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<b>REPORT TO:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>25 OCTOBER 2018</b>
<b>REPORT OF THE:</b>	<b>CHIEF FINANCE OFFICER (s151) ANTON HODGE</b>
<b>TITLE OF REPORT:</b>	<b>UPDATE ON RISK MANAGEMENT</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report provides an update to Members on progress towards revising the Council's approach to Risk Management.

### **2.0 RECOMMENDATIONS**

- 2.1 That the report be noted.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 This report provides an update on work to revise and review the Council's Risk Management Strategy and Risk Register, following concerns raised by an Internal Audit report earlier this year. The Annual Governance Statement, agreed by the Committee, highlighted Risk Management as a key improvement issue for the 2018-19 financial year.

### **4.0 BACKGROUND**

- 4.1 A recent Internal Audit report has highlighted that while the Council updated its Risk Management Strategy in July 2017, a number of actions still need to be implemented to ensure that we manage risk appropriately.
- 4.2 The key recommendations from the audit included:
- ensuring that arrangements for risk management training are in place
  - updating risk management guidance to ensure that the framework is upheld and the process is able to be repeated consistently across the Council
  - recording and managing risks within an action plan
  - ensuring that service level risks management is taking place
- 4.3 In recent weeks, work has been taking place to address the concerns raised which also takes into account the views of the new Chief Executive and s151 officer, and other senior staff.

- 4.4 This work has been assisted by supported from Veritau and a number of expected key action points are set out in the Appendix to this report. This is subject to review as the work progresses.
- 4.5 Following a Corporate Risk Workshop, facilitated by Veritau, on Monday 15 October, a proposal to fundamentally review and refresh the current Risk Register and this is incorporated into the workplan over the next few months. This will be an important step in the refresh of the overall Risk Management Strategy
- 4.6 The bulk of this work is expected to be completed by the end of the calendar year and the intention is to provide a further report on progress at the next meeting of Overview and Scrutiny in November, with full sign-off of the Strategy and Internal Audit action plan at the meeting in January, as shown below

<b>Date</b>	<b>Meeting/Event</b>	<b>Details</b>
<b>25 Oct</b>	Overview and Scrutiny Cttee	Update on Approach to Risk Management
<b>12 Nov</b>	Corporate Risk Workshop	Refresh the Corporate Risk Register to ensure it represents all key risk faced by the Council
<b>22 Nov</b>	Overview and Scrutiny Cttee	Update on Risk Management Audit Action Plan and consideration of draft Risk Register
<b>30 Nov</b>		Various actions to be complete including consideration of risk reporting and monitoring arrangements and any potential system changes to Pentana which might be required. Training pack for staff to be drafted.
<b>24 Jan</b>	Overview and Scrutiny Cttee	Present revised Risk Management Strategy and sign-off remaining actions from Audit Action Plan
<b>After 24 Jan</b>		Roll out Strategy to service areas
<b>31 March and beyond</b>	Training	Develop a programme of risk management awareness training to be rolled out to staff (from 1 April) and members (after election)

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**Background Papers: None**

## APPENDIX 1

### Expected key actions required to inform development of revised Risk Management Strategy

1	Produce a Risk Management Guidance document which supports the council's Risk Management Strategy.
2	A corporate risk register update should be included in the Audit, Overview & Scrutiny Committee forward plan, scheduled for every six months.
3	Hold a Corporate Risk Workshop.
4	Revisit the current 5x5 risk matrix and confirm that the current classification of 'High', 'Medium' and 'Low' remains appropriate.
5	Decide on expectations for action planning, as follows:  (1) To which category/categories of risk (i.e. 'High' and 'Medium' or 'High' only) action plans should be assigned  (2) Whether or not action plans should be assigned on the basis of the original risk score or the current risk score  (3) How action plans are to be recorded on Pentana
6	Review and agree on the risk criteria for quantifying the impact and likelihood of a risk as set out in the Risk Management Guidance.
7	Review and agree the monitoring and reporting requirements set out in the Risk Management Guidance.
8	Make changes to the layout and field structure of the Pentana Risks module to improve readability for the user.
9	Service delivery planning to be concluded and a decision taken on whether or not service plans are to be held on Pentana and on the linkages with risks and action planning in the system.
10	Decide at which level in the organisation the service risk registers will be held.
11	Update, approve and roll out the Risk Management Strategy and Risk Management Guidance.
12	Procure an online training pack on the fundamentals of risk management and roll this out to all staff.
13	Present the revised Risk Management Strategy to the Audit, Overview & Scrutiny Committee
14	Hold risk identification workshops with service areas.

15	Create space in Pentana for service risk registers (developing consistent naming and coding conventions), delete all irrelevant service risks and input the risk information gathered from the risk identification workshops.
16	Review the content of the new service risk registers and obtain approval from Service Leads.
17	Develop a step-by-step Pentana user guide to the creation and updating of risks and associated action plans.
18	Hold Pentana user orientation training sessions.
19	Develop a programme of risk management awareness training to be delivered throughout the 2019/20 financial year.
20	Hold risk management awareness training with the Audit, Overview & Scrutiny Committee