| SUBJECT: | RISK MANAGEMENT | |
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| REPORT OF: | Director of Resources | Jim Burness |
| RESPONSIBLE OFFICER | Head of Finance | Rodney Fincham |
| REPORT AUTHOR | | |
| WARD/S AFFECTED | All | |

## 1.    Purpose of Report

1.1    The purpose of this report is to update Members on risk management across the two authorities.

**RECOMMENDATIONS**

**The Committee is asked to note the report**

## 2.  Information

2.1    The report will inform members about:

- The harmonised approach to managing risk across the two Councils
- The current main operational risks
- The strategic risks

2.2    In 2015 the two Councils agreed a harmonised approach to risk management to reflect the growing joint working and common risks facing the authorities.

2.3    The framework for management of risk can be summarised as follows:

- All staff have a basic responsibility for identifying, and managing risks.  This will range from operational working and H&S risks to the risks to the council achieving its strategic objectives.  The level of responsibility will vary depending on the role of specific officers in the organisations.

- All teams have responsibility for identifying the risks they face to delivering their objectives.  These are captured as part of the service planning process.  The risks are assessed to determine how they need to be monitored and which require a proactive approach to mitigate, and what risk cannot be totally mitigated and what the response to these would be.

- Where projects are undertaken the project management methodology requires risks to be identified with their mitigation measures.

- Specific risk areas such as H&S and insurance are subject to specific monitoring and review.

- During the year Heads of Service and their Team Managers as part of their monthly review of operations identify the main current risks and determine how to respond to these.

- Monthly the main operational risks are reviewed by Management Team and Heads of Service.

- The authorities' strategic risks are reviewed annually as part of the budget and service planning process.

2.4 Risk management is one of the main elements of corporate governance. Effective organisations have a proactive approach to risk management. The current strategic risks are shown in Appendix A, most of which are common to the two authorities.

2.5 Work undertaken to strengthen the authorities' risk management has included:

- Revamping and putting in place a standard approach to project management across the two Councils. This is important in the context of the number of projects of various sizes that will be undertaken in the coming years. All senior and middle managers responsible for managing projects have been trained in the project management methodology.

- Developing the Councils approach to information management, working to improve the organisation access and retrieval of information key to the operation of services. This has included training on data protection and sharing.

2.6 Over the last year the level of insurance claims in both authorities has remained low, less than ten claims per annum. There have been no significant H&S issues, or breaches of data security.

## 3. Options

Not applicable

## 4. Corporate Implications

4.1 Comment from the Internal Auditor: Risk management is an important part of the governance and control framework for the two Councils and is subject to a biannual internal audit. Internal Audit are pleased to note, from their earlier work, that the two Councils have embraced good risk management processes which are now becoming embedded within the day to day management and delivery of the Council's services. Despite the significant transformational changes that have occurred over the last couple of years risk management has remained high on the agenda for the Council's officers and the control framework has remained sound during this period of change. Internal audit work will continue to test the resilience of risk management in future years.

4.2 There are no financial implications arising from this report, nor any implications for the Council's policies and procedures.

## 5. Links to Council Policy Objectives

5.1 Risk management is one of the main elements of corporate governance. Effective organisations have a proactive approach to risk management.

## 6. Next Steps

6.1 Not applicable.

| Background Papers: | None |
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