TEWKESBURY BOROUGH COUNCIL

Report to:	Audit Committee
Date of Meeting:	12 December 2018
Subject:	Risk Management Strategy and Corporate Risk Register
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	2

Executive Summary:

Tewkesbury Borough Council has a risk management framework and this is set out in the updated Risk Management Strategy. Risk management is an intrinsic element of good, effective management and should not be seen as a 'bolt on'. The strategy sets out the risk management approach around the identification, analysis, prioritisation and management of risk. The degree of formality of the Council's risk management arrangements are set out in the strategy. The strategy proposes capturing key corporate risks through a corporate risk register supported by individual risk registers for key projects. The scoring matrix within the strategy provides guidance on scoring those risks.

Recommendation:

1. **To CONSIDER the updated Risk Management Strategy and to RECOMMEND TO THE EXECUTIVE COMMITTEE that it be APPROVED.**

2. **To CONSIDER the risks and mitigating controls within the corporate risk register.**

Reasons for Recommendation:

Risk management is an integral part of the Council's overall governance framework. In addition to formalising the Council's approach to risk management and the scoring of risks, the strategy helps to raise risk awareness generally.

Resource Implications:

None arising directly from this report.

Legal Implications:

None arising directly from this report.

Risk Management Implications:

If the Council does not have in place a corporate risk register then it cannot demonstrate that corporate risks are formally considered, scored and managed.

Performance Management Follow-up:

The corporate risk register will be considered at each Audit Committee and prior to this by Corporate Management Team on a monthly basis.

Environmental Implications:

None.

1.0   INTRODUCTION/BACKGROUND

1.1   The Risk Management Strategy, attached at Appendix 1, formalises the Council's risk management arrangements. The strategy sets out the risk management approach around the identification, analysis, prioritisation and management of risk. The strategy proposes capturing key corporate risks through a new corporate risk register supported by individual risk registers for key projects. The scoring matrix within the strategy provides guidance on scoring those risks.

2.0   RISK MANAGEMENT STRATEGY

2.1   The strategy has been written to provide guidance on how corporate risks and project risks can be evaluated and scored on a consistent basis. The strategy also helps to raise general awareness around risk management, as do the recent risk management workshops held for Members.

2.2   The strategy, being focused upon corporate risk and project risk, is an approach proportionate to the size and needs of the Council and therefore does not make an industry of risk management. The strategy simply reconfirms the Council's risk management arrangements. At the heart of the strategy is the re-instigation of the corporate risk register. The consideration of risk is already part of the Council's business thinking and decision making. For example, all Committee reports have a 'risk implications' box and key risks for making or not making a certain decision are always clearly detailed within the main body of the report. At a service level, the consideration of risk can be demonstrated in many ways. For example, internal audit has a risk based Internal Audit Plan, environmental health undertake food safety inspections on a risk basis and finance have undertaken a full risk analysis to support commercial property investments.

2.3   In terms of project risk, there is an internal officer project programme board where all key corporate projects are monitored. All projects are supported with relevant project documentation including a 'live' project risk register for the duration of the project.

2.4   In terms of risk appetite, the Council has a constructive approach to risk, taking it on a case by case basis. Ultimately, any decision made should be for the benefit of our residents. The Council is risk aware, so able to consider risks in a positive way, particularly given the need to consider transformation and commercial related decisions.

3.0 CORPORATE RISK REGISTER

3.1 The register is a useful tool to demonstrate in a concise manner that corporate risks are being considered and managed. The headings within the register and the scoring of risk are all detailed within the risk management strategy. Succinctly, the scoring is based around three stages;

- Gross risk score (the inherent risk without any mitigating controls in place)

- Current risk score (the assessed risk after the application of controls)

- Target risk score (proposed risk score by applying future controls, if the current risk score is deemed to be too high)

3.2 The format of the register is one which is commonly used throughout local government. There is no statutory requirement to have a register in place but is seen as good practice. It also helps the Audit Committee fulfil its risk management responsibilities. Internal Audit will support the Audit Committee in gaining assurance that the risks are being effectively managed. Days will be allocated within future Internal Audit Plans to review the register and give assurance to the Committee in terms of:

- whether the register is complete and if any risks are missing

- the controls detailed in the register – are they actually in place and working effectively?

- future actions – is there assurance they will be implemented within appropriate timescales?

3.3 The presence of a risk register is often requested from external bodies such as the Council's external auditors, peer review teams and the Council's insurers. The register will be a live document and considered by Corporate Leadership Team on a monthly basis and at each Audit Committee.

4.0 OTHER OPTIONS CONSIDERED

4.1 None.

5.0 CONSULTATION

5.1 None.

6.0 RELEVANT COUNCIL POLICIES/STRATEGIES

6.1 Risk Management Strategy.

7.0 RELEVANT GOVERNMENT POLICIES

7.1 None.

8.0 RESOURCE IMPLICATIONS (Human/Property)

8.1 None.

9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)

9.1 None.

10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)

10.1 Mitigation of risk will help the Council achieve its objectives.

11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS

11 .1 None.

Background Papers: None

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Appendices: Appendix 1 – Risk Management Strategy
Appendix 2 – Corporate Risk Register