

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to the Audit and Accounts Committee

26th October 2018

TITLE:	Risk Management Update (overview of strategic, operational and project risks)
EXECUTIVE COUNCILLOR:	Cllr Sybil Ralphs – Leader
CONTACT OFFICER:	Information Business Partner
WARDS INVOLVED:	Non-specific

Appendices attached:

Appendix A: Strategic Risks (by exception)

Appendix B: Operational Risks (by exception)

1. Reason for the Report

- 1.1 The purpose of the report is to allow the robust scrutiny of the Council's Risk Management arrangements in accordance with generally accepted good practice.

2. Recommendations

- 2.1 That the committee notes the Council's current risk position and the mitigation plans summarised within Appendix A (strategic risks) and Appendix B (operational risks).

3. Executive Summary

- 3.1 The Council's Strategic, Operational and Project Risk Registers are reviewed by the Audit and Accounts Committee on an exception basis. This report is based upon the Council's position as at June 2018.
- 3.2 The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 12 strategic risks, of which 42% are rated as 'high' and therefore above the Council's risk tolerance threshold. The five 'high' rated risks are listed in full at Appendix A.
- 3.3 The Operational Risk Registers reveal that the Council has identified and

assessed 32 operational risks in total, of which 13% are rated as 'high' and therefore above the Council's risk tolerance thresholds. The four risks falling within the 'high' category are listed in full at Appendix B.

3.4 The project risk registers now cover six projects with the new addition of AES. The risk profile is bulleted below:

- 0% Critical
- 0% High
- 13% Medium – 3 risks
- 87% Low – 20 risks

4. How this report links to Corporate Priorities

4.1 Risk Management impacts on all service areas and therefore links to each of the Council's Corporate Plan aims.

5. Alternative Options

5.1 There are no options to consider.

ANDREW P STOKES
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Background Papers

Location

Contact details

Risk Registers – June 2018

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6. Detail

- 6.1 The Council ensures that it undertakes a deliberate and systematic identification of the key risks that might prevent, degrade, delay or enhance the achievement of its objectives and priorities. The Council's Risk Management Strategy sets out the process for undertaking this on an ongoing basis.
- 6.2 In addition to the identification of risks, managers also have to quantify them in terms of likelihood and potential impact. The risks are then recorded in the Council's Risk Registers. These have three aspects – strategic, operational and project risks.
- 6.3 Under the Risk Management Strategy, the Council's 'risk tolerance' threshold is set along the border between 'medium' and 'high' rated residual risks. The Strategy stipulates that mitigating actions should be identified for all risks that exceed this threshold.
- 6.4 The Council's Strategic, Operational and Project Risk Registers are reviewed on a quarterly basis and reported into the Corporate Risk Management Group and the Audit and Accounts Committee on an exception basis. The appendices provide details of all risks that have been rated as 'high' or above, and therefore beyond the Council's risk tolerance threshold.

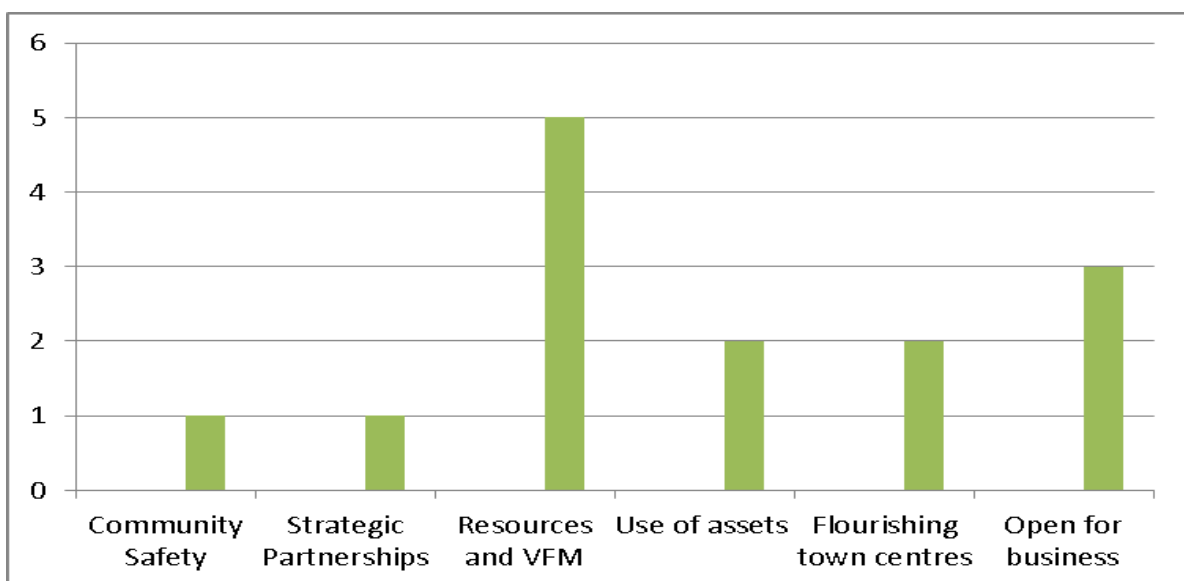
7. Strategic Risks

- 7.1 The June 2018 analysis of the Strategic Risk Register reveals that the Council has identified and assessed 12 Strategic Risks, of which 42% are rated as 'high' and therefore above the Council's risk tolerance threshold. There are also two opportunity risks within the register – New Homes Bonus and Business Rates Retention - from which the Council is aiming to maximise the financial opportunities they present for the area.
- 7.2 The Council's risk profile is displayed below and shows no change from the position reported previously.

