

Audit and Risk Committee

11 March 2019

Report title	Strategic Risk Register and Strategic Assurance Map	
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Originating service	Audit	
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Report to be/has been considered by	Corporate Leadership Team	19 February 2019

Recommendations for noting:

The Committee is asked to note:

1. The latest summary of the Council's strategic risk register as at Appendix 1.
2. Risk number 8 - Business Continuity Management has been temporarily increased to red in order to reflect the continuing uncertainties regarding Brexit.
3. Risk number 23 - Cyber Security has been increased to reflect the developing nature of cyber-attacks.
4. As the target score for risk 14 – School Improvement had been achieved and 96% of maintained schools are now at good or above, this risk has been archived and transferred to the relevant directorate risk register.
5. The change to the target date for the reduction of risk 29 – Fire Safety, Public Buildings in order to allow time for a new compliance structure to be put in place.

6. While no particular incidents have taken place, following a re-assessment risk 27 regarding safety concerns around the City's tower blocks has been increased, and the title of the risk updated to City assurance of response and compliance with the requirements of National Building Safety Programme, Grenfell Inquiry Report Recommendations and MHCLG Building Regulation Guidance Advice Notice(s).
7. The reduction in the score for risk 32 - Waste Management as the majority of service changes have now been implemented.
8. The reduction in the score for risk 34 as work is now underway on the Interchange Programme (Train Station).
9. The main sources of assurance available to the Council against its strategic risks at Appendix 2.

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 December 2018. Since this time, we have worked with 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 directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.
- 2.4 A detailed summary of the strategic risk register is included at Appendix 1 of this report which sets out the status of the risks as at February 2019. 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 The key risks at the time of this report and their underlying direction of travel is as follows:

Medium Term Financial Strategy	↔
Business Continuity Management	↑
Brexit	↔
City Centre Regeneration	↔
Emergency Planning	↔
Skills for Work and Inclusive Growth	↔
Cyber Security	↑
Fire Safety – Public Buildings	↔
Civic Halls	↔
Information Governance	↔
Safeguarding	↔

School Improvement	↔
Maximising Benefits from the Combined Authority	↔
Payment Card Industry Data Security Standard	↔
Safety Concerns around the City's Tower Blocks	↑
Health and Safety	↔
Waste Management Services	↓
Governance of Major Capital Projects and Programmes	↔
Wolverhampton Interchange Programme	↓

2.6 Appendix 2 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 independent 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 called in risk 35 – Brexit, the Head of Public Service Reform is attending the meeting to discuss the work being undertaken to mitigate this risk in more detailed.

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. [GE/12022019/I]

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/12022019/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 Health and Wellbeing implications

- 10.1 There are no health and wellbeing implications arising from this report.

11.0 Schedule of background papers

- 11.1 None

12.0 Appendices

- 12.1 Appendix 1 - Strategic Risk Register
12.2 Appendix 2 - Strategic Risk Assurance Map