

Chichester District Council

CORPORATE GOVERNANCE & AUDIT COMMITTEE 24 November 2015

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 the current high scoring organisational risks and the 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 both the strategic and high scoring organisational risk registers bi-annually. The Corporate Governance and Audit Committee last received an update on the risk registers on 22 January 2015.
- 3.2. Since January, the Corporate Management Team (CMT) has received quarterly updates on both risk registers and its last review was undertaken on the 15 September 2015. The outcome of this was incorporated in the risk registers which were then considered by the SRG on 28 October 2015.

4. Outcomes to be achieved

- 4.1. The Strategic 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. Proposal Risk Management Policy & Strategy Framework

- 5.1. At the recent SRG meeting, members suggested that the following amendments were made to the risk management framework that is attached to the Council's approved Risk Management Policy and Strategy:
 - The frequency of review of the strategic partnerships and allied groups should be amend to "as appropriate"
 - Programme Boards and their responsibility for risk management to be added.

- 5.2. The revisions have been incorporated in risk management framework detailed in Appendix 1. It should be noted that as this is not considered a material change to the approved Risk Management Policy and Strategy neither Cabinet nor Council are required to approve these amendments.

6. Update on the Strategic Risk Register

- 6.1. The strategic risk register was considered by the relevant risk owner prior to the review by CMT on 15 September 2015. The discussions focussed on the risk scores, the current issues and any mitigating action plans that were being delivered to better manage the identified risks.
- 6.2. The SRG considered the updated risk register on 28 October 2015, and the following recommendations were made:
- a. **CRR 1 Deficit Reduction (Balanced Budget)** – That this risk be retitled ‘Financial Resilience’, and that the principles in the Financial Strategy be added as an external internal control.
 - b. **CRR 2 Local Plan** – That this risk be moved to the organisational risk register to be monitored at service level.
 - c. **CRR 4 Project Management** – That this risk be moved to the organisational risk register to be monitored at service level.
 - d. **CRR 8 Skills/Capability/Capacity** – Following the discussions it was recommended that the risk score should be increased from 2 to 8 and that the risk description should be amended to ‘Failure to have resilience in the staff structure and so lack the right number of staff with the right skills to deliver services.....’
 - e. **CRR 9 Business Continuity** – Following discussions it was recommended that the risk score be increased from 4 to 6 and the target score be changed from 4 to 3, based on the likelihood score being decreased from 2 (possible) to 1(unlikely) and the impact score increased from 2 (significant) to 3 (serious).
 - f. **CRR 10 Contract Management** - That the risk description is amended to “Failure to manage **and specify** contract...”; so as to adequately describe the sentiment regarding proper procurement and specification production.
 - g. Two issues were suggested to be added to the strategic risk register:
 - **CRR 97 Cyber Attacks** which are linked to business continuity and the reputational risk and possibility financial due to any fines if a serious breach occurs due to the sensitive data held by the authority.
 - **CRR 98 Devolution Issues** which may have an impact on the services to be provided by the council or other partners.
- 6.3. Appendix 2 shows the current risk register in light of SRG’s comments and the heat map below shows where the individual risks are placed based on the recent assessment against the risk scoring matrix:

LIKELIHOOD		8		
			97, 98	
		10	9, 88	
		3	1	68
IMPACT				

6.4. SRG also requested that the following information is sent to members on a regular basis:

- Quarterly financial information reports
- Quarterly Corporate Plan performance reports against projects and activities.

7. Programme Board Risk Registers

- 7.1. Three Programme Boards have been set up since the last risk review by SRG. These Boards are for Business Improvement, Commercial and Infrastructure and involved service leads and 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.
- 7.2. The high scoring risks and the associated mitigation plans are shown in appendix 3.

8. Update on the Organisation Risk Register

- 8.1. The SRG considered the high scoring risks and the associated mitigation plans are shown in appendix 4.

9. Other Implications

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

10. Appendices

- 10.1. Appendix 1 – Risk Management Framework
- 10.2. Appendix 2 – Strategic Risk Register (Exempt Information – para 3)
- 10.3. Appendix 3 – Mitigation Plans for High Scoring Programme Board Risks
- 10.4. Appendix 4 – Mitigation Plans for High Scoring Organisational Risks