

Meeting:	Audit and governance committee
Meeting date:	10 May 2017
Title of report:	Corporate risk register
Report by:	Directorate services team leader

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To consider the status of the council's 2016/17 corporate risk register in order to monitor the effectiveness of the performance, risk and opportunity management framework.

Recommendation(s)

THAT:

- (a) the committee determine whether, in light of the information contained within the corporate risk register, it wishes to make any recommendations to improve effective risk management.**

Alternative options

- 1 The committee could choose not to monitor the risk register; this would not be recommended as this would not provide assurance that risk was being managed effectively within the council.

Reasons for recommendations

- 2 To enable the committee to be assured that the council is managing its risk appropriately, in line with its performance, risk and opportunity management framework.

Key considerations

- 3 The corporate risk register is compiled from risks identified at directorate level, which have been escalated along with high-level generic risks, which require strategic management. Entries within the corporate risk register reflect those risks identified by management board and endorsed by cabinet, thereby strengthening their strategic perspective, management response and controls.
- 4 The inclusion of risks within any level of risk register does not necessarily mean there is a problem; it reflects the fact that officers are aware of potential risks and have devised strategies for the implementation of mitigating controls.
- 5 Each entry within the register is scored to provide an assessment of the residual level of risk. All risks have been scored based on an assessment of their impact and likelihood, adopting the scoring criteria within the performance, risk and opportunity management framework. These assessments are made at two points, before any actions are in place (inherent risk) and after identified controls are in place (residual risk).
- 6 Whatever level of residual risk remains, it is essential that the controls identified are appropriate, working effectively and kept under review.
- 7 The risks that children's wellbeing have removed from the corporate risk register have been deemed by their directorate leadership team as either being risks that can now be managed within the directorate; or are no longer seen as a risk to the authority and have therefore been removed completely.
- 8 At its meeting of 23 January, this committee sought assurance that the ratings after controls were appropriate for a number of risks:
 - Economic resilience – the ratings for this risk have reduced from 16 to 12 after controls; whilst the impact has remained the same (major), it is considered that the controls put in place, which include development and implementation of Invest Herefordshire, delivery of the Fastershire project and continued external funding being secured, are sufficient to have reduced the likelihood of the risk (from likely to possible).
 - Short breaks and system resilience – after consideration of each, the children's wellbeing and the adults and wellbeing directorates are content that the controls currently in place are adequate to manage the risk and that the ratings applied represent the level of risk.

- 9 The committee also asked for consideration to be given to a number of risks being added to the corporate risk register:
- Water quality issues – members were invited to a nutrient management plan seminar on 7 March where phosphate levels in the rivers Lugg and Wye were discussed. The council operates within guidance of the National Planning Policy Framework (NPPF) and continues to monitor water quality within the county. Based on current levels in the county, and the management plans in place locally, it is not considered necessary to enter this as a corporate risk.
 - Fracking – in considering planning applications for fracking the council would be required to have regard to existing environmental policies contained within the adopted core strategy, the saved minerals policies from the unitary development Plan and national policy as set out in the NPPF. However, the emerging minerals and waste plan, expected to be adopted towards the end of 2018 will consider the need for a policy framework for fracking proposals alongside other matters relating to minerals and related extraction. It is important to note that the licensing opportunities which came up in the south of Herefordshire were not taken up and any changes to that position will be monitored and reported. Based on the level of interest in the opportunities that were available in South Herefordshire, this is not viewed as a corporate risk at present. The situation will continue to be observed and escalated if considered necessary.
 - Flood alleviation – local flood risk management and land drainage forms part of the Herefordshire Council and Balfour Beatty Living Places (BBLP) annual plan. BBLP's work programme for 2017/18 has recently been finalised and this includes undertaking studies to enable funding grants to be accessed for flood alleviation. Our risk-based approach targets resources and funding at those parts of the county that are most susceptible to flooding. The local flood risk management strategy is an important document for the on-going management of flood risk throughout the county and is expected to be adopted towards the end of 2017. The council does acknowledge the risk of flooding and this is reflected in a service level risk. Based on the activity already underway, flood alleviation is not considered to be a corporate risk.

Community impact

- 10 Risk management underpins all aspects of the council's strategic aims.
- 11 The risks within the registers are linked to the projects that are in place to deliver the council's priorities.
- 12 Risk management is an internal management process that is open to scrutiny from councillors and the public at the council's audit and governance committee meetings.

Equality duty

- 13 There are no equality duty implications arising from this report.

Financial implications

- 14 There are no financial implications associated with the recommendations.

Legal implications

15 There are no legal implications associated with the recommendations.

Risk management

16 There are no risks arising directly from the report. By reviewing the corporate risk register greater assurance is given that the council is managing its risks appropriately.

Consultees

17 Cabinet considered the end of January corporate risk register as part of the corporate performance and budget report at its meeting of 9 March 2017.

Appendices

Appendix A End of January corporate risk register

Background papers

- None identified.