

AUDIT COMMITTEE

17 DECEMBER 2015

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.2 **CORPORATE RISK UPDATE**

(Report prepared by Steve Blake)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Audit Committee an updated Corporate Risk Register.

EXECUTIVE SUMMARY

The Corporate Risk Register is regularly updated and presented to the Audit Committee every 6 months.

No new risks have been added to the register in the period under review, one risk has been removed and one risk has been amended.

Five risk scores have been reviewed.

RECOMMENDATION(S)

That the Audit Committee notes the current Corporate Risk Register.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Risk assessment, monitoring and control forms the central tool for managing the strategic risks that may prevent the Council from achieving the corporate priorities as identified in the Corporate Plan and associated corporate goals.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

The risk management approach can be delivered within existing budgets.

Risk

The subject of risk and its management by the Council is set out in the main body of this report.

LEGAL

There are no specific legal implications.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected /

Consultation/Public Engagement.

There are no other direct implications.

PART 3 – SUPPORTING INFORMATION

BACKGROUND

At its meeting on 18th December 2014 the Committee noted an updated Risk Management Framework. The Corporate Risk Register was last presented to the Committee in June 2015.

The Terms of Reference for the Audit Committee include a responsibility to provide assurance of the adequacy of the risk management framework and the associated control environment. The Corporate Risk Register is therefore brought to the Committee at six monthly intervals to enable the Committee to fulfil its role.

CURRENT POSITION

Corporate Risk Management Framework

The framework was updated during 2014 and presented to the Audit Committee in December 2014. The framework remains appropriate and does not require any update at this time. The framework is included at Appendix A for information.

The framework sets out the approach to risk management across the Council.

Risks are captured in two standard Risk Registers: -

- The Corporate Risk Register, which is included with this report, and is presented to the Committee twice a year.
- Departmental Risk Registers (embedded within departmental planning processes) which are managed within departments.

Corporate Risk Register

Since the Corporate Risk Register was reported to the Audit Committee on 25th June 2015, a number of changes have been identified regarding the Council's exposure to risk: -

New Risks Identified and Added to Register:

None

Risks Removed from Register:

Risk 1d Careline – Potential loss of ECC contract has been removed. A review of this risk identified that at the current time the inherent risk was below the threshold for inclusion in the Corporate Risk Register.

Risks Amended in Register:

Risk 2a Coastal Defence Scheme – Unforeseen Expenditure / Delivery – the major scheme has been completed and the risk has been amended to a generic Coastal Defence risk reflecting exposure to a failure of sea defences along the coastline that is under this Council's control.

Risk Score Amendments

Risk 1A – Failure to Effectively Manage Assets

Risk rating revised by Asset Manager to reflect current position following development of

centralised Assets team.

	Inherent Risk			Residual risk		
	Impact	Probability	Inherent Risk Rating	Impact	Probability	Residual Risk Rating
Previous	5	3	15	3	2	6
Revised	3	3	9	2	2	4

Risk 2a – Coastal Defence

Risk changed from relating to a major scheme to a generic Coastal Defence risk

Previous	5	2	10	1	1	1
Revised	5	1	5	1	1	1

Risk 4a – Loss of Key Staff

Risk 4b Lack of Capacity to Deliver Key Services

Residual risk ratings have been increased to reflect difficulties regarding retention and recruitment of staff

Previous	4	3	12	4	1	4
Revised	4	3	12	4	3	12

Risk 6a – Loss of Sensitive and / or Personal Data through Malicious Actions, Loss, Theft and / or Hacking

Residual risk rating amended to reflect emerging risks and changing external requirements.

Previous	4	5	20	4	2	8
Revised	4	5	20	5	2	10

Other Changes

There have been minor detail, owner and target date changes made as appropriate to keep the register up to date as circumstances change.

Details regarding each identified risk are set out in the Corporate Risk Register (Appendix B) .

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

Appendix A –Risk Management Framework

Appendix B – Corporate Risk Register