

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to the Audit and Accounts Committee

17th June 2022

TITLE:	Risk Management Update (overview of strategic, operational and project risks)
PORTFOLIO HOLDER:	Cllr Ross Ward – Communities
CONTACT OFFICER:	Information Business Partner
WARDS INVOLVED:	Non-specific

Appendices attached:

Appendix A: Strategic Risks (by exception)

Appendix B: Operational Risks (by exception)

Appendix C: Project Risks (by exception)

Appendix D: Opportunity Risks (all registers by exception)

1. Reason for the Report

- 1.1 The purpose of the report is to enable the Committee to seek assurance as to the adequacy of the Council's Risk Management arrangements in accordance with accepted good practice.

2. Recommendations

- 2.1 That the committee notes the Council's current risk position and the mitigation / fruition plans summarised within Appendix A (strategic risks), Appendix B (operational risks), Appendix C (project risks) and Appendix D (opportunity 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 March 2022.
- 3.2 The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 16 strategic risks, of which 50% are rated as 'high' and therefore above the Council's risk tolerance threshold. There have been

no significant changes to the strategic risk profile since last reported. The eight 'high' rated risks are listed in full at Appendix A.

3.3 The Operational Risk Registers reveal that the Council has identified and assessed 42 operational risks in total, of which 11 are rated as 'high' and therefore above the Council's risk tolerance thresholds. The details of all the significant changes can be found at paragraph 9. The risks falling within the 'high' category are listed in full at Appendix B.

3.4 The project risk registers now cover 15 projects, with additions and completions adjusting this figure accordingly. The project risk profile is bulleted below:

- 0% Critical
- 5% High – 4 risks
- 70% Medium – 59 risks
- 25% Low – 21 risks

4. Evaluation of Options

4.1 There are no options to consider

5. How this report links to Corporate Priorities

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

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None

6.2 Workforce
None

6.3 Equality and Diversity/Equality Impact Assessment
This report has been prepared in accordance with the Council's Diversity and Equality Policies

6.4 Financial Considerations
Effective Risk Management contributes to financial objectives

6.5 Legal
None

6.6 Sustainability
None

6.7 Internal and External Consultation

None

6.8 Risk Assessment

The Council's Risk Registers are a critical element in the Council's Risk Management Framework.

ANDREW P STOKES
Chief Executive

Background Papers

Location

Contact details

Risk Registers – March 2022

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7. Background and Introduction

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 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.

8. Strategic Risks

- 8.1 The March 2022 review of the Strategic Risk Register reveals that the Council has identified and assessed 16 Strategic Risks, of which 50% are rated as 'high' and therefore above the Council's risk tolerance threshold. There have been no significant changes to the Council's strategic risk profile.
- 8.2 The Council's risk profile is displayed below.

Residual Risk Rating	Staffs Moorlands Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	-	8	8
Medium	-	7	7
Low	-	1	1
Total Risks			16

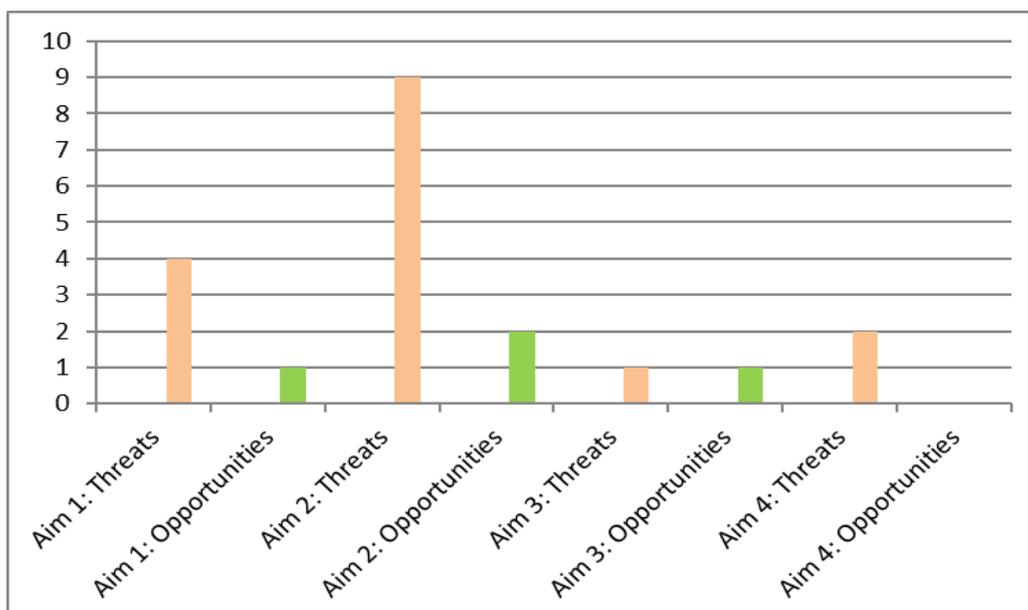
- 8.3 The eight high rated risks are mapped on Matrix 1 below and the three opportunity risks are shown on Matrix 2. The categories of risk now recorded on the strategic risk register cover a broader range of risk types than before. The graphic below illustrates the risk profile across both threats and opportunities and also across our Corporate Plan aims

