

INFORMATION ITEM



REPORT OF		MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE		AUDIT AND STANDARDS COMMITTEE	16 JUNE 2016	9
RISK MANAGEMENT ANNUAL REPORT				

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY OF INFORMATION

This report summarises the year-end report on the 2015/16 Strategic Risk Register Action Plans, and the work undertaken by the Council's Performance & Improvement Manager in producing the Strategic Risk Register for 2016/17 and the annual review of the Strategic Risk Management Strategy.

SOURCE OF INFORMATION

1. It is recommended that the year-end report of the progress on the 2015/2016 Risk Action Plans be considered and appropriate comments made.
2. It is recommended that the Strategic Risk Register for 2016/2017 is approved.
3. It is recommended that the updated Strategic Risk Management Strategy is approved.

LINK TO INFORMATION

[Risk Management Strategy 2016](#)

[Strategic Risk Register 2016/17](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

As part of the Council's Risk Management Strategy, strategic risks are identified and reviewed on an annual basis with the involvement of Members and Officers to review the identification of the risks. Taking this into account this year's risk identification exercise included; the Chairman of the then Audit Committee, along with the Chief Executive, Directors of Development and Resources and the Section 151 Officer.

FURTHER INFORMATION

Contact Alex Scrivens, Performance & Improvement Manager.

Strategic Risk Register 2015/16

1. In the 2015/2016 Strategic Risk Register there were 10 individual actions identified for monitoring throughout 2015/16. All 10 actions were completed during 2015/16, which represents a completion rate of 100%.

Strategic Risk Register 2016/2017

2. The strategic risk register for 2015/2016 is attached (Appendix 2). The strategic risk areas and monitoring body for each risk are shown in Table 2 below.

Table 1) Identified Strategic Risks 2016/17:

Risk	Risks mitigation method	Monitoring Body
Local Plan - risk that if the Local Plan is not submitted to the Secretary of State by early 2017, that any new allocation of New Homes Bonus due to the Council in that year will be withheld.	Action Plan	Development Management Committee
LCC Cost Sharing - risk that changes to the LCC cost sharing agreement on waste will result in a significant negative impact on resources making it difficult to deliver the Council's other priorities.	Progress reported to Operational Management and reported in terms of financial implications through the MTFS	Operational Management & Finance Committee
Financial Challenges - medium term risk that the Council is unable to deliver key projects and services due to limited and reducing resources.	Managed via MTFS	Finance and Democracy Committee
Cyber Attacks - risk that the Council's infrastructure is disabled by cyber-attack such that services cannot be delivered effectively	Risk Action Plan	SRMG & Reports to Audit and Standards Committee

3. In previous years an individual risk action plan was developed for each strategic risk area identified in the annual Risk Identification process. Such action plans were stand alone and were monitored in full by the Strategic Risk Management Group (SRMG) with reporting of non-completion of risk actions being made to the Audit and Standards Committee. To some extent this resulted in the monitoring of some risk areas (i.e. Local Plan) being carried out by the Audit and Standards Committee and, in the case of the Local Plan, by the Development Management Committee. This resulted in a duplication of effort and a reduction in efficiency with officers

reporting to two or more separate bodies. In order to avoid this duplication a slightly different method of monitoring and reporting was adopted last year.

4. After discussion at the Management Team Risk Workshop and the SRMG it is proposed that primary monitoring of the risks identified is undertaken by the most appropriate forum. You will note from Table 1 above, this year there are four Strategic Risk Areas, and for one of these a risk action plan has been developed and is presented to you today for approval. All but one of the other identified risk areas are already being monitored either by a committee or by a designated management appointed body to ensure that work plans are completed to plan. In these instances the SRMG will also monitor the progress of these plans and report any non-completion to the Audit and Standards Committee.
5. A progress report on the completion of the LCC Cost Sharing Risk Action Plan was due to be brought to the Audit and Standards Committee in January 2016. There was also to be an update on any non-completion issues in respect of the other Strategic Risk Areas highlighted by the SRMG. Currently the LCC Cost Sharing Risk Action Plan is up to date. The officers involved are maintaining full awareness of the financial and operational implications to the Council of this issue, and ensure every opportunity is explored to manage and mitigate the impact. An internal review of the service to identify potential savings and to consider collection options is currently ongoing, including the possibility of introducing collection service charges.
6. Monitoring of the Action Plans and oversight of strategic risks generally is undertaken by the Strategic Risk Management Group. This group is chaired by the Director of Resources who has responsibility for Risk Management. The group is attended by the Chief Executive, Directors, the Chief Financial Officer, Head of Internal Audit, Head of Governance, along with representatives of the Council's insurers (Zurich Municipal) and Health & Safety advisors (Blackpool Council), together with the Council's Risk & Emergency Planning Officer. Risk Management now sits under the Office of the Chief Executive due to recent staff restructure, which took effect from May 2016.
7. In terms of the plans being monitored by committees or management appointed groups there is no underperformance to report with regard to such risks. The SRMG will continue to monitor progress.