

**Audit Committee Meeting****Agenda Item:**

<b>Meeting Date</b>	19 September 2012
<b>Report Title</b>	Strategic Risk Register
<b>Portfolio Holder</b>	Councillor Dewar-Whalley
<b>SMT Lead</b>	Mark Radford - Director of Corporate Services
<b>Head of Service</b>	Head of Audit Partnership
<b>Lead Officer</b>	Jennifer Daughtry- Audit Manager
<b>Key Decision</b>	No
<b>Classification</b>	Open

**Recommendation**

That Audit Committee note the Strategic Risk Register and the process leading to its creation (shown at Appendix I) and to receive update reports on a six-monthly basis

**1 Purpose of Report and Executive Summary**

- 1.1 This report presents the new Strategic Risk Register which has been compiled in consultation between SMT and Cabinet and updates the register which was previously agreed in 2011.
- 1.2 Cabinet has endorsed the risk register so that action plans can be prepared to manage or mitigate the risks shown.
- 1.3 Audit Committee is now asked to note the risk register in the context of its role of monitoring the effective development and operation of risk management in the Council.

**2 Background**

- 2.1 Members of the Strategic Management Team and the Cabinet attended risk workshops on 25<sup>th</sup> June and 16<sup>th</sup> July respectively in order to refresh the contents of the Strategic Risk Register and ensure that the register reflects the new corporate priorities of the Council, and the risks to their delivery; as well as national and local developments that impact on Swale Borough Council.
- 2.2 The risk workshops were facilitated by Philip Coley from Zurich Management Services.
- 2.3 The output of the workshops (attached at Appendix I) is an updated risk register which represents the combined views of the Strategic Management Team and Cabinet Members. The register describes the six key risks that the Council faces and prioritisation, in terms of likelihood and potential impact, of

the residual risk by taking account of actions/controls already in place to manage the risks.

- 2.4 In order to ensure the effective management of the risks, a senior manager has been allocated responsibility to manage each risk, with the support of the appropriate Portfolio Holder. The 'risk owners' will be required to prepare management action plans setting out the action that they will be taking to manage 'their' risk.
- 2.5 To ensure accountability, which is vital to the effectiveness of the process, it is essential that the roles and responsibilities of those involved in the process are clear. Strategic Management Team have therefore agreed the following definitions:

<b>Who</b>	<b>Responsible for...</b>
Cabinet	Agreeing the Risk Strategy and adopting the Strategic Risk Register.
Audit Committee	Ensuring the effective development and operation of the Council's risk management framework
Strategic Management Team	Collectively responsible for the Strategic Risk Register and ensuring that strategic risk is properly managed
The Head of Audit Partnership (together with the Audit Manager)	Coordinating the strategic risk management process and reporting on the actions being taken to manage the identified risk
The individual senior manager 'risk owners'	Taking action to manage their risks and for providing periodically updated action plans for subsequent reporting to Strategic Management Team and Members

### **3 Proposal**

- 3.1 That Audit Committee notes the Strategic Risk Register and the process leading to its creation and agrees that it is satisfied with the effective development and operation of the Council's risk management framework.
- 3.2 The agreed risks are:
- Impact of Welfare Reform on our communities
  - Delivering Regeneration ambitions

- Managing the implications of Localism
- Financial uncertainty/volatility
- Becoming the Council we need to be
- Safeguarding People

3.3 Following the endorsement and adoption of the new strategic risk register by Cabinet and agreement by Audit Committee, the nominated risk owners will be asked to complete individual Management Action Plans setting out any additional action to be taken, who will take the action and the key dates for the action to be taken by. The Action Plans will be entered onto the corporate performance management system, Covalent, so that actions can be monitored and tracked.

3.4 The status of the action plans for each risk will be reported to Strategic Management Team and Cabinet within the existing corporate performance reporting framework. In addition, the Head of Audit Partnership will report to Strategic Management Team, Cabinet and Audit Committee on a six-monthly basis to provide an update on the actions that are being taken to manage each risk.

## 4 Alternative Options

4.1 It is important that a process exists to ensure that key risks to the delivery of strategic objectives are identified and that action is taken to manage and mitigate the risk. The Audit Committee needs to be aware of the risk register and the process for creating it. There are no alternative options.

## 5 Consultation Undertaken or Proposed

5.1 The strategic risk register was prepared following consultation (through risk workshops) with Strategic Management Team and Cabinet. The draft Register was reported to Cabinet on 5<sup>th</sup> September 2011 for endorsement and adoption.

## 6 Implications

Issue	Implications
Corporate Plan	The strategic risk register has been prepared in the context of the corporate plan priorities and the need to manage the risk to their delivery.
Financial, Resource and Property	The strategic risk register includes a finance risk.
Legal and Statutory	Legal and Statutory issues have been considered as part of the preparation of the strategic risk register.
Crime and	Crime and Disorder issues have been considered as part of the

Disorder	preparation of the strategic risk register.
Risk Management and Health and Safety	Risk Management is the basis for the report.
Equality and Diversity	Equality and Diversity issues have been considered as part of the preparation of the strategic risk register.
Sustainability	Sustainability issues have been considered as part of the preparation of the strategic risk register.

## **7 Appendices**

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

- Appendix I: Strategic Risk Register September 2012

## **8 Background Papers**

8.1 None