

Title of Report: Corporate Risk Management 2017/18
Quarterly Report to 30 September 2017

Report of: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report updates the Committee of developments in Corporate Risk Management during the period 1 July to 30 September 2017 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 6 June 2013.
3. The report covers progress against the Corporate Risk Management Developmental Objectives for 2017/18 as cited in the Corporate Risk Management Annual Report 2016/17 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 2017/18 incorporating progress to date is shown at Appendix 1, work is progressing as per the plan and further details about the specific areas are covered below.

Strategic Risk Register

5. The work on the refresh of the Strategic Register has continued during the period and has identified the following seven key strategic risks which may impact on the Council's ability to deliver the strategic objectives included within Vision 2030 and the Council Plan:
 - Failure to address the financial gap in the Council's budget and achievement of the Medium Term Financial Strategy
 - Failure to manage demand and expectations
 - Failure to safeguard vulnerable children and adults
 - Failure to attract inward investment and sustainable economic growth
 - Non-compliance against current statutory duties and legislation affecting the whole Council (Corporate)
 - Failure to address workforce planning and resourcing
 - Major incident or business interruption affecting availability of the Council's resources and impacting on ability to deliver critical services or an impact on a community.

6. The number of strategic risks has reduced from the current register as some risks have merged and some are no longer applicable. A summary of these changes is shown in Appendix 2.
7. To ensure all controls, either current or planned, have been identified the draft register has been circulated to all Service Directors for comment. The responses have been received and are being reviewed to identify any further controls which need adding to the draft register prior to the register being approved and adopted.

Criminal Finance Act 2017

8. A new crime has been introduced in the Criminal Finance Act 2017, the failure to prevent the criminal facilitation of tax evasion, which takes effect from 30 September 2017.
9. An example of the type of transaction which could be deemed a criminal offence under this act is shown below:
“Employee agrees to ‘mis-describe’ the nature of goods/services on an invoice (or invoice requisition) for more favourable tax treatment.”
10. The Act is likely to impact primarily on higher risk organisations such as those in the finance industry but the Corporate Risk Management team are co-ordinating a risk assessment of all Council services to ensure procedures are in place and have been affectively communicated for any areas where this type of crime could be attempted.
11. The key risk areas within the Council are likely to include:
 - Exchequer Services;
 - Payroll; and
 - Business Rates
12. In addition to the service specific risk assessments the Council’s Insurance and VAT teams will be consulted as part of this exercise as the controls in place within these areas will also mitigate this risk.
13. An update on the progress of this work will be provided at the next Committee.

Risk and Resilience Group

14. The Risk and Resilience Group met 19 September and the following items were discussed:
 - Responses from the consultation with Service Directors on the draft Strategic Risk register
 - Progress on the actions arising from the Pandemic Influenza Business Continuity Planning exercise completed in April;
 - Resilience and emergency planning updates in relation to recent planning exercises and operations;
 - Health and Safety overview including work that is taking place in Gateshead following the Grenfall Tower incident; and
 - Engagement with Services in relation to Critical ICT Systems Service Planning.

Recommendation

15. It is recommended that the Committee note the report.