

# Audit Committee

6 July 2015

<b>Report title</b>	Strategic Risk Register and Strategic Assurance Map	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
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<b>Originating service</b>	Audit	
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<b>Report has been considered by</b>	Strategic Executive Board	23 June 2015

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## Recommendations for noting:

The Committee is asked to note:

1. The strategic risk register at Appendix A
2. The reduction in the assessment of the following risks:
  - Risk 2- Skills for work
  - Risk 8- Business continuity management
  - Risk 10- Economic inclusion
  - Risk 14 – School improvement
  - Risk 15 – Emergency planning
3. The transfer of risk 6 – Compliance with the Public Services Network to the corporate services directorate risk register. In June 2015, the council received certification for the next 12 months. However, as there will be on-going work to do to remove legacy solutions and to upgrade systems to ensure future compliance it is proposed that this be overseen at an operational level rather than the strategic level.

4. The closure and removal of risk 18 – Elections from the strategic risk register.
5. That although some progress has been made in the mitigation of risk 17 – Employee Management since last reported, further actions are being implemented to ensure this risk is mitigated to an acceptable level. As a result the target date has been amended to reflect this.
6. The main sources of assurance available to the council against its strategic risks.

## 1.0 Purpose

- 1.1 To keep members of the Audit 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 report was last presented to the Committee in March 2015. Since this time we have met with the risk owners in order to review and update the risks and risk management action plans.
- 2.3 The strategic risk register does not include all of 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 2015. 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 B provides a summary of the council's strategic assurance map which follows the three lines of defence model (shown below). 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 will also be given the opportunity to 'call in' individual risks for further review.

#### **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/19062015/U).

#### **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 (RB/22062015/A).

#### **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