

**Manchester City Council
Report for Information**

Report to: Audit Committee - 10 March 2020

Subject: Risk Management Strategy and Corporate Risk Register

Report of: Deputy Chief Executive and City Treasurer and Head of Internal Audit and Risk Management

Summary

It is the role of the Audit Committee “to obtain assurance over the Council’s corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements”.

This report supports the Committee in discharging its risk management assurance role by providing:

- an update on progress in delivery of corporate risk management objectives;
- the proposed Risk Management Strategy 2020-22; and
- a copy of the latest refresh of the Corporate Risk Register.

Recommendations

Audit Committee is requested to consider the assurance provided by the risk management report.

Wards Affected: None

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Corporate Plan
- Corporate Risk Reports (Audit Committee December 2018 and February 2019)

1. Introduction

- 1.1. It is the role of the Audit Committee “to obtain assurance over the Council’s corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements”.
- 1.2. To support this responsibility, Audit Committee receive an annual progress report in relation to delivery of Risk and Resilience strategic priorities. The last report was presented in December 2018. For the purposes of Audit Committee assurance this paper provides the following:
- Progress in delivery of objectives set out in the Corporate Risk Management and Business Continuity Strategies 2018-2020.
 - Refresh of the Council’s Risk Management Strategy
 - Current risks as articulated on the latest refresh of the Corporate Risk Register.

2. Risk Management Strategy Objectives Delivery

- 2.1. The Risk Management Strategy (2018-20) and Business Continuity Strategy (2018-20) were presented to Audit Committee on 25 January 2018. The strategies set out the work programmes for development of the risk and resilience capability across the Council with high level objectives and work programmes to be delivered.
- 2.2. Progress was last reported to Audit Committee in December 2018. The final position in delivery of agreed objectives to the end of February 2020 is shown below. Overall objectives have been delivered and areas of planned focus for 2020-22 are set out in the refreshed Risk Management Strategy attached as Appendix 1.

Objective	Progress Summary
Re-engineer the corporate support model for risk management and business continuity to ensure that support is focused at the areas of highest strategic need’	<p>Complete (as reported to Audit Committee February 2019). Areas of ongoing focus have included support to risk and resilience within:</p> <ul style="list-style-type: none"> • Our Town Hall Project • GDPR • Liquid Logic Implementation • ICT Projects and Programmes • Health and Care integration • Work Area Recovery (workplace resilience) Programme • Local, National and EU Elections
Fully develop a high level governance framework that articulates Council approach to risk assurance.	<p>Complete: Governance and Assurance Group chaired by City Solicitor to lead on risk governance and oversee the review of the Corporate Risk Register. This group reports to the Strategic Management Team (“SMT”) who ultimately endorse and approve the CRR. Process to be sustained and embedded in 2020/21</p>

Objective	Progress Summary
<p>Fully review and refresh the portfolio of training and coaching resources for risk and business continuity.</p> <p>(This objective is contained within both the Risk Management and the Business Continuity Strategies)</p>	<p>Part Complete: ELearning for risk management and business continuity refreshed. Communications and awareness of training and tools proposed by July 2020. Tools and guidance refresh underway for completion as part of intranet update in 2020.</p>
<p>Design and implement a standardised approach to lessons learnt reporting and implement an assurance process that holds services to account for delivering of lessons learnt recommendations</p>	<p>Complete: Design of lessons learnt framework complete and launched in ICT. Applied in MSIRR project. Wider application to be considered in 2020/21.</p>
<p>Ensure performance management framework is directly relevant to delivery of framework priorities.</p>	<p>Complete: Risk content for Integrated Performance report agreed and provided as part of update reports to SMT</p>
<p>Support the delivery of a full audit review of risk management systems and structures</p>	<p>Complete: Review and agreed actions finalised by Internal Audit 2018/19</p>
<p>Refresh and realign strategic approach to Business Continuity to ensure that it contributes seamlessly to a broader suite of risk and business continuity strategies for the Council.</p>	<p>Complete (as reported to Audit Committee February 2019). A full review of service business continuity plans was completed in 2018 and refresh commenced December 2019. Corporate Business Continuity Plan refresh underway.</p>
<p>Ensure completion of all scoping and analytical activity required to support the delivery of final components of the Work Area Recovery and ICT Business Continuity corporate work programmes.</p>	<p>Complete (as reported to Audit Committee February 2019). Further analysis of ICT prioritisation planned as part of Data Centre implementation 2020.</p>
<p>Re-design the performance, scrutiny and governance frameworks that drive progress with the corporate business continuity work programmes and provide assurance over completion and effectiveness.</p>	<p>Part Complete: The Integrated Performance elements and risk governance were completed but effectiveness measures require further development in 2020/21.</p>
<p>Undertake a comprehensive refresh of the Corporate Business Continuity Plan and ensure effective Incident Management Team arrangements, proportionate to the range of continuity risks we face.</p>	<p>Complete (as reported to Audit Committee February 2019): Full refresh undertaken and revised plan endorsed by SMT in 2019. Desktop review / refresh underway for 2020/21.</p>

