1 Purpose of Report

1.1 This report summarises Risk Management activities during the period from 1 September 2015, and the plans to make progress going forward.

2 Recommendations

2.1 Report for information.

3 Background

3.1 This report is to enable the Audit and Governance Committee, in accordance with their work programme and overall responsibility for governance, to scrutinise Risk Management activities. The work of RBC Risk Management is an ongoing requirement from the Accounts and Audit Regulations to produce an Annual Governance Statement (AGS) with Risk Management processes being an integral part of the AGS.

Alternatives considered

3.2 Not applicable.

4 Financial Implications

4.1 There are no financial implications arising from this report.

5 Legal Implications

5.1 There are no legal implications arising from this report.

6 Personnel Implications

6.1 There are no personnel implications arising from this report.

7 Corporate Priorities

7.1 This report supports the Council’s overall corporate objectives of ensuring that governance arrangements remain strong across the Council, particularly throughout this period of significant change.
8. **Risk Assessment Implications**

8.1 Risk implications are listed within the various points within the Risk Management Action Plan (see 12 below).

9. **Equalities Impacts**

9.1 **Workforce Equality Impacts Assessment**

There are no workforce equality issues arising from this report.

9.2 **Equality/Community Impact Assessments**

There are no equality/community issues arising from this report.

10. **Risk Management Process**

10.1 **Risk Management** covers the structure, processes and culture that contribute to the effective management of threats to the Council that may prevent us from achieving our objectives.

The Risk Management process adopted by RBC is a continuous cycle where Risks to Council objectives are identified, analysed, mitigated and then monitored. The use of Risk Ranking scores enables analysis of risk levels, and the monitoring of the effectiveness of risk management actions.

Innovation must still be supported alongside the risk management cycle. We must recognise that Risk needs to be managed, rather than avoided. Many of the Council’s risks are accepted subject to the mitigating influence of risk control actions. Some are tolerated with no mitigation, because they fall within the Council’s risk appetite and the benefits of the Council activity involved outweigh the costs of the risk occurring.

More detailed information on this process is included within the Risk Management Framework and Risk Management Policy.
10.2 **Risk Ranking scores** (ranging from 1 to 16) are obtained by multiplying the Impact (1 - 4) of a Risk occurring by its Likelihood (1 - 4). The following Traffic Light system is then used to categorise the risk’s priority level –

<table>
<thead>
<tr>
<th>Colour</th>
<th>Priority</th>
<th>Ranking</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RED</strong></td>
<td>High Priority</td>
<td>1 – 4</td>
<td>Significant management action/ control evaluation and improvement required and/or continued proactive monitoring.</td>
</tr>
<tr>
<td><strong>Amber</strong></td>
<td>Medium Priority</td>
<td>5 – 11</td>
<td>Seek cost effective management action/ control improvements.</td>
</tr>
<tr>
<td><strong>Green</strong></td>
<td>Low Priority</td>
<td>12 – 16</td>
<td>Seek control improvements if possible and/or monitor and review regularly.</td>
</tr>
</tbody>
</table>

10.3 **Risk Registers**
Risk information (such as risk scores, control measures, etc.) are recorded in Risk Registers for each division of the Council Service structure. The registers display both the ‘Inherent risk’ (i.e. risk level before any controls are put in place) and the ‘Residual risk’ ranking (i.e. risk ranking after controls are in place). By comparing the Inherent and Residual scores we are able to provide a measure of the how the risk scores are improved due to the effect of mitigating actions.

10.4 **Assessment of the effectiveness of Risk Management** is achieved by –

a) Regular review of mitigating actions and resulting residual scores then comparison of Inherent (before controls) and Residual (post controls) risk scores.

b) Monitoring of Risks categorised as Red under the Risk Matrix ‘Traffic Light system’ (see above) – significant management action is considered necessary to control Red risks.

c) Review of Risks where ranking scores have increased in the last quarter – where possible, action required to mitigate the Risk back to the level previously attained.

d) Identification of Risks where review dates have been surpassed – either immediate review required, or confirmation of revised date by which review to be completed.

e) Ongoing challenge by Internal Audit during the normal course of their work to ensure that risks are appropriately included in the register and properly managed.

