AUDIT COMMITTEE

25 JANUARY 2018

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.2   CORPORATE RISK UPDATE
(Report prepared by Clare Lewis)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT
To present to the Audit Committee the Risk Management Framework and updated Corporate Risk Register.

EXECUTIVE SUMMARY
• The Corporate Risk Register is regularly updated and presented to the Audit Committee every 6 months. • The following table summarises the position at the end of the period under review with updated information provided within the register where necessary:

Item	Number
New Risks Added	0
Risks Removed	0
Risk Score Amended	1
Items Under Review	0
Risks Subject to Amendment	6

RECOMMENDATION(S)
That the Audit Committee notes the updates to the current Corporate Risk Register.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES
Risk assessment, monitoring and control forms the central tool for managing the strategic risks that may prevent the Council from achieving the corporate priorities as identified in the Corporate Plan and associated corporate goals.

FINANCE, OTHER RESOURCES AND RISK
Finance and other resources The risk management approach can be delivered within existing budgets. **Risk** The subject of risk and its management by the Council is set out in the main body of this report.

LEGAL
There are no specific legal implications.

OTHER IMPLICATIONS
Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below. **Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.** There are no other direct implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND
The Corporate Risk Register was last presented to the Committee in June 2017. The Terms of Reference for the Audit Committee include a responsibility to provide independent assurance of the adequacy of the risk management framework and the associated control environment. The Corporate Risk Register is therefore brought to the Committee at six monthly intervals to enable the Committee to fulfil its role.

CURRENT POSITION
Corporate Risk Management Framework Although no changes have been identified as being required at this time, the framework is included at **Appendix A** for information only. **Corporate Risk Register** Since the Corporate Risk Register was reported to the Audit Committee in June 17 , no new risks have been identified – this will continue to be reviewed throughout the year, and changes will be reported to the committee in the next meeting in June 18 as part of the six monthly review cycle. For completeness, the following table sets out all amendments to the Risk Register since it was last considered by the Committee.

Risk Register Item	Amendments / Comments
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	One **Item 7a Local Plan** (reduced from 16 to 12 to reflect the latest position)
Risk under review	None

Risks Amended	**1b Catastrophic IT network failure** – Target review changed to ongoing from July 17 to reflect the development time associated with this project over recent months. **1c Ineffective communication / management of information** - Target review changed to ongoing from September 2017 to reflect the latest position with the associated projects. **2c Community Leadership Projects** – Minor change to the warning indicator relating to the monitoring and feedback. **5a Financial Strategy** – Minor changes to the ' We Control the Risks by' and 'Warning Indicators' columns to reflect new long term financial sustainability plan/10 year forecast. **6c Disconnection from PSN Network** - Target review changed to remove references to previous review dates. **7a Local Plan** – Minor update provided within the 'We Control the Risks by' column to reflect partnership working and commissioning of advice where necessary.

During the year a review was carried out by the councils internal audit team relating to risk Management. The following table sets out the recommendations identified and the current position against each action:

Agreed Action	Current Position
Management Team to promote the importance of operational risk management within the organisation and ensure that Senior Managers implement a process for identifying and mitigating risks in coordination with the Corporate Fraud and Risk Manager. One to one meetings are to take place between Senior Managers and the Corporate Fraud and Risk Manager to identify and record key operational risks within their service areas. Support to be provided by Internal Audit if required.	Management Team are currently working with the Fraud and Risk Manager to effectively promote the importance of operational risk management within the Council. The Corporate Fraud and Risk Manager will be attending Management Team meetings on a quarterly basis and provide monthly updates. One to one meetings have been booked with senior managers and reviews of the Council's departmental risk registers are being undertaken.

	Any gaps identified will be included in the next corporate risk register update. Update to be provided at the next Audit Committee in June 2018.
Once all departmental risk registers are implemented, the Corporate Fraud and Risk Manager is to embed a quality control process for monitoring business risks and verifying the recorded mitigating controls. This should involve process walkthrough's, reviews of supporting documentation and assessments of target dates / resources required to implement controls	The Corporate Fraud and Risk Manager has arranged one to one meetings with senior managers to discuss business risks, once identified the findings will be reviewed on a more regular basis. Update to be provided at the next Audit Committee in June 2018.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A – Risk Management Framework
Appendix B – Corporate Risk Register