

To: Audit and Governance Committee

Date: 11th March 2019

Report of: Head of Financial Services

Title of Report: Risk Management Quarterly Reporting as at 31st January 2019.

Summary and Recommendations

Purpose of report: To update the Committee on both corporate and service risks as at 31 January 2019.

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Efficient and Effective Council

Recommendation(s): That the Committee notes the content of the report

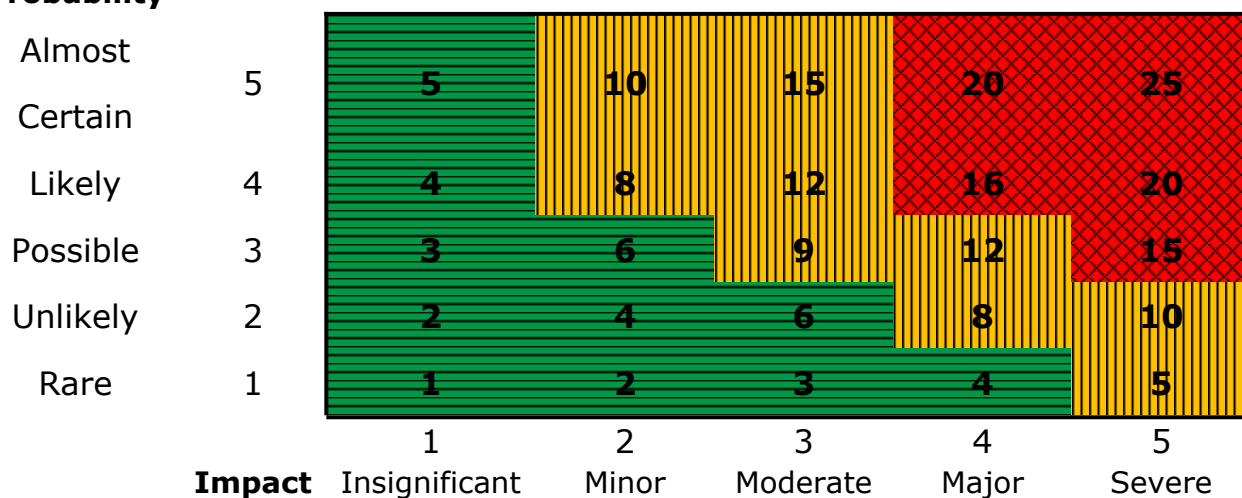
Appendices:

Appendix A Corporate Risk Register

Risk Scoring Matrix

1. The Council operates a 'five by five' scoring matrix. The methodology for scoring risks is set out below along with a copy of the scoring matrix or 'heat map'.
2. It is possible to get the same score but end up with a different result in the heat map. For example if the probability of an event occurring is high but the impact is low it is likely to have a lower rating on the heat map. However, the higher the potential impact score the more likely the event will be classed as a red risk on the matrix.
3. The risk prioritisation matrix is shown below.

Probability



Key:



Risk Identification

4. **Corporate Risks** – The Corporate Risk Register (CRR) is reviewed by the Corporate Management Team (CMT) on a periodic basis, any new risks are incorporated into a revised version of the CRR. Risk owners of corporate risks are generally Directors.
5. **Service Risks** – Service area risks are reviewed periodically by Heads of Service and Service Managers. The Financial Accounting Manager has oversight of all risks and on a quarterly basis will review service risks to determine whether they should be considered for inclusion in the Corporate Risk Register.
6. **Project and Programme Risk** – The Council adopts the principles of Prince2 methodology for managing projects. Incorporated within this methodology is a robust process for the management of risk within a project environment. Each project is managed by the Project Manager who controls and co-ordinates all aspects of the project through to conclusion.

Quarter 4 Corporate Risk Register

7. Audit and Governance Committee receive information on risk on a quarterly basis. Given the timing of the Committee the Corporate Risk Register attached at Appendix A is as at 31st January 2019.
8. The number of Red risks remains at one.
9. The one Red risk is:--
 - **Housing** – the Council has key priorities around housing which include ensuring housing delivery and supply for the City and enabling sufficient house building and investment. Insufficient housing in the City leads to an increase in homelessness which has an impact on residents. There are also health and quality of life issues. The Council is implementing delivery methods for temporary accommodation and accommodation for homelessness prevention which include a rent guarantee scheme, a growth deal to facilitate additional affordable housing and a tranche of property purchases to be delivered via real lettings. In addition following the removal of the HRA borrowing cap by the Government the Council is working on plans to bring forward new build housing, which it will shortly present to CEB.
10. The number of Amber and Green Risks has remained at nine and two respectively.
11. No risks have been closed in the period.
12. The table below shows the levels of red, amber and green current risks over the last 12 months.

Current Risk	Q1 2018/19	Q2 2018/19	Q3 2018/19	31.1.2019 2018/19
Red	4	4	1	1
Amber	8	8	9	9
Green	0	0	2	2
Total risks	12	12	12	12

Service Risk Registers

13. Each year as part of the service planning process, all service risks are reviewed, those no longer relevant are deleted, and any new ones are added.
14. The table below shows the number of service risks as at the 31st January 2019 compared with the last 12 months.

Current Risk	Q1 2018/19	Q2 2018/19	Q3 2018/19	31.1.2019 2018/19
Red	3	2	2	1
Amber	31	31	31	34
Green	17	19	19	17
Total risks	51	52	52	52
New risks in quarter	0	3	0	0
Closed	0	2	0	0

15. The number of Red risks has been reduced from two to one.
16. One of the previous Red risks has been reduced to Amber status. This is as follows:-
- **Law & Governance** – this relates to the Legal Team’s potential inability to generate sufficient external legal work to meet the original income target for the year. Efforts continue to seek additional work from public sector bodies, although this clearly must be balanced against the need to ensure sufficient resource to meet the Council’s own internal requirements. In addition to generating income from external clients, the Legal Team also generates income by recovering the cost to the Council of legal transactions carried out on the Council’s behalf. The team has exceeded the year to date target for this income. Whilst the overall income position taking the two sources together is a positive in year variance to date of £37,000, which would score this risk as Green, individually, only one source of income is currently exceeding the year to date target, so the risk as a whole has been scored as Amber.
17. The one Red risk is as follows:-
- **Financial Services** – relates to Treasury Management and the safety of investments. This risk is red because of the potentially high impact, although the probability of a loss occurring is rated as possible due to the controls the Council has in place around counterparty selection and duration of investment.

Climate Change / Environmental Impact

18. There are no specific impacts arising directly from this report.

Equalities impact

19. There are no equalities impacts arising directly from this report

Financial Implications

20. There are no financial implications arising directly from this report.

Legal Implications

21. There are no legal implications directly relevant to this report but having proper arrangements to manage risk throughout the organisation is an important component of corporate governance.

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List of background papers: None.

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