

Audit & Governance Committee

26 July 2016

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

Strategic Risk Report

Final Decision-Maker	Audit & Governance Committee
Portfolio Holder(s)	
Lead Director	Lee Colyer – Director of Finance & Corporate Services (s151 Officer)
Head of Service	Jane Clarke – Head of Policy & Governance
Lead Officer/Report Author	Rich Clarke – Head of Audit Partnership
Classification	Non-Exempt
Wards affected	All

This report makes the following recommendations to the final decision-maker:

1. That the Committee **notes** the risk management report and arrangements for managing strategic risk.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Green Borough
- A Confident Borough

This report is concerned with the internal control and governance of the Council. Successful controls and effective governance are a crucial underpinning for all corporate priorities.

Timetable

Meeting	Date
Audit & Governance Committee	26 July 2016

Strategic Risk Update

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report sets out the strategic risks identified by the Council and currently being managed and tracked by senior management. The report provides a current update on the evaluated threat level and controls in place for each risk issue.
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2. INTRODUCTION AND BACKGROUND

- 2.1 The risks included in the report were initially developed in a risk management workshop facilitated by Zurich Management Services on 10 December 2013, with the risks being formally adopted by Cabinet on 16 May 2014. Since that time, risk owners have kept the risks and controls under review with periodic reporting both to the Cabinet and the Audit & Governance Committee.
 - 2.2 The Council's Management Board have also completed periodic overall reviews of the risks identified including adding new risks as circumstances develop (the most recent addition being Risk Scenario 10 – Development Programme – added in October 2014).
 - 2.3 Risk owners (managers) for certain risks are invited to attend Audit and Governance Committee meetings to outline the Council's approach to managing their particular risk(s). For this Committee meeting, members will be able to examine the risk owned by Jane Lynch, Head of Planning, namely Risk 8 'Inspector decision which challenges housing target vs housing supply'. Mrs Lynch will also be able to provide an update to Risk 1 'Cinema site remains undeveloped'.
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3. AVAILABLE OPTIONS

- 3.1 There is no legal requirement on the authority formally to monitor its risks, still less is there a defined framework to do so. Although failing to monitor and record risks will leave the Council vulnerable to external criticism – for example by its external auditors who are required to assess the effectiveness of risk management when considering their annual Value For Money conclusion – the Council could decide that is a price worth paying against using some of its resources to identify and monitor risk.
- 3.2 Even accepting the utility in gathering systematic monitoring information on the risks it faces, there is a wide range of different approaches the Council might adopt. Even if one looks solely at the local government sector, there are myriad formats, structures and arrangements adopted to record and present information to senior officers and members.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The report sets out the risks using the methodology and format previously agreed by the Council, which is essentially the method advocated by Zurich from the 2013 risk workshop.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Strategic Risk Register has undergone periodic review and examination by the Management Board, the Cabinet and the Audit & Governance Committee. This stands in addition to ongoing monitoring by the identified risk owners. This report incorporates feedback and updates from all sources.
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6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	None identified at this stage.	Rich Clarke Head of Audit Partnership 16 July 2016
Finance and other resources	None identified at this stage.	
Staffing establishment	None identified at this stage.	
Risk management	Risk management is the subject of the report but it does not of itself raise new risk issues for consideration.	
Environment and sustainability	None identified at this stage.	
Community safety	None identified at this stage.	
Health and Safety	None identified at this stage.	
Health and wellbeing	None identified at this stage.	
Equalities	None identified at this stage.	

7. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Strategic Risk Register Update July 2016

8. BACKGROUND PAPERS

None

