

Report to: **Audit Committee**

Date: **10 July 2020**

By: **Chief Operating Officer**

Title of report: **Strategic Risk Monitoring – Quarter 4 2019/20**

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.**

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**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 deletion of the No-Deal Brexit risk and the inclusion of a new Covid-19 risk.**

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## **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 4 of 2019/20, was reviewed by CMT on 20 May 2020 and was presented to Cabinet on 23 June 2020.

2.2 The Strategic Risk Register has been updated to reflect the Council's risk profile. Due to the cancellation of the March 2020 Committee, the previous update to this Committee was in November 2019 to present the Strategic Risk Register as at Quarter 2 of 2019/20. The Quarter 4 position therefore includes updates since Quarter 2, including those relating to the Covid-19 pandemic.

2.3 **Risk 1 (Roads)** has been amended to reflect the impact of Covid-19 and updated risk controls. **Risk 4 (Health), Risk 5 (Reconciling Policy, Performance and Resources), Risk 6 (Local Economic Growth), Risk 8 (Capital Programme), Risk 9 (Workforce), Risk 10 (Recruitment), Risk 12 (Cyber Attack) and Risk 15 (Climate)** all have updated risk controls, a majority of which also relate to Covid-19. No risk scores have been amended as part of this review.

2.4 **Risk 14 (No-deal Brexit)** has been deleted but will be kept under review and re-added to the register at a later date if appropriate.

2.5 A new risk (**Covid-19**) has been added to the Strategic Risk Register for this review. This risk refers to the corporate impact on services and planning of the Covid-19 pandemic. This strategic level risk is underpinned by Covid-19 specific risks being monitored at both a strategic and operational level. Part of the emergency response to the Covid-19 pandemic includes monitoring of a Covid-19 specific risk log which captures all the known risks to the Council. This risk log is owned by a Strategic Co-ordinating Group (SCG) consisting of CMT members and a Tactical Coordinating Group (TCG) consisting of Assistant Directors and Heads of Service across all Council departments. This risk log is reviewed weekly by the TCG to ensure all appropriate risks are captured and appropriate mitigation measures are in place. The log is then subsequently ratified by the SCG.

2.6 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