Audit & Governance Committee

30 May 2019

CORPORATE RISK MANAGEMENT ARRANGEMENTS AND RISK REGISTER

WARDS AFFECTED

All

EXEMPT / CONFIDENTIAL ITEM

No

1.0   PROPOSED DECISION

Members are requested to note the contents of the Corporate Risk Management Report and Corporate Risk Register, at Appendix 1 and 2 respectively.

2.0   JUSTIFICATION FOR THE DECISION

The Corporate Risk Management Policy requires Members to be informed of the Risk Register on an annual basis. The current arrangement for the identification; management and reporting of Corporate Risk are set out in the attached report. The Corporate Risk Register has been subject to review in order to ensure that it remains fit for purpose and meets the needs of the Council for effective management of key risks.

3.0   FACTS SUPPORTING THE PROPOSED DECISION

Sound and robust internal control and risk management frameworks are essential elements of good corporate governance and the Corporate Risk Management Arrangements and Corporate Risk Register are a key element of these arrangements.

4.0   RISKS ASSOCIATED WITH THE PROPOSED DECISION

None

5.0   OTHER IMPLICATIONS

None

6.0   PREVIOUS APPROVAL / CONSULTATION

March 2018

7.0   ALTERNATIVE OPTIONS AND IMPLICATIONS THEREOF

None

8.0   APPENDICIES

Appendix 1: Corporate Risk Management Arrangements
Appendix 2: Corporate Risk Register

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Audit and Governance Committee

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Corporate Risk Management Arrangements

1.0   Introduction

1.1   St. Helens Council, in common with organisations of all types and sizes, faces a range of risks affecting the achievement of its objectives, as set out in the St. Helens Plan. Risk is defined as "the effect of uncertainty on objectives".

1.2   St.Helens Council has an established an integrated management system that:

- embeds risk management as an integral part of the departmental, corporate planning and decision making;
- establishes an effective system of risk identification, analysis and control;
- reduces the number and cost of insurance claims arising;
- improves its ability to defend claims;
- contributes towards sustainable improvements in service and the achievement of value for money;
- improves governance;
- improves stakeholder confidence and trust;
- provides operational effectiveness & efficiency;
- improves organisational resilience;
- acknowledges its role as a commissioner of services; and,
- takes account of the increasing use of partnerships as the mechanism for local service delivery.

1.3   Risk Management is informed by the following external standards:

- BS:31100(2008) BSI British Standards: Risk Management – Code of Practice
- Management of Risk: Guidance for Practitioners (2007) Office of Government Commerce.
- ISO:31000:2009 Risk Management Principles & Guidelines

1.4   Our risk management policy forms only a part of a wider set of integrated arrangements intended to ensure that the Council can continue to deliver its services in the face of a range of challenges, from minor interruption or impairment of a single service, through to its participation within the multi-agency response to a major incident impacting on the community of St Helens.

1.5   The Council recognises its responsibility to identify, assess and manage risks it faces in the delivery of its services, and fulfils this by a corporate approach to the management of risk. This report sets out how our risk management policy is delivered and the current Corporate Risk Register content.

2.0   Risk Management Responsibilities

2.1   It is everyone's responsibility to manage risk effectively in their jobs and report hazards and risks to their service manager.

2.2   The Council's Cabinet review and approve the Risk Management Policy Statement and Strategic Risk Register and they also monitor and review the effectiveness and development of risk management measures through the monthly Budget and Performance Monitoring Report.

2.3   The Audit and Governance Committee oversees the continued development and effectiveness of the Council's Governance Arrangements, which includes the management of risk.

2.4   A Primary Assurance Group which is chaired by the Strategic Director of Corporate Services and comprising of senior officers from across the Council meets on a regular basis to support the Council in developing and sustaining its governance arrangements.

2.5   The Chief Executive has ultimate responsibility for risk management arrangements within St. Helens Council.

2.6   Strategic Directors are responsible for identifying and analysing significant risks arising from their service activities and ensuring that their respective contributions to the Corporate Risk Register are kept up to date.

