

BABERGH DISTRICT COUNCIL and MID SUFFOLK DISTRICT COUNCIL

From: Corporate Manager – Internal Audit	Report Number: JAC106
To: Joint Audit and Standards Committee	Date of meeting: 15 May 2017

END OF YEAR SIGNIFICANT RISKS POSITION STATEMENT AND PROGRESS REPORT

1. Purpose of Report

- 1.1 The report details movements of Significant Risks up to 31 March 2017 and the work undertaken around risk management processes since April 2016.

2. Recommendations

- 2.1 That the content of this report, supported by Appendix A, be noted.

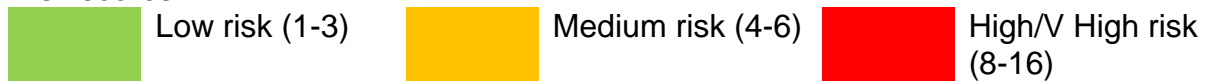
3. Key information

- 3.1 To structure and formalise the risk management arrangements across all functions, Babergh and Mid Suffolk District Councils have developed a systematic and logical process of managing business risk within a comprehensive framework to ensure it is managed effectively, efficiently and coherently across the organisations. The Risk Management Strategy, approved by Executive and Strategy Committees, further outlines our approach.
- 3.2 It is the role of the Audit and Risk Management Services team within the Councils to provide support, guidance, professional advice and the necessary tools and techniques to enable the organisations to take control of the risks that threaten delivery. The role of the team is also to provide a level of challenge and scrutiny to the risk owners through regular 1-1 meetings and/or group sessions.
- 3.3 Part of this risk management process involves training and embedding and this is demonstrated by a workshop which was held for Senior Leadership Team (SLT) in January 2017 by an external consultant, where all areas of the register were reviewed and new risk descriptions written. It was acknowledged following the workshop that there was still further work to be done on assigning mitigating actions and scores. SLT took the decision to focus on the two largest areas; Housing Delivery and Assets and Investments. These two areas were further refined and now reflect the new risks identified. Work to progress the remaining three themes will continue into 2017/18. The new risk descriptions are intended to provide more information to the reader, including the consequences in addition to the risk itself.
- 3.4 This report details movements of Significant Risks up to 31 March 2017 and the work undertaken around risk management processes since April 2016.

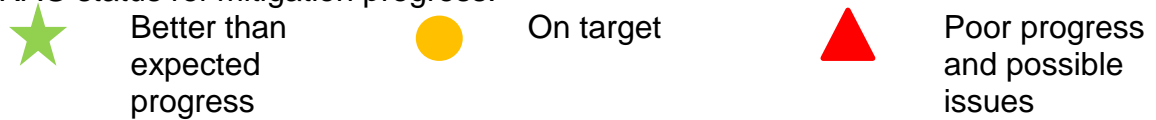
Significant Risk Register - Current position

- 3.5 As at March 2017 there are 22 risks on the register, 2 low, 15 medium and 5 high. Mitigation progress for all risks is 'on track' with no issues identified. It is our opinion that the significant risks are being managed appropriately by a robust system of recording, monitoring and reviewing and Members can have confidence and assurance in the systems above.
- 3.6 The register now includes details of 'Inherent' risk scores so that it more clearly demonstrates the progress made to reach the 'Current' risks score. Inherent scores relate to the level of risk before any mitigation is put in place. The bar charts below demonstrate both the current risk scores and mitigation RAG status for each theme and should be read in conjunction with the register and risk matrix (Appendix A and B attached and the Key below:)

Risk scores:



RAG status ref mitigation progress:



