



**Governance and Audit
Committee**

Tuesday, 15 January 2019

Subject: Review of Strategic Risks (January 2019)

Report by:

Executive Director of Resources

Contact Officer:

Corporate Policy Manager & Deputy Monitoring
Officer

Purpose / Summary:

To present to Members the strategic risks facing
the Council as at January 2019.

RECOMMENDATION(S):

1. Members are asked to review the register and to consider:

- **Do any additional risks of a strategic nature exist?**
- **Are current controls and proposed actions sufficiently robust?**

2. Members are asked to support and endorse the planned work in relation to risk management

IMPLICATIONS

Legal: None

Financial: FIN – 168- 19

Staffing: None

Equality and Diversity including Human Rights: None

Risk Assessment: None

Climate Related Risks and Opportunities: None

Title and Location of any Background Papers used in the preparation of this report:

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

1 Introduction

1.1 Strategic Risks are considered as being those faced by the Council that, if materialised, would affect the delivery of corporate priorities.

1.2 Governance and Audit Committee review the strategic risks on a six-monthly basis.

2 Monitoring Arrangements

2.1 The strategic risks are presented to the Council's Management Team on a quarterly basis for review.

2.2 The Management Team are requested to review the risks, control measures and future actions to ensure that they remain sufficiently robust to mitigate the identified risks.

2.3 Where corrective action is required and/or additional risks are identified, the strategic risk register is updated accordingly.

3 Identification of Strategic Risks and Population of Risk Register

3.1 Following the production of the Council's Corporate Plan covering the period 2016-2020 and the revision of the Council's Risk Strategy, work was undertaken to assess the risks to the achievement of the Corporate Plan priorities and to identify current mitigations and/or further required action to strengthen the mitigating position.

3.2 This work produced a strategic risk register based upon the following priorities:

- Open for Business
- Asset Management
- People First
- Partnerships/Devolution
- Local Plan
- Excellent Value for Money Services

3.3 A number of additional risks were identified which focus on elements that underpin our workings e.g. Compliance and Business Continuity.

3.4 This approach reflects the guidance provided by the Association of Local Authority Risk Managers (ALARM). This body advocates that strategic risks should focus on the long-term objectives of the organisation, which can be affected by areas such as financial concerns, political risks, legal and regulatory changes and changes in the physical environment.

4. Risk Matrix

4.1 To assess the severity of potential risks, the Council uses the following matrix based on the relationship between the likelihood and impact of risks arising.

I m p a c t	Critical	4	8	12	16
	Major	3	6	9	12
	Minor	2	4	6	8
	Negligible	1	2	3	4
		Hardly Ever	Possible	Probable	Almost Certain
	Likelihood				

4.2 The following guidance is available to determine which classification is applied:

You should assign a number in the range 1-4 as follows:	
Likelihood: 1 = Hardly Ever (<5%) 2= Possible (5-35%) 3= Probable (35-75%) 4= Almost Certain (>75%)	
1 = Negligible Impact: <ul style="list-style-type: none"> • Minor service disruption • Minor Injury • Financial loss < £250k • Isolated complaints 	2 = Minor Impact <ul style="list-style-type: none"> • Service disruption • Loss time injury • Financial loss >£250k - £500k • Adverse local media coverage • Failure to achieve a service plan objective
3 = Major Impact <ul style="list-style-type: none"> • Significant service disruption • Major/disabling injury • Financial loss >£500k - £1m • Adverse national media coverage • Failure to achieve Corporate Plan objective 	4 = Critical <ul style="list-style-type: none"> • Total service loss for a significant period • Fatality to employee, service user or other • Financial loss >£1m • Ministerial intervention in running service

4.3 This methodology enables each risk to be categorised as either low, medium or high in nature and prioritisation as regards mitigations can be applied.

5. Management Team Review

5.1 Mitigations continue to be applied as control measures across all risks. Management Team have noted this. A number of examples are provided below:

- Information Governance - a work plan has been created to ensure that all service areas are re-visited to assess on-going compliance with GDPR requirements and to strengthen information governance arrangements.
- People First – a new customer complaints policy has been introduced and more effective monitoring and evaluation of customer feedback is now in place.
- Partnerships – a review has been undertaken to identify the Council's strategic partnerships and a mechanism has been created to ensure on-going monitoring and reporting of effectiveness and relevance.
- Business Continuity – The Council partook in a county-wide major event simulation exercise and the learning from this has been fed into business continuity arrangements.

5.2 During their reviews of the strategic risk register, no additional strategic risks have been identified by the Management Team.

6. Future Plans

6.1 In March 2019, the Council will be introducing a new Corporate Plan to cover the period 2019-2023. This will necessitate a fresh appraisal of the Council's strategic risks.

6.2 Work is planned with both officers and Members to assess the Council's overall appreciation of risk and to identify its risk appetite.

6.3 On the back of this work, the Council's new risk strategy will be produced. It is anticipated that this will be in place in the Autumn of 2019 and it will be presented to this Committee.