

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE			
<b>SUBJECT:</b>	RISK MANAGEMENT FRAMEWORK AND REPORTING			
<b>DATE OF DECISION:</b>	16 DECEMBER 2013			
<b>REPORT OF:</b>	CHIEF FINANCIAL OFFICER			
<b><u>CONTACT DETAILS</u></b>				
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#### **STATEMENT OF CONFIDENTIALITY**

n/a

#### **BRIEF SUMMARY**

The Governance Committee is responsible for ensuring that an adequate and effective framework for the identification and management of key risks is in place and that appropriate action is being taken to manage risk.

#### **RECOMMENDATIONS**

- (i) To note the 'Strategic Risks' for 2013-14 (Appendix 1); and
- (ii) To note the 'Summary of Directorate Risk Registers' (Appendix 2).

#### **REASONS FOR REPORT RECOMMENDATIONS**

1. The report is presented to the Governance Committee as the member body responsible for providing independent assurance on the adequacy of the risk management framework and the internal control and reporting environment.
2. In addition, the Committee needs to satisfy itself that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. No alternative options have been considered.

#### **DETAIL (Including consultation carried out)**

4. The Council is committed to ensuring that there is a structured and consistent approach to managing its key business risks that seeks to optimise the balance between risk and reward, recognising that actions to mitigate or manage risks need to be proportionate.
5. A robust process is in place which requires that both the Council Management Team ("CMT") and the individual Directorate Management Teams ("DMTs") identify the key risks for the forthcoming period and undertake periodic reviews of those risks in order to be satisfied that they are

being managed appropriately.

6. CMT is responsible for identifying the Council's strategic risks. This process is informed by:
  - A review of the Strategic Risks in the previous period;
  - The challenges, opportunities and priorities in the Council Plan;
  - The Directorate Risks, in terms of common themes or issues; and
  - A review of 'Core Cities' Strategic Risk Registers (as a benchmarking tool).
7. Similarly, the directorate risks are identified by the respective DMTs and are informed by the challenges, opportunities and priorities in their directorate or service business plans.
8. CMT meets at least three times per annum, at appropriate points in the year, to review both the strategic and directorate risks. The purpose of these 'risk review workshops' is to ensure that the key strategic risks are being managed effectively and that they remain both relevant and appropriate. CMT is also provided with oversight of the directorate risks in order to enable them to reflect on whether, or how, they relate to the strategic risks.
9. The individual DMTs review their respective risk registers on a similar basis and frequency .
10. The format of the risk registers has changed from an 'action plan' style format to more of an 'assurance style' report. This follows a discussion at the 'Risk Review Workshop' in June whereby CMT expressed a view that a more assurance based approach would be helpful in terms of providing them with a more accessible overview of the key risks.
11. The revised approach was developed and presented to CMT in September. The new format was fully endorsed at this meeting and the new 'Strategic Risk Assurance Report' was reviewed by CMT at the November 'Risk Review Workshop'. It was considered that the new format was a helpful and significant development in terms of providing CMT with a more effective oversight of the status of the key risks.
12. The new report format is intended to provide a more intuitive approach and has also been adopted in respect of the directorate risks.
13. It is recognised that however that, as this is a new approach, it may need to be further refined over time in order to ensure that it continues to meet the business need.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

14. None

**Property/Other**

15. None

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

16. The Accounts and Audit (England) Regulations 2011 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

**Other Legal Implications:**

17. None

**POLICY FRAMEWORK IMPLICATIONS**

18. None

**KEY DECISION?** No

<b>WARDS/COMMUNITIES AFFECTED:</b>	
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Strategic Risk Assurance Report 2013-14 (v8)
2.	Summary – Directorate Risk Registers 2013-14

**Documents In Members’ Rooms**

1.	n/a
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes/No
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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