

**13 March 2017**

**Audit & Scrutiny Committee**

**Strategic Risk Review**

*Report of:* John Chance, Finance Director

*Wards Affected:* None

*This report is:* Public

**1. Executive Summary**

- 1.1 The report updates members of the Audit & Scrutiny Committee on new, closed or changes to strategic risks.

**2. Recommendation(s)**

- 2.1 To agree amendments to the Strategic Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.**

**3. Introduction and Background**

- 3.1 The governance arrangements set out in the 'Insurance & Risk Management Strategy' require the Audit & Scrutiny Committee to review the strategic risks every quarter.
- 3.2 The strategic risk registers are monitored quarterly by the Corporate Leadership Board (CLB) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Audit & Scrutiny Committee to review the strategic risks and confirm they are confident that the risks associated within this register are those which are strategic and relevant to the organisation at this point in time and the considered future.

**4. Issue, Options and Analysis of Options**

**Strategic Risks**

- 4.1 In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and risk scores. These were discussed and agreed by CLB on 27 February 2017.
- 4.2 Attached to this report at Appendix A is a summary showing the current status of each risk and any movement in risk score compared with

previous monitoring periods, together with explanatory commentary on the key issues for each risk.

- 4.3 As a result of the current risk review all risk scores have remained unchanged.
- 4.4 There has been one new risk added to the Strategic Risk Register:
- Green risk RSK14 – That outsourcing/shared service arrangements result in the Council’s democratic duties not being fulfilled or ignored, leading to a failure in the Council’s obligations. (row 13)  
This has been given a risk score of 2; 1 = likelihood, 2 = Impact

### **Risk Matrix**

- 4.5 The thirteen risks are plotted on the risk matrix in Table 1. The current assessment identifies that two risks will remain in the red area of the risk matrix.

Table 1 – Risk Matrix

Likelihood/Probability	5	10	15	20	25 RSK1
	4	8	12	16 RSK11	20 RSK12
	3	6	9 RSK5	12	15 RSK2
	2	4	6	8 RSK3 RSK4 RSK7 RSK8	10 RSK13
	1	2 RSK14	3	4 RSK9	5 RSK10
		Negligible	Minor	Moderate	Significant
Negative Impact/Severity					

No.	Risk	No.	Risk
1	Finance Pressures	9	Lack of Strategic Direction
2	Local Development Plan	10	Failure to Spend Capital Receipts
3	Disaster Recover/Continuity Planning	11	Roll out of Universal Credit
4	Organisational Capacity	12	Extension of Right to Buy to registered provider tenants
5	Information Management and Security	13	Failure to deliver key Corporate Projects
7	Commercial Activities	14	Outsourcing/shared services of democratic services
8	Contract/Partnership Failure		

## 5. Reasons for Recommendation

- 5.1 Risk Management continues to be embedded quarterly within the Senior Management Team reports, where Service Heads discuss the top level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.

5.2 In addition the Risk & Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

## **6. Consultation**

6.1 None.

## **7. References to Corporate Plan**

7.1 Effective risk management arrangements will enable the Council to achieve its corporate priorities. The process will allow identification of risks and issues enabling informed decision making to remove or reduce them in order for the priorities to be achieved.

## **8. Implications**

### **Financial Implications**

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8.1 None arising specifically from this report, but control measures identified in risk registers could have financial or resource implications.

### **Legal Implications**

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8.2 Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

## **9. Appendices to this report**

Appendix A – Strategic Risk Register Summary Report

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