



Subject:	Corporate Risk Management
Date:	23 June 2017
Reporting Officer:	Ronan Cregan, Director of Finance & Resources and Deputy Chief Executive
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report is to: a) Brief Committee Members on the Council's corporate risk management process. b) Present the corporate risk register, highlighting those corporate risks that are of direct relevance to the Committee c) Advise the Committee of the proposed process for risk reporting, including the role of the Committee in relation to the monitoring of these risks.
2.0	Recommendations
2.1	The Committee is asked to; <ul style="list-style-type: none">note the attached report and the proposed process for risk reporting.

3.0 Main report

Introduction to Risk Management

3.1 The Corporate Plan for 2017-21 sets out the corporate priorities and strategic programmes which are needed to work towards achieving the Council's vision for Belfast. In the light of this plan, the emerging Belfast Agenda and ongoing responsibilities, Chief Officers have identified the key risks facing the organisation.

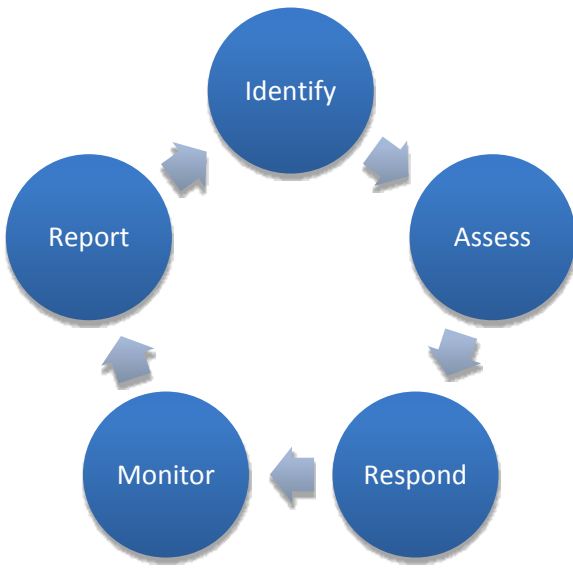
3.2 These risks are set out at Appendix1. Risk management is a formal process to ensure that these risks are effectively managed.

3.3 The goal of risk management is to manage these risks to an acceptable level, not to eliminate risk altogether. When risks are managed effectively, our objectives and priorities are more likely to be achieved. When risk management fails the consequences can be significant and high profile.

3.4 Risk management processes are required by legislation and form an important part of the Council's governance and assurance arrangements.

The Council's Risk Management Process

3.5 There are 5 main stages to the Council's risk management process, which are displayed below:



Assessing risk allows the level of exposure to be understood and involves taking account of both the likelihood of the risk occurring and also the impact that the risk would have, if it

3.6 were to occur.

Managing Corporate Risks to an Acceptable Level

3.7 CMT have comprehensively reviewed, updated and undertaken an initial assessment of the corporate risks, the results of which are plotted on to a corporate risk map (see Appendix 1) which has been approved by the Audit & Risk Panel.

3.8 As many of the risks are 'new' and in some cases, reflect new responsibilities and aspirations, a number of the current risk assessments are in the 'red zone' and, viewed as a whole, the current overall corporate risk profile is considerable.

3.9 In order to manage the corporate risks down to an acceptable level, for each risk, CMT have set a Target Risk Rating and have identified the key actions that should be taken in order to achieve this rating (i.e. to either reduce the likelihood of the risk happening and / or to reduce the impact should the risk materialise). The Target Risk ratings have also been plotted on to the corporate risk map (page 3 of Appendix 1) and this illustrates the intended direction of travel of the corporate risks from the red zone to the amber and green zones on the map.

