

SOUTH HOLLAND DISTRICT COUNCIL

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

To: Governance and Audit Committee – 26 May 2016

Author: Greg Pearson - Corporate Improvement & Performance Manager

Subject: Quarterly Risk Report

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

Recommendation:

- 1) That the contents of the report are noted.

1.0 BACKGROUND

- 1.1 This report is has been compiled to include updates on strategic risks for quarter 4, 2015/16.
- 1.2 Strategic risks are captured on the Corporate Dashboard, reviewed by the Executive Management Team quarterly. In addition, risks are reviewed monthly at the internal Performance, Risk & Audit Board chaired by the Executive Director of Strategy and Governance.
- 1.3 Strategic risks have been reviewed and updated with responsible members of the Executive Management Team. The strategic risk register includes 12 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.
- 1.4 The most significant current strategic risk relates to the ICT breach at Lincolnshire County Council as reported last quarter. There has been a subtle decrease in score as a result of ongoing efforts to secure system processes. This will continue to be monitored closely.
- 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 the Risk Framework review, the procedure in which an operational risk becomes a strategic risk has been considered. It is recommended that operational risks continue to be monitored monthly as part of the Performance, Risk and Audit Board and where a risk remains at a score of 15 or above for a period of more than 1 quarter after controls and mitigation have been put in place, this risk will then be considered a strategic risk and therefore be reported to this Committee.
- 1.7 As per the update at the previous meeting, 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)					

1.8 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 **Carbon Footprint / Environmental Issues**

5.1.1 It is the opinion of the author that there are no carbon footprint or environmental implications.

5.2 **Constitution & Legal**

5.2.1 It is the opinion of the author that there are no direct constitutional or legal implications.

5.3 **Contracts**

5.3.1 It is the opinion of the author that there are no direct contract implications.

5.4 **Corporate Priorities**

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

5.5 **Crime and Disorder**

5.5.1 It is the opinion of the author that there are no direct crime and disorder implications.

5.6 **Equality and Diversity/Human Rights**

5.6.1 It is the opinion of the author that there are no direct equality or human rights implications.

5.7 **Financial**

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

5.8 **Health and Wellbeing**

5.8.1 It is the opinion of the author that there are no health or wellbeing implications.

5.9 **Reputation**

5.9.1 Risks which come to fruition have some reputational consequence. It is the purpose of the risk management strategy to manage potential outcomes by means of control measures

5.10 **Risk Management**

5.10.1 The report provides detail on the Council's strategic risks.

5.11 **Safeguarding**

5.11.1 It is the opinion of the author that there are no direct safeguarding implications as a result of this report

5.12 **Staffing**

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

5.13 **Stakeholders/Consultation/Timescales**

5.13.1 It is the opinion of the author that there are no direct implications arising from this report.

5.14 **Transformation Programme**

5.14.1 It is the opinion of the author that there are no direct implications arising from this report.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 No wards or communities are affected

7.0 **ACRONYMS**

7.1 EMT – Executive Management Team

7.2 ICT – Information and 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 (January, Q4 2015/16)