

# Audit Committee

21 September 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>	N/A	

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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 risk:
  - Risk 19 - Combined Authority
3. That although some progress has been made in the mitigation of risk 17 – Employee Management, 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.
4. 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 July 2015 and included an update on the progress made on the mitigation of these risks. As a result of the short period since this update, there has not been any significant change to the Register. A summary of the Register is included at Appendix A of this report which sets out the assessment of the risks as at August 2015.
- 2.3 Appendices B and C provide detailed updates for two of these strategic risks (in respect of Looked After Children and the Combined Authority), which were requested by the Audit Committee at its meeting in July.
- 2.6 Appendix D 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/07092015/X).

## **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/0709/2015/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