

29 September 2015

Audit & Scrutiny Committee

Strategic & Operational Risk Review

Report of: *Chris Leslie, Finance Director (Section 151)*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 The Insurance & Risk Management Strategy has been reviewed and is submitted to the Committee for approval.
- 1.2 The report updates members of the Audit, Scrutiny and Transformation Committee on new, closed or changes to strategic risks.

2. Recommendation(s)

- 2.1 To agree the revised Insurance & Risk Management Strategy (Appendix A).**
- 2.2 To agree the updated Strategic Risk Register (Appendix B).**

3. Introduction and Background

- 3.1 The governance arrangements set out in the 'Insurance & Risk Management Strategy' (Appendix A) require the Audit Committee to review the strategic risks every quarter.
- 3.2 The strategic risk register is attached at Appendix B. The strategic risk register is monitored and reviewed on a 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 At the Audit Committee meeting on 29 June, further training for Members on Risk Management was requested and a session has been arranged for

Thursday 6 October 2015. This training will be undertaken by Matthew Hillyer, Strategic Risk Consultant, Zurich Municipal and will cover the following:-

- An overview of strategic risk management and why it is important.
- Information about risk management processes, practices and methodologies at Brentwood.
- A chance to consider strategic risks from a Member perspective.
- An opportunity to discuss and develop their roles and responsibilities as Members regarding risk management (and linking it to wider governance responsibilities).

3.4 A risk management training session has also been arranged for the Senior Leadership Team.

4. Issue, Options and Analysis of Options

Insurance & Risk Management Strategy

4.1 The annual review of the Insurance and Risk Management Strategy has been carried out. A clearer role for the Senior Management Team around the communication of risk within their area and reported quarterly at SMT has been included under point 6 - Roles and Responsibilities.

The Council's risk tolerance has now been included, with the risk ranking table reconfigured to reflect this.

Strategic Risks

4.2 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 13 August 2015.

4.3 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.

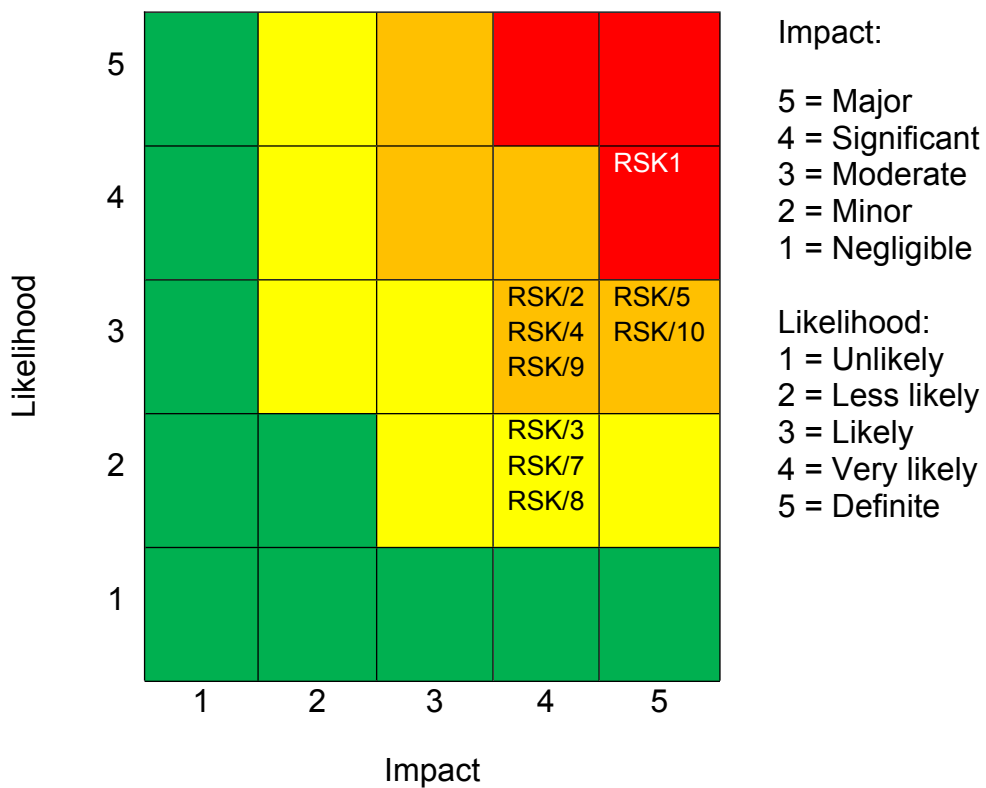
4.4 As a result of the current risk review 1 risk has increased and 8 scores have remained unchanged.

4.5 Risk Score Increased

- Red risk RSK1 – Finance Pressures (Row No. 2)
This risk has been increased due to announcements from central government and challenging savings targets.

Risk Matrix

4.6 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 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

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8.1 There are no financial implications arising from this report.

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 – Insurance & Risk Management Strategy

Appendix B – Strategic Risk Register

Appendix C – Strategic Risk Register Summary Sheet

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