Objective	Progress Summary
Continue to lead the development of the Manchester Business Continuity Forum, working in partnership with Advisory Group members from partner agencies to provide the most comprehensive service offer that is deliverable within the resources available	Complete: Annual work programme of support and events for Manchester businesses designed and delivered within budget and agreed timescales. Highly positive feedback from events can be evidenced

3. Risk Governance and the Corporate Risk Register (CRR)

3.1. The risk management framework provides oversight and scrutiny of the corporate risk management programme, including regular update and refresh of the CRR. The framework continues to be based on established principles, as follows:

- The Chief Executive has overall responsibility for assuring that the Council articulates and manages risks to the delivery of strategic objectives.
- The Deputy Chief Executive and City Treasurer has overall responsibility for the corporate risk management framework.
- The Head of Audit and Risk Management, supported by the Risk and Resilience Team maintains the corporate risk management framework and ensures that the CRR is regularly updated and presented to Strategic Management Team.
- SMT receive assurance that corporate risks are scrutinised and mitigating actions plans are delivered
- Chief Officers, Directorate Management Teams and Heads of Service are responsible for maintaining their own risk registers and escalating risks to the CRR, where they threaten delivery of the Council's strategic objectives.

3.2. The framework includes risk management oversight within the remit of the Governance and Assurance Group. The Group is led by the City Solicitor and the Deputy Chief Executive and City Treasurer, with representatives from across directorates. It oversees and seeks assurance over corporate risks through regular scrutiny and refresh of the CRR.

3.3. For 2020/21 the CRR will be refreshed on a quarterly basis as shown below:

	Q1 2019/20	Q2 2019/20	Q3 2018/19	Q4 2018/19
DMTs update risks	June 2020	Sept 2020	Dec 2018	March 2021
Governance and Assurance Group review and agree the CRR	July 2020	Oct 2020	Jan 2021	April 2021
SMT review and endorse the CRR	August 2020	Nov 2020	Jan 2021	May 2021
Audit Committee review risk management arrangements	February 2021			

- 3.4. As part of business planning for 2020/21 all directorates have recently completed a full refresh of their risk registers. The registers record the following information:
- Theme
 - Risk Description
 - Risk Consequences
 - Risk Owner
 - Existing Key Controls and Sources of Assurance
 - Areas for Key Actions and Deadlines
 - Risk Score (Impact X Likelihood): Current
 - Risk Score (Impact X Likelihood): Anticipated by June 2020
 - Key actions to be pursued over next six months
- 3.5. Risks reported through directorates are being finalised, assessed and synthesised to inform the latest refresh of the CRR. This process is ongoing but the current draft strategic risk register for discussion at the Governance and Assurance Group and for onward reporting to SMT is attached for information at appendix 2.
- 3.6. A list of all medium and high risks rated 12 and above from Directorate risk registers (where not already included in the strategic risk register) is attached at appendix 3.
- 3.7. The content of the corporate risk register is subject to change following GAG and SMT input and comments.
- 3.8. The current strategic risk profile is summarised below. A new high risk around Climate Change and Carbon reduction has been added and a new risk referring to Coronavirus. The number of medium risks has increased through inclusion of a general safeguarding risk to reflect the cross cutting nature of corporate leadership and responsibility in this area; and the inclusion of ICT resilience, ICT programme and information security as separate albeit related risks.

Themes	Strategic Risks				Last Review		
	H	M	Total		H	M	Total
Our Partnerships	1	1	2		1	1	2
Our People		3	3		1		1
Our Performance		3	3		1	1	2
Our Finances & Resources	1	1	2		1		1
Manchester People	1		2		1		1
Manchester Places	1						
Statutory & Legal Duties		1	1			1	1
Total	4	9	13		5	3	8

- 3.9. The current directorate risk profile is as follows. Whilst there has been a number of changes to the reported risks the overall pattern remains similar to the last formal review. A number of place based risks have been reduced from high to medium but there has been an increase in Manchester People risks reported as high by Adults Services and Homelessness. This accounts for the most notable change in the directorate risk registers.

Themes	Directorate Risks				Change Since Last Review		Total
	H	M	Total		H	M	
Our Partnerships	1		1		2		2
Our People	1	2	3		2	2	4
Our Performance		1	1		1	2	3
Our Finances & Resources		3	3			3	3
Manchester People	4	7	11		3	1	4
Manchester Places	1	5	6		4	4	8
Statutory & Legal Duties							
Total	7	18	25		12	12	24

3.10. No low risks have been included within the risk profile on the basis that these will be managed within directorates and only escalated in the event of a change in their risk profile to a degree where they warrant the active engagement of the relevant Strategic Director(s).

4. Recommendations

4.1. Audit Committee is requested to consider the assurance provided by the risk management report.