

Report to: **Audit Committee**

Date: **11 October 2018**

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

Portfolio Area: **Strategy & Commissioning**  
**Cllr Keith Wingate**

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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**Recommendations:**

**That the Audit Committee:**

1. **REVIEW the strategic risks (see Appendix 1) and make recommendations to Council on any further action the Committee concludes should be considered**
2. **RECOMMEND that Full Council ADOPT the updated Risk & Opportunity Management Strategy as detailed in Appendix 3**
3. **RECOMMEND that Full Council RESCIND the Joint Risk Management Policy 2012 and the Joint Risk Management Strategy 2013**

**1. Executive summary**

- 1.1. In accordance with the Joint Risk Management Policy adopted by South Hams District Council on 10<sup>th</sup> 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. Last 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.

- 1.4. The audit recommended a number of management actions, including a full review of the risk and opportunity management framework documents. This work has now been completed and a revised Risk and Opportunity Management Strategy has been prepared.
- 1.5. This updated document is shown in Appendix 3. Members are requested to approve this strategy and recommend it to Council for approval. Upon adoption, the Council will ensure officers adhere to the new strategy. The existing Joint Risk Management Policy 2012 and Joint Risk Management Strategy 2013 would be rescinded as a result.

## **2. Background**

- 2.1. The Council at its meeting on 10th May 2012 resolved to adopt the Joint Risk Management Policy.
- 2.2. The current 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 currently the responsibility of the Business Development Group Manager.

## **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 current 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. Last 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.
- 3.6. The audit recommended a number of management actions, including a full review of the risk and opportunity management framework

documents. This work has now been completed and a revised Risk and Opportunity Management Strategy has been prepared.

- 3.7. This updated document is shown in Appendix 3. Members are requested to approve this strategy and recommend it to Council for approval. Upon adoption, the Council will ensure officers adhere to the new strategy and future update reports to Audit Committee will reflect the updated strategy.

#### **4. Options available and consideration of risk**

- 4.1. Members could opt to follow, amend or reject the recommendations.
- 4.2. The tables are living documents and will regularly change in response to issues arising.
- 4.3. 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 officer conclusions is therefore welcomed.
- 4.4. If the committee deems necessary, Members may make recommendations to Council on amendments to the proposed risk and opportunity management strategy as detailed in appendix 3. If so, it is requested that delegated authority is then given to the Group Manager, Business Development in order to amend the strategy accordingly.

#### **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. If this reports recommendations are accepted, the new strategy would come into effect upon Council approval. The existing Joint Risk Management Policy 2012 and Joint Risk Management Strategy 2013 would be rescinded as a result.

#### **6. Implications**

<b>Implications</b>	<b>Relevant to proposals</b>	<b>Details and proposed measures to address</b>
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.
<b>Comprehensive Impact Assessment Implications</b>		
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

### **Supporting Information**

#### **Appendices:**

Appendix 1: Corporate Risk Report

Appendix 2: Risk Scoring Matrix

Appendix 3: Updated Risk & Opportunity Management Strategy

#### **Background Papers:**

- Joint Risk Management Policy 2012
- Joint Risk Management Strategy 2013