
Report of the Deputy Chief Executive

Report to Corporate Governance and Audit Committee

Date: 24th June 2016

Subject: KPMG Report – Corporate Risk Register Analysis

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. KPMG have carried out a review of the council's Corporate Risk Register, as part of a national review of their local government and police and fire service clients.
2. The attached report from KPMG gives an overview of their national findings, and reports on how the council's risk register compares to these.

Recommendations

3. Members are asked to note the contents of KPMG's report, and the council's proposed response to the points raised in it.

1 Purpose of this report

- 1.1 This report introduces KPMG's report on corporate risk registers and sets out the council's response to the recommendations made.

2 Background information

- 2.1 KPMG have carried out a national review of the corporate risk registers in place at their local authority, police and fire service clients. The review covered both the risks identified and the risk management processes in place.
- 2.2 Under the Committee's terms of reference members are to receive external audit reports so as to:
- (i) inform the operation of Council's current or future audit arrangements; and
 - (ii) provide a basis for gaining the necessary assurance regarding governance prior to the approval of the Council's accounts.

3 Main issues

- 3.1 KPMG's review gives an overview of the most frequently identified risks and the risk management arrangements in place across the bodies surveyed.
- 3.2 In comparing the council's arrangements to the national picture, the review identified two issues for the council to consider – the prominence given to financial risks within the corporate risk register, and whether key risks should be allocated to individual members.
- 3.3 As noted in the annual assurance report on corporate risk and performance management arrangements on today's agenda, on the issue of financial risks, budget management and monitoring are already undertaken on a risk-based approach where financial management resources and reporting are prioritised to support those areas of the budget that are judged to be at risk, for example the implementation of budget action plans, those budgets which are subject to fluctuating demand, key income budgets, etc. In addition, the 2016/17 budget is already included as a high risk in the corporate risk register and monitored monthly through reports to budget holders, directorate leadership teams, corporate leadership team and the Executive Board. Recognising the challenges, specific project management based support and reporting is also in place around the achievement of the key budget actions plans to highlight any variations at an early stage. It is therefore considered that the financial risk management arrangements in place are sufficiently robust.
- 3.4 It is proposed that for 2016/17, key corporate risks will be allocated to portfolio members.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The risk register report from KPMG does not raise any issues requiring consultation or engagement with the public, ward members or Councillors.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 There are no issues regarding equality, diversity, cohesion and integration.

4.3 Council policies and Best Council Plan

4.3.1 Under this Committee's terms of reference members are required to consider the Council's arrangements relating to external audit, including the receipt of external audit reports. This is to provide a basis for gaining the necessary assurance regarding governance prior to the approval of the Council's accounts.

4.4 Resources and value for money

4.4.1 The report does not identify any specific issues in relation to the council's arrangements for securing value for money.

4.5 Legal Implications, Access to Information and Call In

4.5.1 There are no legal issues arising from this report.

4.6 Risk Management

4.6.1 The report confirms that the council's corporate risk register is comparable to those of other councils, and identifies two issues for the council to consider.

5 Conclusions

5.1 The report from KPMG gives assurance that the council's arrangements for its corporate risk register compare well with those in place at similar organisations across the country.

6 Recommendations

6.1 Members are asked to note the contents of KPMG's report, and the council's proposed response to the points raised in it.

7 Background documents¹

7.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.