

Subject:	Strategic Risk Focus: SR21 Housing Pressures; SR23 Developing an Investment Strategy to refurbish and develop the city's major asset of the seafront; and SR27 Devolution		
Date of Meeting:	15 November 2016		
Report of:	Executive Lead Officer, Strategy, Governance & Law		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control. As part of discharging this role it reviews the Strategic Risk Register (SRR), last updated by the Executive Leadership Team (ELT) on 20 April 2016.
- 1.2 The Audit & Standards Committee have agreed to focus on at least two Strategic Risks at each of their meetings.
- 1.3 The Strategic Risk Assessment Report (Appendix 1) provides further detail on the actions taken (existing controls) and future actions to manage each strategic risk.
- 1.4 The officer available to answer Members' questions on the Strategic Risks will be Nick Hibberd, Executive Director, Economy, Environment and Culture.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee notes the Strategic Risk Assessment Report at Appendix 1.
- 2.2 That, having considered Appendix 1 and any clarification comments from the officer, the Committee makes any recommendations it considers appropriate to the relevant council body.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Strategic Risk Register details the current prioritised risks which may affect achievement of the council's Corporate Plan purpose, including in relation to its work with other organisations across the city. It is reviewed and agreed by ELT

every six months (usually around May and November) and provides evidence of a risk aware and risk managed organisation.

- 3.2 Across the council there are a number of risk registers which prioritise risks consistently by assigning risk scores 1-5 that the risk will occur, and the potential impact (denoted by 'I') if it should occur. These L and I scores are multiplied; the higher the result of L x I, the greater the risk e.g. L4xI4 which denotes a Likelihood score of 4 (Likely) x Impact score of 4 (Major). A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention. Red risks are the highest, followed by Amber risks and then Yellow, and then Green. The Strategic Risk Register records Red and Amber risks.
- 3.3 Each strategic risk has a unique identifying number and is prefixed by 'SR' representing that it is a strategic risk. Each is recorded on the Integrated Risk Manager (IRM) software system, part of the Interplan package. Appendix 1 gives details of existing controls and future actions to manage each strategic risk.
- 3.4 The Existing Controls for each risk now reflect the approach agreed by the ELT to adopt the Three Lines of Defence model which is best practice and has been practised for a number of years in other organisations, particularly within central government, financial services and the NHS. It provides for three levels of compliance within any organisation. Appendix 1 shows in the Existing Controls field the controls divided into First Line of Defence: Management Controls; Second Line of Defence: Corporate Oversight; and Third Line of Defence: Independent Assurance.

4. **FINANCIAL & OTHER IMPLICATIONS:**

- 4.1 There are three strategic risks considered in this report. For each of these Appendix One contains details of the actions already in place ('Existing Controls') and work to be done as part of business or project plans ('Risk Actions') to address the risks. Potentially these may have significant financial implications for the authority either directly or indirectly and would need to be costed and reported to the appropriate committee.
The associated financial risks are considered during the Targeted Budget Management process and the development of the Medium Term Financial Strategy.

Finance Officer Consulted: Jeff Coates

Date:25/10/2016

- 4.2 This report comes before Audit & Standards Committee to assist the Committee in discharging its function of providing independent assurance of the adequacy of the council's risk management and associated control environment. Having reviewed the latest Strategic Risk Register, the Committee may, if it considers it appropriate, make recommendations to Full Council, Policy, Resources & Growth Committee, one or more officers or another relevant body in the council. .To assist them, members of the Committee are entitled to any information, data and other evidence which enables them to reach an informed view as to whether the council's strategic risks are being adequately managed.

SUPPORTING DOCUMENTATION

Appendices:

1. Strategic Risk Assessment Report: SR21, SR23 and SR27.

Documents in Members' Rooms

1. None.

Background Documents

1. Strategic Risk Register Review April 2016.

