

Communities Committee

Item No.

Report title:	Risk management report
Date of meeting:	11 May 2016
Responsible Chief Officer:	Tom McCabe, Executive Director of Communities and Environmental Services
Strategic impact One of the Communities Committee's roles is to consider the management of Communities risks. Assurance on the effectiveness of risk management and the Communities departmental risk register helps the Committee undertake some of its key responsibilities. Risk Management contributes to achieving departmental objectives, and is a key part of the performance management framework.	

Executive Summary

This report provides the Committee with the latest full Communities risk data available as at the end of March 2016, following the latest review conducted during late March 2016.

Progress since the last Communities Committee meeting (mid-March 2016)

The Communities risk data was reported at the last Communities Committee in mid-March 2016, prior to being refreshed at the end of March 2016. Since the last Communities Committee meeting, reporting on the Communities risk data has been updated to show the latest developments, with risk reporting by exception (those Communities risks at a score of 12 or more, with prospects of meeting the target score by the target date at red or amber) shown in **Appendix A**. A reconciliation of Communities risks from mid-March 2016 is shown at **Appendix B**. The Communities risks were recently reviewed by the Executive Director of Communities, the Chair and Vice Chair of the Committee.

Recommendations:

Committee Members are asked to:

- Consider:
 - a. The progress with Risk Management since the last Communities Committee meeting
 - b. The latest risks being reported by exception (**Appendix A**) and the reconciliation of risks from the last Committee report (**Appendix B**), and the progress with mitigating the risks; and
 - c. If any further action is required.

1. **Proposal**

- 1.1. The recommendations are in the Executive Summary above.
- 1.2. The Communities and Environmental Services (CES) Departmental Management Team (DMT) has been consulted in the preparation of the Communities Risk Register.

As part of the overall development of the performance management framework for the Council, the adopted approach to corporate and departmental risk management is being implemented. This approach involves the development of corporate and departmental level risks that are: outcome focussed; linked to strategic priorities; business critical, identifying areas where failure places the organisation in jeopardy; linked to financial and performance metrics. It is dependent upon a shared understanding of the risk appetite of the council.

A key element of this work is cultural change and absolute clarity of roles, responsibilities and process. Specifically, clarity of what these risks are, who is responsible for them, what they are doing to actively manage the risks and what measures are in place to hold people to account.

A corporate risk is one that requires:

- strong management at a corporate level, thus the County Leadership Team should direct any action to be taken.
- input or responsibility from more than one Executive Director for mitigating tasks; and if not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key objectives and/or suffer a significant financial loss or reputational damage.

A departmental risk is one that requires:

- strong management at a departmental level thus the Departmental Management Team should direct any action to be taken.
- appropriate management. If not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key departmental objectives and/or suffer a significant financial loss or reputational damage.

A service risk is one that requires:

- strong management at a service level, thus the Head of the Service should direct any action to be taken.
- input or responsibility from the Head of Service for mitigating tasks; if not managed appropriately, it could potentially result in the County Council failing to achieve one or more of its key service objectives and/or suffer a significant financial loss or reputational damage.

Financial and Reputational risks are subjective in nature. While reputational risk deals with risks affecting the perceptions of the County Council held by stakeholders and the County Council's standing within an internal and external environment, financial risk can be defined as the potential for:

- financial, overspending or trading loss,
- missed financial opportunities e.g. revenue or capital funding, grants, income
- loss of the use of assets.

Work is ongoing with the Departmental Management Team to identify risks for its services and how they are being managed.

2. Evidence

2.1. The Communities Committee risk data detailed in this report reflects those key business risks that need to be managed by the Senior Management Teams of the services that report to the Committee including; Cultural Services, Customer Services, Trading Standards, Public Health, and Norfolk Fire and Rescue. Key business risks materialising could potentially result in the Service failing to achieve one or more of its key objectives and/or suffer a financial loss or reputational damage. The Communities risk register is a dynamic document that is regularly reviewed and updated in accordance with the Council's "Well Managed Risk – Management of Risk Framework".

2.2. The current risks are those identified against departmental objectives for 2016/17. The Exceptions Report in **Appendix A** focuses on risks that have a current risk score of 12 and above with prospects of meeting the target score by the target date of amber or red.

2.3. There are no risks for this Committee that are of corporate significance.

2.4. The Communities departmental risk register contains 13 risks, with 2 of these risks with both a current score of 12 or more and the prospect of meeting the target score by the target date at Red or Amber, which fall into the exception reporting category.