2.7   Strategic Directors will notify the Insurance Section of any significant changes in service provision in order for the Strategic Director of Corporate Services to ensure that appropriate and adequate insurance is in place.

2.8   The Risk and Resilience Manager is responsible for the provision of advice and guidance on all risk management matters.

2.9   The Insurance Officer, in conjunction with the Authority's Claims Handlers, Brokers and Insurers, is responsible for:

- ensuring that policies are in place for all major areas of risk;
- the overall cost of claims is minimised,
- the risk management programme is supported by providing advice and claims data to Strategic Directors.

2.10   Internal Audit are responsible for monitoring compliance with and the effectiveness of risk management measures, as part of their ongoing audit programme.

3.0   Risk Management Processes

3.1   Risk Management will be vigorously applied to critical decision-making, planning and delivery as they apply to St. Helens Council's strategic and operational goals.

3.2   The Corporate Risk Register has been developed to capture and maintain information on all identified (reasonably foreseeable) risks (uncertainties) relating to strategic organisational activity and goals. The register follows best practice, as set out in the ISO 31000:2009 /IRM Risk Management Standard, BS:31100 and guidance from the Office of Government Commerce.

3.3   The Corporate Risk Register provides a dynamic mechanism for the identification and control of existing and emergent risks. Each risk is assigned to a lead Stakeholder responsible for ensuring that information and actions are up to date.

Details of the current Corporate Risks, lead stakeholders and risk assessment are provided at **Appendix 2**.

3.4   A detailed risk assessment is completed in the first instance and this is rated accordingly as Low, Medium or High which determines the review frequency:

Category	Score	Review Timelines	Current Number
Medium Low	0-4	12 months	2
Medium High	5-9	6 months	20
High	10-16	3 months	17

3.5   There are currently 17 risks assessed as High, 20 which are Medium to High, and 2 which are Low to Medium. The Corporate Risk Register is managed via an online database which identifies the range of mitigating actions and controls which are required to minimise the impact and likelihood of the risk, including any links to shared or partner agency risks.

3.6   All risks that are no longer required to reside on the Corporate Risk Register have detail supporting information to the reason why it no longer poses a risk for the Council and this is agreed by the Strategic Director. This in turn is held in an Archive in the event the risk is subject to revival or scrutiny.

3.7   Full support documentation can also be uploaded to the revised Corporate Risk register to give a more thorough understanding of the risk specified.

3.8   A detailed risk assessment is completed on an annual basis in support of the Councils Financial Strategy.

3.9   The risk identification process is also linked to Service Plans. The consideration and list of key risk at service level, is a mandatory requirement of the Council's annual service planning process, with details to be recorded in all Individual Service plans along with mitigating actions.

3.10   Decisions taken under delegated powers also require the consideration and control of associated risks, a rationale is also required for those Delegated Executive Decisions identified as having no associated risks.

3.11   Projects and programmes for capital schemes and/or business change will normally be delivered using an approved Project Management methodology (Prince 2), which includes the identification and control of associated risks. For complex projects, a 'task and finish' project/programme board shall also be established, with a designated lead for risk management and regular reporting on progress.

3.12   At an operational level, risks are managed through a range of assessment and planning tools and the general conformance to best practice standards. The service planning process allows for the consideration of operational (service related) risks as well as any corporate risks impacting on service planning and delivery.

3.13   A database reflecting the requirements of ISO 22301 Business Continuity Management is well developed with plans for activities that have the potential to cause serious harm, loss or reputational damage to the Council, particularly those supporting vulnerable members of the community.

4.0   **Risk Monitoring and Reporting Arrangements**

4.1   In addition to the enhanced risk review timescales, the Corporate Risk Register will be considered by Strategic Directors following mid-year (Sept/Oct) and end of year (April/May) departmental reviews to confirm that identified risks adequately reflect the current operating environment and link with the Council's strategic objectives.

4.2   The Risk and Resilience Manager undertakes regular reviews of the Delegated Executive Decisions database, on a sample basis, to ensure risk is being given due consideration and new risks are documented.

