# STOCKPORT'S CODE OF GOVERNANCE 2017/18

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# 1. What is Corporate Governance?

Corporate Governance is the term used to describe "the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved" (The International Framework).

The International Framework also states that:

*To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.*
*Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.*

The Council is required by law to produce a statement each year which describes the outcome of a review of the systems of control (an Annual Governance Statement).

CIPFA and SOLACE have produced guidance on delivering good governance. "Delivering Good Governance in Local Government" was published in 2016. It says "The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government; Framework (2016) would fulfil the statutory requirements for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its Statement of Accounts."

This document sets out the principles of good governance identified by CIPFA and SOLACE, and identifies the internal controls that Stockport MBC has developed in order to ensure good governance.

# 2. The Role of Stockport Metropolitan Borough Council

The role that the Council plays is vitally important to all taxpayers and citizens. The Council has a key role in leading our communities as well as ensuring the delivery of high quality services to the public. The Council recognises that good governance enables the Council to pursue its clear vision effectively as well as underpinning that vision with mechanisms for control and management of risk.

It is crucial that the public can have confidence that elected councillors and appointed officers are carrying out their functions to the highest ethical standards. The Council recognises that good governance strengthens credibility and confidence in our public services and ensures that we meet the needs of our communities.

The Council recognises that good governance ensures that the Council achieves its intended outcomes in an effective, efficient, economic and ethical manner.  It is recognised that this principle guides the Council's governance system.
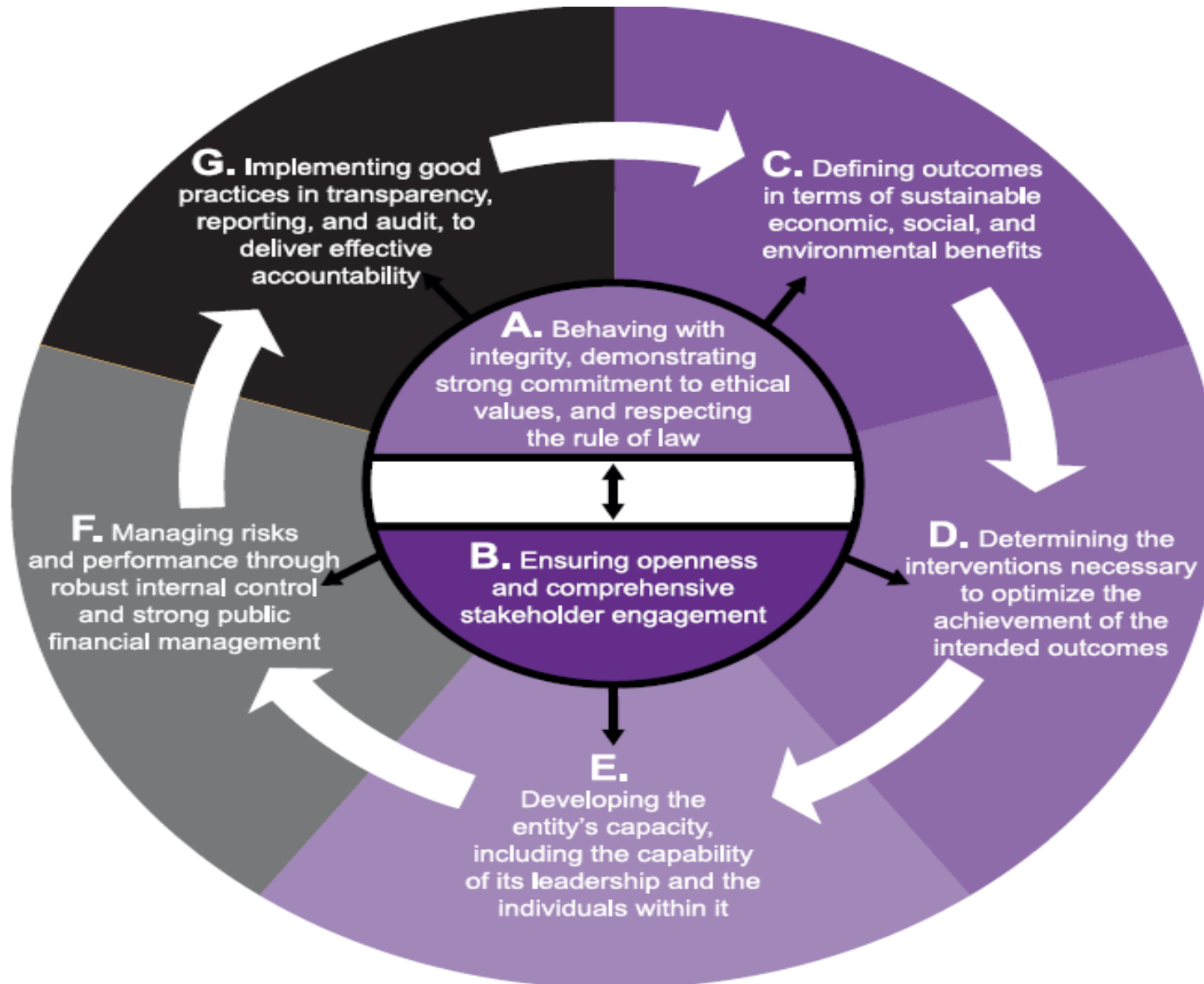
The Council has adopted this Code of Governance to ensure that it has exemplary governance arrangements in place.  It is recognised that good governance leads to good management, good performance, and good stewardship of public money, good public engagement and thereby good outcomes for citizens and service users.

## 3.  The Stockport Code of Governance

This code of governance sets out the system in place for ensuring compliance with the seven principles of good governance set out in "Delivering Good Governance in Local Government (2016)"

## 4.  The Seven Core Principles of Good Governance

The diagram reproduced from "Delivering Good Governance in Local Government (2016)" illustrates the seven principles of good governance and how they relate to one another.

**A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

**B.** Ensuring openness and comprehensive stakeholder engagement

**C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits

**D.** Determining the interventions necessary to optimize the achievement of the intended outcomes

**E.** Developing the entity's capacity, including the capability of its leadership and the individuals within it

**F.** Managing risks and performance through robust internal control and strong public financial management

**G.** Implementing good practices in transparency, reporting, and audit, to deliver effective accountability

## 5. Demonstrating Compliance with the Core and Supporting Principles

**Maintain a local code of corporate governance.**

Appendix 1 of this document set out in detail how the Council's local governance arrangements comply with these principles. Following the annual review of corporate governance this document will be updated to ensure it provides an accurate statement of the Council's current position in relation to governance standards.

**Review of the Council's Corporate Governance.**

The Council will arrange for regular, at least annual, independent reviews of its corporate governance arrangements to be carried out by Internal Audit to ensure continuing compliance with best practice.

Following each review and self-assessment the Council will ensure that an improvement action plan is produced, or an existing one updated.

**Report publicly on compliance with governance arrangements in the Annual Governance Statement.**

The Council will produce an Annual Governance Statement (AGS). This will accompany the Council's Annual Statement of Accounts. It will state what arrangements the Council has in place to ensure the effectiveness of its governance framework and the degree to which the Council has followed its stated governance principles.

The AGS will also highlight any areas the Council considers to require significant improvement and outline the actions planned to address them.

The annual corporate governance review and self-assessment results will provide sources of assurance used to inform the compilation of the AGS. Other sources of assurance include the risk management and performance & resource management systems, Internal Audit reporting and external inspection regimes.

The Audit Committee and Corporate Governance Group will review the robustness of the AGS. The Chief Executive and the Leader of the Council are required to sign off the AGS.

## 6. Responsibilities

Every Council officer and member has a responsibility to ensure their personal conduct and the Council's governance arrangements are always of the highest standard possible.

Senior managers have a responsibility for reviewing governance standards in their areas of responsibility annually and for providing documented assurance of their adequacy, and for identifying and implementing any necessary improvement actions. Improvement actions should be reflected in the appropriate business plans.

The Borough Treasurer has a responsibility to ensure that the Council makes arrangements for the proper administration of its financial affairs.

The Monitoring Officer will provide advice on the scope of the powers of the Council and the correct procedure for to make decisions. The Monitoring Officer is responsible for preventing maladministration and unlawful activity on the part of the Council.

The Chief Executive and Leader will ensure that an annual review is completed of corporate governance arrangements and give assurances on their adequacy in the Annual Governance Statement which will accompany the Statement of Accounts.

The Corporate Governance Group and the Audit Committee will ensure that the Code of Corporate Governance is reviewed regularly to reflect on-going developments and planned improvements to the framework and authorise any amendments.

## 7. Reporting

The annual review of corporate governance will be reported to the Audit Committee. The main points of this review will be summarised in the published Annual Governance Statement, which will be made available on the Council's internet site.

## 8. Communications and Training

The Corporate Governance Code will be published and accessible to all Council employees and members. Induction training will make reference to corporate governance arrangements. The Corporate Governance Code will be reported publicly to citizen and service users with a copy available on the authority's website. The Annual Governance Statement will be reported publicly, with a copy made available via the website.

# STOCKPORT METROPOLITAN BOROUGH COUNCIL
# DELIVERING SOUND GOVERNANCE

| CORE PRINCIPLE 1 | |
|---|---|
| Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law. | |
| **Supporting Principle** | **How We Demonstrate Compliance** |
| **1.1 Behaving with Integrity** | ➢ We ensure that members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council by<br>Including in the Council's constitution the following:<br><br>➢ CP1 Code of Conduct for Councillors and co-opted members.<br>➢ CP2 Officers Code of Conduct.<br>➢ CP3 Protocol on Councillor Officer Relations.<br>➢ Confidential Reporting Policy.<br>➢ CP9 Code of Conduct for Councillors and Officers Dealing with Planning and Development Matters.<br>➢ CP14 Monitoring Officer Protocol.<br><br>We ensure that members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles ) by:-<br><br>➢ Operating the Council's Standard's Committee to provide oversight of the conduct of elected and co-opted members and to keep the Code of Conduct under review.<br>➢ Adopting the Council's constitution each year at full Council.<br><br>We demonstrate, communicate and embed the standard operating principles or values through the policies and processes outlined above which are reviewed on a regular basis to ensure that they are operating effectively. |

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| **1.2 Demonstrating strong commitment to ethical values** | We seek to establish, monitor and maintain the organisation's ethical standards and performance by:<br><br>➢ Investigation of complaints.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet complaints page<br><br>➢ Corporate Directors maintain lists of gifts hospitality and officer interests.<br>➢ The Council ensures that it exercises a control similar to that which is exercises over its own Directorates over its wholly owned companies.<br>➢ The operation of the Standard's Committee.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet<br><br>Once the page appears, open the current Version of the Council's constitution and go to Article 11 |
| **1.3 Respecting the rule of law** | ➢ The Council has appointed a Head of Legal Services who acts as the Monitoring Officer who has rights of access to all meetings and documents –<br><br>Click in the box, then Ctrl and click on any of the text in this box and a page will open on the Council's internet.<br><br>Once the page appears, open the current Version of the Council's constitution and go to CP14 – Monitoring Officer<br><br>➢ The Corporate Leadership Team consults the Monitoring Officer to ensure that all the Council's decisions accord with the law and with the Council's Constitution. We ensure that officers complete a record of consultation with the Monitoring Officer prior to publication.<br><br>➢ Internal Audit independently and critically evaluates the council's internal control framework and, where necessary, makes recommendations for improvement and the introduction of best practice. Internal Audit has direct access and reporting lines to all senior management including the Chief Executive, Borough Treasurer, Monitoring Officer and the Chair of the Audit Committee. Internal Audit formally report on its activity to the Audit Committee, providing an opinion on the overall adequacy and effectiveness of the council's internal control environment. The Internal Audit and Risk Manager presents an annual report to the Audit Committee to inform members of the internal audit activity that has taken place during the year.<br><br>➢ The Council's External Auditors are Grant Thornton. They produce an Annual Audit letter which is presented to the Audit Committee and published on the Council's website. The letter |

communicates key messages to the Council and external stakeholders, including members of the public and is published on the Council's website alongside the Annual Report and Accounts. All issues and recommendations raised in the Audit letter are formally responded to along with a responsible officer and a deadline for completion.

