

Report to: **Audit Committee**

Date: **13 July 2018**

By: **Chief Operating Officer**

Title of report: **Strategic Risk Monitoring**

Purpose of report: **To update the Committee on current strategic risks faced by the Council, their status and risk controls / responses.**

RECOMMENDATION: The Committee is recommended to note the current strategic risks and the risk controls / responses being proposed and implemented by Chief Officers.

1. Background

1.1 Sound risk management policy and practice should be firmly embedded within the culture of the Council, providing a proportionate and effective mechanism for the identification, assessment and, where appropriate, management of risk. This is especially important in the current climate where there remains considerable uncertainty about the future.

1.2 Robust risk management helps to improve internal control and support better decision-making, through a good understanding of individual risks and an overall risk profile that exists at a particular time. To be truly effective, risk management arrangements should be simple and should complement, rather than duplicate, other management activities.

2. Supporting Information

2.1 The Council's Strategic Risk Register, which is attached as Appendix 1, is formally reviewed by Departmental Management Teams (DMT's) and the Corporate Management Team (CMT) on a quarterly basis. Members should note that this version of the Strategic Risk Register, which relates to Quarter 4 of 2017 / 2018, was reviewed by CMT on 16th May 2018 and presented to Cabinet on 26th June 2018.

2.2 The following paragraphs summarise the changes made since the risk register was last presented to the Audit Committee on 22nd March 2018.

2.3 A new risk, **Risk 13 (Dedicated Schools Grant)** has been added to the Strategic Risk register for this review. This has been designated as an 'amber' or medium risk. CMT agreed to escalate this risk from the Childrens Services Departmental level due to this risk's potential to have a corporate impact. **Risk 1 (Roads), Risk 6 (Local Economic Growth), Risk 7 (Schools), Risk 8 (Capital programme), Risk 9 (Workforce) and Risk 10 (Recruitment)** all have updated risk control responses.

2.4 One Risk 'Ordinary Residence' (formally Risk 2) has been deleted from the Strategic Risk Register. CMT are satisfied that this risk is now appropriately controlled and therefore it has been de-escalated from the Strategic Risk Register. All existing risk ratings (Red, amber, green) remain unaltered since the last review.

2.5 We will continue to explore opportunities to further strengthen the Council's risk management arrangements and for mitigating our key strategic risks. It is however, important to recognise that in some cases there is an inherent risk exposure over which the Council has only limited opportunity to mitigate or control.

3. Risk Improvement Activity

3.1 Regular reviews of risk registers continue to be carried out in conjunction with departmental risk coordinators and risk owning managers to ensure that relevant risks are identified and risk controls / responses are effective. Since the last review a round of one-to-one meetings has been held with departmental risk coordinators, and a risk coordinators meeting has taken place to ensure consistency of approach to risk identification and risk control across all Council Departments.

3.2 A review of flood risk management is also on going. Several council buildings identified as at higher risk of flooding have been surveyed by the Council's property insurer, Zurich Municipal. Information provided by Zurich Municipal will be used to develop appropriate flood mitigation action plans, in conjunction with the Orbis Property team and the Flood Risk Management Team in the Communities, Economy and Transport (CET) department. The cost of this project mitigation action plans will be met from existing risk management budgets.

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Background documents :
None