

14 March 2018

Audit Committee

Strategic Risk Review

Report of: Section 151/Deputy Section 151

Wards Affected: None

This report is: Public

1. Executive Summary

- 1.1 The report updates members of the Audit Committee on the status of the Council's 2017/18 Strategic Risk Register.

2. Recommendation(s)

- 2.1 To agree the amendments to the Strategic Risk Register, as shown in Appendix A, 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 Committee to review the strategic risks every quarter and the operational risks every six months.
- 3.2 The strategic and operational 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 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 and updated them for the coming financial year 2017-18. These were discussed and agreed by CLB on 5 March 2018.
- 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 A request was made to include Business Rate Pool on the strategic Risk Register at Full Council on 18th October 2017. The Deputy Section 151 Officer has concluded that the Risk does not warrant to be included as a separate item, due to Risk 1) Financial Pressures being identified and the Council was not accepted to be part of the new 100% Business Rate Retention Pilot Scheme, therefore reverting back to the existing Pool arrangements.

Risk Matrix

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

Red Risk	20 – 25
Amber Risk	12 - 16
Yellow Risk	6 - 10
Green Risk	1 - 5

Table 1 – Risk Matrix

Likelihood / Probability	Definite	5	10	15	20	25 RSK1
	Very Likely	4	8	12	16 RSK11	20 RSK2 RSK12
	Likely	3	6	9	12 RSK3	15 RSK15
	Less Likely	2	4	6 RSK5 RSK7	8 RSK4 RSK8	10 RSK13
	Unlikely	1	2 RSK14	3	4 RSK9	5 RSK10
		Negligible	Minor	Moderate	Significant	Major
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
6	Risk no longer required	14	Failure of Democratic Services
7	Commercial Activities	15	Data Protection Act 1998
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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