➢ The Statutory Scrutiny Officer's role is to promote the role of the Council's Scrutiny Committees; to provide support to the Council's Scrutiny function and to local councillors; and to provide guidance to members and officers of the council in relation to the Scrutiny functions.

> Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet for Libraries.

➢ A Complaints Procedure is in place to deal with any issue that a member of the public may have regarding a possible failure in service delivery. Both Children's and Adults services have their own specific complaints policies. The council also publishes details of how to make a complaint to the Local Government Ombudsman.

➢ The Council keeps a record of all complaints made to the Local Government Ombudsman.

## CORE PRINCIPLE 2

## Ensuring openness and comprehensive stakeholder engagement

| Supporting Principle | How We Demonstrate Compliance |
|---|---|
| **2.1 Openness** | ➢ The Council complies with the Local Government Transparency Code 2015.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Government's page on local government transparency Code.<br><br>➢ The Council webcasts its meetings and complies with its obligations under the Local Government Act 1972 to provide access to meetings documents and agendas.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's Stockport Council's Webcasting Service. |
| **2.2 Engaging comprehensively with other organisations that the Council needs to work** | The Council participates in the following joint committees: |

| with to improve services and outcomes | ➢ Health and Care Integrated Commissioning Board. |
| | ➢ AGMA. |
| | ➢ Transport for Greater Manchester. |
| | ➢ STAR. |
| | ➢ Greater Manchester Police and Crime Panel. |
| **2.3 Engaging with individual citizens and service users effectively citizens** | ➢ The Council operates a system of Area Committees to which the public have access at meetings within their local area. |
| | ➢ The Council maintains local libraries and an accessible contact centre to assist the public to access Council services. |
| | Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet for Libraries. |

## CORE PRINCIPLE 3

## Defining outcomes in terms of sustainable economic, social, and environmental benefits

| Supporting Principle | How We Demonstrate Compliance |
|---|---|
| **3.1 Defining outcomes** | ➢ Our Executive reports identify risks and define outcomes in terms of economic, social and environmental well being. |
| | ➢ Stockport Council agreed its priorities for 2016/17 at the Council's budget meeting on 3rd March 2016. |
| | Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet for the Council's Plan. |
| | ➢ All public services in Stockport are committed to delivering these shared outcomes through the 5-year Borough Plan. This is focused around four key partnership programmes; |
| | • Investing in Communities |
| | • Investing in Growth |
| | • Stockport Together |
| | • Stockport Family |
| | ➢ 2016/17 will see significant changes to the way some services are delivered, particularly for adults, children's and neighbourhood services, making the most of digital technology to keep people connected and informed. |

- ➢ Major regeneration projects such as Stockport Exchange and Redrock will also take shape, helping to drive economic growth in Stockport.

- ➢ The devolution of funding, powers and responsibilities to Greater Manchester provides a huge opportunity to deliver on these ambitious plans for the borough.

- ➢ Taking control of NHS health and social care budgets from April 2016 will enable the Council to collaborate with and influence other public services to innovate and address the long-term needs of Stockport's population.

- ➢ The 2016/17 Plan provides a framework for the Council to move towards self-funding over the coming years, balancing investment in growing the local tax base and promoting independence and resilience of local people.

- ➢ Regular Performance and Resource Reports will continue to be published and considered by the Council's Scrutiny Committees to ensure the Council Plan and Financial Plan are both on track to deliver these outcomes for the people of Stockport.

- ➢ Stockport is working with the nine other local authorities in Greater Manchester to develop the new spatial framework. The Framework will support the City Region to make the most of its towns and neighbourhoods and will identify the land Greater Manchester needs to meet demand for housing and business development.

- ➢ The council's Risk Management Strategy sets out the council's approach to risk management. A process has been developed as a guide to officers and members to identify, assess and treat current and emerging risks to service objectives. The Strategy and process are reviewed annually.

  **Stockport's Risk Management Framework & Strategy- See Appendix 1**

- ➢ The council has a Corporate Risk Register which is updated on a quarterly basis and monitored by Corporate Leadership Team, Corporate Governance Group and the Audit Committee.

Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet.

The page that opens will contain the corporate risk register issued to the Audit Committee in 2016, along with the related history and webcast (Using the TABS)

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| **3.2 Sustainable economic, social and environmental benefits** | ➢ The Council's Budget and Policy Framework underpins our decision making. All Council decisions are required to comply with Council's Budget and Policy Framework.<br><br>➢ The Council includes consideration of Social Value in all of its commissioning and procurement.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open the STAR procurement webpages containing the policy. |

**CORE PRINCIPLE 4**

**Determining the interventions necessary to optimize the achievement of the intended outcomes**

| Supporting Principle | How We Demonstrate Compliance |
|---|---|
| **4.1 Determining interventions** | ➢ We prepare an Annual Corporate Performance and Resource Report with quarterly updates to determine, plan and optimise the achievement of intended outcomes. |
| **4.2 Planning interventions** | ➢ See above.<br><br>➢ Stockport is working with the nine other local authorities in Greater Manchester to develop the new spatial framework.  The Framework which will support the City Region to make the most of its towns and neighbourhoods and will identify the land Greater Manchester needs to meet demand for housing and business development.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open the Greater Manchester Combined Authority webpages.<br><br>The link to the Spatial Framework is within the links section |
| **4.3 Optimizing achievement of intended outcomes** | ➢ See above.<br><br>➢ Social value is embedded into our commissioning/procurement arrangements.<br><br>➢ The Council has a comprehensive Business Continuity Plan in place that reduces the risk of business interruption on service delivery. |

| CORE PRINCIPLE 5 |
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**Developing the entity's capacity, including the capability of its leadership and the individuals within it**

| Supporting Principle | How We Demonstrate Compliance |
|---|---|
| **5.1 Developing the entity's capacity** | ➢ We maintain staff development materials and programmes and publish them via the intranet with the aim of ensuring that the Council has a flexible and skilled workforce that can deliver its services and develop them in the future.<br><br>➢ The Council operates a shared procurement service with Trafford and Rochdale Councils.  As a result of this, standard procurement rules and processes have been developed.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open the share Procurement page (STAR)<br><br>The Website contains the current procurement strategy<br><br>➢ The Council has a constitution in place that sets out how the Council operates, how decisions are made and the procedures that are followed.  The Constitution contains details of the respective roles and responsibilities of elected members, named officer roles and all employed by the Council.  It also outlines protocols for Member/officer relationships.<br><br>➢ The Council Constitution also contains a Code of Conduct for Members.<br><br>➢ The Council has a Medium Term Financial Plan which provides a focus on both Revenue expenditure (day-to-day running costs of providing services) and Capital expenditure (long-term investment in infrastructure, like schools and roads), as well are setting out the Council's overall Financial Strategy.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet<br><br>Open current Medium Term Financial plan |
| **5.2 Developing the entity's leadership** | ➢ We provide annual training to elected members.<br><br>➢ The Council has a constitution in place that sets out how the Council operates, how decisions are made and the procedures that are followed.  The Constitution contains details of the respective roles and responsibilities of elected members, named officer roles and all employed by the Council.  It also outlines protocols for Member/officer relationships. |

| | ➢ The Council's governance arrangements are considered by the Corporate Governance Group which consists of senior management within all directorates. |
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| **5.3 Developing the capability of individuals within the entity** | ➢ See above. |

| CORE PRINCIPLE 6 | |
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| **Managing risks and performance through robust internal control and strong public financial management** | |
| **Supporting Principle** | **How We Demonstrate Compliance** |
| **6.1 Managing risk** | ➢ The council's Risk Management Strategy sets out the council's approach to risk management.<br><br>**Stockport's Risk Management Framework & Strategy- See Appendix 2**<br><br>➢ A process has been developed as a guide to officers and members to identify, assess and treat current and emerging risks to service objectives (Appendix 1 – page 18 of strategy). The Strategy and process are reviewed annually.<br><br>➢ The Audit Committee has responsibility for overseeing the effectiveness of the council's risk management arrangements and will request further information on any areas of concern.<br><br><br>Click in the box, and then Ctrl and click on any of the text within this box and a page will open on the Council's internet (Audit Committee Responsibilities)<br><br><br>➢ The council has a Corporate Risk Register which is updated on a quarterly basis and monitored by Corporate Leadership Team, Corporate Governance Group, the Monitoring Officer and the Audit Committee.<br><br>**Corporate Risk Register - See Appendix 2** |
| **6.2 Managing performance** | ➢ We comply with our Contract Procedure Rules Constitution Part 4 PR6) and Financial Procedure Rules (Constitution Part 4 PR5). These are reviewed regularly. |
| **6.3 Robust internal control** | ➢ The council's Risk Management Strategy sets out the Council's approach to risk management. A process has been developed as a guide to officers and members to identify, assess and treat |

current and emerging risks to service objectives. The Strategy and process are reviewed annually.

➢ The council has a Corporate Risk Register which is updated on a quarterly basis and monitored by Corporate Leadership Team, Corporate Governance Group, the Monitoring Officer and the Audit Committee.

➢ All Policy and Performance reports contain a detailed section on specific risks to the objectives within that portfolio.

➢ The Council has an Anti-Fraud, Corruption and Bribery Policy and a Whistleblowing Policy in place.

> Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet
>
> Open the current Version of the Council's constitution and go to CP4 – Confidential Reporting Policy (Whistleblowing) Appointment

**Anti-Fraud Bribery and corruption policy - See Appendix 3**

➢ These are reviewed on a regular basis. The policies are used to advise officers and members of the council's approach to the serious issues of fraud and corruption. The Council operates a zero tolerance approach to this area.

➢ The annual Internal Audit planning process includes a specific fraud risk assessment to ensure that all current fraud risk areas are considered for inclusion in the Annual Internal Audit Plan.

➢ The Internal Audit and Risk Manager produces an Annual Fraud Report which outlines the key activities and findings from the previous year.

> Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet.
>
> The page that opens will contain the report issued in 2016, to the audit Committee and will also contain the history and webcast (Using the TABS)

➢ The Audit Committee meets on a regular basis to consider and challenge a range of reports around the internal control, risk and governance environment of the council. Update terms of reference are in place and are reviewed annually. Furthermore, the committee's core functions comply with CIPFA's Audit Committees: Practical Guidance for Local Authorities.

| | ➤ The Corporate Governance Group meets prior to every Audit Committee to discuss current internal control, risk and governance issues. |
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| **6.4 Managing Data** | ➤ The council has a dedicated information governance team that has agreed protocols in place for data sharing and protection across the council.<br><br>➤ The council has a Data Breach Panel the objective of which is to challenge potential data breaches and ensure that effective controls are put in place to minimise the risk of any reoccurrence. |
| **6.5 Strong public financial management** | ➤ The Council is committed to being transparent and open about its financial affairs. Details of all council expenditure over £500 are published on the council's website along with all contracts above £500.<br><br>➤ Our external auditors produce an Annual Audit Letter which is presented to the Audit Committee and published on the Council's website. This letter highlights key issues and findings from the external audit and is published alongside the Annual Report and Accounts. For all the findings and recommendations made in the Annual Report, a response is made by the Council and a responsible officer assigned to deliver the finding along with a deadline. |

## CORE PRINCIPLE 7

## Implementing good practices in transparency, reporting, and audit to deliver effective accountability

| Supporting Principle | How We Demonstrate Compliance |
|---|---|
| **7.1 Implementing good practice in transparency** | ➤ All committee meetings are published live via the council webcast service. |
| **7.2 Implementing good practices in reporting** | ➤ The Council publishes its Annual Report and Statement of Accounts on its website.<br><br>Click in the box, then Ctrl and click on any of the text within this box and a page will open on the Council's internet<br><br>Open the current Statement of Accounts |
| **7.3 Assurance and effective accountability** | ➤ External Audit Service – the Council's External Auditors are Grant Thornton. They produce an Annual Audit letter which is presented to the Audit Committee and published on the Council's website. |

