

**Title of Report:** Corporate Risk Management 2018/19  
Quarterly Report to 31 December 2018

**Report of:** Darren Collins, Strategic Director, Corporate Resources

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### **Purpose of the Report**

1. This report updates the Committee on developments in Corporate Risk Management during the period 1 October to 31 December 2018 in compliance with the requirements of good corporate governance.

### **Background**

2. Quarterly reporting to those with the responsibility for the oversight of risk management issues complies with the principles of good corporate governance. It is also embodied in the Corporate Risk Management Policy approved by Council on 21 May 2013.
3. The report covers progress against the Corporate Risk Management Developmental Objectives for 2018/19 as cited in the Corporate Risk Management Annual Report 2017/18 and any other risk management issues emerging within the quarter under consideration.

### **Development Objectives**

4. The Action Plan for the delivery of the Developmental Objectives for 2018/19 incorporating progress to date is shown at Appendix 1, work is progressing as per the plan.

### **Strategic Risk Management**

5. In November 2018 Cabinet and Council approved the revised Strategic Risk Register which had been presented to Audit and Standards Committee on 1 October 2018.
6. As part of the iterative nature of the register, risk owners have been asked to provide updates any updates as part of the quarterly review. Currently there are now changes to the register but all updates will be reported to Committee as part of the quarterly updates.
7. In addition, as part of the ongoing works, officers are assessing emerging risks to ascertain how these will be incorporated within the Risk Registers. The areas currently being reviewed are: ICT cyber security, the potential impact of the wider rollout of universal credit and Britain's withdrawal from the European Union (Brexit) on Council services. If any of these are assessed as posing a strategic risk to the achievement of the Council's objectives, they will be brought into the Strategic Register.

## **Operational Risk**

8. As part of the ongoing work to refresh the operational risk management framework additional guidance was prepared and circulated to support officers in the identification and assessment of operational risks and focus risk management activity on key areas within a service.
9. The Corporate Risk Management Team has been working with officers from a number of Service areas to strengthen their risk management arrangements and provided additional training where required.

## **Business Continuity**

10. The Business Continuity Plan template, scoring assessment and the service impact assessment have all been reviewed and updated to ensure CIPFA best practice recommendations are incorporated within Council processes.
11. These new templates have been shared at the Risk and Resilience Group in September and will be used in the 2018/19 annual review.

## **Benchmarking**

12. In order to enable comparison with other public sector organisations, the Council participated in the 2018 ALARM/CIPFA Risk Management Benchmarking Club.
13. Membership of the club provides access to a performance measurement tool designed to test the organisation's performance against the major risk management standards, expectations of inspection bodies and criteria that inform the risk management element of the Annual Governance Statement.
14. The benchmarking question set is based on ALARM's National Performance Model for Risk Management in Public Services published in 2009. The model breaks down risk management activity into seven strands and aims to provide an in-depth picture of the maturity of risk management within the organisation.
15. Scores of levels 1 to 5 are awarded for each strand to identify the level of maturity that the organisation has reached with level 5 being the highest possible score. The categories are as follows:
  - 1 Awareness
  - 2 Happening
  - 3 Working
  - 4 Embedded and Integrated
  - 5 Driving
16. The benchmarking results for Gateshead over the seven strands are as follows:
  - Leadership and Management 4
  - Policy and Strategy 4
  - People 4
  - Partnerships and Resources 5

- Processes 4
- Risk Handling and Assurance 4
- Outcomes and Delivery 3

17. The Council has maintained the same scores as the last assessment for six of the seven strands, with the score for the Processes strand increasing from 3 (working) to 4 (embedded and integrated).
18. The improved score for the Processes strand reflects work undertaken by Corporate Risk Officers to assist managers with the operational risk management process, which has included the production and circulation of improved guidance to managers.

### **Risk and Resilience Group**

19. The Risk and Resilience Group meeting in January discussed the work which has taken place during the previous quarter, including the revised Risk Management and Business Continuity guidance.

### **Recommendation**

20. It is recommended that the Committee note the report and consider the effectiveness of the Council's risk management arrangements.

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