Residual Risk Rating	Staffs Moorlands Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	2	3	5
Medium	-	5	5
Low	1	1	2
Total Risks			12

		Impact				
		1	2	3	4	5
Likelihood	5		Cornhill	London Mill		
	4					
	3				1. Medium Term Financial Plan	Asset Mngt: Investment and long term planning
	2					Safeguarding duty
	1					

8.3 The five high rated risks are mapped on the Risk Matrix above. Financial and regeneration project type risks still make up the vast majority of risks within the Strategic Risk Register.



7.3 During the autumn the Alliance will be making some changes to its strategic risk register following a voluntary desktop review of our approach by risk specialists from our Insurers. The review was very positive overall and concluded that the Alliance is 'very mature in its risk management' but also made some helpful recommendations. Details of the changes proposed will be reported to members through the February Risk Strategy Review.

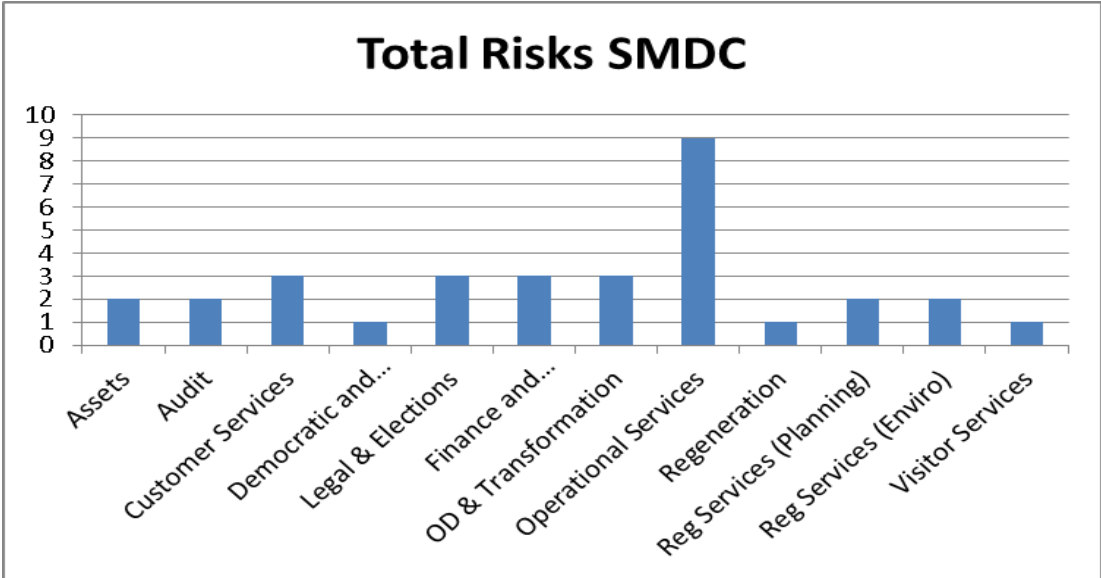
8. Operational Risks

8.1 The June 2018 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 32 Operational Risks in total, of which 13% are rated as 'high' and therefore above the Council's risk tolerance thresholds. Two new risks have been added to the Customer Services Operational Risk Register relating to the rollout of Universal Credit within Staffs Moorlands and the legislative changes under the new Homelessness Reduction Act.

8.2 The four risks falling within the 'high' category are listed in full at Appendix B. A full breakdown of the Council's operational risk profile is given below:

Residual Risk Rating	Staffs Moorlands Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	-	4	4
Medium	2	8	10
Low	-	18	18
		Total Risks	32

8.3 The greatest number of operational risks sits within the Operational Services area, which encompasses waste and recycling; street scene, leisure, horticulture and the DLO.



8.4 An analysis of the alignment of risk to our corporate objectives shows that most operational risks relate to the use of resources in order to achieve value for money.

9. Project Risks

9.1 Project risks are assessed at the Business Case stage of the project management methodology in order to inform decision-making. The alliance is still in the early days of our revised project management approach and to date has risk assessments for the following projects:

- Digital Portal
- Derbyshire Fraud Initiative
- Committee Management System
- Hybrid Mail
- Subject Access Requests
- AES Phased Implementation

9.2 There are currently no 'high' rated risks across the above projects. The risk profile across all projects is bulleted below:

- 0% Critical
- 0% High
- 13% Medium – 3 risks
- 87% Low – 20 risks