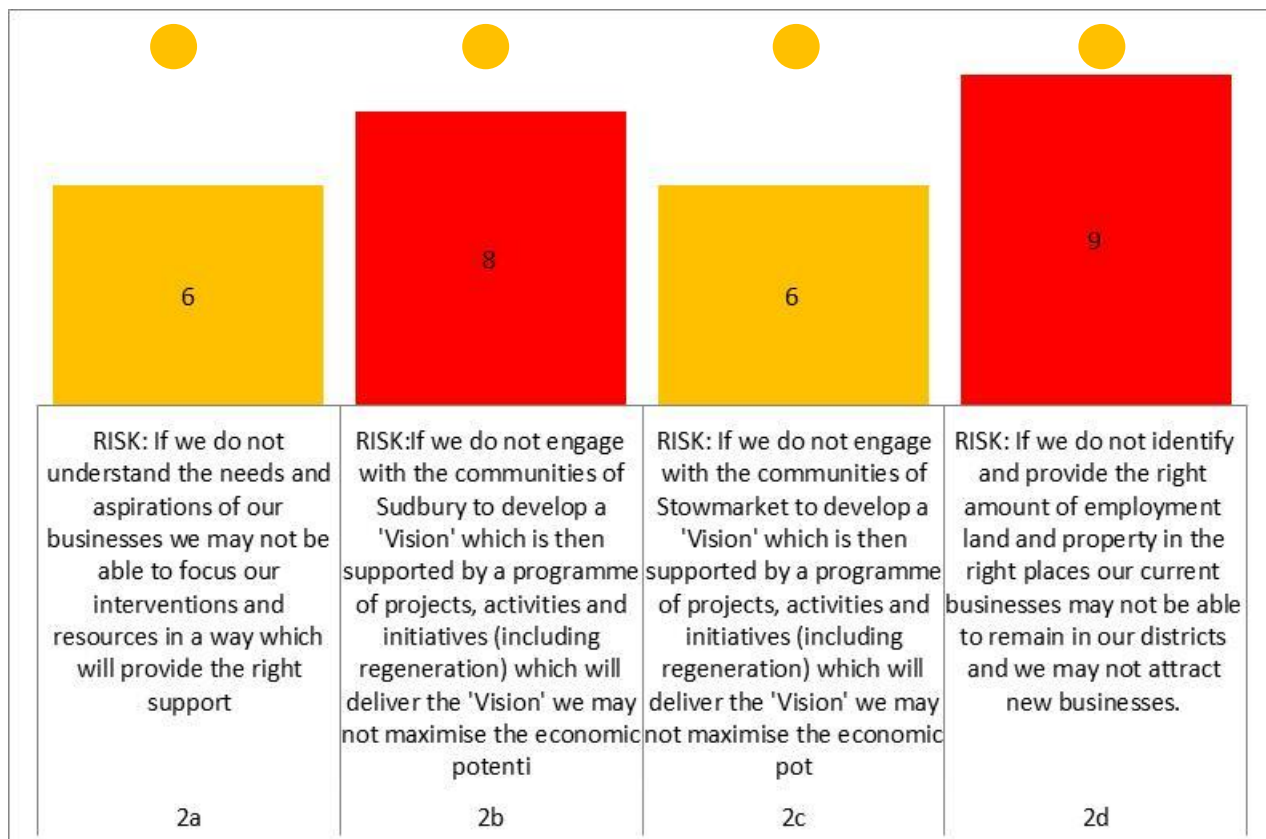
3.6.1 Theme 1 – Housing Delivery:



3.6.1.1 Risks under Theme 1 have been fully refreshed following the SLT workshop and there are now 5 risks under this category which reflect the most significant areas of risk within Housing Delivery.

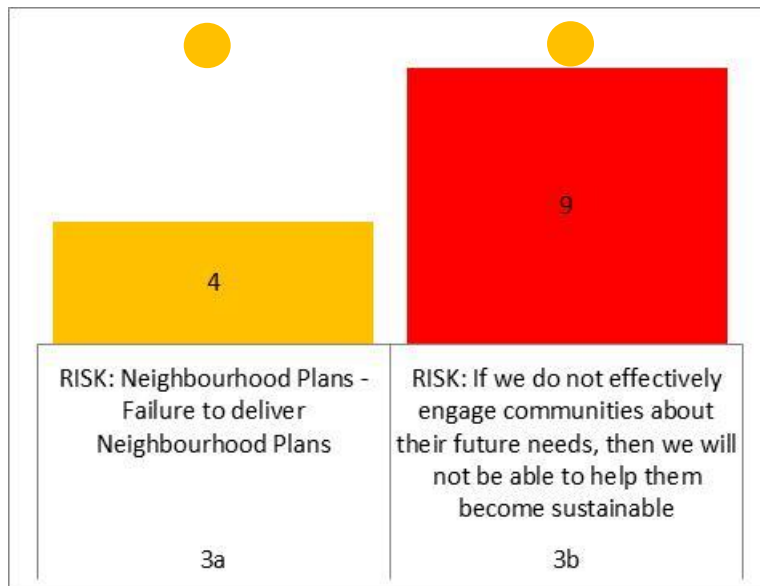
3.6.2 Theme 2 – Business Growth and Increased Productivity

