

BOROUGH OF KETTERING

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| Report Originator | Acting Head of Finance Mark Dickenson | Forward Plan Ref: N/A | |
| Wards Affected | All | 3 rd November 2015 | |
| Title | RISK MANAGEMENT UPDATE | | |

1. PURPOSE OF REPORT

- 1.1. The purpose of this report is to seek member approval for the updated Risk Management Policy Statement and strategy (and associated strategic risk register).

2. INTRODUCTION & BACKGROUND

- 2.1. A full review of the Council's risk management procedures is undertaken every two years with a refresh being undertaken the year following the full review. The last full review was in November 2013.
- 2.2. The Council's internal audit providers (CW Audit Services) undertook a full review of the Council's risk management system as part of the 2013/14 Internal Audit Plan.
- 2.3. The overall opinion of the review was that the Council has a robust risk management strategy and policy in place and that significant assurance could be placed on the design and operation of the system's internal controls.
- 2.4. The Council recognises the importance of reviewing both the policy and strategy statements to ensure the Council's approach to risk is robust and up to date.
- 2.5. Risk Management is an inherent element of the Council's Key Performance Information Booklet that is presented to this Committee at each meeting, and it underpins how the Council identifies and manages key risks.

3. RISK MANAGEMENT POLICY / STRATEGY / TOOLKIT

- 3.1. The Council's Risk Management policy and strategy is attached at **Appendices A and B**. They explain in detail the rationale, objectives and process behind risk management. They are unchanged from the previous year and still considered relevant.
- 3.2. These are in line with the requirements of best practice.

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4. STRATEGIC RISK REGISTER

- 4.1. The management of strategic risk is a critical factor in the successful delivery of services, use of resources and decision-making. It underpins good corporate governance and assists management in the fulfilment of their corporate responsibilities.
- 4.2. The Council maintains a Strategic Risk Register to assist in the management of its strategic risks. The register was last refreshed and considered by this Committee in November 2014.
- 4.3. It is important that the Strategic Risk Register is reviewed regularly to take account of any changes in risk levels or to identify any new risks.
- 4.4. A review of the Strategic Risk Register was undertaken by the Council's Strategic Management Team (SMT). SMT first considered all existing risks and established that these risks are still a corporate risk. All of the risks were assessed and scored for:
- a) an assessment of their 'gross' risk level (i.e. the assessed likelihood of the risk occurring prior to the consideration of any controls or mitigation factors that the Council has in place).
 - b) an assessment of their 'residual risk' (i.e. the assessed likelihood of the risk occurring after the consideration of the control environment / mitigation factors that the Council has in place).
 - c) an assessment of the likely impact of the risk should the event happen. The impact is not affected by the mitigation factors but the likelihood is.
- 4.5. An amended Strategic Risk Register is attached at Appendix C. No new strategic risks have been identified since this was reported to Monitoring and Audit Committee in November 2014. However risk 18 (Unforeseen or rapid changes in national policies) and risk 3 (External legislation) as reported in November 2014 have been merged owing to them both covering similar risks.
- 4.6. The main changes (when compared to last year) are summarised in the following table (amounts shown in brackets refer to risk levels reported to Members in November 2014).

| Risk No | Strategic Risk | Risk Likelihood | | Risk Impact |
|-----------|--|------------------------|------------------------|------------------------|
| | | Gross | Residual | |
| 8 | Ensuring effective governance arrangements | 6 (5) | 4 (3) | 5 (5) |
| 11 | Minimising risks of partnership working | 6 (5) | 5 (4) | 5 (5) |

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4.7. The difference between the gross risk and the residual risk is basically the level of risk that is being managed through the control measures that are in place.

5. RECOMMENDATION

That Monitoring and Audit Committee:-

5.1 Reaffirms the Risk Management Policy and Strategy

5.2 Endorses the updated Strategic Risk Register

Background Papers:

Previous Reports/Minutes:

Title of Document: See Appendices

Ref:

Date:

Date:

Contact Officer: Mark Dickenson (ext 4303)