To note and comment upon the Council's progress and performance in managing risk during 2016/17, the updated strategic risk register and the revised risk management strategy.
- 8.2 Endorse the submission of this report to Cabinet.

## **9. Strategic Plan Implications**

- 9.1 The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore the risk process supports the achievement of the strategic objectives.

## **10. Equality, Diversity and Human Rights Implications**

- 10.1 Whilst there are no direct equality, diversity or Human Rights implications from this report, the risk management process recognises the impact of the legislation and controls have been implemented, including the completion of Equality Impact Assessments, to mitigate the risk.

## **11. Risk Management Implications**

- 11.1 The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

## **12. Other Standard References**

- 12.1 There are no direct Publicity, Financial, Consultation, Community Safety or Health and Safety implications as a result of this report.