

<b>Subject:</b>	<b>Strategic Risk Register Review April 2016</b>		
<b>Date of Meeting:</b>	<b>21 June 2016</b>		
<b>Report of:</b>	<b>Executive Director, Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jackie Algar</b>	<b>Tel: 01273 29-1273</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The Audit & Standards Committee has a role to monitor and form an opinion on the effectiveness of risk management and internal control. As part of discharging this role it reviews the Strategic Risk Register (SRR), recently updated by the Executive Leadership Team (ELT) on 20 April 2016.
- 1.2 The Strategic Risk Register Report May 2016 (Appendix 1) provides detail on the actions taken (existing controls) and future actions to manage each strategic risk.

**2. RECOMMENDATIONS:**

- 2.1 That the Audit & Standards Committee notes the Strategic Risk Register Report May 2016.

**3. CONTEXT/ BACKGROUND INFORMATION**

- 3.1 The Strategic Risk Register details the risks which may affect achievement of the council's objectives, including in relation to its work with other organisations across the city. It is reviewed and agreed by ELT every six months (usually around May and November) and provides evidence of a risk aware and risk managed organisation.
- 3.2 Across the council there are a number of risk registers which prioritise risks consistently by assigning risk scores 1-5 to assess the likelihood (denoted by 'L') that the risk will occur, and the potential impact (denoted by 'I') if it should occur. These L and I scores are multiplied; the higher the result of L x I, the greater the risk e.g.L4xI4 which denotes a Likelihood score of 4 (Likely) x Impact score of 4 (Major). A colour coded system, similar to the traffic light system, is used to distinguish risks that require intervention.
- 3.3 There is an approved risk management process, part of the Risk Management Strategy, to manage all risks at the appropriate organisational level. This process enables risks to be 'escalated' for the consideration of ELT as part of their review of the Strategic Risk Register.

- 3.4 ELT are responsible for reviewing the SRR and individual ELT members are assigned as 'Risk Owners' responsible for co-ordinating action to manage the Strategic Risks. ELT's review is informed by Directorate Risk Registers which are reviewed at least quarterly in line with the SRR review and the Audit & Standards Committee timetable.
- 3.5 Each strategic risk has a unique identifying number and is prefixed by 'SR' representing that it is a strategic risk. Each is recorded on the Integrated Risk Manager (IRM) software system, part of Interplan package. Appendix 1 gives details of existing controls and future actions to manage each strategic risk.

#### 4. **SUMMARY OF MAIN CHANGES TO THE STRATEGIC RISK REGISTER (SRR) 2016/17**

4.1 There are now 15 strategic risks at Red or Amber level. Full details are provided in Appendix 1.

4.2 Four new risks were added by ELT:

SR25 Organisational Capacity as a Result of Change;  
 SR26 Council's relationship with Citizens;  
 SR27 Devolution;  
 SR28 Governance & Assurance Framework.

4.3 No risks were removed by ELT.

4.4 Changes to the residual risk score was made for SR23 'Developing an investment strategy to refurbish and develop the city's major asset of the seafront' to reflect progress made as a result of significance investment received. For this risk the residual risk score changed from:

Likelihood score 4 (Likely) x Impact score 4 (Major) = RED; to  
 Likelihood score 3 (Possible) x Impact score 3 (Moderate) = AMBER

There were no other changes to risk scores.

#### 4.4 Whole Risk Register

The table below sets out the risks in order of revised risk score which is assessed after taking into account the Existing Controls to provide a more 'realistic' prioritisation of risks compared against each other. The table provides details of direction of travel and in the final column, in addition of the Revised Risk Rating, the Risk Owner's assessment of the Effectiveness of Controls.

As risks are managed, the unique risks may be removed from the SRR and in that case a gap in sequential numbering may arise.

Risk No.	Risk Title	Revised Risk Score		Revised Risk Score (L x I) Direction of Travel	Revised Risk Rating	Effectiveness of Controls
		Likelihood (L)	Impact (I)			
SR2	Financial Outlook for the council	4 Likely	4 Major	16 ◀▶	RED	Adequate
SR18	Sustainable ICT and Digital Modernisation	4 Likely	4 Major	16 ◀▶	RED	Uncertain
SR13	Keeping vulnerable adults safe from harm and abuse	3 Possible	4 Major	12 ◀▶	AMBER	Adequate
SR15	Keeping children safe from harm and abuse	3 Possible	4 Major	12 ◀▶	AMBER	Adequate
SR10	Information Governance Management	3 Possible	4 Major	12 ◀▶	AMBER	Uncertain
SR17	School Places Planning	3 Possible	4 Major	12 ◀▶	AMBER	Adequate
SR20	Better Care Fund	3 Possible	4 Major	12 ◀▶	AMBER	Adequate
SR21	Housing Pressures	3 Possible	4 Major	12 ◀▶	AMBER	Adequate
SR22	Modernising the Council	3 Possible	4 Major	12 ◀▶	AMBER	Adequate
SR24	Welfare Reform	4 Likely	3 Moderate	12 ◀▶	AMBER	Uncertain
SR25	Organisational Capacity as a Result of Change	4 Likely	3 Moderate	12 NEW	AMBER	Uncertain
SR27	Devolution	4 Likely	3 Moderate	12 NEW	AMBER	Adequate

SR28	Governance & Assurance Framework	4 Likely	3 Moderate	12 NEW	AMBER	Adequate
SR26	Council's relationship with Citizens	3 Possible	3 Moderate	9 NEW	AMBER	Adequate
SR23	Developing an investment strategy to refurbish and develop the city's major asset of the seafront	3 Possible	3 Moderate	9 ▼	AMBER	Adequate

## 5. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 5.1 Consultation has taken place with the council's ELT; all Directorate Management Teams; and representatives of all the political parties.
- 5.2 The Strategic Risk Register will be sent to the City Management Board partners for information which reflects the city wide performance and risk management approach.

## 6. FINANCIAL & OTHER IMPLICATIONS

### Financial Implications:

- 6.1 The Strategic Risk Register reflects a number of risks which have potential significant implications for the authority either directly or indirectly. The Risk Owners are responsible for overseeing the effective management of the risks as detailed in Appendix 1 and for highlighting financial risks through the budget monitoring process and budget strategy development.

*Finance Officer Consulted: James Hengeveld*

*Date: 19/05/16*

### Legal Implications:

- 6.2 This report comes before Audit & Standards Committee in order for the Committee to discharge its functions of providing independent assurance of the adequacy of the council's risk management and associated control environment. Having reviewed the latest Strategic Risk Register, the Committee may, if it considers it appropriate, make recommendations to Full Council, Policy, Resources and Growth Committee, one or more officers or another relevant body in the council.

*Lawyer Consulted: Elizabeth Culbert*

*Date: 23/05/16*

6.3 Equalities Implications:

There are no direct equalities implications. Equalities will be incorporated as appropriate across all Strategic Risks by the officers responsible for taking actions.

6.4 Sustainability Implications:

The risk management process includes identification and management of sustainability issues. Sustainability will be incorporated as appropriate across all Strategic Risks by the officers responsible for taking actions.

6.5 Any Other Significant Implications:

None.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. Strategic Risk Register Report May 2016.

### **Documents in Members' Rooms**

1. None.

### **Background Documents**

1. Risk Management Strategy 2014 – 2017.

