

Audit and Risk Committee

12 March 2018

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	Strategic Executive Board	20 February 2018

Recommendations for noting:

The Committee is asked to note:

1. The Strategic Risk Register as at Appendix 1.
2. The identification of two new risks:
 - Risk 30 – Civic Halls, due to the issues surrounding the refurbishment of the Civic Halls.
 - Risk 31 – City of Wolverhampton College, as a result of the Council not agreeing a Memorandum of Understanding with the College.
3. The increase in the risk scores for risk 8 – Business Continuity Management and risk 15 – Emergency Planning due to staffing changes within the Resilience Team.
4. The amendment of the risk description and the reduction in the assessment for risk 14 – School Improvement to reflect that; 95% (58 out of 61 maintained schools) are now at good or above. Standards within academies will be covered by a separate risk where appropriate.

5. That the Council have considered the implications of the insolvency of Carillion PLC, it has been decided that no new risks require inclusion in the strategic risk register at this time. However, details of the effect on existing risks are included in appendix 1 where appropriate. The Council will continue to monitor the situation and any new risks or changes to the assessment of current risks will be reported to future Audit and Risk Committee meetings.
6. 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 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 directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.
- 2.4 A 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 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 2 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 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 requested risk 9 – City Centre Regeneration to be called in for the March 2018 meeting. Details regarding this risk are included in the risk register at appendix 1 and the Head of

City Development will be attending the meeting to discuss details of the risk with the Committee.

- 3.2 Committee also requested at the last meeting that risk 26 – Community Cohesion be called in for the March 2018 meeting. Whilst, as reported to the last meeting this risk has now been transferred to a Directorate Risk Register, the Prevent and Cohesion Officer will be attending the meeting to discuss the risk with 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/13022018/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/13022018/R]

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 – None