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| | <br><br>Open the current Audit Statement of opinion<br><br>Open the current Audit completion certificate |
| | ➢ Internal Audit independently and critically evaluates the Council's internal control framework and, where necessary, makes recommendations for improvement and the introduction of best practice. Internal Audit has direct access and reporting lines to all senior management including the Chief Executive, Borough Treasurer, Monitoring Officer and the Chair of the Audit Committee. Internal Audit formally report on its activity to the Audit Committee, providing an opinion on the overall adequacy and effectiveness of the Council's internal control environment. The Internal Audit and Risk Manager presents an annual report to the Audit Committee to inform members of the internal audit activity that has taken place during the year. The Audit Committee meets on a quarterly basis to receive reports from both internal and external auditors. The Committee reports its activities via an annual report on the Audit Committee effectiveness. |

# Managing Risk
# Stockport's Risk Management Framework & Strategy

## Policy Coversheet

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|---|---|
| **Policy Title** | Managing Risk – Stockport's Risk Management Framework & Strategy |
| **Author** | John Pearsall, Internal Audit and Risk Manager |
| **Date of Issue** | April 2016 |
| **Date of next update** | April 2017 |
| **Authorisation** | Corporate Leadership Team<br>Audit Committee<br>Executive |
| **Policy Summary** | This framework, strategy and supporting documents aim to provide a clear explanation of Risk Management and the expectations placed on Elected Members and Officers of the Council with regard to the assessment, management, monitoring and mitigation of risk. |
| **Trade Union Consultation** | N/A |
| **Audience** | All employees (permanent, temporary, school, agency and consultancy) and members of Stockport Metropolitan Borough Council |
| **Impact** | N/A |
| **Related documents** | Appendix 1 Outline Process for Managing All Risks<br>Appendix 2 ALARM Risk Management Directorate Benchmark<br>Appendix 3 Template Corporate Risk Register and Report Update Sheet<br>Appendix 4 Template Directorate/Portfolio/Outcome Based Risk Register<br>Appendix 5 Summary and Checklist of Activities<br>Appendix 6 Summary of Responsibilities |
| **Responsibility & Monitoring** | The Strategy will be reviewed on an annual basis by the Audit Committee |

**1.0 Purpose**

**1.1** Stockport Council, in line with most other local authorities, is undergoing unprecedented change in the way it delivers services to the public. The rapid advancement of new delivery models, partnership working, greater demands on services and a significant reduction in funding, all present significant challenges in how the Council operates and provides services both now and in the future.

**1.2** The above changes mean that risk management is now an integral part of everything we do and how we operate and must be in the future if changes are to be adopted in a structured and systemic way. The management of risk should not be viewed as an "add on" at the end of a process or project.

**1.3** The expectation will be that this updated strategy (incorporating policy and procedures) will enable and facilitate a more fluid and flexible approach to managing and controlling risk in the future. A combination of formal documentation (risk registers) for key corporate risks, the proportionate evidencing over the identification and control of portfolio, outcome based, project and directorate risks; and other mechanisms to demonstrate that current and emerging risks are being managed on a day to day basis, will help us all to manage risk in a better way in the future.

**1.4** This strategy and the supporting documents aim to provide a clear explanation of Risk Management and the expectations placed on Elected Members and Officers of the Council with regard to the identification, assessment, management, monitoring and mitigation of risk. The intention is not to constrain Elected Members or Officers from innovation, identifying methods for alternative but effective and efficient service delivery; rather it aims to assist them in their consideration and decision making, for example through outcomes based activities. This equally applies to how risks are evidenced and documented. For example, formal risk registers may be necessary in some service areas but regular reporting on risk may be sufficient somewhere else, for example in the budget setting and monitoring process.

**1.5** The Council's Risk Management Strategy (incorporating the policy and guidance) is in place to support the Council in the delivery of its stated vision, priority outcomes, pledges to the community and statutory responsibilities as stated in the Council Plan 2013-15. It will also aid the development and

**implementation of the Investing in Stockport programme of growth and reform.**

**Effective Risk Management Delivers Benefits –**
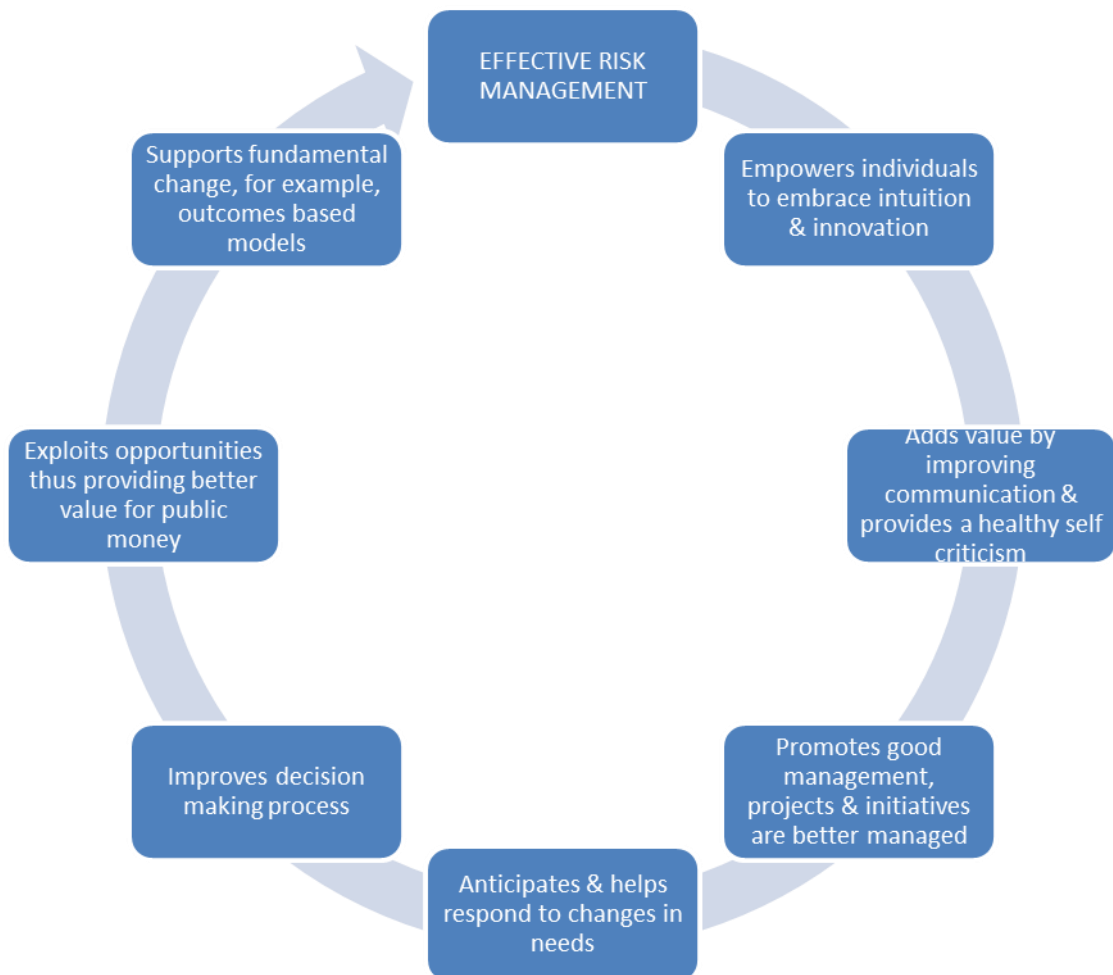


1.6 It is essential that a consistent risk management approach is utilised at all levels throughout the Council, coupled with an appreciation that risks may be identified, managed and evidenced at varying degrees throughout the organisation. By effectively managing our risks and opportunities, which is all part of good governance, we will be in a stronger position to deliver on our objectives, provide improved outcomes to the public and continue to ensure that vulnerable members of our community are protected, work better as a partner with other organisations and achieve greater value for money. This approach to risk management will inform the Council's key business processes, including:-

- ► **Strategic planning**
- ► **Financial planning**
- ► **Service planning**
- ► **Policy making and review**
- ► **Performance management**
- ► **Project management**
- ► **Partnership working**
- ► **Internal Audit Planning**

1.7 A **risk** is concerned with a threat or a possible future event which will adversely or beneficially affect Stockport Council's ability to achieve its objectives. It is typically assessed using two dimensions, one of which is the **impact** of the threat or hazard. This represents the consequence on the Council's objectives. The second dimension is the frequency or **likelihood** of the risk occurring, this represents the probability of the threat or hazard happening.

1.8 **Risk management** is the process that informs strategic development through the identification and treatment of risk such that, objectives are more likely to be achieved, damaging actions or events are avoided or minimised and opportunities are maximised.

1.9 This **Risk Management Framework & Strategy** forms part of Stockport Council's internal control and corporate governance arrangements. The purpose is to clearly outline the Council's commitment to risk management, describe the objectives of risk management and provide a framework for embedding risk management across the organisation, with defined roles and responsibilities and a structured process. Through the implementation and embedding of an effective risk management framework, Stockport Council will ensure that it is better placed to manage its performance, achieve its corporate objectives and provide an effective level of outcomes based activity to the community.

1.10 An appraisal of the Council's current strategic approach to risk will be undertaken on a regular basis by the Internal Audit & Risk Manager. This will result in a Gap Analysis and an assessment against ALARM's (Association of Local Authority Risk Managers) National Performance Model for Risk Management in Public Services. In addition, the ALARM model can be used as a self-assessment tool by individual services to gauge the level of risk management activity within that area in order to identify areas of good practice, areas where improvement may be required and to support the current appetite to risk within that area (see 3.1).

1.11 The following key principles outline the Council's approach to risk management and internal control:

- Senior Management, Executive Councillors and the Audit Committee have responsibility for identifying emerging risks and overseeing risk management within the council as a whole.
- An open and receptive approach to understanding the challenges of risk management is adopted by all stakeholders of the Council.
- There will be a range of appetites and tolerance levels for different risks which will vary over time.
- Senior Management Teams are responsible for encouraging good risk management practice within their areas.
- Where appropriate, key risk scores and indicators of levels of risk are identified and closely monitored on a regular basis.

## 2.0 Scope of the Strategy

2.1 This strategy outlines how Stockport Council is responding to its responsibility to manage risks and opportunities using a structured and incremental approach.

**Objective 1 -** Identify the roles and responsibilities of Members and Officers in relation to the management of risk by establishing a risk management structure to act in an advisory and guiding capacity which is accessible to all employees, coupled with an agreed Summary of Responsibilities and through maintaining effective communication.

**Objective 2 -** Set out a clear methodology for managing risk within the organisation by maintaining documented procedures for the control of risk.

**Objective 3 -** Provide a focus for the work on risk management and raise its profile across the Council by continuing to demonstrate the application of risk management principles and through training and communication.

**Objective 4 -** Integrate risk management into the culture of the organisation by continuing to demonstrate the application of risk management principles.

**Objective 5 -** Embed risk management through the ownership and management of risk as part of all decision making processes by continuing to demonstrate the application of risk management principles, maintaining effective communication and through compliance reviews.

**Objective 6 -** Ensure that appropriate training is given to Councillors, employees and partners in line with their roles and responsibilities by providing targeted risk management awareness training and risk workshops for staff and members and through maintaining effective communication.

## 3.0 Strategy – Key Elements

## 3.1 Risk appetite

3.1.1. Understanding and setting a clear risk appetite level is essential to achieving an effective risk management framework and should be done before managers consider how to treat risks. Establishing and articulating the risk tolerance level helps to ensure that consideration in the way we all respond to risk is consistent and that there is a shared vision for managing risk. There are risks in relation to areas where the Council is custodian on behalf of the public and the environment, where tolerance levels may be very low, and there may be risks with choices about investment in projects, research and delivery roles, where risk taking may be encouraged and our appetite for risk is therefore higher.