f) Completion of Risk Management self-assessment process at year-end where different Council Services assess the adequacy of their own RM processes.

g) Application of ALARM Risk Management Maturity Model - model allows an organisation to have its methods and processes assessed according to management best practice, and against a clear set of external benchmarks. The quality of RBC’s risk management procedures is indicated by the award of a particular ‘Maturity Level’.

h) Identification of any new risks

11 **Work Completed from September 2015**

11.1 **Appointment of Risk Manager**
The new Risk Manager was appointed on 1st September 2015 and will focus on further developing and embedding the Council’s risk management processes. Appropriate induction training has been provided to the Risk Manager.
The RBC Leadership team continue to proactively review and manage the risks identified under the Corporate Risk Register. The risks held under the Corporate register are those viewed as potential threats to the delivery of the overarching objectives for the whole Council (identified in the Corporate Plan). Confirmation was received from Control Owners in September that all outstanding Risk Control actions have now been completed.

The Corporate Risk Register is a register used to record those risks identified as potential threats to the delivery of the overarching objectives for the whole Council. It should be noted that the Corporate register uses 5x5 risk matrix ranking (producing risk ranking scores from 1 – 25), which reflects the greater significance attached to risks managed at Leadership level.

Risk Champions are the officers allocated the responsibility for risk management within the various Services. They act as a link between the Risk Group and each Service’s management team, in line with the new structures of the organisation, and coordinate the implementation of any risk actions. See Appendix A for details.

Training has already been provided on use of the Risk Register system to a number of newly appointed Risk Champions. Plans are in place to provide risk management training to a wider number of champions.

The Risk Manager has reviewed the content of the existing risk registers for all Services. This exercise has contributed to the identification of priority areas under the Risk Manager Action Plan and, as part of this, all Services are to review/refresh their registers.

Monitoring is also carried out of any risks ranked as priority Red under all risk registers held by the Council. Any risks that are assessed as having a ranking score of 12 or above must be subject to a proportionate level of management action or increased monitoring. The Risk Manager is required to report to the Leadership team on the number of Red risks, and the current position regarding each, every quarter.

It can be confirmed that there are currently no risks ranked as priority Red under any of the Service registers.

The Risk Manager has attended User Group meetings to contribute to the development of improvements to the current Risk Register / Performance Manager system. The new version will allow better navigation of risk registers and faster system updates, and is planned for release in April 2016.

Rochdale Council’s Property insurance cover for Flood cover at the Number One Riverside building has been reviewed and appropriate provision is in place based on an assessment of the impact of this risk.

See Appendix B.
13 Risk Management Results.

13.1 The table below shows the Risk Management results dashboard for Q2 2015/16.

<table>
<thead>
<tr>
<th>Leadership Dashboard – Risk Management</th>
<th>Result Q1 2015/16</th>
<th>Result Q2 2015/16</th>
<th>Target 2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Number of Corporate Register Risks</td>
<td>10</td>
<td>10</td>
<td>Statement only</td>
</tr>
<tr>
<td>2. Number of Red risks on Corporate Register</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3. Number of Red risks on Service Registers</td>
<td>7</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Number of Risks where risk score has increased in last Quarter</td>
<td>Not reported</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The dashboard demonstrates that there are not considered to be any high-priority Red risks causing undue concern at this time.

<table>
<thead>
<tr>
<th>Background Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document</td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>
Appendix A

Service Risk Champions

Resources
- Finance & Procurement: Mark Barrett
- Legal: Elizabeth Cunningham
- Revenues & Benefits: Keith MacKenzie
- HR & Payroll: Jane Dorber
- Public Health: Ryan Staniland
- Public Protection: Nicola Rogers & Beverley Wilkinson

Economy
- Renewable Energy / Sustainability: Barnaby Fryer
- Jobs Skills & Economic Growth: Andrew Bradwell
- Planning & Building Control: David Oakes
- Estates & Assets: Beverley Hirst
- Physical Regeneration: Damian Cooke

Children’s Services
- Adult Care: Anne Hopwood
- Children’s Social Care: Pamela Wharton
- Early Help & Prevention: Dave Baker

