

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Executive Director of Commissioning and Governance
To: Governance and Audit Committee – 10 March 2015
Author: Business Intelligence Officer
Subject: Quarterly 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 December 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 10 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 review of strategic risk is a standing item on the CMT agenda (quarterly). In addition, risks are monitored at the new, officer-lead Risk Boards on a monthly basis. These boards are chaired by the Executive Director for Place and the first took place on 26 February 2015.
- 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 (see Appendix B) 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.

| | | | | |
|--|---------------|-------------------|---------------|-------------|
| 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 | | |

1.7. 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 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.

1.9. 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:

- 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 the 30th 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) |

Risk Summary Table (Current Ratings):

The risk position at the 31st December 2014 – Covering the period Quarter 3 2014/15

| Risk Category | Total Number of Risks | % Low Risks | % Medium Risks | % High Risks |
|---------------|-----------------------|-------------|----------------|--------------|
| Strategic | 10 | 20.00% (2) | 50.00% (5) | 30.00% (3) |
| Operational | 65 | 40.90% (27) | 37.88% (25) | 9.09% (5) |

NOTE: at the time of writing, updates for 8 risks (6 from Housing, 2 from Economic Development) had not been submitted. In Q2 their ratings were 3 Medium and 5 Low risks.

This tells us that:

- Strategic risks are predominantly medium
- One strategic risk has been closed, two have been created
- Operational risks are predominantly medium and low level risks
- Two operational risks have been created within Environmental Health and Human resources
- One risk has been closed in Community Development
- One operational risk has increased from a medium to a high rating within Corporate Improvement and Performance
- Two operational risks have been reduced from medium to low rating within Environmental Services and Corporate Improvement and Performance

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 That the contents of the report are noted.

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 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 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 CMT – Corporate Management Team

Background papers:- None

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Director / Officer who will be attending the Meeting

Name and Post: Christopher Dean, Business Intelligence Officer

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 (Q3, 2014-15)
Appendix B Exceptions from South Holland District Council Operational Risk Register (Q3, 2014-15)