worcestershire
c o u n t y c o u n c i l

Audit and Governance Committee
12 December 2014

7.   CORPORATE AND TRANSFORMATION RISK REPORT

Recommendation	**1. The Chief Executive recommends that:**
	(a) **the latest refresh of the Corporate and Transformation Risk Registers be considered; and**
	(b) **the red risks and mitigating actions be noted.**
Background Information	2. The Corporate Risk Register and the Transformation Risk Register are key documents in the Council's approach to risk management. They capture the key strategic risks to the delivery of the corporate objectives and provide a context through which directorates construct their own risk assessments and are used to inform decision making about business planning, transformation and service delivery.
	3. As part of a review conducted earlier this year the resulting outcomes were approved by Future Fit Programme Board (FFPB) in May 2014. Since then, work has continued to further embed both existing and new processes for managing risk across the organisation.
	4. The review resulted in a number of fundamental changes to the way risks are managed and reported, including:

- The number of corporate risks were reduced from 24 to 10 with some risks being combined to provide a more focused approach and others being devolved to directorate level risk registers

- The introduction of a Transformation Risk Register (TRR) to run in parallel with the Corporate Risk Register (CRR) where both contain four 'Shared Risks' that impact both corporately and on organisational transformation

- The CRR was revised to include further detail on activities undertaken during the reporting period to control or mitigate individual risks therefore providing better assurance that risks are being managed actively

- 'Risk Appetite' was included as part of the overall risk assessment based on a five point scale ranging from low to high; the inclusion of risk appetite enables the Council to determine the amount of risk it is willing to take to

achieve its strategic objectives and to enable tolerance levels to be set that ensure risks remain within the agreed parameters and the Council is not exposed to unnecessary risk.

5. The CRR and TRR are updated quarterly and reported to Cabinet and Future Fit Programme Board respectively on a twice yearly basis. This report provides an update for Quarter 2.

Summary of Risks

6. The **Shared Risks** (i.e. those shared by the CRR and TRR) are listed below with their current Red, Amber, Green ranking and an indication of direction of travel since each risk was last reported.

Shared Risks	RAG	Movement
Failure to maintain business as usual / appropriate levels of service at the same time as transformation	Amber	⟷
Failure to deliver financial savings identified in MTFP	Amber	⬇
Failure to deliver a major project leading to increased costs, reputational damage to the Council and/or failure to realise savings	Amber	⟷
Serious harm or death due to a failure on the part of the Council	Amber	⟷

7. All of the four shared risks are assessed as amber. The risk relating to the financial savings required to meet the MTFP has reduced from red to amber due to the strategies implemented to meet the current financial challenges. Savings associated with the MTFP are constantly being monitored and strategies developed to ensure progress.

8. The **Corporate Risks** are listed below with their current Red, Amber, Green ranking and an indication as to whether the risk has increased, decreased or remained the same since each risk was last reported.

Corporate Risks	RAG	Movement
Failure to comply with legislation and statutory duties	Amber	⟷
Failure to effectively store, manage and process information and maintain the security of the personal data we hold, (or our partner agencies and commissioned providers hold on our behalf). in compliance with the Data Protection Act	Red	⟷

Demographic changes lead to changed demand for Services	Red	⟷
Failure to effectively manage the Council's premises	Amber	⟷
Ineffective Emergency Response arrangements	Amber	⟷
Ineffective Business Continuity arrangements – Business Continuity arrangements need to keep pace with transformation and assurances in place for the arrangements of commissioned services	Amber	⬇

9. Out of the six corporate risks, two are assessed as red.

10. The risk relating to how the council manages information in respect of the Data Protection Act has not changed in RAG status since the previous report. However, there is currently an action plan being actively managed to put in place effective controls that will reduce the risk to a more acceptable level. Actions include the introduction of a Corporate Information Governance Board to oversee progress, particularly in respect of implementation of the recommendations of the audit undertaken by the Information Commissioner's Office in February 2014.

11. The risk relating to potential demographic changes that could increase the demand for council services has not changed its RAG status since the previous report, but work to better understand the potential increases in demand which will give a clearer picture in relation to managing this risk is being undertaken.

12. The risk relating to Corporate Business Continuity has moved from Red to Amber as a result of several factors including a review of the corporate arrangements for a major business continuity incident affecting the Council. The Corporate Risk Register is included for information at Appendix 1.

13. Within the Transformation Risk Register there are 18 risks broken down as follows:

- 4 Shared risks
- 4 Cross Cutting risks (which impact all directorates)
- 10 Programme risks (the top risks from directorate transformation programmes).

14. There are no Transformation Risks currently assessed as red. The Transformation Risk Register is included for information at Appendix 2.

Supporting Information	**Appendix 1 – Corporate Risk Register** **Appendix 2 – Transformation Risk Register**
Contact Points	**County Council Contact Points** Worcester (01905) 763763, Kidderminster (01562) 822511 or Minicom: Worcester (01905) 766399 **Specific Contact Points** Lisa Peaty, Business Planning and Performance Manager LPeaty@Worcestershire.gov.uk Will Fotheringham, Risk and Business Continuity Manager WFotheringham@Worcestershire.gov.uk
List of Background Papers	In the opinion of the proper officer (in this case the Business Planning and Performance Manager) the following are the background papers relating to the subject matter of this report: WCC Risk Management Strategy