Matrix 1: Risk Threats

		Impact				
		1	2	3	4	5
Likelihood	5					
	4				- MTFP - World Events	
	3				- IT Security - Employees - Env Regs	- Contract Mngt - Investment into assets
	2					- Safeguarding duty
	1					
	1					

Matrix 2: Risk Opportunities

		Impact				
		5	4	3	2	1
Likelihood	5					
	4			Effective contractor relations		
	3	Housing & Business Growth				
	2					
	1					
	1					



9. Operational Risks

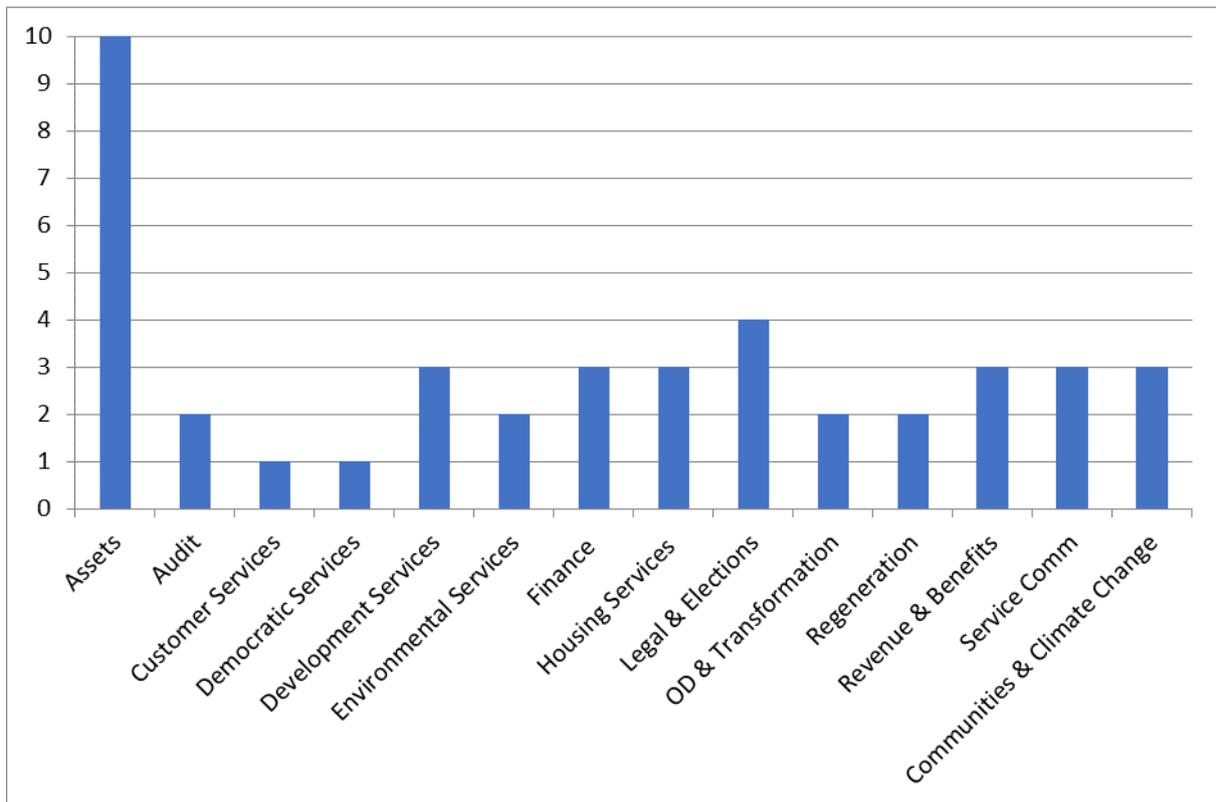
9.1 The March 2022 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 42 operational risks in total, of which 11 are rated as 'high' and therefore above the Council's risk tolerance threshold. There have been a number of changes made to the risk registers since the last report, the most significant of which are bulleted below:

- ❖ Development Services – escalation of the arboreal services risk to 'high' rated due to loss of staff member
- ❖ Assets – two new risks added around hyper-inflation energy costs (medium) and construction costs / resource availability (high).

9.2 The 11 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	-	11	11
Medium	1	15	16
Low	-	15	15
Total Risks			42

9.3 The greatest number of operational risks now sits within Assets. 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.



10. Project Risks

10.1 The alliance's project management methodology requires all projects to present an assessment of associated risks at Stage Two of the decision-making process for project approval.

10.2 Existing project risk registers are detailed below which show the addition of two new projects, Call Recording and Norse, since the last report:

- Committee Management System
- Leisure Consultancy
- Assets Database
- Collective
- Countryside Sites
- Cheadle Town Centre
- Brough Park
- Tunstall Road area
- Sports Villages
- Procurement Workflow
- Building Control Partnership
- Land Charges migration
- Developer Contributions
- NEW Call recording
- NEW Norse

10.3 The profile of project risk threats overall is bulleted below:

- 0% Critical
- 5% High – 4 risks

- 70% Medium – 59 risks
- 25% Low – 21 risks

10.4 In addition, a total of 34 opportunity risks have been identified across 11 of the above projects and all above tolerance positive risks are reported in Appendix D.