

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Maxine O'Mahony - Executive Director for Strategy and Governance

To: Governance and Audit Committee – 3 December 2015

Author: Greg Pearson, Corporate Improvement & Performance Manager
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Subject: Quarterly Risk Report

Purpose: To inform the Committee of the current status of the Councils' strategic risks

Recommendation:

- 1) That the contents of the report are noted

1.0 BACKGROUND

- 1.1 The last risk report to the Governance and Audit Committee was in September 2015 and covered the position of strategic risks up to the end of quarter 1, 2015-16. This followed a period where routine performance and risk reporting had been temporarily suspended to allow for the review of performance and risk frameworks and the implementation of a new corporate performance and risk monitoring system, known as Covalent.
- 1.2 This report is the second risk report to be generated using the new system, which contains status updates on strategic risks for quarter 2, 2015/16. Future quarterly reports will also contain details of high scoring operational risks, which are still in the process of being implemented on the new Covalent system. It had been hoped to present operational risks this quarter – while the risks have been transferred to the new system not all service managers have been trained in the use of the risk module.
- 1.3 Strategic risks have been reviewed and updated with responsible members of the Executive Management Team (EMT). The strategic risk register includes 7 strategic risks (see Appendix A). These cover the over-arching risks that may affect the strategic direction of the council, rather than risks linked to business continuity or those that affect discreet service areas. Current there are no strategic risks that are rated as high risks and there are appropriate mitigations in place to ensure that these risks are appropriately managed.
- 1.4 Strategic risks are captured on the Corporate Dashboard and reviewed by EMT quarterly. In addition, risks are reviewed monthly at the officer-led Performance, Risk & Audit Board chaired by the Executive Director of Strategy and Governance.
- 1.5 Strategic risks typically affect the whole of the organisation and not just one or more parts of it. Strategic risks can potentially involve very high stakes and often affect the ability of the organisation to survive, e.g. impact on the ability of the Council to achieve its corporate plan objectives and purpose. Strategic risks are managed at Board (EMT) Level.
- 1.6 The Risk Framework is currently under review, alongside the implementation of the new ICT system. As part of this review the risk matrix has been changed from a 3 x 3 to a 5 x 5 matrix, based on best practice in comparable organisations. This provides a more comprehensive assessment and understanding of risk likelihood and impact. The matrix

results in a numerical score which combines the impact of the risk occurring with the likelihood of it happening.

	Unlikely (1)	Possible (2)	Plausible (3)	Likely (4)	Certain (5)
Critical (5)					
High (4)					
Medium (3)					
Low (2)					
Minimal (1)					

1.7 Risks fall into High, Medium or Low categories depending on their rating

High	
Medium	
Low	

2.0 OPTIONS

2.1 That the contents of the report are noted

3.0 REASONS FOR RECOMMENDATION

3.1 Not applicable

4.0 EXPECTED BENEFITS

4.1 That the Committee is made aware of the Council's strategic risks and understands that they are being managed and mitigated effectively.

5.0 IMPLICATIONS

5.1 Corporate Priorities

5.1.1 The report contains information on strategic risks relevant to the delivery of the Council's corporate priorities.

5.2 Financial

5.2.1 The report contains information on strategic risks relevant to the Council's budgets and financial management.

5.3 Risk Management

5.3.1 The report provides details the Council's strategic risks

5.4 Staffing

5.4.1 The report contains information on strategic risks relevant to the delivery of the Council's corporate priorities.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 No wards/communities are affected

7.0 ACRONYMS

7.1 EMT – Executive Management Team

7.2 ICT – Information & Communication Technology

Background papers:- None

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Key Decision: No

Exempt Decision: No

This report refers to a Discretionary Service

Appendices attached to this report:

Appendix A South Holland District Council Strategic Risk Register
(December, 2015-16)