4.3   Risk financing follows a mixed strategy, which combines self-funding, to meet the cost of claims below the level of excesses, with external insurance obtained through a tender process. The internal insurance fund is subject to regular and independent audit by the Council's Brokers to ensure it is sufficient to meet the costs of current and projected claims and losses, whilst minimising the impact on service budgets.

4.4   In support of the Council's medium term financial strategy and to offset increases in fund contributions, targets have been agreed to continually increase the proportion of claims settled at no cost. The Insurance Section provides regular claims reports to enable managers to monitor progress. The Risk and Resilience Manager meets quarterly with Corporate Insurance, to ensure the Corporate Risk Register fully incorporates all insurance considerations.

4.5   The Authority's Estates and Asset Manager, in conjunction with the Health & Safety Manager will ensure that there are effective systems of service, inspection and maintenance to control the risks arising from the Authority's built assets.

4.6   Provision is made within the Internal Audit Plan for the review and assessment of the risk management framework and processes.

5.0   **Communication and Review**

5.1   The Risk Management Policy is subject to review on a regular basis and is communicated clearly to all staff.

5.2   Risk Management training is delivered to provide departmental management teams and service managers, with the skills necessary to identify, evaluate and control the risks associated with the services they provide.

Corporate Risk Register – Current Risks, Lead Stakeholder Officers and Review

	Likelihood	Consequence	Review Date
Angela Farrell			
High			
Industrial Dispute	3	4	14/08/2019
Equal Value Claims	3	4	14/08/2019
Medium High			
Workforce planning	3	3	13/11/2019
Discrimination Litigation	2	3	13/11/2019
Caroline Barlow			
High			
Cyber Security	4	3	10/08/2019
Medium High			
Health & Safety - Fatality or Serious Injury	2	3	19/08/2019
Maximise value for money through effective procurement practices	2	3	26/10/2019
Fraud Prevention	3	3	14/07/2019
IT Failure of Key Systems and Services	2	4	13/11/2019
Information Governance	3	3	14/07/2019
Failure to respond to Emergency Events	3	3	20/06/2019
Loss of Contact Centre Services	2	4	09/07/2019
Failure to ensure the quality of performance data	3	3	09/07/2019
Medium Low			
To ensure effective Business Continuity Plans are in place.	2	2	27/06/2019

Cath Fogarty

High

Management of Budget Pressures	4	3	13/08/2019
Impact of exit from the European Union	4	3	09/07/2019

Medium Low

Failure of Core Financial Systems, Processes or Controls	1	4	14/12/2019

Joanne Davies

High

Failure to improve KS4 results	4	3	01/07/2019

Medium High

Ineffective School Improvement Service	3	3	14/06/2019

Kevin Place

High

Impact of a "No Deal" EU Exit	4	3	14/08/2019

Paul Sanderson

Medium High

Loss of transport fleet/operators licence	3	2	09/11/2019
Diesel Stock Levels	3	2	09/08/2019
Procurement of Outlet for Recyclate	2	4	17/07/2019
Failure to Provide Sufficient Information to Contractors	2	4	01/11/2019
Flooding of Properties and Infrastructure within St Helens	3	2	29/07/2019
Failure to Maintain Infrastructure.	3	3	29/07/2019
Land contamination within the borough	3	2	10/07/2019

Management of Church Square	3	3	10/11/2019

Rachel Cleal

High

Challenge to Effective Future Departmental Budget Management	3	4	01/07/2019
Failure of a Social Care provider	4	4	01/07/2019
Failure to safeguard adults from significant harm	3	4	01/07/2019

Sarah O'Brien

High

Threat from Judicial Review, Litigation, Ombudsman ruling against the Dept.	4	4	01/07/2019
Failure to safeguard children from significant harm	3	4	01/07/2019
Inadequate OFSTED rating	3	4	01/07/2019
Failure to recruit, retain Social Work Staff in adults & childrens	4	4	01/07/2019
Failure of Health and Care integration	3	4	01/07/2019

Susan Forster

High

Pandemic Influenza (Novel virus)	3	4	01/07/2019
Reduction in the Public Health Grant	3	4	01/07/2019

Medium High

Economic conditions slow improvements in health and increase inequalities	3	3	01/10/2019