

**06 March 2019**

**Regulatory and Governance Committee**

**Strategic & Operational Risk**

**Report of:** *Jacqueline Van Mellaerts - Interim Chief Financial Officer*

**Wards Affected:** *All*

**This report is:** *Public*

**1. Executive Summary**

- 1.1 The report updates members of the Regulatory & Governance Committee on the status of the Council's 2019 Strategic Risk Register and the progress being made across Services in delivering Operational Risk Registers.
- 1.2 The Insurance and Risk Management Strategy 2018 was approved at Committee on 10<sup>th</sup> October 2018. Both Strategic and Operational Risk Registers have been revised to reflect changes of the Strategy.

**2. Recommendation(s)**

- 2.1 To agree the amendments to the Strategic Risk Register, as shown in Appendix B, and that the risk scores recorded for each risk accurately represents the current status of each risk.**
- 2.2 To agree the risk scores recorded for the high level Operational Risks, as shown in Appendix B.**

**3. Introduction and Background**

- 3.1 The governance arrangements set out in the 'Insurance & Risk Management Strategy' and terms of reference of committees from our constitution require the Regulatory & Governance Committee to review the strategic and operational risks every quarter.
- 3.2 The strategic and operational risk registers are monitored monthly by Executive Board and the Corporate Leadership Board (CLB) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Regulatory & Governance 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 Attached to this report at Appendix B is a summary showing the current status of each risk together with explanatory commentary on the key issues for each risk.
- 4.2 The Original Risk has been added to show what would be the risk score in a “do nothing” situation. Current risk scores have been assessed in line with the new ranking table, against current controls that are in place to mitigate the risk.

## Risk Matrix

- 4.3 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.

**Table 1 – Risk Matrix**

Likelihood / Probability	Definite	Low (5)	Medium (10)	High (15)	V. High (20) RSK1	V. High (25)
	Very Likely	Low (4)	Medium (8)	High (12)	V. High (16) RSK13	V. High (20)
	Likely	Low (3)	Medium (6)	Medium (9)	High (12) RSK10 RSK3	V. High (15) RSK2
	Unlikely	Low (2)	Low (4)	Medium (6)	Medium (8) RSK5 RSK6 RSK7 RSK9	High (10) RSK11
	Highly Unlikely	Low (1)	Low (2) RSK12	Low (3) RSK4 RSK8	Medium (4)	Medium (5) RSK14
		Negligible	Minor	Moderate	Significant	Major
Negative Impact / Severity						

Likelihood x Impact = Risk Score

No.	Risk	No.	Risk
1	Finance Pressures	8	Lack of strategic Direction
2	Local Development Plan	9	Failure to Spend Capital Receipts
3	Disaster Recover/Continuity Planning	10	Roll out of Universal Credit
4	Organisational Capacity	11	Failure to deliver key Corporate Projects
5	Information Management and Security	12	Failure of Democratic Services
6	Commercial Activities	13	Brexit
7	Contract/Partnership Failure	14	Treasury Management

## Operational Risks

- 4.4 The operational risks have now been rewritten and scored using the new risk ranking table. Attached at appendix B is the operational risk summary sheet showing the very high and high-level risks and any new emerging risks. The Risk references are shown in brackets below which match to Appendix B.
- 4.5 The table below shows the total number of risks identified in operational risk registers across the Council.

Risk Group	No. of open risks on register	Very High Risk	High Risk	Medium Risk	Low Risk
Assets	6			1	5
Community Services	5			3	2
Corporate Services	6			4	2
Environment Health	2	1 (EH1)		1	
Finance	9			6	3
Housing	8			6	2
Parking & CCTV	1			1	
Planning	5			4	1
Street Scene	7	1(SC6)	1(SC7)	2	3

## 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**

**Name & Title: Jacqueline Van Mellaerts, Interim Chief Financial Officer**

**Tel & Email: 01277 312829/jacqueline.vanmellaerts@brentwood.gov.uk**

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

### **Legal Implications**

**Name & Title: Daniel Toohey, Monitoring Officer**

**Tel & Email: 01277 312860/daniel.toohey@brentwood.gov.uk**

- 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

Appendix B – Operational Risk Summary Sheet

### **Report Author Contact Details:**

**Name:** Sue White, Risk & Insurance Officer

**Telephone:** 01277 312821

**E-mail:** sue.white@brentwood.gov.uk