3.1.2. Stockport Council's risk appetite is determined by individual circumstances and the Council recognises that in pursuit of its objectives it may choose to accept an increased degree of risk. The Council will establish and articulate risk tolerance levels for the differing areas of its business. Where the Council chooses to accept an increased level of risk it will do so, subject always to ensuring that the potential benefits and consequences are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

3.1.3. The appropriate level will depend on the nature of the work undertaken and the objectives pursued. For example, where safeguarding is critical then appetite will be low, conversely for an innovative project it may be higher, with the acceptance of short term failure that could pave the way to longer term success. Below are examples of broad approaches to setting risk appetite that will ensure a response to risk that is proportionate to any given objectives.

- **Averse**

Avoidance of risk and uncertainty is a key organisation objective.

- **Minimal**

Preference for ultra-safe options that are low risk and only have a potential for limited reward.

- **Cautious**

Preference for safe options that have a low degree of risk and may only have limited potential for reward.

- **Open**

Willing to consider all potential options and choose the one most likely to result in successful delivery, while also providing an acceptable level of reward and value for money.

- **Hungry**

Eager to be innovative and to choose options offering potentially higher business rewards, despite greater inherent risk.

3.1.4. The appropriate approach will vary, with different parts of the Council adopting an appetite that reflects their specific role, with an overarching risk appetite framework to ensure consistency.

3.1.5. However, if the Council is to deliver change and efficiencies on the scale required, it must now have to take risks beyond choosing to comply with central government directives or to satisfy public expectations of improved services.

**3.2   *Risk Classifications.   These are the broad headings under which all risks are determined, namely,* Corporate, Directorate, Project, Portfolio and Outcomes Based*.***

***3.3   Risk categories. The risks faced by the Council are categorised in relation to what we do, namely,* Political, Economic, Social, Technological, Legislative, Environmental, Financial, Managerial, Partnership, Customer and Competitive**

**Political:** Failure to deliver key objectives or Central Government policy.

**Economic:** the Council's ability to meet its financial commitments.

**Social:** the effects in changes in demographic, residential or socio-economic trends on the Council's ability to deliver its objectives.

**Technological:** the Council's capacity to deal with technological change or its ability to use technology to meet changing demands.

**Legislative:** current or potential changes in national or European law.

**Environmental:** the environmental consequences of service delivery (in terms of energy efficiency, pollution, re-cycling, landfill needs, emissions etc).

**Financial:** financial planning and control and the adequacy of insurance cover.
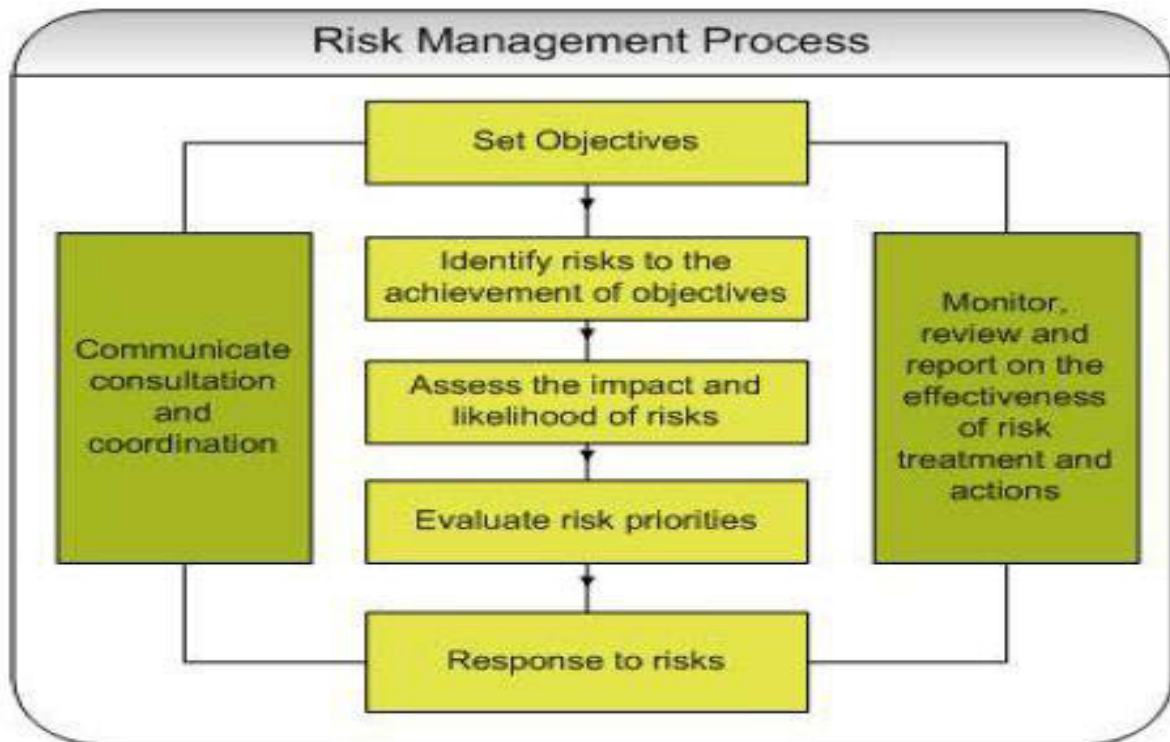
**Managerial:** professional competences of staff.

**Partnership:** Quality, cost and effectiveness of service delivery with other providers.

**Customer:** failure to recognise the changing needs and expectations of the community.

**Competitive:** the failure to deliver on outcomes within agreed costs and specifications.

**3.4   Risk Management Process Overview**

**Risk Management Process**

Set Objectives

Identify risks to the achievement of objectives

Assess the impact and likelihood of risks

Evaluate risk priorities

Response to risks

Communicate consultation and coordination

Monitor, review and report on the effectiveness of risk treatment and actions

### 3.5 Inherent and residual risks

3.5.1. A complete risk management framework should assess a risk as both an inherent risk and a residual risk.

3.5.2. An inherent risk represents the impact and likelihood of a risk event if no responses have been applied to manage the risk.

3.5.3. Residual risk, meanwhile, is the impact and likelihood of a risk event after responses have been applied.

3.5.4. The difference between the inherent risk and the residual risk is the effect of the response. Where quantitative methods are used to assess the risk, this effect can be stated as a number, and can be known as the 'response score' or 'control score'.

3.5.5. The different ways to manage risk may be summarised below. These are all responses to risks.

- **Terminate**: terminate the activity or circumstance that gives rise to the risk.

- **Tolerate**: do nothing, or rather, consciously accept the level of risk.

- **Transfer**: pass the risk to another party, for example by insurance, hedging or contracting it out.

- **Treat**: take action to reduce either the impact or the likelihood that the risk event will materialise.

Sometimes, a fifth kind of response is added:

- **Take**: as in 'take the opportunity'. This is important as our risk management framework will include risk events with favourable impacts as well as those with adverse impacts.

3.5.6. In practice, Stockport Council will probably use a mixture of the different kinds of responses to address each risk.

## 3.6 Response manages inherent risk to within risk appetite:

**HIGH**



**LOW**                                                                 **HIGH**
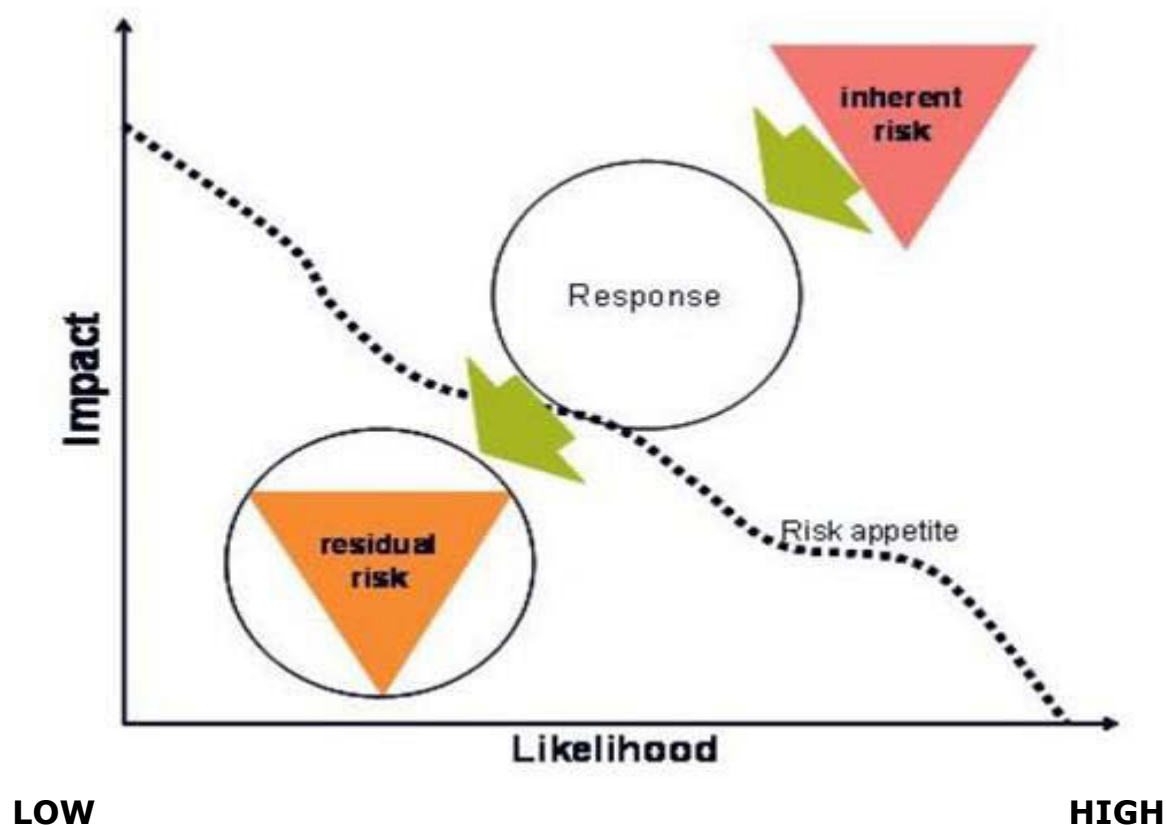
3.6.1. In a new project, for example, it may be relatively easy to focus on the inherent risk because there are no existing responses in place.

3.6.2. However, in an established continuing organisation introducing risk management for the first time, it can be difficult to disregard existing responses and to focus on the underlying risk.  The response should reflect the Council's risk appetite to minimise or control inherent risk.

3.6.3. For example, an inherent risk facing the Council is that the invoices it receives are wrong in some way - they could be for goods or services not received or wrongly priced - but most continuing organisations have some existing accounting procedures that are in effect responses to those risks.

## 3.7 Residual risk ratings

3.7.1. To assess the **residual risk rating** (i.e. High, Medium or Low) multiply each **residual** risk's **impact** score by the **likelihood** score.  So a score of 12 to 16 is High, 6 to 9 is Medium and 1 to 4 is Low.  This can be undertaken formally using the Risk matrix below or more informally depending upon the service, the delivery model and the resources available.

| Risk matrix | | | | | |
|---|---|---|---|---|---|
| Impact | 4 | 4<br>Low | 8<br>Medium | 12<br>High | 16<br>High |
| | 3 | 3<br>Low | 6<br>Medium | 9<br>Medium | 12<br>High |
| | 2 | 2<br>Low | 4<br>Low | 6<br>Medium | 8<br>Medium |
| | 1 | 1<br>Low | 2<br>Low | 3<br>Low | 4<br>Low |
| | | 1 | 2 | 3 | 4 |
| | | Likelihood | | | |

## 3.8 Communication & Reporting

3.8.1. Updates on risk activity (corporate, portfolio, directorate, project or outcomes based) should take place on a regular basis and as a minimum through the quarterly Performance, Resource and Management reports. Relevant forums will include Senior Management Team meetings, Corporate Governance Group, Audit Committee and Portfolio meetings. This should include an analysis on current risks, historic risks that are no longer relevant, and equally, new and emerging risks that are on the horizon.