Adult Care

Neighbourhood
- Environmental Management: Gordon Beverley
- Highways: Andrew Storey
- Facilities Management: Peter Gurney
- Strategic Housing: Graham Pilling
- Community Safety: Andy Glover
- Customers & IT: Maria Tickle
- Coroners & Registrars: Mark Dalzell
- Business & Intelligence: Joanne Platt
## Risk Management Action Plan

<table>
<thead>
<tr>
<th>No.</th>
<th>Area / Actions</th>
<th>Plan</th>
<th>Lead Officer</th>
<th>Timescale</th>
</tr>
</thead>
</table>
| 1   | Re-establish Risk Management Group | The Risk Management Group is attended by the Risk Manager and Risk Champions from across the Council. It is a forum with the purpose of promoting risk management in the Services, and ensuring that the policy, strategy and the systems available are followed.  

The Risk Management Group is to be re-established in November 2015 following the recent appointment of the new Risk Manager. This Group will be used to progress the various action points listed below. | Martin Nixon       | 30/11/2015       |
| 2   | Review and Update Service Risk Registers | All Council Services will be required to review and update their risk management arrangements, and record all changes to their risk registers. The Risk Manager will provide guidance and advice to Leaders, management and Risk Champions during this process.  

Regular updates are necessary to ensure risk control measures are still effective within a dynamic environment. Also recent changes to the Council structure, and the impact of future savings proposals, create the need to manage the risks associated with change. | Risk Champions     | 31/03/2016       |
| 3   | Risk Management Training          | The Risk Manager is to prepare and deliver training to Risk Champions, Leadership and senior management, and Members if required. Risk Champions require guidance on the administration of risk registers and the risk scoring system, whilst it is important that Leadership, management and Members are given updates on strategic risk issues.  

An E-learning training course is also to be developed to provide a basic level of Risk Management knowledge to all Council staff. It is crucial that the whole Council team understands the priority attached to risk management to allow all to participate. | Martin Nixon       |                 |
<table>
<thead>
<tr>
<th>No.</th>
<th>Area / Actions</th>
<th>Plan</th>
<th>Lead Officer</th>
<th>Timescale</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Risk Management Communication</td>
<td>Specific training requirements to be accommodated as follows -&lt;br&gt;a) Risk Management refresher training for Risk Champions&lt;br&gt;b) Performance Manager training for Risk Champions&lt;br&gt;c) E-learning Risk Management training course for all staff&lt;br&gt;d) Risk Management training for Members</td>
<td>Martin Nixon</td>
<td>30/11/2015 08/01/2016 31/01/2016 31/03/2015</td>
</tr>
<tr>
<td>5</td>
<td>Development of Performance Manager System</td>
<td>The profile of risk management within Rochdale Council is to be improved by the use of a designated intranet page (including risk information, policies, guidance notes and links), regular risk management intranet-bulletins and providing access to an E-learning training course. Improved communication will boost the effectiveness of risk management through staff awareness, and the subsequent effect on culture.</td>
<td>Martin Nixon</td>
<td>Risk Management Intranet page by 04/01/16</td>
</tr>
<tr>
<td>6</td>
<td>AssuranceActivities</td>
<td>It is essential that Rochdale’s risk management performance is assessed to ensure that threats to Council objectives are minimised. Assurance will be achieved by the following activities –&lt;br&gt;a) Risk Management self-assessment process – use of standard assessment questionnaire to rate each Service’s performance for that year.&lt;br&gt;b) ALARM Risk Management Maturity Model (see 10.4 above) – method of assessment against set of external benchmarks.</td>
<td>Risk Champions</td>
<td>01/04/2016 01/04/2016</td>
</tr>
<tr>
<td>No.</td>
<td>Area / Actions</td>
<td>Plan</td>
<td></td>
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<tr>
<td></td>
<td>c) Insurance Claims statistics – the Council Insurance team have supplied detailed claims figures to the Risk Manager. The figures can be divided between different Services, types of losses and different time periods. By sharing this information with the Services, managers and Risk Champions are able to monitor the impact of risk control actions on claims costs and spot emerging risks that require action.</td>
<td>30/11/2015</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>