- **Appendix C** provides the Committee members with a summary of the risks on the Communities risk register

2.5. Each risk score is expressed as a multiple of the impact and the likelihood of the event occurring.

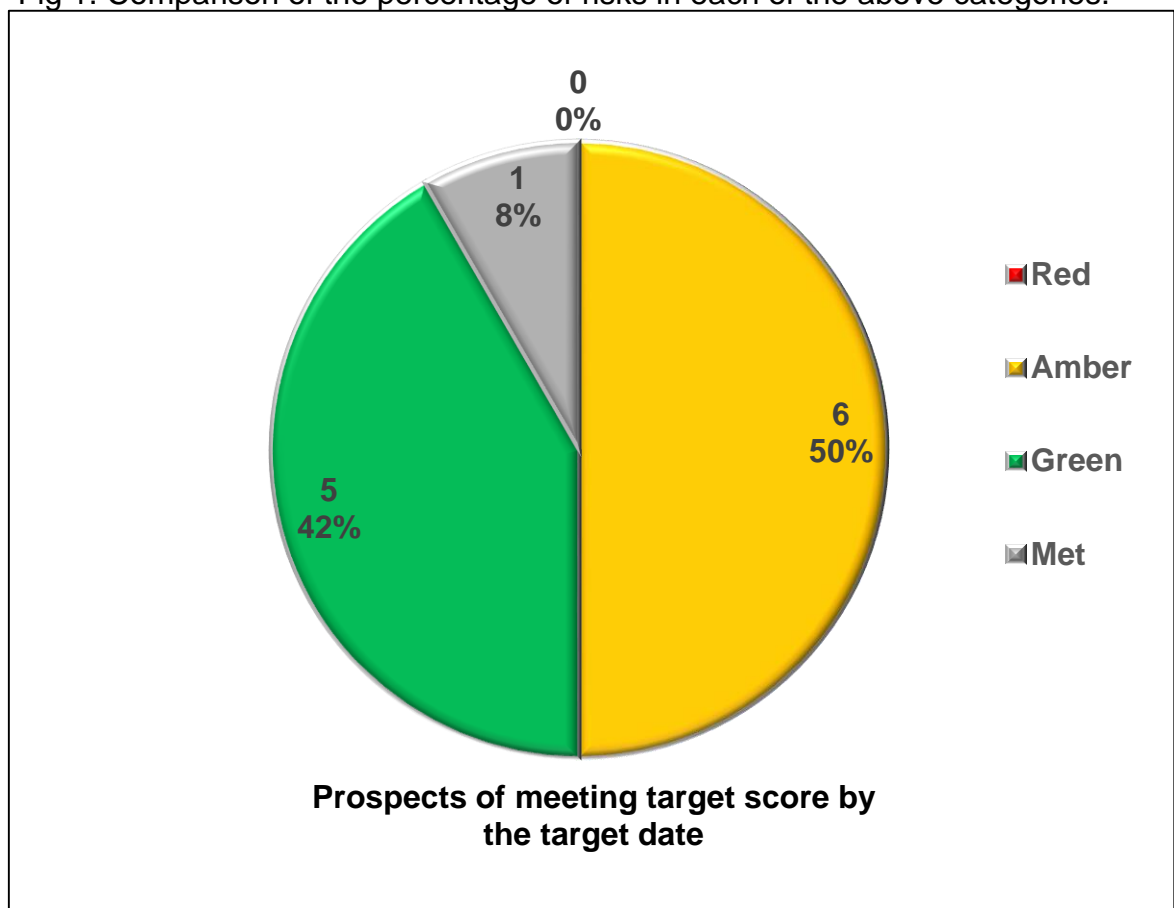
- Original risk score – the level of risk exposure before any action is taken to reduce the risk
- Current risk score – the level of risk exposure at the time the risk is reviewed by the risk owner, taking into consideration the progress of the mitigation tasks
- Target risk score – the level of risk exposure that we are prepared to tolerate following completion of all the mitigation tasks this can be seen

as the risk appetite.

2.6. The prospects of meeting target scores by the target dates are a reflection of how well the risk owners consider that the mitigation tasks are controlling the risk. It is an early indication that additional resources and tasks or escalation may be required to ensure that the risk can meet the target score by the target date. The position is visually displayed for ease in the “Prospects of meeting the target score by the target date” column as follows:

- Green – the mitigation tasks are on schedule and the risk owner considers that the target score is achievable by the target date
- Amber – one or more of the mitigation tasks are falling behind and there are some concerns that the target score may not be achievable by the target date unless the shortcomings are addressed
- Red – significant mitigation tasks are falling behind and there are serious concerns that the target score will not be achieved by the target date and the shortcomings must be addressed and/or new tasks are introduced.

Fig 1. Comparison of the percentage of risks in each of the above categories.



2.7. There are no risks that the risk owner has identified as ‘prospects of meeting the target score by the target date’ as Red.

- 2.8. The evidence is that risks are being managed to an appropriate level with mitigation tasks being undertaken. The Communities risks were recently reviewed by the Executive Director of Communities, the Chair and Vice Chair of the Committee. In all cases, risks have been reviewed by risk owners to ensure that risk scores and target dates reflect the current position against current service objectives. Risk registers are challenged by the Risk Management Officer to ensure a consistent approach to risk management across all teams.

3. Financial Implications

- 3.1. There are no significant financial implications arising from this Risk Management report.

4. Issues, risks, and innovation

- 4.1. There are no other significant issues, risks and innovations arising from this Risk Management report.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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