

**Manchester City Council
Report for Information**

Report to: Audit Committee - 10 December 2018

Subject: Risk and Resilience Strategy and Corporate Risk Register

Report of: City Treasurer / 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 and business continuity objectives;
- the latest refresh of arrangements to provide scrutiny, oversight and leadership of the risk management programme; and
- next steps in review of the Corporate Risk Register.

Recommendations

Members are requested to:

- consider the assurance provided by reported progress in the delivery of Risk Management and Business Continuity strategic objectives
 - note the current governance framework and timetable for refresh of the Corporate Risk Register (“CRR”); and
 - receive a further report on the refreshed CRR in February 2019.
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Wards Affected: All

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Background documents (available for public inspection):

- Annual Corporate Risk Management Report and Corporate Risk Register Report. See Audit Committee Thursday 25 January 2018.

1. Introduction and Context

- 1.1. Audit Committee receive an annual progress report in relation to delivery of Risk and Resilience strategic priorities. The last report was presented on 25 January 2018.
- 1.2. The annual report usually includes the corporate risk register (“CRR”). The CRR is currently being reviewed as part of the process of 2019/20 business planning refresh; through which, the Council’s directorate and partnership business plans and supporting documents, including risk registers, are being updated. This process is currently underway and will conclude with business planning reports to the Council’s Scrutiny Committees in February. At the same time, the risk register appendices to the business plans will be used to help finalise completion of the CRR.
- 1.3. This paper therefore summarises the following:
 - Progress in delivery of objectives set out in the Corporate Risk Management and Business Continuity Strategies 2018-2020.
 - Refresh of governance arrangements to provide scrutiny, oversight and leadership of the risk management programme.
 - Next steps in review of the CRR in the context of links to the Business Planning Framework.

2. Risk and Business Continuity Management Strategies: Progress

- 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 in delivery is as follows:

Objective	Progress Summary	Target Completion
RISK MANAGEMENT OBJECTIVES 2018-2020		
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’	Complete The overall model that focuses risk and resilience resources towards areas of corporate need is fully operational. Support to directorates has been refocused in providing facilitation, support and challenge in relation to the maintenance of directorate risk	All required actions completed to date. Given nature of programmes this work will continue into 2019/20

Objective	Progress Summary	Target Completion
	<p>assessments and support to the development of the annual directorate delivery plan.</p> <p>In 2018/19 the Risk and Resilience Team committed resource to support delivery of the following corporate priorities:</p> <ul style="list-style-type: none"> • Our Town Hall Project • General Data Protection Regulation • Liquid Logic Implementation • ICT Disaster Recovery Programme • Health and Social Care integration • High level projects and programmes such as Russell Road Extra Care Project • Work Area Recovery (workplace resilience) Programme 	
<p>Fully develop a high level governance framework that articulates Council approach to risk assurance.</p>	<p>Governance and Assurance Group chaired by City Solicitor to lead on risk governance and oversee the review of the CRR.</p> <p>Risk management on agenda for the Group November 2018 and CRR to be agreed by Group in January 2019.</p> <p>This group reports to the Strategic Management Team (“SMT”) who ultimately endorse and approve the CRR.</p>	<p>Agreement of refreshed risk governance, including scrutiny and assurance of corporate risk register to be established by April 2019</p>
<p>Fully review and refresh the portfolio of training and coaching resources.</p>	<p>In progress.</p> <p>Review of training resources for both risk management and business continuity is complete.</p>	<p>Completion of pilot activity by April 2019</p> <p>Full roll out from June 2019</p>

Objective	Progress Summary	Target Completion
(This objective is contained within both the Risk Management and the Business Continuity Strategies)	<p>Refreshed resources are being designed.</p> <p>Initial pilot areas identified.</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>Nearing completion.</p> <p>Design of lessons learnt framework complete.</p> <p>Pilot exercise in progress</p>	Full roll out February 2019
Ensure performance management framework is directly relevant to delivery of framework priorities.	<p>Under development</p> <p>Work in progress in identifying suite of risk and business continuity performance indicators.</p>	Roll out as part of Q1 2019-20 Performance Framework
Support the delivery of a full audit review of risk management systems and structures	<p>In progress</p> <p>This is included in the Internal Audit Plan 2018/19 and the audit is in progress.</p>	Final internal audit report scheduled to be published 8 January 2019
BUSINESS CONTINUITY OBJECTIVES		
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>Complete</p> <p>Business continuity work aligned to key services and programmes.</p> <p>Delivery of work area recovery and ICT disaster recovery work as set out below.</p> <p>A full review of service business continuity plans has been completed in 2018 with three service areas to complete – currently being supported through this process.</p>	Complete

Objective	Progress Summary	Target Completion
<p>Re-evaluate approach to business continuity training and awareness. Commission and complete the design of a new suite of BC training resources</p>	<p>In progress.</p> <p>Review of training resources for both risk management and business continuity is complete.</p> <p>Refreshed resources are being designed.</p> <p>Initial pilot areas identified.</p>	<p>Completion of pilot activity by April 2019</p> <p>Full roll out from June 2019</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</p> <p>All work to deliver integrated business continuity plans completed as noted above.</p> <p>Central data repository established.</p> <p>Building continuity plans developed for all main Council offices to enable staff / services to be reconfigured in the event of a loss of key building/s.</p> <p>Prioritised ICT business continuity needs refreshed and shared with ICT Service to inform disaster recovery and resilience planning prior to the completion of the Data Centre Programme in 2019.</p>	<p>Plans will be subject to further light touch review in 2019.</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>Not started</p>	<p>Priority for 2019 work programme</p>

Objective	Progress Summary	Target Completion
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>Complete</p> <p>Full refresh undertaken and revised plan endorsed by Strategic Management Team</p>	Plan to undergo high level refresh in February 2019.
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	<p>Ongoing</p> <p>Annual work programme of support and events for Manchester businesses designed and delivered within budget and agreed timescales.</p> <p>Highly positive feedback from events can be evidenced</p>	Develop and publish 2019-20 work programme in March 2019

3. Refresh of Risk Governance and the Corporate Risk Register

3.1. The revised 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 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. For 2019/20 the framework is to be enhanced by the inclusion of risk management oversight within the remit of the Governance and Assurance Group. This core membership of this group comprises the City Treasurer, City Solicitor, Director of HROD, Head of the Chief Executive Office and Head of Audit and Risk Management. The Group will oversee and seek assurance over corporate risks through regular scrutiny and refresh of the CRR. The first full CRR review of this group will be completed in January 2019.

3.3. The CRR will thereafter be refreshed on a quarterly basis as shown below:

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

3.4. Business plan refresh is currently in progress and the collation of key risks for each business plan area is being supported by the Risk and Resilience Team who also support a quarterly process of refresh of directorate risk registers.

3.5. Following the refresh of directorate risk profiles, the Risk and Resilience Team will synthesise key risks into a report for the Governance and Assurance Group to consider shared/common risks and to enable any broader risks to the achievement of key priorities to be determined. This process of synthesis and review will inform the content of the CRR and help ensure alignment to the Council's programme and directorate risk registers.

3.6. As this work is currently in progress the updated CRR will be presented to Audit Committee in a further report at its meeting in February.

4. Recommendations

4.1. Members are requested to:

- Consider the assurance provided by reported progress in the delivery of Risk Management and Business Continuity strategic objectives

- Note the current governance framework and timetable for refresh of the Corporate Risk Register; and
- Receive a further report on the refreshed Corporate Risk Register in February 2019.