

Report to Cabinet
8 July 2015
Report of Chief finance officer
Subject Review of the corporate risk register

Item

7

Purpose

To update members on the results of the review of key risks facing the council and the associated mitigating actions

Recommendations

1. To note the updated corporate risks and the key controls in place and further actions planned to mitigate risks.
2. To approve the risk score of 20 for risk B1 public sector funding which exceeds the threshold for the council's appetite for risk.

Corporate and service priorities

The report helps to meet the corporate priority of value for money services.

Financial implications

None

Ward/s: All wards

Cabinet member: Councillor Stonard- Resources and income generation

Contact officers

Justine Hartley 01603 212440

Steve Dowson 01603 212575

Background documents

None

Report

Background

1. Risk management is a fundamental aspect of the council's business practices. Cabinet has an executive role in the management of risks across the council as a key element in ensuring the delivery of the council's priorities.
2. Audit committee provides independent assurance of the adequacy of the council's risk management framework and the associated control environment.
3. In line with the risk management strategy, the template for risk registers includes scoring for inherent risks (before any mitigating controls are considered) and residual risk (after taking account of key controls, which are listed). Any further planned actions to mitigate risks are also shown.
4. The current corporate risk register was previously reported to cabinet on 10 December 2014.

Review of corporate risks

5. In line with the risk management strategy, on 10 June the corporate leadership team carried out its quarterly review of the key risks to achieving the council's priorities and updated the register.
6. The risk register was reported to audit committee on 23 June 2015.
7. The updated register is attached at appendix 1.

Changes to the corporate risk register

8. There is one major change to the register following the latest review. In view of the current economic outlook for the public sector the residual impact score for risk B1, public sector funding, has been increased from 3 (medium) to 4 (high). The result is that the overall residual risk score is 20, i.e. it exceeds the council's risk appetite. The risk management policy states that "in exceptional circumstances cabinet can approve a residual risk in excess of the risk appetite if it is agreed that it is impractical or impossible to reduce the risk level below 16."
9. The *Medium term financial strategy* (MTFS) takes the latest intelligence around likely future finances to predict the level of savings that will need to be made in future years to balance the budget. The transformation programme then looks at options to deliver savings or to generate higher levels of income to fund council services. The current targets for reducing the council's net costs, as set out in the budget approved at council on 17 February 2015, are £2.315m per year for the next five years.
10. With recent announcements from the new government about continuing austerity, and with an emergency budget planned for 8 July, it is anticipated that the future funding picture for the council could become even more challenging. If further reductions in government funding impacting the council are announced in the emergency budget, or in the autumn statement, which exceed those already assumed in the MTFS then savings targets will need to increase further.

11. In regard to other risks, the risk relating to community right to challenge (previously A7) has been removed from the customer perspective section of the register. Evidence nationally shows that the likelihood of a challenge is extremely unlikely, and therefore no longer justifies being a corporate risk. The only other significant change since cabinet last reviewed the risk register is that more detail has been added to risk A4, safeguarding children and vulnerable adults, to demonstrate how the council is actively involved and is complying with its duties and responsibilities
12. Other changes mainly relate to the updating of some causes and effects in columns three and four and additional/expanded key controls in column ten. New actions to mitigate risks have been added to risks A4, safeguarding children and vulnerable adults; B1, public sector funding; and C5, fraud and corruption.

Summary of residual risk scores

13. As with the previous register, a summary is included at appendix 2 which shows the residual risk level for each of the risks. This demonstrates where each risk sits in relation to the council's risk appetite, i.e. there should be no risks with a residual score greater than 15, unless specifically approved by cabinet.
14. As mentioned above, the residual risk score for B1, public sector funding has increased to 20 (red).
15. All other residual risk scores are amber.

Conclusion

16. Risk management processes are well embedded within the council, and members can be assured that the corporate risk register is up to date following review by the corporate leadership team group of the key risks to achieving the council's objectives.
17. Each risk shows the owner and the key controls in place or planned to minimise any impact on the council and its provision of services to stakeholders.
18. The risk management strategy requires managers to keep all risks under review, and the corporate risk register will be regularly updated accordingly.

Recommendations

19. Cabinet is recommended to:
 - a) note the updated corporate risks and the key controls in place and further actions planned to mitigate risks; and,
 - b) approve the risk score of 20 for risk B1 public sector funding which exceeds the threshold for the council's appetite for risk.

Integrated impact assessment



NORWICH
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

Report author to complete

Committee:	Cabinet
Committee date:	10 december 2014
Head of service:	Chief finance officer
Report subject:	Risk management report
Date assessed:	24 November 2014
Description:	This report presents an update to the council's corporate risk register and risk management policy

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Effective risk identification and management across all aspects of the council's business (eg policy setting; projects; partnerships) helps to minimise extra costs that may arise from unexpected events
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Specifically referred to in the corporate risk register
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

	Impact			
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<p>The report provides assurance that the current corporate risk register and risk management policy are up to date and based on best practice.</p> <p>In practice, risk management has a positive impact on many of the above categories by contributing to the identification and mitigation of risks and the meeting of objectives</p>

Recommendations from impact assessment

Positive

The application of effective risk management, in line with the updated policy, will contribute to the achievement of corporate and service objectives

Negative

Neutral

Issues