



<b>Subject:</b>	Corporate Risk Management
<b>Date:</b>	22 August 2016
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<b>1.0</b>	<b>Purpose of Report or Summary of main Issues</b>
1.1	The Chief Officers have recently undertaken a comprehensive review to identify and assess the main risks that could prevent the Council from realising its objectives. Following on from this, CMT have agreed key actions that need to be taken in order to manage these risks to an acceptable level. These important risks are captured in the Councils corporate risk register.
1.2	The purpose of this report is to: <ul style="list-style-type: none"><li>a) Brief Committee Members on the Council's corporate risk management process.</li><li>b) Present the corporate risk register, highlighting those corporate risks that are of direct relevance to the Committee</li><li>c) Advise the Committee of the proposed process for risk reporting, including the role of the Committee in relation to the monitoring of these risks.</li></ul>
<b>2.0</b>	<b>Recommendations</b>
2.1	The Committee notes the attached report and the proposed process for risk reporting.
<b>3.0</b>	<b>Main report</b>
3.1	<b>Introduction to Risk Management</b>

3.1.1 The Corporate Plan for 2016-17 sets out the corporate priorities and strategic programmes which are needed to work towards achieving the Council’s vision for Belfast. In the light of this plan, the emerging Belfast Agenda and ongoing responsibilities, Chief Officers have identified the key risks facing the organisation.

3.1.2 These risks are set out at Appendix 1. Risk management is a formal process to ensure that these risks are effectively managed.

3.1.3 The goal of risk management is to manage these risks to an acceptable level, not to eliminate risk altogether. When risks are managed effectively, our objectives and priorities are more likely to be achieved. When risk management fails the consequences can be significant and high profile.

3.1.4 Risk management processes are required by legislation and form an important part of the Council’s governance and assurance arrangements.

### 3.2 **The Council’s Risk Management Process**

3.2.1 There are 5 main stages to the Council’s risk management process, which are displayed below:



3.2.2 Assessing risk allows the level of exposure to be understood and involves taking account of both the likelihood of the risk occurring and also the impact that the risk would have, if it

were to occur.

### 3.3 **Managing Corporate Risks to an Acceptable Level**

3.3.1 CMT have comprehensively reviewed, updated and undertaken an initial assessment of the corporate risks, the results of which are plotted on to a corporate risk map (see Appendix 1) which has been approved by the Audit & Risk Panel.

3.3.2 As many of the risks are 'new' and in some cases, reflect new responsibilities and aspirations, a number of the current risk assessments are in the 'red zone' and, viewed as a whole, the current overall corporate risk profile is considerable.

3.3.3 In order to manage the corporate risks down to an acceptable level, for each risk, CMT have set a Target Risk Rating and have identified the key actions that should be taken in order to achieve this rating by the 31 March 2017 (i.e. to either reduce the likelihood of the risk happening and / or to reduce the impact should the risk materialise). The Target Risk ratings have also been plotted on to the corporate risk map (page 3 of Appendix 1) and this illustrates the intended direction of travel of the corporate risks from the red zone to the amber and green zones on the map.

3.3.4 The risk of particular relevance to the Belfast Waterfront and Ulster Hall Ltd Shareholders' Committee is as follows:

3.3.5	Ref.	Risk
	4	Managing Performance at BWUH - Inability to effectively manage business performance as set out in the contract in order to meet the terms and conditions of the letter of offer.

3.3.6 Appendix 2 includes a summary of this risk outlining the key controls and also the key actions that are required.

### 3.4 **Monitoring and Reporting on the Management of Corporate Risks**

3.4.1 The fundamental responsibility for managing these risks lies with Chief Officers. They and their senior managers are responsible for ensuring the:

	<ul style="list-style-type: none"> <li>▪ continued operation of controls</li> <li>▪ prompt implementation of actions in order to reach the target risk rating by the end of March 2017</li> <li>▪ reviewing the corporate risks / progress on actions at least quarterly</li> <li>▪ reporting regularly to Committee on the progress being made to manage the risks.</li> </ul>
3.4.2	<p>Committees also have an important role to play in the oversight of the management of the key risks, including:</p> <ul style="list-style-type: none"> <li>▪ seeking assurances from senior management in order to hold them to account regarding the management and mitigation of these corporate risks, covering both the continued operation of key controls and also the progress that is being made to implement agreed actions within the agreed timeframe</li> <li>▪ seeking assurances from senior management over the process for timely identification of any new corporate risks</li> </ul>
3.4.3	<p>To assist Committee in exercising this role, management will report to Committee on the progress being made to manage this key risk. It is proposed that management will report in December 2016 / January 2017.</p>
3.4.4	<p>In addition to the above, the Council's Audit, Governance and Risk Services Section (AGRS) are responsible for:</p> <ul style="list-style-type: none"> <li>▪ reporting to the Audit &amp; Risk Panel on compliance with the quarterly review of corporate risks and key updates (including the completion of assurance statements)</li> <li>▪ in line with the agreed Audit Strategy and Plan for 2016/17, undertaking specific reviews to provide independent assurance that risks are being managed in line with the agreed action plan in order to achieve the target risk rating within the required timeframe. AGRS will report the results of these reviews to the relevant Director, the Assurance Board and the Audit and Risk Panel.</li> </ul>
3.4.5	<p>The Audit &amp; Risk Panel is responsible for:</p> <ul style="list-style-type: none"> <li>▪ monitoring the effective development and operation of risk management in the Council</li> <li>▪ monitoring progress in addressing risk-related issues reported to the Panel, including the corporate risk register and information on the management of key corporate risks.</li> </ul>

<b>4.0</b>	<b>Finance and Resources Implications</b>
4.1	Any actions relating to the management of corporate risks are contained within the Director's plans and financed through agreed revenue estimates.
<b>5.0</b>	<b>Equality and Good Relations</b>
5.1	There are none associated with this report.
<b>6.0</b>	<b>Appendices – Documents Attached</b>
6.1	Appendix 1 – Corporate Risk Register (June 2016) Appendix 2 – Belfast Waterfront and Ulster Hall Ltd Shareholders' Committee – Corporate Risk