

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Executive Director - Commissioning and Governance  
**To:** Governance and Audit 25 September 2014  
**Author:** Kim Parks Senior Performance Analyst  
**Subject:** Risk Management  
**Purpose:** To update the Governance and Audit Committee on Risk Management

<b>Recommendation:</b>
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| 1) That this report be noted. |
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### 1.0 BACKGROUND

- 1.1 The last risk report to the Governance and Audit Committee was in June 2014 and over the previous 3 months; officers have continued to manage operational risks through service area risk registers. Similarly, strategic risks although managed through CMT are held within the strategic risk register.
- 1.2 The strategic and operational risk registers, for completeness are reviewed formally on a quarterly basis. In addition to this formal update, Officers, CMT and other stakeholders can include new, updated or propose the removal of risks, in line with business needs at any time.
- 1.3 The update strategic risk register includes 9 strategic risks (see Appendix A). In the past, this report have 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 affect the strategic direction of the council, rather than risks linked to business continuity or those that affect discreet service areas.
- 1.4 The review of strategic risk is a standing item on the CMT agenda (quarterly).
- 1.5 Risks are grouped into two categories:
- a. Strategic risks that could affect the whole and long-term plan of the council. These risks could fundamentally affect upon:
    - i. Our reputation
    - ii. The organisation we are
    - iii. The dependable, accountable delivery of public services
  - b. Operational risks concern the day-to-day activities in the delivery of functions and services.
- 1.6 Risks use 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.

<b>I M P A C T</b>	High (3)	3	6	9
	Medium (2)	2	4	6
	Low (1)	1	2	3
		Low (1)	Medium (2)	High (3)
		<b>LIKELIHOOD</b>		

- 1.7 Risks fall into High, Medium or Low categories depending on their rating:
- a. High – rating of 6 or over
  - b. Medium – rating between 3 and 4
  - c. Low – rating of 2 or under
- 1.8 These are also identified by the following colours with our performance manage data entry workbooks and reports:

High	
Medium	
Low	

Ideally we would like to manage all risks done 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.

- 1.9 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

- 1.10 This risk summary covers two areas:
- a. The risk summary table shows the total number of risks by category and the percentage of high, medium and low risks within each category.
  - b. The exceptions report, a detailed report to provide focus on high-level risks.
- 1.11 The risk champions may wish to feedback to the committee on any areas they feel are of particular concern.

## Risk Summary Table (Previous Ratings):

1.12 The risk position at the 31<sup>st</sup> March 2014 – Covering the period Quarter 4 2013/14

Risk Category	Total Number of Risks	% Low Risks	% Medium Risks	% High Risks
Strategic	9	11.11% (1)	44.44% (4)	44.44% (4)
Operational	66	42.42% (28)	50.00% (33)	7.58% (5)

## Risk Summary Table (Current Ratings):

The risk position at 30<sup>th</sup> June 2014 – Covering the period Quarter 1 2014/15

Risk Category	Total Number of Risks	% Low Risks	% Medium Risks	% High Risks
Strategic	9	11.11% (1)	55.56% (5)	33.33% (3)
Operational	64	45.31% (29)	46.88% (30)	7.81% (5)

This tells us that:

- a. Strategic risks are predominantly medium
- b. Operational risks are predominantly medium to low level
- c. 1 strategic risk has decreased from to high to a medium rating
- d. 2 operational risks have closed from with Community Development
- e. 2 operational risks have decreased from a medium to a low rating from within the following services: Communications, Community Development and Environmental Health.

Therefore:

- f. Strategic Risk Overview: Overall rating is medium
- g. Operational Risk Overview: Overall rating is evenly spread across Medium and Low.

For Strategic risks please see Appendix A.

For the Exceptions Report on Operational risks please see Appendix B.

## 2.0 OPTIONS

2.1 The Risk Reporting continues in this format.

2.2 That Risk Reporting is continued in a different format.

### 3.0 REASONS FOR RECOMMENDATION

3.1 This report will allow Governance and Audit the guarantee that risks for the Council be they Strategic or Operational are managed in an effective manner.

### 4.0 EXPECTED BENEFITS

4.1 Understanding the risks within the organisation.

### 5.0 IMPLICATIONS

#### 5.1 Carbon Footprint / Environmental Issues

5.1.1 It is the opinion of the Report Author that there are no implications.

#### 5.2 Constitution & Legal

5.2.1 It is the opinion of the Report Author that there are no implications.

#### 5.3 Contracts

5.3.1 It is the opinion of the Report Author that there are no implications.

#### 5.4 Corporate Priorities

5.4.1 It is the opinion of the Report Author that there are no implications.

#### 5.5 Crime and Disorder

5.5.1 It is the opinion of the Report Author that there are no implications.

#### 5.6 Equality and Diversity / Human Rights

5.6.1 It is the opinion of the Report Author that there are no implications.

#### 5.7 Financial

5.7.1 It is the opinion of the Report Author that there are no implications.

#### 5.8 Health & Wellbeing

5.8.1 It is the opinion of the Report Author that there are no implications.

#### 5.9 Risk Management

5.9.1 This report considers the Strategic and Operational risks.

#### 5.10 Staffing

5.10.1 It is the opinion of the Report Author that there are no implications.

#### 5.11 Stakeholders / Consultation / Timescales

5.11.1 It is the opinion of the Report Author that there are no implications.

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 No Wards / Communities are affected.

7.0 **ACRONYMS**

7.1 None.

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

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**Lead Contact Officer**

Name and Post: Kim Parks – Performance Team  
Telephone Number: 01362 656866  
Email: kim.parks@breckland.gov.uk

**Director / Officer who will be attending the Meeting**

Name and Post: Kim Parks – Senior Performance Analyst

**Key Decision:** No

**Exempt Decision:** No

**Appendices attached to this report:**

Appendix A Strategic Risks 2014/15  
Appendix B Operational Risks 2014/15