

Subject:	Strategic Risk Focus SR2 Financial Outlook for the Council; SR25 Organisational Capacity as a result of Change; and SR32 Health & Safety Assurance.		
Date of Meeting:	25 July 2017		
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 specific Strategic Risks contained in the Strategic Risk Register (SRR). The SRR was last formally updated by the Executive Leadership Team (ELT) on 31 May 2017; and will be reviewed as scheduled on 26 July 2017. However, this report includes a new risk, SR32 Health & Safety Assurance, which has been approved outside of the regular quarterly SRR in order to provide timely information to Committee.
- 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 officers available to answer Members' questions on the Strategic Risks reported to this committee meeting will be the Executive Director, Finance & Resources, supported by the Executive Director, Neighbourhoods, Communities and Housing and the Assistant Director Property & Design.

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 officers, the Committee makes any recommendations it considers appropriate to the relevant council body.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The SRR 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 quarterly, and influences service activity within Directorates and Directorates' individual Directorate Risk Registers (DRRs). There is a risk reporting timetable for the SRR and DRRs which is adhered to on a quarterly basis, however the risk management process is responsive to incidents emerging in between scheduled reviews.
- 3.2 The risk management process prioritises 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.
- 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.

4. FINANCIAL & OTHER IMPLICATIONS:

- 4.1 For each Strategic Risk there is detail of the actions already in place ('Existing Controls') or work to be done as part of business or project plans ('Risk Actions') to address the strategic risk. Potentially these may have significant financial implications for the authority either directly or indirectly. The associated financial risks are considered during the Targeted Budget Management process and the development of the Medium Term Financial Strategy.

Finance Officer Consulted: James Hengeveld

Date: 06/07/2017

LEGAL IMPLICATIONS:

- 4.2 Members of the Committee are entitled to any information, data and other evidence which enable them to reach an informed view as to whether the council's strategic risks are being adequately managed; and to make recommendations based on their conclusions.

Lawyer Consulted: Victoria Simpson

Date: 06/07/2017

SUPPORTING DOCUMENTATION

Appendices:

1. Strategic Risk Assessment Report SR2; SR25; and SR32.

Documents in Members' Rooms

1. None.

Background Documents

1. Strategic Risk Register Review, May 2017 as published on Wave (council intranet) in June 2017.

