

REPORT TO: Corporate Governance Committee

27 March 2015

LEAD OFFICER: Principal Accountant (General Fund & Projects)

ANNUAL REVIEW OF RISK MANAGEMENT STRATEGY AND PROCESS

Purpose

1. The purpose of this report is for Corporate Governance Committee to conduct the annual review of the Council's Risk Management Strategy and process and agree any changes considered necessary.
2. This is not a key decision but it has been brought because:
 - (a) it enables Corporate Governance Committee to exercise its governance responsibility for risk management;
 - (b) annual review of the Risk Management Strategy and process is good practice to ensure that these remain relevant, adequate and effective.

Recommendations

3. It is recommended that Corporate Governance Committee approves the proposed revised Risk Management Strategy, as set out at Appendix A to this report.

Reasons for Recommendations

4. The proposed revised Risk Management Strategy has been updated to reflect:
 - that the Strategic Risk Register now goes to Cabinet as part of the Position Statement report on Finance, Performance and Risk, rather than to Corporate & Customer Services Portfolio Holder meetings;
 - that the date risks are first included on the Strategic Risk Register is now recorded;
 - that the updated Corporate Plan was adopted by Council on 26 February 2015; and
 - a change of job title.

It therefore represents appropriate application of risk management best practice to the Council's strategy and process.

5. The Strategic Risk Register, the risks included, assessments of their impact and/or likelihood, and associated control measures / sources of assurance, have been considered as part of the Position Statement reports on Finance, Performance and Risk at the following meetings of Cabinet in 2014-15:
 - (a) 10 July 2014;
 - (b) 11 September 2014;
 - (c) 13 November 2014; and
 - (d) 12 February 2015,

A review of strategic risks over the past 12 months gives Corporate Governance Committee assurance that the Council's Risk Management Strategy and process remain effective.

Background

6. The Council's Risk Management Strategy was first adopted in January 2004 and has been updated several times since. It was last updated in March 2014, to address recommendations resulting from Internal Audit's risk management review and to reflect the Council's Corporate Plan for 2014 to 2019.

Considerations

7. Corporate Governance Committee monitors the responsible portfolio holder's review and approval of the Council's Strategic Risk Register on an annual basis. Cabinet's reviews of the Strategic Risk Register during 2014-15, led by the Corporate and Customer Services Portfolio Holder, are summarised below:
 - (a) Cabinet has reviewed the Strategic Risk Register throughout the year, considering the risks included, the assessments of their impact and/or likelihood and associated control measures / sources of assurance. Examples include:
 - (i) July 2014: Cabinet agreed Executive Management Team (EMT)'s recommendation that the Welfare Reform risk likelihood score be reduced from 5 (Almost certain) to 4 (Likely). Cabinet also noted that a risk register had been prepared for the housing company pilot project, which shows separately risks the Council faces in relation to the company, and risks the company itself faces. This is incorporated in EMT's regular reviews of risk registers;
 - (ii) September 2014: Cabinet agreed EMT's recommendation that the Lack of Land Supply risk likelihood score be increased from 4 (Likely) to 5 (Almost certain);
 - (iii) November 2014: Cabinet agreed to include a new risk to reflect the various shared services initiatives taking place with other authorities;
 - (b) As a result of these reviews:
 - (i) one new risk has been included, relating to the various shared services initiatives taking place with other authorities;
 - (ii) the likelihood assessment of one risk (Welfare Reform) has been reduced and that of another risk (Lack of Land Supply) has been increased.
In addition, a new risk register has been prepared for the housing company pilot project.
 - (c) This demonstrates that Cabinet, led by the Corporate and Customer Services Portfolio Holder, has exercised its executive responsibility for risk management and that the Council's risk management process is effective.
8. The proposed revised Risk Management Strategy is attached at **Appendix A**; suggested updates are shown as **highlighted text**.

Options

9. Corporate Governance Committee could approve the changes proposed and the resulting revised Risk Management Strategy. (***This is the recommended option.***)
10. Alternatively, Corporate Governance Committee could suggest other improvements or enhancements to the Risk Management Strategy, risk management process or document formats.

Implications

11. In the writing of this report, taking into account financial, legal, staffing, risk management, equality and diversity, climate change, community safety and any other key issues, the following implications have been considered:

Risk Management

12. The updated Risk Management Strategy will continue to ensure the authority has an effective risk management process, reflecting the authority's political arrangements and management structure and the Council's Aims and Objectives, and providing appropriate ownership and assurance.

Consultation responses (including from the Youth Council)

13. There was no review of the Risk Management Strategy scheduled in Internal Audit's Strategic Audit Plan for 2014-15, approved by Corporate Governance Committee in March 2014.
14. The Corporate and Customer Services Portfolio Holder and members of EMT did not suggest any further changes to the Risk Management Strategy.

Effect on Strategic Aims

Engagement – Engage with residents, parishes and businesses to ensure we deliver first class services and value for money.

15. The annual review of the Council's Risk Management Strategy contributes to the Council's corporate governance responsibilities and ensures that risks involved in the delivery of the Council's Corporate Plan and in meeting its strategic Aims are identified and managed adequately and effectively.

Background Papers

Where [the Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#) require documents to be open to inspection by members of the public, they must be available for inspection: -

- (a) at all reasonable hours at the offices of South Cambridgeshire District Council;
- (b) on the Council's website; and
- (c) in the case of documents to be available for inspection pursuant to regulation 15, on payment of a reasonable fee required by the Council by the person seeking to inspect the documents at the offices of South Cambridgeshire District Council.

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