

26 November 2014

Audit & Scrutiny Committee

Strategic 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 the Committee on recent risk management activity undertaken by the Council.

2. Recommendation(s)

- 2.1 To agree 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 Committee to review the strategic risks every quarter and the operational risks every six months.
- 3.2 The strategic risk register is attached at Appendix A. The strategic risk register is monitored quarterly 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 On 28 October, Sue Fretwell, our Zurich Strategic Risk Consultant met with the Senior Management Team (SMT) to update on progress against the internal audit report recommendations and also to discuss the Strategic Risk Register, which was reviewed in detail at the last Corporate Leadership Board meeting on 28 August 2014.
- 3.4 Sue Fretwell is currently working with Sue White on the operational risk registers and it was agreed that following the review of these registers, stronger links to the Strategic Risks would be identified to ensure; two way communication between officers and managers on both Strategic and Operational risk and also to establish a more comprehensive view of the organisation's exposure to risk, at all levels.
- 3.5 It was a useful session for SMT to discuss the process and links to the Corporate Plan and it is anticipated that an exercise will take place at the start of the new financial year to assess and map Strategic risks more closely to the Corporate Plan objectives. In the meantime, the SMT will continue to review the risks and monitor the effectiveness of the control measures to ensure they are fit for purpose and are effective.
- 3.6 Following this session, Sue Fretwell delivered a training and awareness session on Strategic Risk Management to Members. This session formed part of the Scrutiny Meeting for the Audit and Scrutiny Group but the invitation was extended to all Members. This session is available via the normal channels on the Internet. This session meets one of the actions outlined in the improvement plan and continuing support for Members will be available.
- 3.7 A full report on activities delivered to improve Strategic Risk Management arrangements will be presented to the SMT in December and will be reported at the next Audit and Scrutiny Committee.
- 3.8 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.

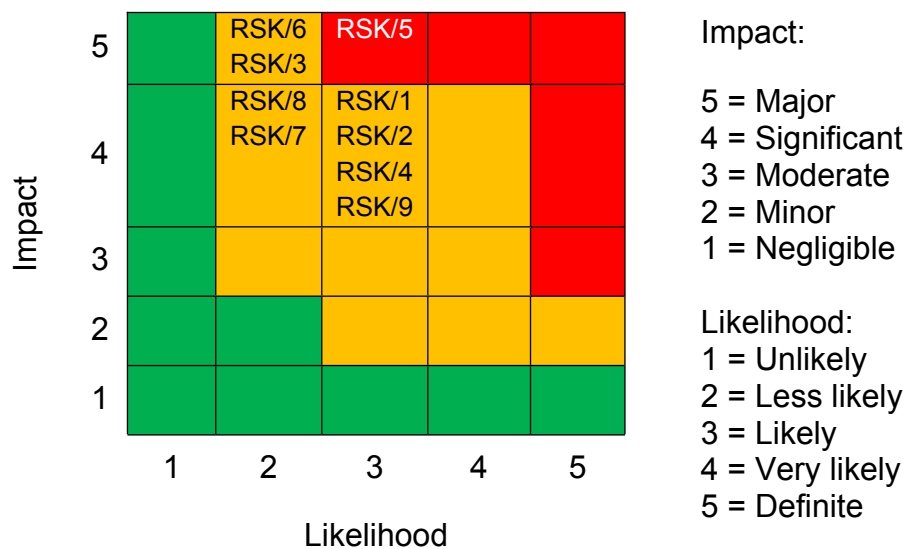
4. Issue, Options and Analysis of Options

Strategic Risks

- 4.1 In line with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and risk scores. The Strategic Risks have been updated and amended where necessary to reflect the actions being taken to manage the risks. Audit & Strategy Committee is asked to consider and agree the amendments.
- 4.2 An update on the action required can be found on the Strategic Risk Summary sheet attached at Appendix B.

Risk Matrix

- 4.3 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.



5. Reasons for Recommendation

- 5.1 Risk Management continues to be embedded quarterly within the Senior Management Team 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 & S151 Officer

Tel/ Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

8.1 There are no financial implications arising from this report.

Legal Implications

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

Tel/ Email: 01277 312860 / 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 –Strategic Risk Register

Appendix B – Strategic Risk Register Summary Sheet

Report Author Contact Details:

Name: Sue White, Risk and Insurance Manager

Telephone: 01277 312821

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