

30 September 2014

Audit & Scrutiny Committee

Strategic & Operational Risk Review

Report of: *Jo-Anne Ireland, Acting Chief Executive*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 The Strategic Risk Register has been reviewed and is submitted to the Committee for approval.
- 1.2 The report updates members of the Audit & Scrutiny Committee on new, closed or changes to the strategic and operational risks in accordance with the agreed strategy.
- 1.3 The report updates the Committee on recent risk management activity undertaken by the Council.

2. Recommendation(s)

- 2.1 To agree the revised Strategic Risk Register and that the risk scores recorded for each risk accurately represents the current status of each risk.**
- 2.2 To agree the amendments to the Council's Operational 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 Committee to review the strategic risks every quarter and the operational risks every six months.
- 3.2 The revised strategic risk register is attached at Appendix B and the operational risks attached as Appendix C. The strategic risk register is monitored quarterly and the operational risks every six months by the

Corporate Leadership Board who consider the risks, the mitigations and agree the content. It will be 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.

- 3.3 Two training sessions were held on 'Strategic Risk Management' for operational/middle managers on the 4th and 9th July, which were well received. During part of the general discussion areas for improvement were identified, which will be included when reviewing and amending the risk framework to ensure it is fit for purpose moving forward and meets the needs of the organisation.
- 3.4 Member development and a progress report on work carried out on Risk Management has been arranged for 30 October 2014.
- 3.5 A strategic risk register refresh workshop for the Corporate Leadership Board to review and update the strategic risk register to ensure that it accurately reflects the key risks facing the Council moving has been arranged for 30 October 2014.
- 3.6 Quarterly insurance reports are presented to the Corporate Leadership Board to identify areas for future risk control, leading to risk improvements in the areas of training, systems of working and security.

4. Issue, Options and Analysis of Options

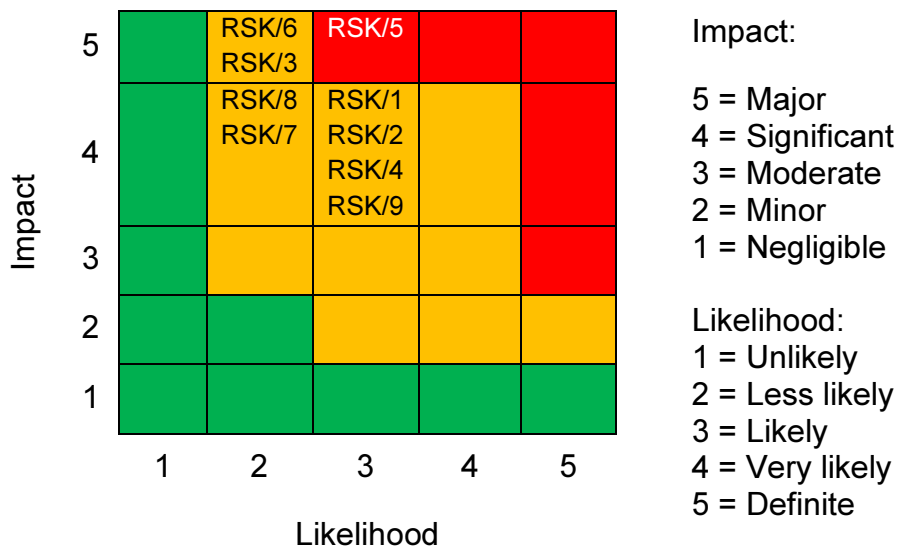
Strategic Risks

- 4.1 The August meeting of the Corporate Leadership Board worked through the Strategic Risk Register to consider and review the key risks to the Council. Attached at Appendix A is the original strategic risk register and the revised strategic risk register is attached at Appendix B. The risks are summarised below for ease of reference.
 - RSK1 consolidates the many threats to the Council's income and brings together risks 8, 9, 10 and 11 from the old register. This risk was given the score of 12.
 - RSK2 covers the Local Plan and related issues and replaces the old risk 15. This risk was given the score of 12.
 - RSK3 replaces the old risk 21 and deals with the business continuity management aspect. This risk was given the score of 10.
 - RSK 4 is a new risk that was created to capture the issues around operational instability. This risk was given the score of 12.

- RSK5 – replaces the old risk 21 and covers issues around data and information use and security. This risk was given the score of 15.
- RSK6 replaces the old risk 12 and deals with the Customer Access Strategy. This risk was given the score of 10.
- RSK7 is a new risk that was created to capture the issues around the Council’s proposed commercial activities. This risk was given the score of 8.
- RSK8 is a new risk and considers the issues to do with partnerships and shared services. This risk was given the score of 8.
- RSK9 is a new risk that was created to address the issues around the lack of strategic direction. This risk was given the score of 12.

Risk Matrix

4.2 The nine risks are plotted on the risk matrix below. The current assessment identifies that one risk will remain in the red area of the risk matrix.



Operational Risks

4.3 The Operational Risks, attached at Appendix C, have been updated and amended where necessary to reflect the actions being taken to manage the risks. At the time of writing this report there were 38 operational risks.

Risk Group	No. of open risks on register	Low Risk	Medium Risk	High Risk
Environmental Health	5		3	2
Governance	1	1		
ICT	1		1	
Localism	5	2	3	
Planning	5		2	3
Street Scene	7	6		1
Business Transformation	3		3	
Finance	8	2	4	2
Housing	2	1	1	

5. Reasons for Recommendation

- 5.1 Risk Management continues to be embedded quarterly within the Corporate Leadership Board reports, where Directors and Heads of Service 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 work with managers to ensure that any new or emerging risks are identified, assessed and managed appropriately.

6. Consultation

- 6.1 None.

7. References to Corporate Plan

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

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Telephone: 01277 312712

Email: jo-anne.ireland@brentwood.gov.uk

- 8.1 There are no financial implications arising from this report.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer and Head of Support Services

Telephone: 01277 312860

Email: christopher.potter@brentwood.gov.uk

- 8.2 The Council has insurance cover against the range of risks to which it is exposed, in particular, public liability, employer liability, property, computer risks, local land charges, public health, professional indemnity, fidelity guarantee, motor insurances, libel and slander, engineering inspections and terrorism. These are maintained annually.

9. Appendices to this report

Appendix A – Original Strategic Risk Register

Appendix B – Revised Strategic Risk Register

Appendix C – Operational Risk Register

Report Author Contact Details:

Name: Sue White, Risk and Insurance Manager

Telephone: 01277 312821

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