

# Audit and Risk Committee

3 July 2017

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| <b>Report title</b>                        | Strategic Risk Register and Strategic Insurance Map |  |
| <b>Accountable director</b>                | Claire Nye, Finance                                 |  |
| <b>Originating service</b>                 | Audit   |  |
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| <b>Report to be/has been considered by</b> | Strategic Executive Board                           | 20 June 2017   |

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## Recommendations for noting:

The Committee is asked to note:

1. The strategic risk register at Appendix A.
2. The identification of three new risks;
  - Risk 24 – Payment Card Industry Data Standard. Due to a change in regulations the Council does not currently comply with the Payment Card Industry's Data Standards. The Payment Card Industry have been made aware of this and are being kept informed of the steps the Council are taking to comply with the updated standard.
  - Risk 25 – Community Cohesion. To reflect the increased risk of community tensions due to the recent terror attacks in Manchester and London.
  - Risk 26 – Safety concerns around the City's tower blocks, as a result of the recent tragic events at Grenfell Tower in London.
3. The amendment to the risk description and increase in the risk score for risk 15 – Emergency Planning.
4. The increase in the risk score for risk 23 – Cyber Security, as a result of the recent world-wide RansomeWare cyber-attack.

5. The reduction in the assessment of the following risks:

- Risk 1 – Looked after Children. To reflect the progress made as per the recent Children's Services Ofsted Report and the £1.2m efficiencies from the 2016-17 LAC Placements budget. It is noted there was a slight increase in LAC admissions during 2016-17, although overall the numbers continue to reduce. LAC numbers continue to be closely monitored and target projections have been established for the next three years.
- Risk 7 – Safeguarding. The reduction in this risk reflects progress made in this area and the steps that have been taken to implement the recommendations made in Ofsted's inspection of the Council's Local Safeguarding Children's Board.
- Risk 22 – Skills for Work and Economic Inclusion, to reflect the completion of the majority of the Skills and Employment Action Plan and the introduction of Work Box and the Wolves@Work programme.

6. The main sources of assurance available to the Council against its strategic risks at Appendix B.

## 1.0 Purpose

- 1.1 To keep members of the Audit and Risk Committee aware of the key risks the Council faces and how it can gain assurance that these risks are being mitigated.

## 2.0 Background

- 2.1 The Council is no different to any organisation and will always face risks in achieving its objectives. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 2.2 The strategic risk register was last presented to the Committee in March 2017. Since this time, we have met with the risk owners to review and update the risks.
- 2.3 The strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the corporate priorities. Other risks are captured within operational, programme, project or partnership risk registers in line with the Council's corporate risk management framework and strategy.
- 2.4 A summary of the strategic risk register is included at Appendix A of this report which sets out the status of the risks as at June 2017. These risks are reviewed on an on-going basis and can be influenced by both external and internal factors and as such, may fluctuate over time.
- 2.5 Appendix C provides a summary of the Council's strategic assurance map which follows the three lines of defence model (shown on the following page). The assurance map details where the Committee can gain assurance against the strategic risks. This too is a live document and is updated alongside the monitoring and reviewing of the strategic risk register.

### The three lines of defence model:

| First line  | Second line   | Third line  |
|---|---|---|
| The first level of the control environment is the business operations which perform day to day risk management activity | Oversight functions such as Finance, HR and Risk Management set directions, define policy and provide assurance | Internal and external audit are the third line of defence, offering <b>independent</b> challenge to the levels of assurance provided by business operations and oversight functions |

## 3.0 Progress, options, discussion

- 3.1 The strategic risk register will be updated as required, and presented at approximately quarterly intervals to the Committee. The Committee also takes the opportunity to 'call in' individual risks for further review from time to time. At the last meeting, the Committee

requested risk 12 – Transforming Adult Social Care and risk 23 – Cyber Security to be called in for the July 2017 meeting. Details regarding this risk are included in the risk register at appendix A and the risk owner(s) will be attending the meeting to discuss details of the risk with the Committee.

#### **4.0 Financial implications**

- 4.1 There are no financial implications associated with the recommendations in this report as Councillors are only requested to note the strategic risk register summary. Financial implications may arise from the implementation of strategies employed to mitigate individual corporate risks, but these will be evaluated and reported separately if required.  
[SR/15062017/R]

#### **5.0 Legal implications**

- 5.1 Although there may be some legal implications arising from the implementation of the strategies employed to mitigate individual strategic risks, there are no direct legal implications arising from this report.  
[TS/13062017/W]

#### **6.0 Equalities implications**

- 6.1 Although there may be equalities implications arising from the implementation of the strategies employed to mitigate individual strategic risks, there are no direct equalities implications arising from this report.

#### **7.0 Environmental implications**

- 7.1 Although there may be some environmental implications arising from the implementation of the strategies employed to mitigate individual strategic risks, there are no direct environmental implications arising from this report.

#### **8.0 Human resources implications**

- 8.1 Although there may be some human resource implications arising from the implementation of the strategies employed to mitigate individual strategic risks, there are no direct human resource implications arising from this report.

#### **9.0 Corporate landlord implications**

- 9.1 There are no corporate landlord implications arising from the recommendations made in this report.

#### **10.0 Schedule of background papers**

- 10.1 None