3.6.3



3.6.2.1 All existing risk scores have remained the same as the previous quarter.

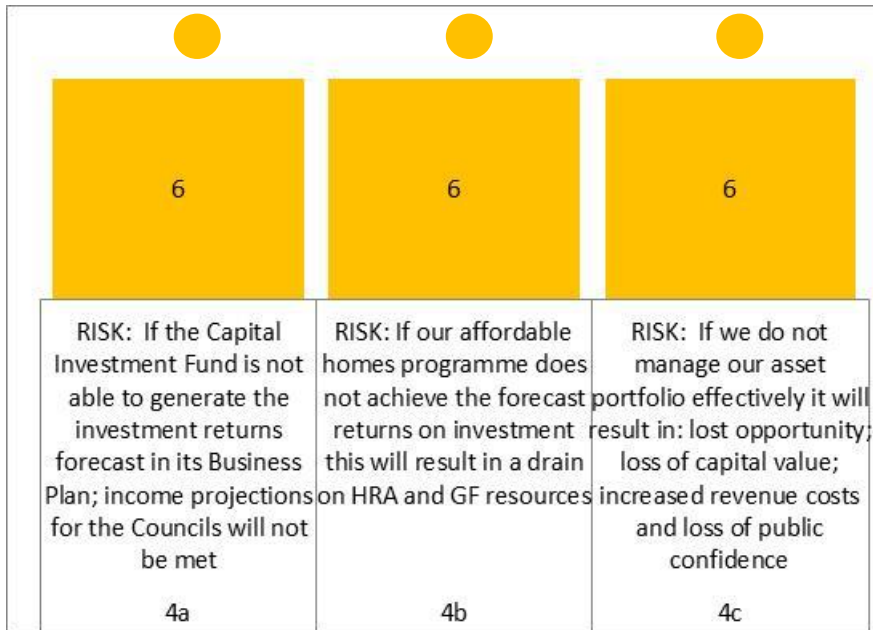
3.6.3 Theme 3 – Community Capacity Building and Engagement



3.6.3.1 Two risks have been archived and removed from the register since quarter 3: 3b – *Reputation and trust with our communities will be compromised if we cannot demonstrate the learning from growth engagement exercise.* Lessons were learned from the engagement exercise and this risk is no longer relevant. 3c – *Ability to offset cuts in grant funding with external funding due to competition will reduce our ability to build community capacity.* The External Funding post has been filled for some time now and the effectiveness of securing funding is being reported to the performance team. The risk has reduced to a level that no longer requires monitoring on the significant risk register.

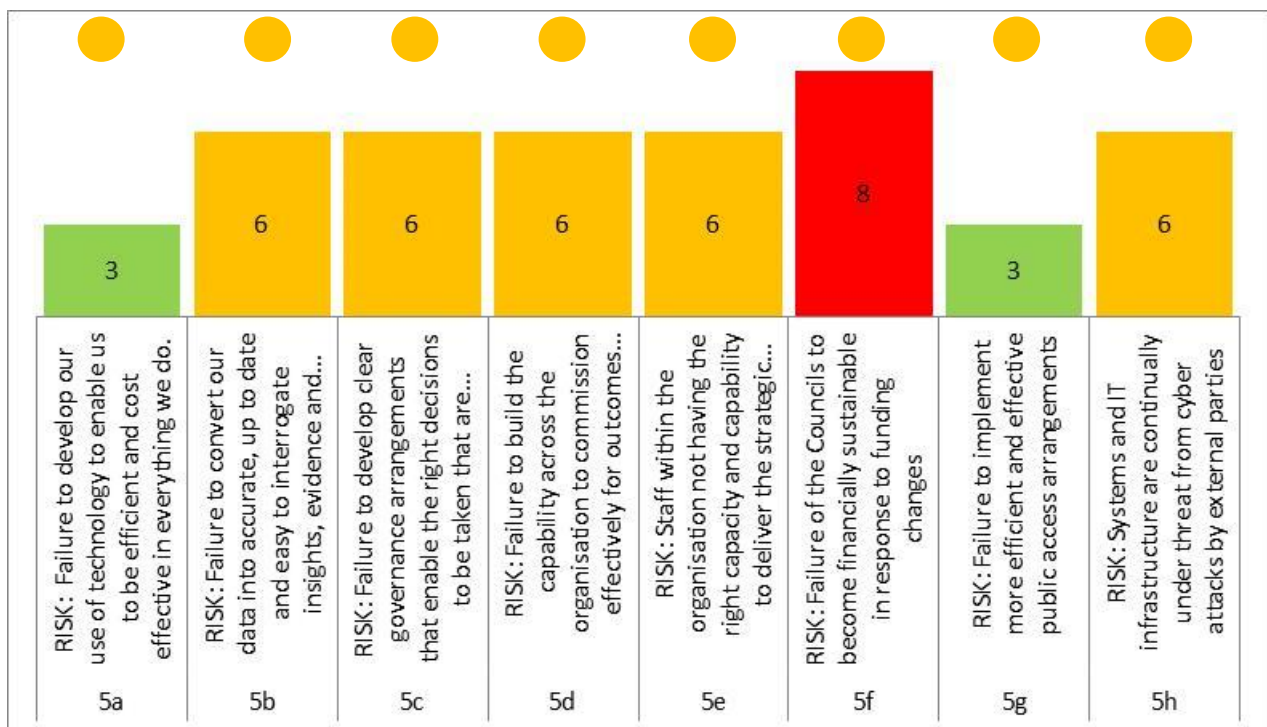
A new risk has been added: 3b – *If we don't effectively engage communities about their future needs, then we will not be able to help them become sustainable.*

