

Report to: **Audit Committee**

Date: **20 March 2018**

Title: **Strategic Risk Assessment - Regular Update**

Portfolio Area: **Strategy & Commissioning**
Cllr Philip Sanders

Wards Affected: **All**

Relevant Scrutiny Committee: **N/A**

Urgent Decision: **N** Approval and clearance obtained: **Y**

Date next steps can be taken: **n/a**

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RECOMMENDATION

That the Committee review the strategic risks and make recommendations to Council on any further action the Committee concludes should be considered.

1. Executive summary

- 1.1. In accordance with the Joint Risk Management Policy adopted by West Devon Borough Council on 17th May 2012, this report forms the required six monthly update to Members.
- 1.2. The report includes the current corporate strategic risk assessment and a summary of the management and mitigating actions to address the identified risks.
- 1.3. During the year, the Devon Audit Partnership conducted a review into the Risk Management arrangements of the Council and noted them to be "working". They noted that a strong risk management culture was evident at lead member and senior leadership team level. The audit recommended a number of management actions, including a full review of the risk and opportunity management framework documents. This work will be completed during the next few months.

2. Background

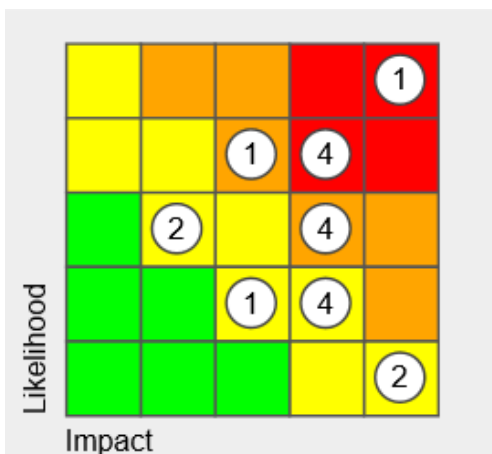
- 2.1. The Council at its meeting on 17 May 2012 resolved to adopt the Joint Risk Management Policy.

- 2.2. The Joint Risk Management Policy requires the Senior Leadership Team (SLT) to undertake reviews of the Corporate Risk Tables on a monthly 'light touch' basis and more comprehensively on a quarterly basis.
- 2.3. It also stipulates that a member of the Senior Leadership Team will provide update reports to the Audit Committee on a six monthly basis. This is the responsibility of the Business Development Group Manager.
- 2.4. During the year, the Devon Audit Partnership conducted a review into the Risk Management arrangements of the Council and noted them to be "working". They noted that a strong risk management culture was evident at lead member and senior leadership team level.

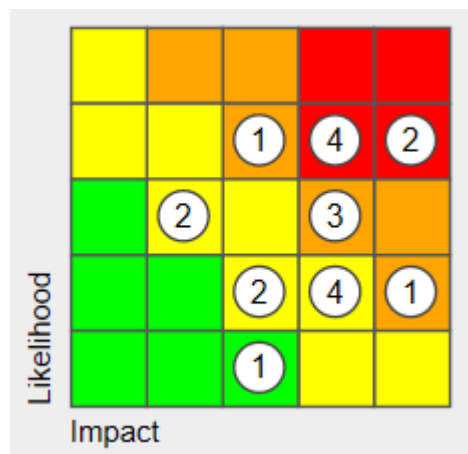
3. Outcomes / Outputs

- 3.1. The risks currently monitored by SLT are set out in Appendix 1.
- 3.2. The tables include a summary of mitigating and management actions undertaken or proposed, to manage the identified risks. Monitoring requires both a proactive approach to assessing potential risk, as well as carrying out retrospective reviews to improve learning from risk and embedding it across the two Councils.
- 3.3. Appended to the risk tables as Appendix 2 is the Risk Scoring Matrix which has been used to identify risk status. A risk rating is developed by assessing risk impact/severity and multiplying it by the likelihood / probability of the risk occurring. The risk score identified is the assessment based on the mitigation being successful.
- 3.4. Scoring is split to more clearly define the risk impact – with financial, legal/regulatory, health & safety, reputation, morale/staffing, service quality factors all being considered independently. To create a risk score, the likelihood is multiplied by the impact "worst child".
- 3.5. The heat map below illustrates the number of risks and where they appear on the 5 x 5 matrix, compared with the last review:

Sept 2017



March 2018



NB: The "2" showing in the right red matrix should read 1 – technical glitch!

4. Options available and consideration of risk

- 4.1. The tables are living documents and will regularly change in response to issues arising.
- 4.2. Members should note that while risk is assessed collectively within SLT, the judgements in relation to the scores are inevitably subjective and Member challenge of the officer conclusions is therefore welcomed.

5. Proposed Way Forward

- 5.1. It is suggested that the Committee’s attention is focussed on those risks with the highest score i.e. the risks with a score of 16 and over.
- 5.2. While Members are invited to focus on the key risks, Members are welcome to review any of the risks identified, including questioning whether the risk is appropriately scored, or whether further detail around the risk or the proposed mitigating actions is required.
- 5.3. In the next review period, officers will be reviewing the findings of the Devon Audit Partnership review into the risk and opportunity management review and completing the management actions recommended, including a full review of the risk and opportunity management framework documents.

6. Implications

Implications	Relevant to proposals	Details and proposed measures to address
Legal / Governance	Y	The Audit Committee has a role in keeping under review and recommending to Council improvements in relation to effective risk management. There are no direct legal implications arising from the report although a strategic focus on risk management is good practice. Any specific legal implications are considered in individual risk assessments.
Financial	Y	There are no direct financial implications arising from the report, although effective corporate risk management may help protect the Council from budget variances.
Risk	Y	Members should note that while risk is assessed collectively within SLT, the judgements in relation to the scores are inevitably subjective and Member challenge of the officer conclusions is therefore welcomed.
Comprehensive Impact Assessment Implications		
Equality and Diversity	N	Factored into individual risk assessments where appropriate. Equalities Impact Review of the Risk Management Policy in place.
Safeguarding	N	Factored into individual risk assessments where appropriate.
Community Safety, Crime and Disorder	N	Factored into individual risk assessments where appropriate.
Health, Safety and Wellbeing	N	Factored into individual risk assessments where appropriate.

Other implications	N	N/A
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Supporting Information

Appendices:

Appendix 1: Corporate Risk Report

Appendix 2: Risk Scoring Matrix

Background Papers:

- Joint Risk Management Policy

Approval and clearance of report

Process checklist	Completed
Portfolio Holder briefed	Yes
SLT Rep briefed	Yes
Relevant Exec Director sign off	Yes
Data protection issues considered	Yes