

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE

30 March 2017

Strategic Risk Update

1. Contacts

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2. Recommendation

- 2.1. That the committee notes the current strategic risk register and the internal controls in place, plus any associated action plans to manage those risks, and raises any issues or concerns.**
- 2.2. That the committee notes both the current high scoring programme board and organisational risks and the associated mitigation actions in place, and raises any issues or concerns.**

3. Background

- 3.1. In accordance with the governance arrangements set out in the Risk Management Strategy and Policy, the Strategic Risk Group (SRG) reviews the strategic and programme board risk registers, and the high scoring organisational risk register bi-annually. The Corporate Governance and Audit Committee last received an update on the risk registers on 24 November 2016.
- 3.2. Since November, the Corporate Management Team (CMT) has received quarterly updates on the risk registers in January, and in March to consider any new risks associated with the service plans for 2017-18. The outcome of the last CMT review was incorporated into the risk registers which have been considered by the SRG on 15 March 2017.

4. Outcomes to be achieved

- 4.1. The Strategic, Programme Board and Organisational Risk registers are current and relevant to the Council and its operation, and those risks are well managed in accordance with the Council's Risk Strategy and Policy.

5. Update on the Strategic Risk Register

- 5.1. The strategic risk register was considered by the relevant risk owner prior to the review by CMT and SRG.
- 5.2. SRG considered the updated risk register, with its discussions focussed on the current risk scores, the latest situation affecting the risk position, and the mitigation action plans that are in place or being developed to manage the identified risks.

- 5.3. The heat map below shows where the individual risks are placed based on the recent assessment against the risk scoring matrix:

LIKELIHOOD				
	8			
		1	9,88, 97	
			98	68,145
IMPACT				

Key to Risk Numbers:

1 = Financial Resilience, 8 = Skills, Capability/Capacity, 9 = Business Continuity, 68 = Health & Safety, 88 = Recycling Target, 97 = Cyber Risk, 98 = Devolution, 145 = Breach of Data Protection Act

- 5.4. Since the last report to the Committee in November 2016, the following risk scores have changed are:

- **CRR 1 Financial Resilience** - the risk score has reduced from 6 to 4.
- **CRR 8 Skills, Capability and Capacity** – the risk score has reduced from 6 to 3.
- **CRR 98 Devolution of Public Services** – the risk score has reduced from 9 to 3.

- 5.5. Appendix 1 (a) and (b) reflect the following recommendations made by SRG:

- CRR 1 Financial Resilience:** That under the risk description after the bullet point “Unpredictable Government policy” add (e.g. Brexit and localisation of business rates. Under the internal control Financial Strategy Principles item 11 add Section 151 Officer continues to review the risks and opportunities that will emanate from 100% localisation of business rates.
- CRR 8 Skills/Capability/Capacity:** That officers reconsider the current likelihood and impact scores at their next review.
- CRR 10 Contract Management:** Due to progress made on the mitigation action plans, that this risk now be moved to the organisational risk register under the Head of Finance and Governance as the risk owner.
- CRR 88 Non Achievement of Recycling Target of 50% by 2020:** As the EU recycling target was now enshrined into UK law. To amend the description to “could mean the Council may incur significant fines, taxes or extra landfill taxes or reputational damage.”
- CRR 97 Devolution of Public Services:** To review this risk after the high level meeting expected in May.
- CRR 127 Shared Services:** Due to the decision not to progress this project this strategic risk is deleted from the risk register.

- g. **CRR 128 Non-compliance of the Payment Card Industry Data Security Standard (PCI DSS)**: This was a new risk identified by the Accountancy Service. After discussions it was agreed that this risk should be moved to the organisational risk register under Finance & Governance and that a new strategic risk of Data Protection is added to the risk register. This is now under a new risk number **CRR 145 Breach of the Data Protection Act – Loss of Data**.

6. Programme Board Risk Registers

- 6.1. Three Programme Boards were set up for Business Improvement, Commercial and Infrastructure matters with head of service leads along with the relevant portfolio holder. A risk register, if necessary, is compiled for each board. Any high scoring risks from these risk registers would be escalated within the Risk Management Framework for consideration by senior officers and members as necessary.
- 6.2. Three new risks were identified by the Business Improvement Board.
- PBR06 – Revenues & Benefits Service Disruption
 - PBR 07 – Failure to achieve channel shift
 - PBR 08 – Insufficient resources to deliver projects
- 6.3. Only one risk from the Programme Boards is currently high scoring; PBR 08 Insufficient resources to deliver projects. Appendix 2 sets out the associated mitigation plans for this high scoring risk. All other risks on the Programme Board registers have risk scores lower than 6.

7. Update on the Organisational Risk Register

- 7.1. The SRG considered the high scoring risks and the associated mitigation plans which are shown in appendix 3, which reflects the changes recommended by the group.

8. Other Implications

	Yes	No
Crime & Disorder:		X
Climate Change:		X
Human Rights and Equality Impact:		X
Safeguarding:		X

9. Appendices

- 9.1. Appendix 1(a) – Strategic Risk Register
- 9.2. Appendix 1(b) – Strategic Risk Register (Exempt Information – para 3)
- 9.3. Appendix 2 – Mitigation Plans for High Scoring Programme Board Risks
- 9.4. Appendix 3 – Mitigation Plans for High Scoring Organisational Risks

10. Background Papers

- 10.1. None.