3.8.2. This approach will help the management of risk to become fully embedded in all our processes and will allow for challenge and discussion by key stakeholders.

## 3.9 Risk Management Methodology
### 3.9.1 Financing Risk Management
Evaluating and costing the impact of a risk and also the associated mitigating actions ensures that any decisions to implement controls are proportionate to organisational objectives, priorities and available resource.

Effective risk management can lead to improved insurance management and, in turn, a reduction in insurance premiums, reduction in the number and level of claims resulting in lower value of uninsured losses.

### 3.9.2 Methodology
The Council has a methodology for the effective management of risk, in accordance with council policy, which incorporates the following processes:

- Risk identification and assessment.
- Risk control and management.
- Risk review and reporting.

### 3.9.3 Risk Identification and assessment
In identifying risks, we need to consider what may prevent the achievement of council pledges, priorities, outcomes and objectives. Risks may be internally or externally generated (from local, national or international sources). The risks may relate to strategic or operational matters; may arise from partnership arrangement, relate to specific projects or on going service provision.

Once risks are identified the level of the risk should be assessed. The assessment of the level of risk is informed by two key factors – the likelihood of the risk actually occurring and the impact that occurrence would have on the ability of the organisation to achieve council pledges, organisational priorities, outcomes and objectives. The Council uses a four-by-four matrix to determine the risk score (refer to the supporting Risk Guidance document for further detail on the risk management / scoring process and 3.7 above).

At this point a decision needs to be made about the level of risk that is acceptable; taking into consideration the "risk appetite" of the organisation. This will inform the level of subsequent control; management and reporting of the risk (see 3.1 above).

### 3.9.4 Risk Control and Management
It is the responsibility of the Corporate Leadership Team to approve and maintain oversight of a register of the strategic risks to the organisation. This will incorporate the most significant risks to the delivery of council priorities and objectives captured through portfolio risk registers. Individual directorates are required to also maintain directorate risk

registers detailing the risks to the achievement of directorate priorities. It is good practice for services/ business units to maintain risk registers and for key projects and programmes to operate effective risk logs.

There are five general responses to an identified risk: **terminate** the activity that is generating the risk approach; **tolerate** the risk, **transfer** the risk to another organisation or body; **treat** the risk by taking action to mitigate it or **Take**: as in 'take the opportunity'.  (Further explanation of considerations for each of these approaches is outlined in 3.5.5 above).

Each identified risk requires a supporting control, detailing the existing risk treatment/ controls already in place and any improvement actions identified to further mitigate the risk. The control strategies should include target completion dates for the implementation of mitigation measures.

The methods and actions chosen to manage risks should be reflected in business plans and the necessary resources required to do so should be identified and allocated accordingly.

### 3.9.5 Risk Review and Reporting

Risks should be managed and monitored on an on-going basis and re-evaluated as appropriate.

The risk management process requires a robust reporting and review framework to ensure key risks to the organisation are accurately identified, considered and managed at the appropriate levels. This is integral to a number of review and reporting channels as follows:

- The process for corporate risks is informed by the development and delivery of the Council Plan, with risks identified to priority outcomes at Portfolio level and in conjunction with the Internal Audit and Risk Manager.  A number of strategic risks at organisational and partnership levels are also identified and included in the **Corporate Risk Register**. Updates on these risks, along with new and emerging risks, form a key part of the **Corporate Performance and Resource Reports** which are reviewed by Corporate Leadership Team, Executive and Scrutiny Committees on a quarterly basis.  Quarterly reports relating to the Corporate Risk Register will be submitted to the Corporate Leadership Team and Audit Committee using the format outlined in appendix 3.

- The process for portfolio risks is informed by key objectives set out in the Council Plan alongside the risks identified at Directorate level (see below). A **Portfolio Risk Register** is included in the Annual Portfolio Agreements following approval by the Executive Portfolio Holder. Progress in managing and mitigating these risks is reported on a quarterly basis, and reviewed at Scrutiny Committees as part of **Portfolio Performance and Resource Reports**. Many of the key projects and activities detailed within the reports are also mitigating actions for Portfolio risks, with impact highlighted through latest performance and financial data.

- Identification, consideration and review of Directorate risks links in with the Portfolio Risks and general discussions on key directorate risks

takes place at Directorate Senior Management Teams (SMTs) on a quarterly basis, in conjunction with the Internal Audit & Risk Manager, who will provide a general update on risk management arrangements. The update will also take into account any emerging risks identified form the performance management process.

- Risks identified at Directorate level with a strategic importance or impact is escalated, via the Corporate/Portfolio Risk Champion and Internal Audit & Risk Manager to SMT for consideration for inclusion in the Corporate Risk Register.  As part of the Performance and Resource Reporting Framework, Corporate Leadership Team will be asked to review the Corporate Risk Register for amendment at mid-year and approval annually.  This is undertaken as part of the mid-year CPRRR reporting process.

- Project related risks are identified, monitored and reported at a project level via the project board. Projects with associated risks of significant strategic importance should be considered for inclusion on the Corporate Risk Register to ensure SMT have an appropriate overview of the risk and associated control strategies in place.  This is the same process for outcome based activities.

- An annual Risk Management report detailing progress on Risk Management is submitted to Corporate Leadership Team, Executive, Corporate Governance Group and Audit Committee.

Risk implications should be reported and considered in all Executive Decisions.

### 3.9.6 Risk Escalation / De-escalation

It is at this monitoring stage that consideration should be given to propose and agree the escalation of a risk from Directorate, Portfolio, Outcome Based, Project and/or Corporate Risk registers; if the risk is considered to require wider corporate consideration

It is also at this stage, through the regular monitoring of the risk, associated scoring and control strategies that consideration is given to the approval to remove a risk from the register if the risk is deemed to be at a manageable (tolerable) level.

There is a requirement for each Directorate to have in place a nominated "Risk Champion" who can co-ordinate and challenge issues at Directorate level and undertake to ensure that objectives are met (see table below).

| Corporate and Support Services Risk Champion | Head of Business Support (CSS) |
|---|---|
| Services to People Risk Champion | Head of Business Support (Services to People) |
| Services to Place Risk Champion | Head of Business Support (Services to Place) |

### 3.9.7 Roles and responsibilities

The following groups and individuals have the following roles and responsibilities for risk management within the Council.

## Executive

To oversee the effective management of risk throughout the Council; to hold the Senior Management accountable for the effective management of risk by officers of the Council.

## Audit Committee

To scrutinise and review the management of risk on behalf of the Executive.

## Elected Members

To understand the importance of risk management in all that the Council does; to champion the cause of risk management as part of the fulfilment of the role of members.

## Senior Management Teams

To ensure that the Council manages risk effectively through the development of a comprehensive risk management strategy; to monitor delivery by receiving reports from the Corporate Governance Group.

## Risk Champions

To champion the cause of risk management within the Council, particularly at the strategic, portfolio and departmental levels; to take personal responsibility for ensuring that the risk management objectives as set out in the policy are achieved.

## Internal Audit & Risk Manager

To support the Council and its departments and services in the effective development, implementation and review of the risk management strategy.

## Corporate Governance Group

To determine, implement and review the Council's Risk Management Strategy/Policy.  The group is responsible for developing specific programmes and procedures for establishing and maintaining risk management activities. This group will ensure the dispersal of vital information and, where appropriate, provide guidance, interpretation and understanding of the systems involved.

## Departmental Management Teams

To ensure that risk is managed effectively in each service area within the agreed risk management strategy; to report to the Risk Management Group on how hazards and risks have been managed within their service area.

## Service Managers

To manage risk effectively in their particular service areas; to report on how hazards and risks have been managed to their Departmental Management Team or directly to the Risk Management Group.

**Employees**

To manage risk effectively in their jobs and report hazards and risks to their managers

**Insurance Team**

To advise on practices which will minimise the likelihood of adverse events occurring and arrange insurance cover where necessary and appropriate.

*The responsibilities of the various groups and individuals are summarised in the table, included as Appendix 6.*

## 4.0   Governance and Implementation

4.1   This Strategy exists within an overall framework of policies and procedures designed to protect public monies, and ensure appropriate standards of behaviour from Council staff, Elected Members and other stakeholders.  This policy should be read in the context of the overall corporate governance framework and includes the Anti-Fraud, Bribery and Corruption Strategy and Policy, the Council constitution; Staff and Member Codes of Conduct; Financial and Contract Procedure Rules; Disciplinary Procedure and the Scheme for Financing Schools.

4.2   A Communications and Training Plan will be developed and rolled out to inform all staff and members of the importance of risk management.

4.3   To be monitored and updated by the Corporate Governance Group through quarterly meetings.

4.4   Any further guidance or advice on the operation of the policy or strategy can be obtained from the Internal Audit & Risk Manager.

| | Process | Description |
|---|---|---|
| **Appendix 1 – Outline Process For Managing All Risks** | |
| | **Process** | **Description** |
| **1** | Identifying risk | Risks will be identified during the outcomes based delivery planning process and cross-referenced, where possible, to key tasks and to the achievement of corporate objectives. These will be identified through the Council Plan Priorities and through Portfolio Outcomes. |
| **2** | Analysing risk | Managers will assess the probability and impact of the identified risks either formally or informally depending upon the service and the risk appetite of that area. |
| **3** | Profiling risk | The evaluation exercise will result in a risk score from which significant risks can be established. |
| **4** | Prioritising action | Significant risks will be stated in the risk register, if deemed necessary or through other agreed documentation, detailing the inherent risk score, existing controls and residual risk score. |
| **5** | Determining action | Further actions required to reduce the threat of the risk occurring or minimise its impact will be stated in the risk register. Target dates and assignment of responsibility will also be stated. |
| **6** | Controlling risk | The specified actions will be carried out as stated in the risk register or other control document. |
| **7** | Monitoring | Service managers will keep risk registers or other documentation under review and progress against further actions identified will be monitored. Documentation should be updated as actions are achieved and risk scores amended as appropriate. A Corporate Risk Register will also be maintained which will include all Significant Risks facing the Council as a whole. This will be reviewed by the Corporate Leadership Team Risk quarterly. Further monitoring will be carried out by the Corporate Governance Group and the Audit Committee.<br>The identification of risks should be a continual process and risks emerging throughout the year should be evaluated and, where necessary, added to the register. |

