

## SOUTH HOLLAND DISTRICT COUNCIL

**Report of:** Executive Director of Commissioning and Governance

**To:** Governance and Audit Committee

**Author:** Christopher Dean – National Management Trainee, Corporate Improvement & Performance Team

**Subject:** Quarter 2 Risk Report

**Purpose:** To update the committee on the state of risk management within the organisation

### **Recommendation:**

- 1) That the report is noted.

### **1.0 BACKGROUND**

- 1.1. The last risk report to the Governance and Audit Committee was in September 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, 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 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:
  - 1.5.1 Strategic risks that could affect the whole and long-term plan of the council, these risks could fundamentally affect upon:
    - Our reputation
    - The organisation we are
    - The dependable, accountable delivery of public services
  - 1.5.2 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)	<b>3</b>	<b>6</b>	<b>9</b>
	Medium (2)	<b>2</b>	<b>4</b>	<b>6</b>
	Low (1)	<b>1</b>	<b>2</b>	<b>3</b>
		Low (1)	Medium (2)	High (3)
		<b>LIKELIHOOD</b>		

1.7. Risks fall into High, Medium or Low categories depending 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	

1.8. Ideally all risks would be managed down to the 'Low' rating and this is attempted to be achieved 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, the fact that they may still occur has to be considered; therefore actions need to be identified to 'mitigate' any foreseeable damage that may occur as a result.

## Risk Summary

1.10 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 (Previous ratings):

The risk position at 30 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)

### Risk Summary Table (Current Ratings):

The risk position at 30 September 2014 – Covering the period Quarter 2 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	43.75% (28)	48.44% (31)	7.81% (5)

This tells us that:

- Strategic risks are predominantly medium
- Strategic risks have not changed
- Operational risks are predominantly medium and low level risks
- No operational risks have closed
- One operational risk has increased from a low to a medium rating within Human Resources

Therefore:

- Strategic Risk Overview: Overall rating is Medium
- 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 Not applicable - report is for information only. Members are asked to note the report.

### 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 There are no expected benefits.

### 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 Some of the risks are currently rated at Medium and High; should any of these risks occur there may be legal implications for the authority.

#### 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 Some of the risks are currently rated at Medium and High; should any of these risks occur there may be financial implications for the authority.

#### 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 The report considers the authority's 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 or communities are affected

## 7.0 ACRONYMS

7.1 No acronyms have been used.

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Background papers:- None

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### Lead Contact Officer

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

Name and Post: Christopher Dean, National Management Trainee

**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 (Q2, 2014-15)  
Appendix B Exceptions from South Holland District Council Operational Risk Register (Q2, 2014-15)