3.6.4 Theme 4 – Assets and Investments



3.6.4.1 This area has been fully refreshed following the SLT risk workshop.

3.6.5 Theme 5 – An Enabled and Efficient Organisation



3.6.5.1 3 of the 8 risks under this Theme have had a reduction in risk score since the previous quarter as a result of mitigation progress. Risk 5a - the ICT service provided by SCC has enabled us to provide better provision and service; Risk 5b - the scanning project is now underway to assist us in becoming 'paperless'; and Risk 5g - we are progressing with our Public Access Strategy which has been agreed in principle by both Councils. All other risk scores have remained the same.

- 3.7 The register remains, as always, a living document and as projects develop, the register will capture any new, evolving and emerging risks. Risk management work undertaken during the year
- 3.8 In addition to the work undertaken on the risk register, further work has been undertaken to promote and embed risk management across the Councils.
- 3.9 In August 2016 the Risk Officer facilitated a workshop in for project leads to assist them in identifying, recording and managing their more operational project risks. This was well attended and has resulted in project risk registers being available on Connect for a number of the current projects, e.g. *Business Growth and Increased Productivity Programme*: Economic Development, Open for Business, Hamilton Road. *Assets and Investment Programme*: Capital Investment Fund, Housing and Regeneration, plus many more under the other programmes.
- 3.10 Operational registers that do not fit under the umbrella of a specific project; the Risk Officer has been in discussions with the Health and Safety Officer and the intention is to jointly spend time working with corporate managers to create one register per service area that captures all their operational risks including those that are specifically health and safety related. This ensures that the same, consistent approach and methodology is taken and the terminology and scoring is in line with the Risk Management Strategy and Risk Matrix. It is intended this work will commence early 17/18.
- 3.11 Earlier in 2016 the Risk Officer was part of a team of 'experts' involved in a scenario setting session entitled 'Project fun' where attendees were required to plan a given project giving consideration to all areas of project management; risk, performance, budgets, milestones etc. The session proved to be successful and helped highlight that risk is always considered but not always documented.
- 3.12 We continue to work to embed risk management further across the Councils and are working with report authors to ensure the risk management sections of their reports are acceptable and consistent with the Strategy, Register and Risk Matrix. Each report is required to be 'signed off' by finance, legal and risk officers before the report is submitted to Committee Services.
- 3.13 The Corporate Manager - Internal Audit provided a risk management presentation to the Enabled and Efficient Organisation Portfolio Holder briefing in February 2017. The presentation was designed to provide Members with an overview of the Councils' approach to risk management including the Risk Management Strategy and the Significant Risk Register.
- 3.14 Going forward into 2017/18 we aim to develop and embed risk management further across the Councils. Given the importance of risk management additional resources have been allocated to risk with the aim of:
- Promoting the consistent use of risk management and ownership of risk at all levels;
 - Continual development of the Significant Risk Register and operational/project and programme registers;

- Building and maintaining a risk aware culture across the Councils, including appropriate education and training;
- Developing, implementing and reviewing the risk management framework and risk management processes to ensure they remain fit for purpose;
- Linking with other functions of the Councils, namely Health and Safety and Performance Management.
- Reporting, escalating and communicating risk management issues to key stakeholders.

4. Financial Implications

4.1 As detailed in the report.

5. Legal Implications

5.1 There are no immediate legal implications arising from this report.

6. Risk Management

6.1 Key risks are set out below:

Risk Description	Likelihood	Impact	Mitigation Measures
If risks are not managed it will have a detrimental effect on the Councils ability to make the right business decisions	Unlikely (2)	Bad (3)	The Risk Management Strategy, training and reporting arrangements ensure senior management and Members can obtain necessary assurance that the Councils are making every effort to reduce/ eliminate risks of not achieving its objectives

7. Consultations

7.1 Risk owners were consulted on their relevant risks, the report and register were submitted to SLT, Executive and Strategy Committees.

8. Equality Analysis

8.1 There are no immediate equality and diversity implications associated with this report.

9. Shared Service / Partnership Implications

9.1 The overall approach has been to develop a single shared model for risk management for both Councils and the Significant Risk Register attached is a shared document across the two Councils.

10. Links to Joint Strategic Plan

The Joint Strategic Plan and the Work Programme to deliver it covers all of the service delivery and development activity planned to be undertaken across both Councils in the next five years. The way we manage key corporate risk is therefore intrinsic to this strategy and plan of work, and will be embedded in each key activity, project and programme.

11. Appendices

Title	Location
(a) Significant Risk Register	Attached
(b) Risk Matrix	Attached

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