

Report to Audit Committee

Agenda
Item:

A.9

Meeting Date: 26 September 2013
Portfolio: Finance, Governance and Resources
Key Decision: Not Applicable:
Within Policy and Budget Framework
Public / Private Public

Title: CORPORATE RISK MANAGEMENT
Report of: Deputy Chief Executive
Report Number: SD 05/13

Purpose / Summary:

The purpose of this report is to update Members on the Council's risk management arrangements.

Recommendations:

The Committee is asked to:

- (i) Note the contents of the report as an indication of the continuing commitment to and culture of sound governance arrangements for corporate risk management;
- (ii) Agree to receive reports on the effective development and operation of risk management on a six monthly basis.

Tracking

Audit Committee	26 September 2013
Executive	Not applicable
Council	Not applicable

1. BACKGROUND

- 1.1 In accordance with the Council's Constitution, the Audit Committee is responsible for providing an independent assurance of the adequacy of the risk management framework and the associated control environment and to monitor the effective development and operation of risk management and corporate governance in the Council.
- 1.2 The Resources Overview and Scrutiny Panel is responsible for the effective monitoring of the risks identified within the Council's Corporate Risk Register and for providing an adequate challenge to the Executive on the controls put in place to mitigate the risk to the Council whether this be financial, reputational, or operational.

2. RISK MANAGEMENT AND CONTROL ENVIRONMENT

- 2.1 The Council has a Risk Management Policy which describes the Council's approach to risk, defines the roles and responsibilities within the Authority for risk management and shows how the Council will analyse risk and the criteria currently in use. A Risk Management Strategy describes how the policy will be put into practice and how performance is measured and evaluated. The Policy and associated documents are available through a dedicated page on the Council's internet service.
- 2.2 The Corporate Risk Management group is responsible for monitoring the effective delivery of the strategy; chaired by the Deputy Chief Executive, this group is made up of senior officers and the Portfolio Holder for Finance, Governance and Resources. It meets on a quarterly basis to review the Corporate Risk Register and any significant /strategic risks identified in delivering the Council's objectives including the key priorities in the Carlisle Plan. It also monitors any significant risks contained within Directorate/Service Operational Risk Registers.
- 2.3 It is the responsibility of each Director to ensure that these operational risk registers are maintained for their services and to highlight any significant risk to the Corporate Risk management Group.
- 2.4 The Internal Audit Service provides a further assurance process, whereby any risks identified through audit reviews are reported to the Risk Management Group for inclusion in the Corporate Risk Register and/or Operational Risk Registers as appropriate.

3. CORPORATE RISK REGISTER

3.1 The Corporate Risk Register has been amended in line with the priorities contained within the Carlisle Plan 2013/16 and currently includes eight corporate risks:

- Asset Business Plan – Disposal Strategy
- Asset Business Plan – Acquisition Strategy
- Delivering service objectives
- Income targets
- Addressing Carlisle's current and future housing needs
- Housing needs of vulnerable groups
- Workforce planning
- Improving Industrial estate performance

These risks are considered to be the significant risks in achieving the City Council's objectives for 2013/14. Each risk has been scored in accordance with the Council's risk matrix (in which the likelihood of any risk materialising is balanced against its potential impact) and mitigating actions identified for inclusion in the risk register which will be considered and scrutinised by ROSP at their meeting on 10th October 2013.

3.2 Even with a sensible, reasonable and prudent approach to mitigation, the City Council is unable to eliminate risk completely and will be left with a residual risk. Such risk can be deleted from the Corporate Risk Register once the mitigating action has reduced the risk to an acceptable target level but they will continue to be monitored at service level via operational risk registers and, should the need arise, they may be escalated back on to the Corporate Risk Register.

3.3 There have been no risks identified through internal audit reviews which need to be brought to Members' attention at this time.

4. CONSULTATION

4.1 Corporate Risk Management Group – 2nd September 2013
Resources Overview & Scrutiny Panel – 10th October 2013

5. CONCLUSION AND REASONS FOR RECOMMENDATIONS

5.1 The Committee is asked to:

- (i) Note the contents of the report as an indication of the continuing commitment to and culture of sound governance arrangements for corporate risk management;

- (ii) Agree to receive reports on the effective development and operation of risk management on a six monthly basis.

6. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 6.1 The key risks in delivering the priorities in the Carlisle Plan have been identified and analysed along with the actions/resources that will be required to mitigate these risks. These risks are contained in the Corporate Risk Register and are reviewed regularly by the Corporate Risk Management Group.

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**Appendices
attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:
None**

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – To ensure that the Council's risk management arrangements are monitored effectively.

Community Engagement – not applicable

Economic Development – not applicable

Governance – Management of corporate risks is an intrinsic part of good corporate governance. Officers and Members need to be satisfied that appropriate mechanisms are in place to capture and react to identify risks. The terms of reference for the Audit Committee state that it is to provide independent assurance of the adequacy of the risk management framework and the associated control framework.

Local Environment – not applicable

Resources – To comply with proper arrangements for effective risk management and corporate governance within the Council.