

**29 June 2015**

**Audit & Scrutiny Committee**

**Strategic & Operational Risk Review**

**Report of:** *Finance Director*

**Wards Affected:** *None*

**This report is:** *Public*

**1. Executive Summary**

- 1.1 The Strategic Risk Register and Operational Risk Registers have been reviewed and are submitted to the Committee for approval.

**2. Recommendation(s)**

- 2.1 To agree the Strategic & Operational Risk Registers 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 and the Operational Risks attached at Appendix B. These are 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 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.

- 3.4 The Council's insurance premium is discounted by £5,000, to be used to buy Risk Management Services from Zurich Municipal.
- 3.5 A meeting was held with Matthew Hillier, Strategic Risk Consultant, Zurich Municipal to discuss the support that Zurich is currently undertaking with the Council. This will include:-
- Best Practice review of policy document
  - Recommendations for areas of enhancement or amendment
  - Guidance on calibrating risk scores and appropriate risk language and terminology
  - Provide assistance if required in building the refreshed policy documentation into the Risk Handbook

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

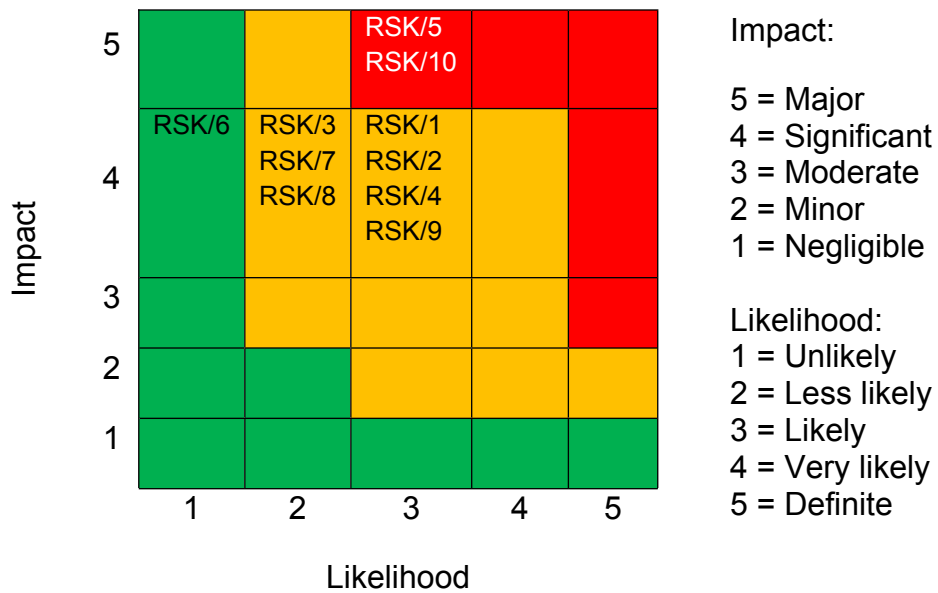
##### **Strategic Risks**

- 4.1 In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and risk scores, with the results discussed and agreed at CLB on 9 June 2015.
- 4.2 Attached to this report at Appendix C 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 7 scores have remained unchanged, 2 risks has been reduced and a new risk added.
- 4.4 New Risk
- Red risk RSK10 – Failure to spend Capital Receipts (Row No. 2)  
New Strategic Risk in respect of delays in delivering the Affordable Housing programme.
- 4.5 Risk Score Reduced
- Amber risk RSK3 – Disaster Recover/Business Continuity (Row No. 7)  
This risk has been reduced as updated Business Continuity and Emergency Planning work plans have been produced, together with an over-arching Business Continuity Plan.

- Green risk RSK6 – Customer Access Strategy (Row No. 10)  
This risk has been reduced as a result of the Customer Access Strategy and Action Plan being approved by the Finance & Resources Committee on 14 January 2015. This risk will be moved to the Operational Risk Register on the next review date in August.

**Risk Matrix**

4.6 The ten risks are plotted on the risk matrix below. The current assessment identifies that two risks will remain in the red area of the risk matrix.



**Operational Risks**

4.7 The Operational Risks, attached at Appendix B, 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 42 operational risks.

<b>Risk Group</b>	<b>No. of open risks on register</b>	<b>Low Risk</b>	<b>Medium Risk</b>	<b>High Risk</b>
Environmental Health	4		4	
Governance	1		1	
ICT	1		1	
Localism	4	2	2	
Planning	5		3	2
Street Scene	7	6		1
Business Transformation	3		3	
Finance	9	2	6	1
Housing	2		1	1
Assets	6	6		

## **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: Chris Leslie, Finance Director**

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

**Legal Implications****Name & Title: Christopher Potter, Monitoring Officer****Tel & Email: 01277 312 860 christopher.potter@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

Appendix B – Operational Risk Register

Appendix C – Strategic Risk Register Summary Sheet

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