



Leicester
City Council

WARDS AFFECTED:

Audit and Risk Committee

6th December 2017

Operational and Strategic Risk Registers and 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, risk training schedule and claims data:

- Appendix 1, the Strategic Risk Register (SRR) providing a summary of the strategic risks facing the council affecting the achievement of the strategic objectives of the council;
- Appendix 2, supports appendix 1, which provides the detail in relation to the council's strategic risks;
- Appendix 2a to inform where changes have been made to the SRR since the last quarter;
- Appendix 3, the Operational Risk Register (ORR) exposure summary, provides a high level summary of the operational risks, which affect the day to day operations of the divisions. Such risks are assessed by Divisional Directors with a risk score of 15 or above for consideration;
- Appendix 4, the ORR, supports Appendix 3, the summary of the ORR, which provides the detail in relation to the council's operational risks;
- Appendix 4a, provides details of where changes are made to the ORR since the last quarter;
- Appendix 5, Insurance Claims Data for the current financial year as at 30th September 2017;
- Appendix 6, informs of the training schedule for 2018, covering risk, business continuity and insurance.

2. Recommendations

Audit and Risk Committee is asked to:

- Note the SRR and ORR as at 31st October 2017, subject to any changes made by the Corporate Management Team as reported to the meeting.
- Note the insurance claims data.
- Note the training timetable for 2018.
- Make any comments to the Executive or Director of Finance.

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 Strategic Risk Register and ORR process is owned and led by the Chief Operating Officer. The Strategic Directors support the strategic risk register process documenting the key strategic risks facing the council and help to ensure these are managed. The SRR 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.
- 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 and Appendix 5 provide 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. 15 updates to risks were made comprising of changes to controls and targets dates. Appendix 2a indicates in bold and underlined where such alterations were made.
- 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 summary document, 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 Appendix 3, the summary of operational risks, is supported by Appendix 4 which provides details of the operational risks. With regards to the ORR, 42 existing risks have been amended, 1 deleted and 5 new risks added. Appendix 4a indicates in bold and underlined where amendments and deletions have been made. As a reminder, the deletion of a risk does not necessarily mean the risk is 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, which was the case in the deleted risk this quarter.

The key risks that local authorities are currently facing nationally and which are being managed and mitigated include:

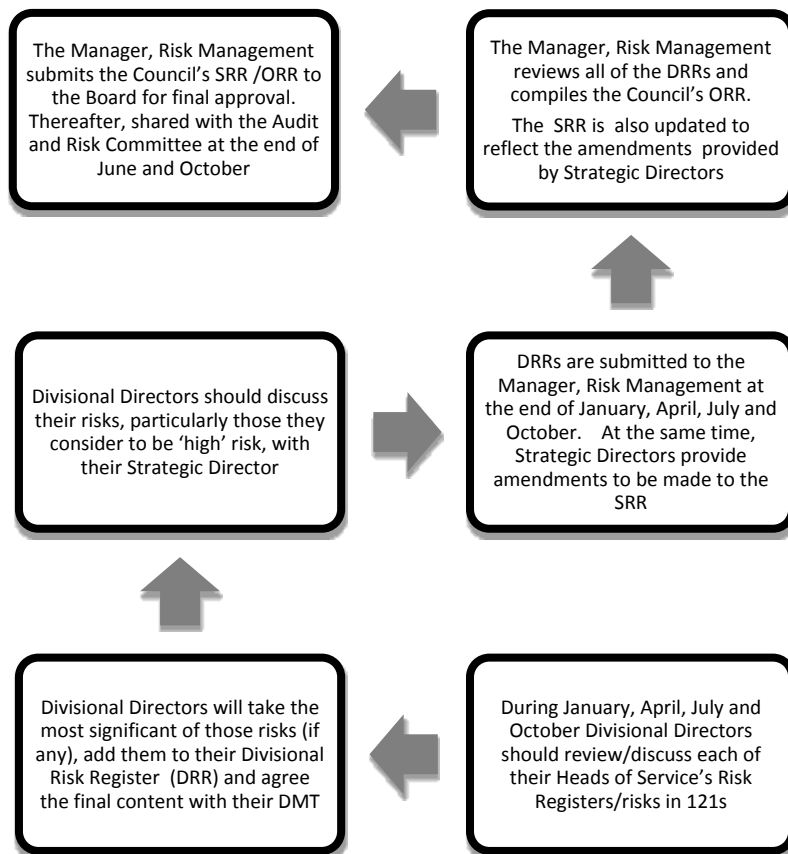
- Cyber security
- Early closedown of year end accounts from 2017/18
- Universal Credit full service
- Foster carers' vicarious liability
- Grenfell Tower impacts
- GDPR / new data protection requirements

4.5 Both the strategic and operational risk registers attached to this report 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 Corporate Management Team was 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.

4.8 Risk registers should 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 Divisional Risk Registers which complements the ORR by Risk Management Services will take place this financial year. This will be a 'sense check' of risks being reported to ensure that descriptors allow the 'uninitiated' to understand that 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 to 30th September 2017 is attached as Appendix 5. These display the successful and repudiated claims, breaking these down into business areas and type of claim i.e. slips and trips, potholes etc. Further information is available regarding the background to this data upon request.
- 4.12 Appendix 6 provides details of the risk management and insurance training programme for Council officers. This is presented for the Committee's information and to provide assurance that a robust training programme is in place, to promote a proper understanding of risk and insurance across the Council.

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 Author

Sonal Devani – Manager, Risk Management – 37 1635