

Leicester
City Council

WARDS AFFECTED:

Audit and Risk Committee

28th June 2017

Operational and Strategic Risk Registers/Insurance Claims Data

Report of the Director of Finance

1. Purpose of the Report

To present to the Audit and Risk Committee an update on the Strategic and Operational Risk Registers and the change to reporting:

- Appendix 1 providing a summary of the strategic risks facing the council;
- Appendix 2 supports appendix 1, which provides the detail in relation to the council's strategic risks;
- Appendix 3, the Operational Risk Register, are those risks affecting the day to day operations of the division. These risks are assessed by Divisional Directors with a risk score of 15 or above for consideration. This provides CMT with the opportunity to add, amend or delete risks to reflect any changes, actual or planned, in the business since submission of the registers as at the end of April 2017;
- Appendix 4 – Insurance Claims Data for 2016/17 as at 31st March 2017.

2. Recommendations

Audit and Risk Committee is asked to:

- Note the Strategic Risk Register (SRR) and Operational Risk Register (ORR) as at 30th April 2017.

3. Background

- 3.1 The Council's 2017 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the SRR and ORR process is owned and led by the Head of Paid Service. The Strategic Directors support the strategic risk register

process documenting the key strategic risks facing the council and helps to ensure these are managed. It complements the operational risk register process which is supported and managed by the Divisional Directors. Both registers are populated and maintained by the Manager, Risk Management for this group.

- 3.3. The insurance claims data is provided to the Audit and Risk Committee, and is a useful measure of performance and claims received for each department. Paragraph 4.11 provides more detail.

4. Report

- 4.1. The SRR has been compiled following a review by all Strategic Directors and has been updated. The summary of the strategic risks is attached as Appendix 1 and Appendix 2 provides the fuller detail of risks. 14 updates to risks were made comprising of changes to targets dates.

- 4.2 The risks in the ORR are presented by:

- Department (in alphabetical order);
- Division (again within alphabetical order);
- Then by 'risk score' with the highest first.

- 4.3 The ORR, Appendix 3, has been compiled using divisional risk registers submitted to RMS by each Divisional Director. The significant risks (scoring 15 and above) identified within these individual registers have been transferred to the Council's ORR.

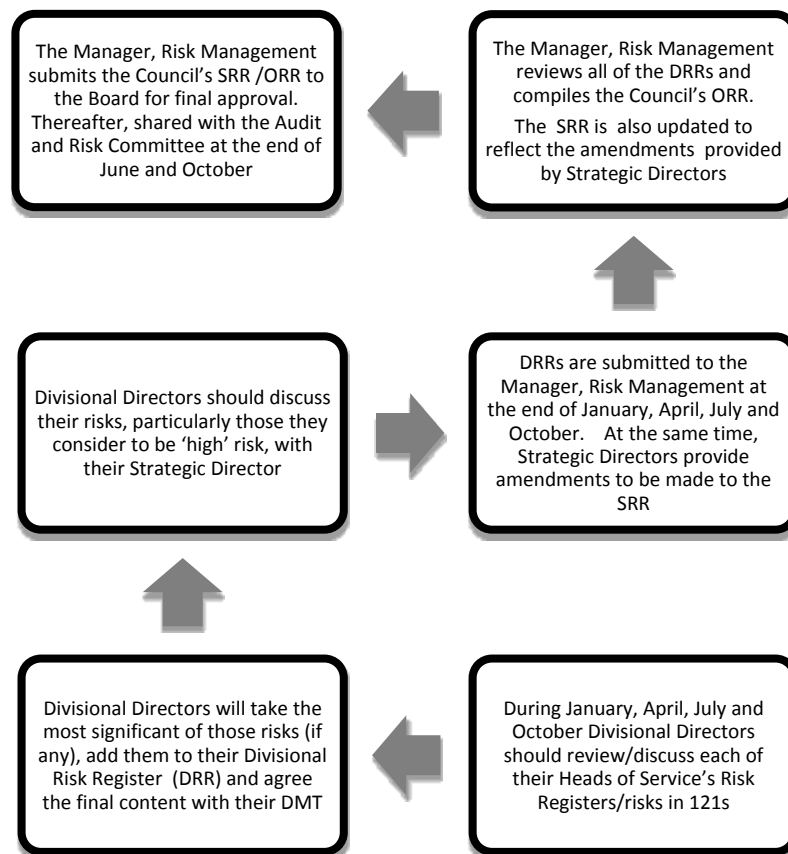
- 4.4 With regards to the ORR, 36 existing risks have been amended and 8 deleted. See Appendix 3, worksheet 2 showing where amendments and deletions have been made. As a reminder, where a risk is 'deleted' does not elude to the risk being eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15.

- 4.5 Both of the risk registers presented contain the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Policy and Strategy.

- 4.6 CMT are reminded that the Council's Risk Management Strategy refers to the process of embedding risk management within business areas. The risk registers allow this to be evidenced, but if this process is to be demonstrated as a method by which the Council manages its risk profile, it has to be more than a quarterly exercise of submission of a register to RMS. The number of updates/changes to the risk registers each quarter is a positive indication of this, but the process of risk management must

become a daily activity throughout the authority to be truly embedded indicating the council is managing its risk exposure.

- 4.7 The risk registers will be submitted to the Audit and Risk Committee bi-annually.
- 4.8 Risk registers need to be working documents that can be sent to RMS or discussed with line management and/or members at any time.
- 4.9 For clarity, the process for reviewing and reporting operational risks, in line with the Council’s Strategy, should be as per the following flowchart:



- 4.10 A planned review of the Council’s ORR by Risk Management Services will take place this financial year and dates and timescales will be notified once the approach is decided. This will be a ‘sense check’ of risks being reported to ensure that descriptors allow the ‘uninitiated’ to understand alignment is taking across the division and to ensure risks are not over scored.
- 4.11 A summary report of claims against the Council received between 1 April 2016 to 31 March 2017 is attached as Appendix 4. These display the successful and repudiated claims, breaking these down into business areas and type of claim i.e. slips and trips, potholes etc. Directors should be aware that one claim may be reported in more than one policy category – for example a Motor claim may also have a Personal Injury or Public Liability claim too, and that for new claims a value may not have

been applied whilst initial investigations conclude. Further information is available regarding the background to this data upon request.

5. Financial, Legal Implications

There are no direct financial or additional legal implications arising from this report. Implications will rest within (and be reported by) the business areas that have day-to-day responsibility for managing risk.

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

7. Report Authors

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18th May 2017