## Appendix 2  Stockport MBC – Risk Management Assessment/Heat Map – Directorate/Service_____

| | Leadership & Management | Strategy & Policy | People | Partnership, Shared Risk & Resources Processes | Processes | Risk Handling & Assurance | Outcomes & Delivery |
|---|---|---|---|---|---|---|---|
| **Level 5: Driving** | Senior management uses consideration of risk to drive excellence through the business, with strong support and reward for well managed risk-taking | Risk management capability in policy and strategy making helps to drive organisational excellence | All staff are empowered to be responsible for risk management. The organisation has a good record of innovation and well-managed risk-taking. Absence of a blame culture | Clear evidence of improved partnership delivery through risk management and that key risks to the community are being effectively managed | Management of risk and uncertainty is well-integrated with all key business processes and shown to be a key driver in business success | Clear evidence that risks are being effectively managed throughout the organisation. Considered risk-taking part of the organisational culture | Risk management arrangements clearly acting as a driver for change and linked to plans and planning cycles |
| **Level 4: Embedded & Working** | Risk management is championed by the CEO. The Board and senior managers challenge the risks to the organisation and understand their risk appetite. Management leads risk management by example | Risk handling is an inherent feature of policy and strategy making processes. Risk management system is benchmarked and best practices identified and shared across the organisation | People are encouraged and supported to take managed risks through innovation. Regular training and clear communication of risk is in place | Sound governance arrangements are established. Partners support one another's risk management capability and capacity | A framework of risk management processes in place and used to support service delivery. Robust business continuity management system in place | Evidence that risk management is being effective and useful for the organisation and producing clear benefits. Evidence of innovative risk-taking | Very clear evidence of very significantly improved delivery of all relevant outcomes and showing positive and sustained improvement |
| **Level 3: Working** | Senior managers take the lead to apply risk management thoroughly across the organisation. They own and manage a register of key strategic risks and set the risk appetite | Risk management principles are reflected in the organisation's strategies and policies. Risk framework is reviewed, developed, refined and communicated | A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework. Staff are aware of key risks and responsibilities | Risk with partners and suppliers is well managed across organisational boundaries. Appropriate resources in place to manage risk | Risk management processes used to support key business processes. Early warning indicators and lessons learned are reported. Critical services supported through continuity plans | Clear evidence that risk management is being effective in all key areas. Capability assessed within a formal assurance framework and against best practice Standards | Clear evidence that risk management is supporting delivery of key outcomes in all relevant areas |
| **Level 2: Happening** | Board/ Councillors and senior managers take the lead to ensure that approaches for addressing risk are being developed and implemented | Risk management strategy and policies drawn up, communicated and being acted upon. Roles and responsibilities established, key stakeholders engaged | Suitable guidance is available and a training programme has been implemented to develop risk capability | Approaches for addressing risk with partners are being developed and implemented. Appropriate tools are developed and resources for risk identified | Risk management processes are being implemented and reported upon in key areas. Service continuity arrangements are being developed in key service areas | Some evidence that risk management is being effective. Performance monitoring and assurance reporting being developed | Limited evidence that risk management is being effective in, at least, the most relevant areas |
| **Level 1: Engaging** | Senior management are aware of the need to manage uncertainty and risk and have made resources available to improve | The need for a risk strategy and risk-related policies has been identified and accepted. The risk management system may be undocumented with few formal processes present | Key people are aware of the need to understand risk principles and increase capacity and competency in risk management techniques through appropriate training | Key people are aware of areas of potential risk in partnerships and the need to allocate resources to manage risk | Some stand-alone risk processes have been identified and are being developed. The need for service continuity arrangements has been identified | No clear evidence that risk management is being effective | No clear evidence of improved outcomes |

*Appendix 3 – Template Corporate Risk Register & Report Update*

| Risk Description (Risk Owner) | Owner | Portfolio Risk Link | Current Risk Rating Likelihood Impact | Risk Level & Target Score | Direction of Travel | Commentary Q1 | Commentary Q2 | Commentary Q3 | Commentary Q4 |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | **Improvement** | | | | |
| | | | | | **Decline** | | | | |
| | | | | | **Stable** | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

| Corporate Risk Register 2014/15 | | Risk Number | | | | 1 | | |
|---|---|---|---|---|---|---|---|---|
| **Links To:** | | **Portfolio Risk: xxxxxx** | | | | | | |
| **RISK** | | • Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx | | | | | | |
| **Consequences** | | • xxxxxxx  <br> • xxxxxxx | | | | | | |
| **Controls** | | • xxxxxxx | | | | | | |
| **Risk Assessment** | Likelihood | 4 | | Impact | 4 | Exposure | 16 | |
| **Risk Level** | | HIGH/MEDIUM/LOW | | | | | | |
| **Risk Performance Indicators** | | • xxxxxxx | | | | | | |
| **Effectiveness of controls and performance indicators (1 to 4, 1 = inadequate and 4 = effective).** 4 | | | | | | | | |
| **Improvement Actions** | | • xxxxxxx  <br> • xxxxxxx | | | | | | |
| **Person or Group responsible for Risk** | | xxxxxxxxxxxxxx | | | | | | |
| **Review Date** | xxxxxxxxx | Completed By | | xxxxxxxx x | Designation | n | xxxxxxxx | |

## *Appendix 4 – Template Directorate/Portfolio/Outcomes Based Risk Register*

| Risk Ref | Risk Description (and potential impact) | Risk Category | Existing Controls | Residual Risk Score[1] | Further Action Required | Strategic Objective | Responsible officer |
|---|---|---|---|---|---|---|---|
| **Outcome 1 -** | | | | | | | |
| 1 | | | | 16 | | 1.1 | |
| 2 | | | | 12 | | 1.3 | |
| **Outcome 2 -** | | | | | | | |
| 3 | | | | 8 | | 2.2 | |
| 4 | | | | 4 | | 2.4 | |
| **Outcome 3 -** | | | | | | | |
| 5 | | | | 8 | | 2.2 | |
| 6 | | | | 4 | | 2.4 | |
| **Outcome 4 -** | | | | | | | |
| 7 | | | | 8 | | 2.2 | |
| 8 | | | | 4 | | 2.4 | |
| **Outcome 5 -** | | | | | | | |
| 9 | | | | 8 | | 2.2 | |
| 10 | | | | 4 | | 2.4 | |
| **Outcome 6 -** | | | | | | | |
| 11 | | | | 8 | | 2.2 | |
| 12 | | | | 4 | | 2.4 | |
| **Outcome 7 -** | | | | | | | |
| 13 | | | | 8 | | 2.2 | |
| 14 | | | | 4 | | 2.4 | |
| **Outcome 8 -** | | | | | | | |
| 15 | | | | 8 | | 2.2 | |
| 16 | | | | 4 | | 2.4 | |

[1] *Impact x likelihood on scale of 1 to 4, where 1 is low and 4 is high. Colour coded as per Risk Management Strategy.*

## Appendix 5 - Risk Management - Summary and Checklist of Activities

| Step 1 – Identify Risks | Step 2 – Evaluate Inherent & Residual Risks | Step 3 – Treat Risks | Step 4– Monitor and Review Risks |
|---|---|---|---|
| Best done in groups, by those responsible for delivering the objectives.<br><br>**RISK:** it's the chance of something happening that will have an **impact** on achieving your **objectives.**<br><br>**Threats & Opportunities**<br><br>**When:**<br>➢ Developing business plans and strategies and setting targets;<br>➢ working in partnerships;<br>➢ managing projects;<br>➢ options appraisal;<br><br>**Identify the controls or measures that are already in place in relation to the risks identified**<br><br>**Categories can help:**<br><br>➢ Corporate/Portfolio/Directorate<br>➢ Internal/External | After considering the existing controls that are in place, determine a rating for the risk using a combination of the **impact** and **likelihood** of an event and its consequences.<br><br>**Risk Matrix**<br><br>**Likelihood**<br><br>**Key**<br><br>**Likelihood**<br>4 Very High<br>3 High<br>2 Significant<br>1 Low<br><br>**Impact**<br>4 Catastrophic<br>3 Critical<br>2 Marginal<br>1 Negligible<br><br>Red Area = Highest Risks<br><br>Yellow Area = Medium Risks<br><br>Green Area = Lowest Risks | Prioritise based on Risk Score :<br>➢ Can we reduce the likelihood?<br>➢ Can we reduce the impact?<br>➢ Can we reduce the consequences?<br><br>**Terminate**<br><br>**Tolerate**<br><br>**Transfer**<br><br>**Treat**<br><br>**Take**<br><br>Devise contingencies, controls or further actions to reduce the risks to business objectives. and incorporate these into your service plans<br>Record all of the information in a risk register for your service or project. | **Risk Logs/Registers**: Monitor and review as part of quarterly service plan review.<br><br>Risks registers reviewed at Senior Management Team on a quarterly basis. |

**Appendix 6 – Summary of Responsibilities**

| | Develop the corporate risk management strategy | Agree the corporate risk management strategy | Provide advice and support on strategy development and implementation | Implement the strategy | Share experience of risk and risk management issues | Review the effectiveness of the strategy |
|---|---|---|---|---|---|---|
| **Executive/Audit Committee** | | ✓ | | | | ✓ |
| **Senior Management Team** | ✓ | ✓ | | ✓ | | ✓ |
| **Corporate Governance Group** | ✓ | | ✓ | ✓ | ✓ | ✓ |
| **Risk champion** | ✓ | | ✓ | ✓ | ✓ | ✓ |
| **Internal Audit & Risk Manager** | ✓ | | ✓ | ✓ | ✓ | ✓ |
| **Departmental management teams** | | | | ✓ | ✓ | ✓ |
| **Service managers** | | | | ✓ | ✓ | ✓ |
| **Employees** | | | | ✓ | ✓ | |
| **Insurance Officer** | | | | ✓ | ✓ | |

