

**AGENDA ITEM:**  
**SUMMARY**



<b>Report for:</b>	<b>Audit Committee</b>
<b>Date of meeting:</b>	<b>5 February 2019</b>
<b>PART:</b>	<b>1</b>

<b>Title of report:</b>	<b>Strategic Risk Register – Quarter 3 2018/19</b>
<b>Contact:</b>	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources James Deane, Corporate Director (Finance & Operations) Linda Dargue, Lead Officer Insurance & Risk
<b>Purpose of report:</b>	To provide the Quarter 3 update on the Strategic Risk Register
<b>Recommendations</b>	That Committee notes the content of the report, seeks further assurance where required, and provides any feedback it deems necessary for consideration by Cabinet.
<b>Corporate objectives:</b>	Delivering an Efficient and Modern Council – risk management is an essential part of ensuring that the Council meets all of its objectives.
<b>Implications:</b>	<u>Financial</u> Contained within the body of the report.
<b>'Value For Money Implications'</b>	<u>Value for Money</u> Contained within the body of the report.
<b>Risk Implications</b>	Contained within the body of the report.
<b>Equalities Implications</b>	None
<b>Health And Safety Implications</b>	There are no health and safety implications

### **Quarter 3 position**

1. Attached at Appendix A is the revised Strategic Risk Register showing the Council's position as at the end of Q3 2018/19. Although similar in substance, there have been more changes than normal to the strategic risks since the last quarter's position was reported to Audit Committee in December 2018.
2. The background to these changes is detailed in the paragraphs below, and Committee is asked to note and feedback on the changes.

### **Background on Strategic Risk Register**

3. Cabinet has overall responsibility for the Council's Strategic Risk Register, with scrutiny performed by the Audit Committee on a quarterly reporting cycle, and day-to-day management undertaken by Chief Officers.
4. A strategic risk is defined as a threat that may prevent the Council delivering one or more of its strategic priorities, i.e. one of the five Corporate Priorities outlined in the Corporate Plan. The risk register is a dynamic document and the quarterly reporting cycle is designed to enable both the addition of emerging risks to these priorities, and, where appropriate, the amendment of perceived threat levels.
5. The Council's current Corporate Plan runs until 2020, at which point there will be a full review of strategic risks to ensure that they are still applicable to renewed corporate priorities. However, the continued uncertainty around Brexit negotiations and its potential implications for local government, together with feedback from previous Audit Committee meetings prompted an earlier, interim review, held in September 2018.

### **Review of strategic risks**

6. Vanessa Bateman from Mazars, the Council's Internal Auditors, facilitated the review and present at the meeting were Cabinet Members, the Leader of the Opposition, Chief Officer Group, and the Assistant Director (Finance & Resources).
7. Given that the Strategic Risk Register is actively managed throughout the year and that Corporate Priorities have not changed since the last review, the review was not expected to result in fundamental change. However, it did provide an opportunity to re-evaluate the rationale behind each of the strategic risks, which resulted in the updated risk register, attached at Appendix A.

### **Next steps**

8. If Members approve the new strategic risks, the next step will be to renew the links with the Operational Risk Register (which governs the management of day-to-day risks) and the Key Performance Indicators (which demonstrate the effectiveness of controls put in place to manage risks).
9. This work will be supported by Vanessa Bateman of Mazars, and will involve all Assistant Directors (as the owners of the operational risks), and in particular the Assistant Director (Performance, People & Innovation) who is responsible for management of the performance reporting structure.

10. The Audit Committee has previously noted that the information in the Strategic Risk Register could be more accessible to the reader. Although in the short-term we are heavily constrained by the reporting software, we have put in place some amendments that should make it easier for Members to consider each risk.
11. The medium-term suitability of the current software package will be reviewed alongside the project to integrate the Strategic Risk Register with performance and operational risk management.
12. Members of Audit Committee are asked to feedback on the updated risks for consideration by Cabinet at its meeting in March.