

DRAFT STRATEGIC RISK REGISTER

Audit Committee - 27 September 2016

Report of Chief Finance Officer

Status: For Decision

Key Decision: No

Portfolio Holder Cllr. Searles

Contact Officer Adrian Rowbotham, Ext. 7153

Recommendation to the Audit Committee:

Review the Draft Strategic Risk Register and make recommendations for any further amendments or additions to the register.

Reason for recommendation: Review of the Council's Draft Strategic Risk Register by the Audit Committee helps to ensure that a wide range of views are taken into account in assessing the risks the Council faces in delivering the Vision and Promises set out in its Corporate Plan.

Introduction and Background

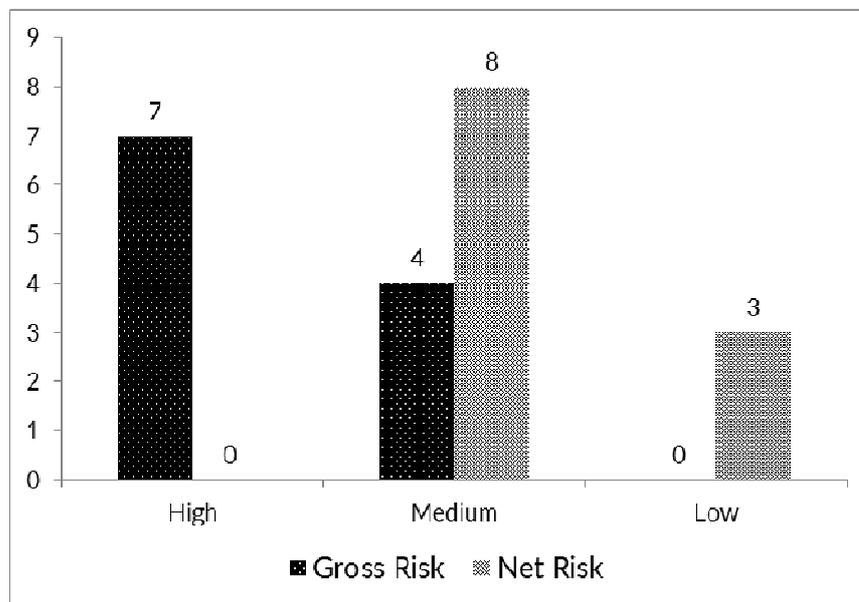
- 1 It is a requirement of the Audit Committee's Terms of Reference to maintain an overview of the effective development and operation of risk management in the Council.
- 2 This report provides Members with the opportunity to review and comment on the Council's Draft Strategic Risk Register. The Draft Register has been developed by Officers, taking into account the views of the Officers Risk Management Group, Service Managers and Chief Officers. It sets out the threats that Officers consider could prevent the Council delivering the Vision and Promises set out in the Council's Corporate Plan and the opportunities which could enhance their effective delivery.
- 3 The consideration of the Draft Register by the Audit Committee provides an opportunity for Members to input their views and provides for a more robust assessment of the risks faced by the Council. The views of the Audit Committee will be taken into account before Cabinet is asked to review and endorse the Draft Risk Register at a future meeting.

Draft Risk Register

- 4 Provided as Appendix A to this report is the Council's Draft Strategic Risk Register. The Draft Register has been updated to ensure that strategic risk management activity is focussed on mitigating and managing the risks associated with the Council achieving the Vision and Promises it sets out.
- 5 The Draft Register sets out 11 strategic risks that Officers consider to have the potential to influence the achievement of the Vision and Promises within the Corporate Plan. For each risk Officers have set out those factors that could cause the risk to occur and the potential effect that these events could have.

Risk Scores

- 6 As requested by the Audit Committee when they last considered the Strategic Risk Register in September 2015 a key has been added on the second page of Appendix A to illustrate how risk scores are calculated.
- 7 For clarity, the gross risk scores reflect Officers opinion of the likelihood and impact of the risk occurring without any internal controls in place.
- 8 The net risk scores take in to account the internal controls that are currently in place and it is therefore the net risk score that gives the current status for each risk.
- 9 The draft risk scores are summarised as



Emerging Risks

- 10 As part of the process of evaluating the risks currently facing the Council areas of emerging risk have been considered. These are risks that may, over time, cause some threat to the Council achieving its objectives but at this

current time there is insufficient certainty to include them within this draft register.

11 These emerging risks are considered to be:

- The commitment of the UK Government to leave the European Union. A period of at least two years will elapse before negotiations are complete. As these negotiations develop the Council will keep them under constant review and develop an understanding of any risks to the Council and its services.
- Devolution. The Government continues to agree deals with groups of local authorities to devolve responsibilities and local budgets. Although some discussions have taken place across the County there is no immediate impact expected for this Council.

Recommendation to Members

12 Members are asked to consider the Draft Register and provide any suggestions for improvements or changes that can be incorporated in to it. Officers will review the comments of the Audit Committee and include them within a revised and updated register as appropriate. Any additional actions that are required to be taken to better mitigate or manage each risk faced will also be documented once the feedback from the Audit Committee has been taken into account.

13 As set out in the Council's Risk Management Strategy Cabinet will be asked to endorse the Strategic Risk Register at a future meeting and a review of the Strategic Risk Register will be brought back to the Audit Committee annually, or more immediately if there are new risks arising or there is a significant shift in risk scores.

Other Options Considered and/or Rejected

14 None.

Key Implications

Financial

15 Effective risk management reduces the risk of financial loss and better allows the Council to maximise the financial benefit of running efficient services, taking full advantage of opportunities and delivering effective projects.

Legal Implications and Risk Assessment Statement

16 A robust risk management framework enhances the Council's ability to minimise waste and improve efficiency and to deliver better services and outcomes for the community.

Equality Assessment

- 17 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

- 18 The Council's Draft Strategic Risk Register has been updated to ensure that strategic risk management activity is focussed on mitigating and managing the risks associated with the Council achieving the Vision and Promises set out in its Corporate Plan. Members of the Audit Committee are asked to review the Draft Strategic Risk Register and suggest any amendments before it is considered by Cabinet.

Appendices Appendix A - Draft Strategic Risk Register

**Background
Papers** Risk Management Policy Statement
<http://cds.sevenoaks.gov.uk/documents/s15122/Risk%20Management%20Update%20-%20Policy%20Statement%20-%20Appendix%20A.pdf>

Risk Management Strategy
<http://cds.sevenoaks.gov.uk/documents/s16844/07%20-%20Risk%20Management%20Strategy%20-%20Appendix%20A.pdf>

**Adrian Rowbotham
Chief Finance Officer**