## Corporate Risk Register (incorporating IIS Programme Risk Register) 2016/17

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| 1. **Governance** Inadequate governance arrangements. | Progress on specific projects is not viewed strategically, impacting on ability of Investing in Stockport and other reform programmes to deliver growth, change and savings on the scale and timing required.<br><br>Projects are not delivered within agreed timescales meaning that savings need to be found from other budgets.<br><br>Conflict or duplication between project outcomes.<br><br>Delays in timescales for decision and budget approvals across different governance arrangements. | Laureen Donnan<br><br>(Steve Skelton) | • Robust programme and project management, including establishment of a Programme Management Office (PMO) in PPR.<br><br>• Programme Board and Planning, Support & Assurance Group.<br><br>• IiS and P&R reporting frameworks merged.<br><br>• Regular review of business case to reflect changes and risk profile. | 1 | 1 | Low | GM Devolution arrangements, plus development of complex partnership / collaboration / commissioning models. | The Council's Local Code of Governance is currently being updated by the Corporate Governance Group to take into account the changes identified in the new national framework 'Delivering Good Governance in in Local Government'.<br><br>A review of the Council's Constitution is also underway, with the aim of ensuring greater transparency on how decisions are made and delegated, and to reduce the risk of legal challenge and non-compliance with statutory requirements. |
| 2. **Evidence Base** Lack of a robust evidence base to support key | Ineffective use of business intelligence, resulting in inability to identify and respond to changing trends and inform strategic | Laureen Donnan<br><br>(Steve | • P&R Framework.<br>• Information Management Strategy.<br>• Data Quality processes and | 1 | 1 | Low | Borough Plan evidence base. | Significant improvements to the Council's data infrastructure are on-going through the Digital by Design programme. A pilot of additional visualisation |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| decisions. | investment decisions.<br><br>Impact on strategic planning, understanding and management of demand eg around demographics and ageing population profile. | Skelton) | strategy.<br>• Local Information System (My Stockport).<br>• Corporate performance networks.<br>• JSNA and other needs assessments. | | | | | software to enable services to identify insights from data in real time is in its final stages, and a suitable product will be procured and implemented this financial year. A range of work is underway to ensure appropriate data sharing agreements are in place where services operate in multi-agency environments or are testing or implementing new ways of working. |
| 3. **Change Management**<br><br>Ability to manage and implement change effectively. | Current productivity and service continuity being affected during the IiS implementation process.<br><br>An unstable, demotivated workforce at a time of change. | Laureen Donnan<br><br>(SS / Sue Williams) | • Staff briefing sessions.<br>• Line management support for affected staff.<br>• Business Impact Assessments and Business Continuity Plan | 1 | 2 | Low | | Support across CSS continues to be provided to managers and employees involved in the 12 major service redesigns within the IIS programme. This is supported by workforce development through identifying and responding to changing requirements. Improving internal communications is a priority, and a new electronic newsletter for employees "Stockport Connect" was launched in April. This will promote key information and messages on topics such as health and wellbeing, and the transition to new digital services. |
| 4. **External** | External factors (central | | • Active involvement | 2 | 2 | Medium | Risks / | Regular reports, analysis and |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| Ability to influence external factors. | government policy, funding changes or legal challenge) impact negatively on key policy objectives. | Eamonn Boylan<br><br>(SS / Celia Tierney) | in AGMA and regional partners.<br><br>• Input to GM Public Service Reform programme.<br>• Impact assessments undertaken including financial forecasts and modelling.<br>• Legal input and advice obtained where required.<br>• Review of outcome of similar challenges.<br>• Contracts developed if required. | | | | opportunities of political change post-May 2015, including;<br>• Devolution<br>• Funding<br>• PSR Programme. | briefings continue to monitor and inform senior managers and Elected Members about external events and policy proposals and priorities. To support this, and to provide avenues to lobby and seek change, the Council also remains in membership of the Local Government Association and other sector and professional bodies.<br><br>The Council is also well represented across a range of Greater Manchester discussions that provide an opportunity to shape and respond to key external drivers, such as the outcome of the recent referendum of EU membership. |
| **5. Financial**<br><br>Failure to deliver MTFP (savings targets and balanced budget). | Savings are not achieved, inaccurate or duplicated by multiple projects, thereby impacting on current and future budgets and affecting the levels of savings required on other projects.<br><br>Reduced external funding and related | Michael Cullen | • Robust monitoring and governance arrangements, including independent challenge.<br>• Overall impact of savings progress of all projects regularly reviewed.<br>• Effective financial management | 2 | 3 | High | • CSR<br>• Bus. Rate retention<br>• Devolution | A Summer Review of the Council's MTFP has been completed and approved by the Executive at the meeting on 4 October. As a result of the review the assumptions and forecasts which form the basis of the MTFP have been updated based on the latest information available.<br>The Council's Treasury Management Strategy outturn |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| | local budget pressures impacting on capacity to deliver services and planned changes. | | through Medium Term Financial Strategy, Treasury Management and the IIS Programme.<br>• Collaborative approach across AGMA and lobbying at sub-regional level. | | | | | for 2015/16 was presented to and approved by the Executive and Council in Quarter 2. The 2016/17 Treasury Management Strategy and Annual Investment Strategy mid-year report will be presented to the Executive and Council in Quarter 3. |
| 6. **Delivering growth**<br><br>Failure to deliver key strategic, regeneration and capital investment programmes. | Failure or delay in key programmes e.g. A6 to Airport link road, Stockport Exchange, Bridgefield and highways capital programmes impacting on growth objectives and local economy, eg in reducing congestion, increased employment, GVA etc. | Caroline Simpson<br><br>(Nicola Turner ) | • Agreed deadlines are realistic and achievable.<br><br>• Regular updates provided by project leads.<br><br>• Strategic overview and challenge.<br><br>• Timeline for each project controlled.<br><br>• Corporate Estates Strategy / Asset Management Plan.<br><br>• Strategic Property Alliance with Carillion.<br><br>• Regular progress meetings held.<br><br>• Accelerating | 1 | 3 | Medium | | Progress continues to be made on delivering the Borough's key regeneration projects with very visible progress made on Phase 2 of Stockport Exchange and on the A6 to Manchester Airport Relief Road in particular.<br><br>The risks associated with the delivery of major capital investment are managed at project level through detailed identification, monitoring, analysis, contingency planning, and mitigation work all of which is included within the reporting and accountability processes in the project's governance arrangements. |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| | | | Growth IIS project | | | | | |
| 7. **Digital Capacity**<br><br>Insufficient ICT infrastructure and capacity. | The Digital by Design project cannot support the changes required by the Programme thus affecting the success of its delivery. | Laureen Donnan<br><br>(SS / Paul James) | • Update meetings with ICT Services.<br><br>• Use of specialist providers to deliver solutions.<br><br>• Consultation with stakeholders on key changes around technology.<br><br>• Third party ICT input on changes.<br><br>• Digital by Design Project Objectives.<br><br>• Approach embedded within planning and service delivery. | 2 | 3 | High | £7.4m investment agreed by Exec | Discovery phases of the Digital by Design programme are helping to identify user requirements across the IIS Programme and other key services, and informing technical specifications Staff training is being rolled out to support customers in accessing new services and developing digital skills. |
| 8. **Workforce Capacity**<br><br>Insufficient knowledge and skills within workforce to deliver growth and reform. | Ineffective employee engagement and buy-in to IiS new delivery models affects delivery objectives as people do not have the right skills to deliver project outcomes resulting in a demotivated workforce.<br><br>Loss of key knowledge | Laureen Donnan<br><br>(Sue Williams) | • Positive employee communication and engagement.<br><br>• Flexibility and generic working to ensure good skills mix.<br><br>• Co-location of | 2 | 3 | High | | As part of the CSS Review, a number of redesign exercises are being developed in order to ensure that staff deployment continues to respond to the Council's priorities moving forward. This will ensure that employees remaining with the Council have the knowledge and skills to operate in a changing |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| | and people needed to drive the Programme forward affects key milestones.<br><br>Reduced capacity and skills impacting on business continuity and ability to meet legal duties / statutory requirements, whilst implementing major change and supporting complex delivery models. | | teams.<br><br>• L&D activity including bespoke training to equip staff with project and new service delivery skills.<br><br>• Wellbeing initiatives and support for managers / employees.<br><br>• Appointment of key staff to ensure strong leadership and governance of projects.<br><br>• Technical and professional support from key functions.<br><br>• Formal knowledge management and succession planning processes.<br><br>• Business Impact Assessments undertaken. | | | | | environment. |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| 9.  **Service User / Customer Risk**  Inability to influence behaviour change resulting in demand and expectations continue to rise. | Demand and expectations continue to rise against a backdrop of reduced resources, thus leading to service delivery failure and an increase in complaints.  Failure to integrate H&SC to reduce pressures on demand and expectations as a result of ageing population. | Laureen Donnan  (SS) | • Co-ordination of communications. • Digital programme. • Consultation and engagement. • Impact assessments. • Changes and impacts communicated to stakeholders. • Investing in Stockport Programme. • Locality Working Model • Alternative delivery models explored. • Representation on AGMA / GMCA. | 2 | 2 | Medium | | There has been a slight rise in overall complaints received during Q2, although the numbers escalating to Stage 2 have fallen. Four complaints were upheld by the Local Government Ombudsman, although there are no distinct patterns from these, or service failures identified.  The Corporate Complaints function is now incorporated into Learning and Development, working closely to provide training on complaint handling and ensuring learning from complaints occurs. Learning and good practice on complaints continues to be shared across the authority. |
| 10. **Health and Social Care integration**  Financial resources and capacity are | Current (and assumed future) resources are not sufficient to meet the  demand  Pressure from Monitor, NHS England to achieve short term rather than | Michael Cullen / Andrew Webb  (Mark Fitton) | • Actively managed Portfolio Risk Assurance Framework in place for Stockport Together programme | 2 | 3 | High | GM Devo may have some positive benefit on investment and shifting balance from short term view to long term | In Q2, £19m non-recurrent Transformation Funding was awarded over a three year period to Stockport Together, £7m in this financial year. The funding will support improvements in shared |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| insufficient to deliver the strategic change programme and associated benefits to required timescales | longer term financial sustainability<br><br>Financial modelling unable to predict a sustainable system<br><br>Pace and changing priorities make engagement of all staff groups with the transformation process difficult | | • Comprehensive Business Case being prepared for approval in December<br>• Leaders group in place to accelerate work on Business Case and manage complexities<br>• Streamlined and consistent approach to key messages and communications between and within partners to assure engagement of staff | | | | (including NHS / Monitor)<br><br>Assess potential impact of Healthier Together proposals | records and digital technology, pump prime new service areas to drive change and provide the change capacity required in a programme of this scale and complexity.  A summary business case setting out the whole transformation programme went through all partner governance arrangements in July.  Further detailed business cases for each area of activity will follow and will identify the costs and benefits of change, and where the impacts will fall across the whole integrated programme.<br><br>Operational budgets, particularly around delayed transfers of care and care management, remain under pressure.  A detailed review of current budgets has started that will underpin decision making and will inform the development of the Stockport Together business cases. In Q2, there has been a particular emphasis on Core Neighbourhoods and the Intermediate Tier programmes of work with a focus on Workforce Planning. The aim |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary ( Q2) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | is to develop bids to the Transformation Funding in order to support the delivery of the new models of care in the short term and transformation of the workforce in the longer term. |

