

# Audit and Risk Committee

20 January 2020

<b>Report title</b>	Strategic Risk Register and Strategic Assurance Map	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Audit	
<b>Accountable employee(s)</b>	Peter Farrow Tel Email	Head of Audit 01902 550417 <a href="mailto:Peter.Farrow@wolverhampton.gov.uk">Peter.Farrow@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Strategic Executive Board	17 December 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. The inclusion of risk 38 – Climate Change.
3. The decrease in the scores for the following risks;
  - Risk 8 – Business Continuity Management.
  - Risk 30 – Civic Halls.
4. The increase in the risk score for risk 29, Fire Safety – Public Buildings.
5. A change to the target date for a reduction in the score of risk 3 – Information Governance, whilst additional work is undertaken to compile the Council's information asset register.
6. Changes to the risk description for risk 24 – Maximising Benefits from the Combined Authority.
7. 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 September 2019. 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 December 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	16	↔
Business Continuity Management (including Brexit implications)	12	↓
City Centre Regeneration	12	↔
Emergency Planning	12	↔
Skills for Work and Inclusive Growth	10	↔
Safeguarding	10	↔
Civic Halls	12	↓
Cyber Security	12	↔
Compliance with National Building Safety Programme	10	↔
Fire Safety – Public Buildings	12	↑
Parent Company Assurance TMOs	12	↔
Information Governance	8	↔
Maximising Benefits from the Combined Authority	6	↔
Payment Card Industry Data Security Standard	4	↔
Health and Safety	8	↔
Waste Management Services	4	↔
Governance of Major Capital Projects and Programmes	8	↔
Climate Change	6	New

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 <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.

### 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/13112019/T]

### 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. [Legal Code: TS/13112019/Q]

### 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 Climate Change and 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.