

Report to: **Audit Committee**

Date: **27th September 2016**

Title: **STRATEGIC RISK ASSESSMENT - REGULAR UPDATE**

Portfolio Area: **Strategy & Commissioning**
Cllr Philip Sanders, Leader of the Council

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 6 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. Zurich Municipal's Strategic Risk Practice was commissioned by South Hams District and West Devon Borough Council to complete a Risk Identification Exercise to check and challenge the key risks associated with the Council's proposed Local Authority Controlled Company (LACC). Risks were profiled and owners assigned and the result of this work is shown in Appendix 3 and Appendix 4 shows a profile summary of the risks identified by Zurich Municipal.

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 now 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 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. Also appended to this report is the result of Zurich Municipal's Risk Identification Exercise, which set out to check and challenge the key risks associated with the Council's proposed Local Authority Controlled Company (LACC). The Zurich exercise comprised a documentation review of the business case, consideration of the Council's risk register information and interviews with key officers. The risks were logged and risk owners assigned and the result of this work is shown in Appendix 3. Appendix 4 shows a profile summary of the risks identified.

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 above 12.

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.

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 |

Supporting Information

Appendices:

Appendix 1: Corporate Risk Report

Appendix 2: Risk Scoring Matrix

Appendix 3: LACC Risk Register (*as identified by Zurich Municipal & subsequently updated by the LACC Joint Steering Group and the SHWD Senior Leadership Team*)

Appendix 4: LACC Risk Profile (*as originally identified by Zurich Municipal*)

Background Papers:

- Joint Risk Management Policy
- Covalent risk register
- South Hams District and West Devon Borough Council Local Authority Controlled Company Risk Diagnostic Report, July 2016