## Corporate Risk Register (other strategic risks) 2015/16

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| **11. School Places**<br><br>Insufficient supply of school places. | Demand exceeds number of available primary school places.<br><br>Parents not allocated first choice schools.<br><br>Overcrowding has an impact on quality of education provision. | Andrew Webb<br><br>(Stephen Bell) | • Liaise with colleagues to ensure accurate data analysis informs estimates to aid place planning.<br>• Write successful bids to provide capital support for school expansion programmes.<br>• Work with council partners to develop a borough wide strategy for planning. and development of school places. | 1 | 2 | Low | | A number of rebuilds or major extensions of primary schools have now been completed and are in use. Increased capacity at Werneth Secondary is due to be complete for November, whilst proposals for St John's CE Primary are currently on hold pending a decision on the site for the rebuild.<br><br>All reception class applicants have been offered primary school places, although some areas of the Borough have very few reception places available. Consequently providing places for families moving into these areas of the Borough will be a key challenge.<br><br>A fresh round of formal school number projections have been generated and validated by the DfE, and these indicate that the increase in primary school admissions is set to |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | continue for at least a further four years but the scale of the increase is lower than before. Nevertheless, as the majority of local primary schools are currently at or near capacity, providing sufficient places will remain a key priority. This challenge is reinforced by the fact that the Local Authority currently has no Basic Need grant to initiate projects across 2017-2019.<br><br>The secondary school population is also growing from the historic low of 2014/15, with spare capacity expected to be filled by 2019. The capacity of Special Schools and Pupil Referral Units also remain a challenge, with the number of pupils with SEND and behavioural needs growing significantly. There is little current scope for expansion, but longer term solutions are being considered to alleviate these pressures. |
| 12. Welfare | Vulnerable residents | Laureen | • Scrutiny Review | 1 | 3 | Medium | Additional | Action plan for |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| **Reform**<br><br>Failure to provide an integrated response to welfare reform and other major changes. | suffer a fall in household incomes, with associated risks to health and wellbeing.<br><br>Potential increase in rent arrears, repossessions, homelessness and crime.<br><br>Initiatives are less effective if not joined up.<br><br>Increased pressure on information and advice services. | Donnan<br><br>(Alison Blount / Janet Wood) | Recs.<br>• Action plan for implementation of reforms within services.<br>• Working with Stockport Advice and DWP, and across AGMA.<br>• Extending and promoting on-line self-service and increased data integration.<br>• MASH closely aligned to Stockport Local Assistance Scheme to provide emergency support and enable support to vulnerable children, families and adults. | | | | changes to welfare have been announced in the latest budget. | implementation of reforms within services.<br><br>Working with Stockport Advice, DWP, Job Centre Plus, Stockport Homes and across AGMA.<br><br>Extending and promoting on-line self-service and increased data integration. |
| **13. Safeguarding;**<br><br>Failure of safeguarding arrangements for children and vulnerable adults. | Children and vulnerable adults are put at risk of harm.<br><br>Inability to meet statutory duties to protect people from harm, with associated legal, governance and reputational damage. | Andrew Webb<br><br>(Chris McLoughlin) | • Safeguarding Children and Adults Boards.<br>• Multi-Agency Safeguarding Hub (MASH).<br>• Childhood Accident Co-Ordinator.<br>• Multi-Agency Adults at Risk System (MAARS). | 1 | 3 | **Medium** | Deprivation of Liberty Standards.<br><br>Outcome of forthcoming Ofsted report. | A new Independent Safeguarding Chair for both Adults and Children's Safeguarding Boards is now in place, and the Safeguarding Head of Service, in the new Children and Adults cross directorate unit will commence in post in November. |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| | More children placed in care, with high cost implications.<br><br>Increased pressures on workforce resulting in high turnover and low morale. | | • Multi-Agency Safeguarding Policy.<br>• Integrated Prevention Strategy.<br>• Development of Integrated Prevention and Safeguarding Children & Family Service.<br>• Project Phoenix.<br>• CSE Indicator of Concern Tool. | | | | | The number of children subject to a child protection plan has increased, but remains slightly lower than for 2014/15. All child protection plans continue to be scrutinised through the Independent Safeguarding Board and ordinary supervision and management oversight in order to ensure appropriateness of actions, with numbers continuing to be monitored in order to ensure any potential trends are identified.<br><br>The Chair has overseen the redevelopment of the structures that support the Safeguarding Adults Board. The Board currently meets bi-monthly throughout the year, ensuring that multi-agency policy and procedures are used effectively by partners and stakeholders and are monitored as well as reviewed for appropriate and proportional outcomes |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | for citizens. A DoLs co-ordinator has also been appointed and a robust triage system introduced to manage risks. |
| **14. Information Governance**<br><br>Failure to protect the Council's information assets including personal and sensitive personal data and other confidential data. | Loss of control of personal data and non-compliance with the Data Protection Act resulting in harm or damage to the data subject and a negative impact on the reputation of the Council as custodian of personal and sensitive information and possible financial risk via financial penalties.<br><br><br>Data Sharing: Contravention of principle 1 of the Data Protection Act re. fair processing including the Troubled Families and other multi-agency programmes<br><br>Vulnerability to | Laureen Donnan<br><br>(SS) | • IG and ICT security policies and procedures including assessment and coordination of serious information governance incidents.<br>• Robust governance, management and monitoring arrangements.<br>• Data Breach Panel.<br>• Robust technical system controls and audit mechanisms.<br>• Mandatory staff training,<br>• Regular communication and awareness raising<br>• Fair processing arrangements.<br><br>• Information sharing agreements in place with DCLG and other partners.<br><br>• Robust ICT security | 2 | 3 | High | Increased risk during period of change, with more data being shared between organisations, employees taking on new roles etc.<br><br>Data sharing opportunities with key partners for example, health and police partners.<br><br>Future funding of the TF programme and associated information sharing arrangements. | The Council's IG team continue to provide a wide range of advice, guidance and support in relation to all aspects of information governance. This has included a particular focus on information sharing reflecting the increase in integrated working arrangements and commissioning of third parties to deliver services on behalf of the Council.<br><br>A new suite of training is being developed for staff to complete annually covering specific scenarios that staff within different job roles can relate to and enabling a better understanding and awareness to protect Personal Data.<br><br>An Information Asset Register is being compiled to provide a council wide |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| | penetration of Council systems leading to loss of personal or sensitive personal data. Legal challenge. Reputational damage. | | mechanisms in place to prevent external penetration | | | | | view of the personal data held across the council and any risks associated. On a monthly basis, the Council receives around 100 Freedom of Information requests and around 25 Subject Access / Access to Records and CPS requests. These are often complex requests for high volumes of personal and sensitive data relating to individuals and service users. The Council has robust procedures for reporting and investigating data protection incidents, and a corporate Data Protection Panel meets monthly to consider incidents, ensure appropriate actions are taken and to identify and share opportunities for learning across the Council. |
| **15. Fraud**<br><br>Failure to deter, address or identify fraud. | Financial loss and reputational damage. | Michael Cullen<br><br>(John Pearsall) | • Anti-Fraud, Bribery & Corruption Strategy.<br>• Fraud & Irregularity Panel.<br>• Risk based Intenal Audit fraud plan. | 2 | 3 | High | Resurrection of the AGMA Fraud Group. | The Council's Corporate Fraud Officer has now transferred to the Internal Audit, Risk and Insurance team from the Revenues and Benefits team. A new counter fraud work and training plan has been |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | developed with the aim of educating and empowering all staff within specific service areas on the ongoing risks of fraud. |
| **16. Business Continuity**<br><br>Ability of services to respond to a major incident involving loss of IT, people and/or accommodation. | Failure to deliver services .<br><br>Reputational impact. | Laureen Donnan<br><br>(Claire Grindley) | • Corporate Business Continuity Plan.<br>• Cross cutting strategies to manage loss of IT, staff and buildings.<br>• | | | | | The Corporate Business Continuity Plan (CBCP) has been updated for 2016/17. It includes three cross cutting corporate strategies that outline how the organisation will deal with loss of IT, People and Buildings / Accommodation. These will be enacted if there is deemed to be corporate level serious or widespread disruption occurring or threatened or when a service area has exhausted their local contingency plans and requires corporate intervention to aid service continuity. The ICT Disaster Recovery Plan has also been updated and deals with the loss of the entire network and all IT capabilities. The CBCP is further supplemented with the detailed list of Category 1 and 2 activities and their requirements for recovery. |

| Risk Title & Description | Risk Impact | Owner (CD / HoS) | Existing Controls | Likeli-hood (1,2,3) | Impact (1,2,3) | Current Risk Rating (Score H/M/L) | Emerging risks & opportunities | Quarterly Commentary (Final Update) |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | There are 26 activities identified where recovery is required within 12 hours, and a further 21 where recovery is required within 24 hours. The majority of these are within People Directorate. The CBCP can only be invoked when a service area has exhausted their local contingency plans or when there is serious widespread disruption to wider organisation and corporate intervention is required to aid service continuity. There are explicit trigger points and clear lines of authorisation in each service Business Continuity plan. All service level Business Continuity Plans have been tested. |

# Anti-Fraud, Bribery and Corruption Policy



**One Council, One Voice**

## Policy Coversheet

| | |
|---|---|
| **Policy Title** | Anti-Fraud, Bribery and Corruption Policy |
| **Author** | John Pearsall, Internal Audit and Risk Manager |
| **Date of Issue** | November 2016 |
| **Date of next update** | November 2017 |
| **Authorisation** | Audit Committee |
| **Policy Summary** | To create and embed an anti-fraud culture throughout the organisation<br>To ensure that all staff and members are aware of the impact of fraud on the organisation and the services it provides |
| **Trade Union Consultation** | N/A |
| **Audience** | All employees (permanent, temporary, school), Members, agency and consultancy staff and partners of Stockport Metropolitan Borough Council |
| **Impact** | N/A |
| **Related documents** | **Anti-Fraud, Bribery and Corruption (ABC) Strategy** – *high level document that has been incorporated within this document*<br>**ABC Objectives** – *What Policy aims to achieve*<br>**ABC Action Plan** – A*ctions, the mechanisms to achieve those actions and Responsible Officers*<br>**Fraud & Irregularity Response Procedure** - *To define the levels of authority, roles and responsibilities and reporting lines that will apply in the event of a suspected fraud or irregularity*<br>**ABC Staff Responsibilities** – Specific responsibilities in the event of a suspected fraud or irregularity<br>**Anti-Money Laundering Policy** – staff are aware of the requirements and obligations placed on the Council and on them as individuals |
| **Responsibility & Monitoring** | Progress against the Policy to be monitored by the Corporate Governance Group and Audit Committee on a yearly basis |

**1.0 Purpose**

1.1 This Policy sets out the Council's commitment to creating an anti-fraud culture and to maintaining high ethical standards in the use and safeguarding of public funds.

**2.0 Scope of the Policy**

2.1 Stockport Council has a zero-tolerance approach to fraud, bribery and corruption and is committed to ensuring that effective arrangements are in place to prevent, detect, investigate and report fraud. Where a fraud is found to have been committed by any member of staff or other person as defined within the scope of this policy, the Council will take the appropriate disciplinary and / or legal action. Where appropriate, effective methods for seeking redress in relation to assets or resources obtained through fraudulent or corrupt means will be considered.

2.2 This Anti-Fraud, Bribery and Corruption Policy applies to all Council Members and staff whether full-time, part-time, permanent, temporary or agency worker. It also applies to all those working with the Council as a supplier, contractor, consultant or partner.

2.3 The Policy is needed to create an anti-fraud culture and covers the activities of all staff (as defined above) and Members within their Council roles and any action undertaken outside of their Council duties which may bring the Council into disrepute or may constitute a fraud against the Council. For example, any member of staff found to have committed Housing or Council Tax Benefit Fraud or Insurance fraud against the Council will be dealt with under this Anti-Fraud, Bribery & Corruption Policy in addition to any external actions that may be taken. The Policy should be used in conjunction with the Related Documents outlined on page 2.

**3.0 Policy Detail**

3.1 While this Anti-Fraud, Bribery and Corruption Policy has set out legal definitions of the various terms used, the policy is also concerned with the wider behaviours and actions of those within its scope. The public expects high standards of behaviour from all those working within the public sector. This includes not only staying within the law, but exhibiting high ethical standards in all their actions. This section of the policy sets out some of the

behaviours expected of Council staff and associated stakeholders. The list is not intended to be exhaustive, but is designed to give some examples that can be applied when making decisions:

o   All claims for expenses must be scrupulously honest and must include only those expenses to which staff are entitled under their terms and conditions of employment and staff expense claims policy.

o   All business interests must be declared on the official form designed for this purpose.  This helps protects individuals from any suggestion of improper conduct and helps the Council to demonstrate that all procurement decisions have been taken in the interests of delivering value for money from public funds.

o   Staff must not enter into any purchasing decisions where they have declared a personal interest has been declared or where a budget does not exist.

o   Staff should not seek to benefit in any way from their position with the Council beyond the remuneration and any reasonable expenses to which they are entitled.  This includes providing any goods or services to the Council or its associated partner organisations in a personal capacity for which payment is received.

o   Official Council resources must only be used for the purpose of delivering public services.  Staff should not use public monies or resources for personal use beyond the Council's acceptable use policy.  Such resources include IT equipment, telephones (including mobiles), internal post facilities, Council headed paper, vehicles and machinery.

o   Council credit cards must not be used to pay for any expenses for which the Council is not directly responsible.  This includes personal expenditure as well as that which is payable by any external organisation.

## 4.0   Governance and Implementation

4.1   Where a suspected fraud or other irregularity is identified, this should be reported through your line manager or directly to the Internal Audit and Risk Manager.  Where line managers receive a fraud / irregularity referral, these should be reported to the Internal

Audit & Risk Manager.  In the case of Members then concerns should be reported to the Monitoring Officer or the Deputy Chief Executive or the Internal Audit & Risk Manager.

4.2    The Council also has in place a process for staff and Members to report suspected irregularities through the Confidential Reporting Policy.  Matters will be dealt with where possible in confidence and in accordance with the Public Interest Disclosure Act 1998.

4.3    The Council has a Fraud & Irregularities Panel in place which meets to consider all fraud referrals and ensure matters are investigated thoroughly and appropriate actions taken against staff found to have committed fraud.

4.4    This Anti-Fraud & Corruption Policy exists within an overall framework of policies and procedures designed to protect public monies, and ensure appropriate standards of behaviour from Council staff, Elected Members and other stakeholders.  This policy should be read in the context of the overall corporate governance framework and includes the Council constitution; Staff and Member Codes of Conduct; Financial & Contract Procedure Rules; Disciplinary Procedure and the Scheme for Financing Schools.

4.5    To be monitored and updated by the Corporate Governance Group.

4.6    Any further guidance or advice on the operation of the policy or strategy can be obtained from the Internal Audit service.

**5.0    Glossary of Terms**

5.1    **Fraud**

Fraud is defined by the 2006 Fraud Act as:

Activity aimed at securing a gain or causing a loss through one of the following:

o    False representation (presenting something as true that is known not to be)

o    Failure to Disclose (withholding information where there is a requirement to disclose)

o  Abuse of position (any action aimed at securing a gain or causing a loss through the position a person holds within Stockport Council or any of its partner organisations)

Crucially under the Fraud Act, no gain or loss need occur, the intention to defraud is sufficient for a prosecution to proceed.

## 5.2  **Bribery**

The Bribery Act 2010 defines four new offences of offering or paying a bribe; requesting or receiving a bribe; bribing a foreign public official or failing to prevent bribery (a corporate offence).

## 5.3  **Corruption**

While there is no generally accepted legal definition of corruption, for the purposes of this policy it is taken to define any action which constitutes:

Dishonesty or breach of trust in carrying out a person's role as a public servant.