

BOROUGH OF KETTERING

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Report Originator	Head of Resources Mark Dickenson	Forward Plan Ref: N/A	
Wards Affected	All	21 st November 2017	
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 2016.
- 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 2015/16 Internal Audit Plan. The next full review is due to take place during 2017/18.
- 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 & 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 considered by this Committee in November 2016.
- 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 to establish if these risks are still a corporate risk. All of the risks were assessed and scored as follows:
- 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**. Two new strategic risks have been identified since this was reported to Monitoring and Audit Committee in November 2016. These two new risks are regarding Procurement and the Council's Commercial Strategy, recognising the integral role they play in Kettering's medium term planning.

Risk No	Strategic Risk	Risk Likelihood		Risk Impact
		Gross	Residual	
17	Commercial Strategy	5	3	5
18	Procurement	4	2	4

- 4.6. Additionally three of the existing risks have been changed to reflect a revised level of risk likelihood. These are summarised in the table below, with the amounts shown in brackets referring to risk levels reported to Members in November 2016.

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- 4.7. The Change in Gross Risk for ‘Maintaining political focus and stability’ relates to the ever increasing demands being placed on the Council. This includes the impact from increased pressures being experienced by other public sector providers and the risk of sudden changes in national Government policy.
- 4.8. The change in the Health and Safety risk recognises the recent national events that have highlighted Health and Safety compliance issues.
- 4.9. It was felt that the impact of any unforeseen issues with one of our buildings needed to reflect a higher level of risk whilst recognising that the likelihood was lower.
- 4.10. However it should be noted that the Council’s mitigating factors for these three risks result in no increase to the residual risk.

Risk No	Strategic Risk	Risk Likelihood		Risk Impact
		Gross	Residual	
7	Maintaining political focus and stability	6 (5)	3 (3)	6 (6)
13	Health and Safety Compliance	5 (4)	3 (3)	6 (6)
16	Physical Asset Risk	3 (4)	2 (3)	3 (2)

- 4.11. 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 the Monitoring & Audit Committee:

5.1 Reaffirms the Risk Management Policy and Strategy; and

5.2 Endorses the updated Strategic Risk Register

Background Papers:

Previous Reports/Minutes:

Title of Document: See Appendices

Ref:

Date:

Date:

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