3.10 The risks of particular relevance to the Strategic Policy and Resources Committee are as follows:

Ref.	Risks
1	ERDF projects - ERDF claw backs and financial penalties lead to BCC cost increases. In addition, failure to deliver project outcomes also presents a financial risk in addition to the reputational damage to the Council.
2	Information governance - Poor information governance results in non-compliance with legislation and best practice standards.
3	GLL - Inability to effectively manage the leisure contract and relationships between BCC, Active Belfast Limited (ABL) and Greenwich Leisure Limited (GLL) to ensure that key outcomes are achieved.
6	H&S - Failure to protect the Health and Safety of employees and others and ensure compliance with Health and Safety legislation.
7	Physical Investment Programme - Failure to deliver the Physical Investment Programme within the affordability limits of the Council

3.11	8	Asset maintenance - Fail to plan for and undertake appropriate maintenance of current and new assets (vehicles and buildings) that delivers value for money.
	9	Agreement / delivery of Community Plan - 1. Fail to secure agreement and buy in from key partners for the Community Plan / Belfast Agenda 2. Failure to implement and deliver targets for the Community Plan / Belfast Agenda
	10	Design and Delivery of the Organisation's Transformation Programme - Failure to design and deliver the organisation's transformation programme to ensure that the Council is fit to deliver the corporate plan and Belfast Agenda.
	11	Strategic Planning / Corporate Frameworks - We don't have corporate frameworks in place to deliver the Belfast Agenda and Corporate Plan.
	14	Leisure estates programme - Fail to deliver the Leisure Estates Programme
	15	Financial position of the Council - Failure to secure the financial position of the council in a sustainable way
	16	Procurement - Poor procurement and contract management planning and practice undermines the Council's ability to deliver its objectives, achieve value for money, opens the Council to legal challenge and results in reputational damage (<i>this is new corporate risk that was added to the corporate risk register in June 2017 and is to be assessed by the Risk Owner and a risk action plan is being developed</i>)
	17	Digital information security – If the Council does not have proper arrangements in place for digital information security then the confidentiality, integrity and availability of the information assets of the Council may be compromised. (<i>this is new corporate risk that was added to the corporate risk register in June 2017 and is to be assessed by the Risk Owner and a risk action plan is being developed</i>)
<p>Monitoring and Reporting on the Management of Corporate Risks</p>		
<p>The fundamental responsibility for managing these risks lies with Chief Officers. They and their senior managers are responsible for ensuring the:</p>		
<ul style="list-style-type: none"> ▪ continued operation of controls ▪ prompt implementation of actions in order to reach the target risk rating ▪ reviewing the corporate risks / progress on actions at least quarterly ▪ reporting regularly to Committee on the progress being made to manage the risks. 		

3.12	<p>Committees also have an important role to play in the oversight of the management of the key risks, including:</p> <ul style="list-style-type: none"> ▪ seeking assurances from senior management in order to hold them to account regarding the management and mitigation of these corporate risks, covering both the continued operation of key controls and also the progress that is being made to implement agreed actions within the agreed timeframe ▪ seeking assurances from senior management over the process for timely identification of any new corporate risks
3.13	<p>To assist Committee in exercising this role management will report to Committee on the progress being made to manage these key risks. It is proposed that management will report in December 2017 / January 2018.</p>
3.14	<p>In addition to the above, the Council's Audit, Governance and Risk Services Section (AGRS) are responsible for:</p> <ul style="list-style-type: none"> ▪ reporting to the Audit & Risk Panel on compliance with the quarterly review of corporate risks and key updates (including the completion of assurance statements) ▪ in line with the agreed Audit Strategy and Plan for 2017/18, undertaking specific reviews to provide independent assurance that risks are being managed in line with the agreed action plan in order to achieve the target risk rating within the required timeframe. AGRS will report the results of these reviews to the relevant Director, the Assurance Board and the Audit and Risk Panel.
3.15	<p>The Audit & Risk Panel is responsible for:</p> <ul style="list-style-type: none"> ▪ monitoring the effective development and operation of risk management in the Council ▪ monitoring progress in addressing risk-related issues reported to the Panel, including the corporate risk register and information on the management of key corporate risks.
3.16	<p><u>Financial & Resource Implications</u></p> <p>None</p>
3.16	<p><u>Equality & Good Relations Implications</u></p> <p>None</p>

3.17	
4.0	Appendices – Documents Attached
	Appendix 1 – Corporate Risk Register (June 2017)