

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Interim Business Development and Transformation Manager

To: Governance and Audit Committee – 26 June 2014

(Author: James Edwards - Performance Officer)

Subject: Risk Management

Purpose: To update the Governance and Audit Committee on Risk Management

Recommendation:

1. That this report be noted.

1. Background & Process

- 1.1 The last risk report to The Governance and Audit Committee was in March 2014 and over the last 3 months, officers have continued to manage operational risks through service area data entry books on Shine, following the move away from the Inphase system during 2013. Strategic risks are managed in a similar spreadsheet also held on Shine.
- 1.2 The strategic and operational risk registers are up to date and are reviewed formally on a quarterly basis. In addition to this formal update, Officers, CMT and other stakeholders can add, update or propose the removal of risks, in line with business needs at any time.
- 1.3 The updated strategic risk register includes 9 strategic risks (see Appendix A). In the past, this report has been by exception, but as there are just 9 in total, all low, medium and high risks are included and available in this report. These cover the over-arching risks that may impact of the strategic direction of the council, rather than risks linked to business continuity or those that impact discreet service areas.
- 1.4 The review of strategic risk is a standing item on the CMT agenda (quarterly)
- 1.5 During Quarter 4 of 2013-14 an audit of risk management was undertaken by Audit Lincolnshire. The auditors were satisfied with risk management arrangements and gave substantial assurance. The findings and recommendations from the audit have been acknowledged and noted.
- 1.6 Risk management arrangements are currently being reviewed as part of the transformation work.
- 1.7 Risks are grouped into two categories:
 - Strategic - These are risks that affect the whole and long term plan of the council. These risks could fundamentally impact upon:
 - Our reputation
 - The organisation we are
 - The dependable, accountable delivery of public services

- Operational – These risks concern the day to day activities in the delivery of functions and services.

1.8 Risks are rated using a 3 X 3 matrix through a numerical number that combines the impact score of the risk occurring, with the likelihood score of it happening

I M P A C T	High (3)	3	6	9
	Medium (2)	2	4	6
	Low (1)	1	2	3
		Low (1)	Medium (2)	High (3)

LIKELIHOOD

- 1.9 Risks are then classed as High, Medium or Low risks dependant on their rating:
- High – rating of 6 or over
 - Medium – rating between 3 and 4
 - Low – rating of 2 or under

These are also identified by the following colours within our performance management data entry workbooks and reports:

High	
Medium	
Low	

- 1.10 Ideally we would like to manage all risks down to the 'Low' rating and we try to achieve this through 'controls' that are put into place to reduce the likelihood of them occurring and/or the impact if they do happen.
- 1.11 In addition to trying to 'control' risks, we have to consider the fact that they may still occur, therefore we need to know what we would do to 'mitigate' any foreseeable damage that may occur as a result.

Risk Summary

1.12 This risk summary covers two areas:

- The risk summary table shows the total number of risks by category and the percentage of high, medium and low risks within each category.
- The exceptions report, a detailed report to provide focus on high level risks.

The risk champions may wish to feedback to the committee on any areas they feel are of particular concern.

Risk Summary Table (last known ratings):

The risk position at 16th June 2014 was as follows:

Risk Category	Total Number of Risks	% Low Risks	% Medium Risks	% High Risks
Strategic	9	10%	45%	45%
Operational	66	42%	50%	8%

This tells us that:

- Strategic risk are split equally between high and medium level risks
- Operational risks are predominantly medium and low level risks

Therefore:

Strategic Risk Overview: Overall rating is Medium

Operational Risk Overview: Overall rating is Medium

The risk position at 18th March 2014 was as follows:

Risk Category	Total Number of Risks	% Low Risks	% Medium Risks	% High Risks
Strategic	11	9%	36%	55%
Operational	62	34%	56%	10%

For the Exceptions Report please see Appendix B.

2 OPTIONS

That Risk Reporting continues in this format.

That Risk Reporting is continued in a different format.

3 REASONS FOR RECOMMENDATION

To note risks for the risk position as at 16th June 2014

4 IMPLICATIONS

4.1 Carbon Footprint & Environmental Issues

There are no implications associated with this report.

4.2 Constitution & Legal

There are no implications associated with this report.

4.3 Contracts

There are no implications associated with this report.

4.4 Corporate Plan

There are no implications associated with this report.

4.5 Crime and Disorder

There are no implications associated with this report.

4.6 Equality and Diversity & Human Rights

There are no implications associated with this report.

4.7 Financial

There are no implications associated with this report.

4.8 Risk Management

This report considers the authority's Strategic and Operational risks.

4.9 Staffing

There are no implications associated with this report.

4.10 Stakeholders / Consultation

There are no implications associated with this report.

5 WARDS/COMMUNITIES AFFECTED

This section is not applicable to this report.

Background papers:- This section is not applicable to this report.

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Key Decision – No

Appendices attached to this report:

Appendix A - Strategic Risk Report
Appendix B –Exceptions Report – Operational Report