

Audit and Governance Committee

2 July 2019

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

No

Strategic Risk Review *

Final Decision-Maker	Audit and Governance Committee
Portfolio Holder(s)	All
Lead Director	Lee Colyer – Director of Finance, Policy and Development
Head of Service	Rich Clarke – Head of Audit Partnership
Lead Officer/Report Author	Lee Colyer – Director of Finance, Policy and Development
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 and recommends the same to Finance and Governance Cabinet Advisory Board and Cabinet for noting.

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
Management Board	8 May 2019
Audit and Governance Committee	2 July 2019
Finance and Governance Cabinet Advisory Board	11 July 2019
Cabinet	1 August 2019

Strategic Risk Review

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The report sets out the proposed strategic risks identified by the Council. 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 have been developed following a risk management workshop and health check facilitated by Zurich Insurance Limited on 25 March 2019. The report from Zurich is included as Appendix A and summarises the process, outcomes and next steps. The Audit & Governance Committee has the opportunity to comment on the new strategic risks prior to Cabinet formally adopting the strategic risk register on 1 August 2019.
- 2.2 The review identified the following strategic risks which can be removed:
- Previous CSR 01 - Cinema Site remains undeveloped. This site is now in the ownership of a housing developer who has the funding and commitment to deliver the scheme.
 - Previous CSR 03 – Resident engagement. The Council received a follow-up report from the Local Government Association which found that there had been clear improvements in the Council's approach to communication and that there was a good flow of information to the public.
 - Previous CSR 09 – Development Programme. A well rehearsed process has enabled the successful development and disposal of sites.
- 2.3 The review identified the following new strategic risks:
- New CSR01 - Cyber attack/ incident. This was previously covered under service interruption but now warrants a separate risk due to the sophistication and impact of cyber risks compared to traditional physical causes of service interruption.
 - New CSR03 – Contract management and delivery. The Council has recently awarded a new waste contract and will shortly be starting the procurement process for grounds maintenance.
 - New CSR09 – The Culture & Learning Hub. This is a £13 million construction project involving multiple service providers.
- 2.4 The Council's Management Board periodically reviews the risks identified along with the risk owners.
- 2.5 Once the strategic risk register has been adopted risk owners (managers) for certain risks will be invited to attend future Audit and Governance Committee meetings to outline the Council's approach to managing their particular risk(s).

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 proposed strategic risks using the methodology and format previously agreed by the Council, which is essentially the method advocated by Zurich from the 2019 risk workshop.

5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Strategic Risk Register has undergone periodic review and examination by the Council's 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.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective. There are no immediate legal implications arising from this report.	Lee Colyer, Director of Finance, Policy and Development
Finance and other	None identified at this stage.	

resources		
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.	
Data Protection	No new issues identified at this stage.	
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 document is to be published with this report and forms part of the report:

- Appendix A Strategic Risk Register Refresh Report April 2019
- Appendix B: Strategic Risks June 2019

8. BACKGROUND PAPERS

None