

Report to: **Audit Committee**

Date: **18 September 2020**

By: **Chief Operating Officer**

Title of report: **Strategic Risk Monitoring – Quarter 1 2020/21**

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

RECOMMENDATION: The Committee is recommended to note the current strategic risks and the risk controls / responses being proposed and implemented by Chief Officers, including the reinstatement of Strategic Risk 14 ‘No Trade Deal Brexit.’

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 A, is formally reviewed by DMT’s and CMT on a quarterly basis. Members should note that this version of the Strategic Risk Register, which relates to Quarter 1 of 2020/21, was reviewed by CMT on 9 September 2020 and will be presented to Cabinet on 2 October.

2.2. The Strategic Risk Register has been updated to reflect the Council’s risk profile as follows:

2.2.1 **Risk 1 (Roads), Risk 4 (Health), Risk 5 (Reconciling Policy, Performance & Resource), Risk 6 (Local Economic Growth), Risk 7 (Schools), Risk 8 (Capital Programme), Risk 9 (Workforce) and Risk 10 (Recruitment)** all have updated risk controls. **Risk 12 (Cyber Attack), Risk 15 (Climate) and Risk 16 (COVID-19)** all have updated risk definitions and controls.

2.2.2. At the Audit Committee meeting on 10th July, the committee made a recommendation to have a No Trade Deal specifically recorded on the Strategic Risk Register and gave feedback on issues this could reflect. This recommendation was considered alongside the officer review of the Strategic Risk Register, and a new **Risk 14 (No Trade Deal Brexit)** has been recorded onto the Strategic Risk Register with updated risk definition and controls to

reflect the risk of the Brexit transition period ending with no agreed trade deal between the UK and EU.

2.3 Officers 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.

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Background documents:

None