

## **HIGH PEAK BOROUGH COUNCIL**

### **Report to the Audit and Regulatory Committee**

**14th February 2018**

<b>TITLE:</b>	<b>Risk Management Update (overview of strategic, operational and project risks)</b>
<b>EXECUTIVE COUNCILLOR:</b>	<b>Cllr Emily Thrane – Executive Councillor for Finance &amp; Operational Services</b>
<b>CONTACT OFFICER:</b>	<b>Vanessa Higgins - Information Business Partner</b>
<b>WARDS INVOLVED:</b>	<b>Non-specific</b>

#### **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 Regulatory Committee on an exception basis. This report is based upon the Council's position as at December 2017.
- 3.2 The latest analysis of the Strategic Risk Register reveals that the Council has identified and assessed 14 strategic risks, of which 29% are rated as 'high' and therefore above the Council's risk tolerance threshold. The four 'high' rated risks are listed in full at Appendix A.
- 3.3 The Operational Risk Registers reveal that the Council has identified and assessed 33 operational risks in total, of which 18% are rated as 'high' and therefore above the Council's risk tolerance thresholds. The six risks falling

within the 'high' category are listed in full at Appendix B.

3.4 The new project risk registers (six to date) have risk profiles that are all within the Council's tolerance thresholds, with no 'high' rated risks:

- 0% Critical
- 0% High
- 18% Medium – 4 risks
- 82% Low – 18 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**  
**Executive Director (Transformation) & Chief Finance Officer**

Background Papers

Location

Contact details

Risk Registers – December 2017

Buxton Town Hall

Information Business Partner

[Vanessa.higgins@highpeak.gov.uk](mailto:Vanessa.higgins@highpeak.gov.uk)

Tel Ext 4057

## 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 Regulatory 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.

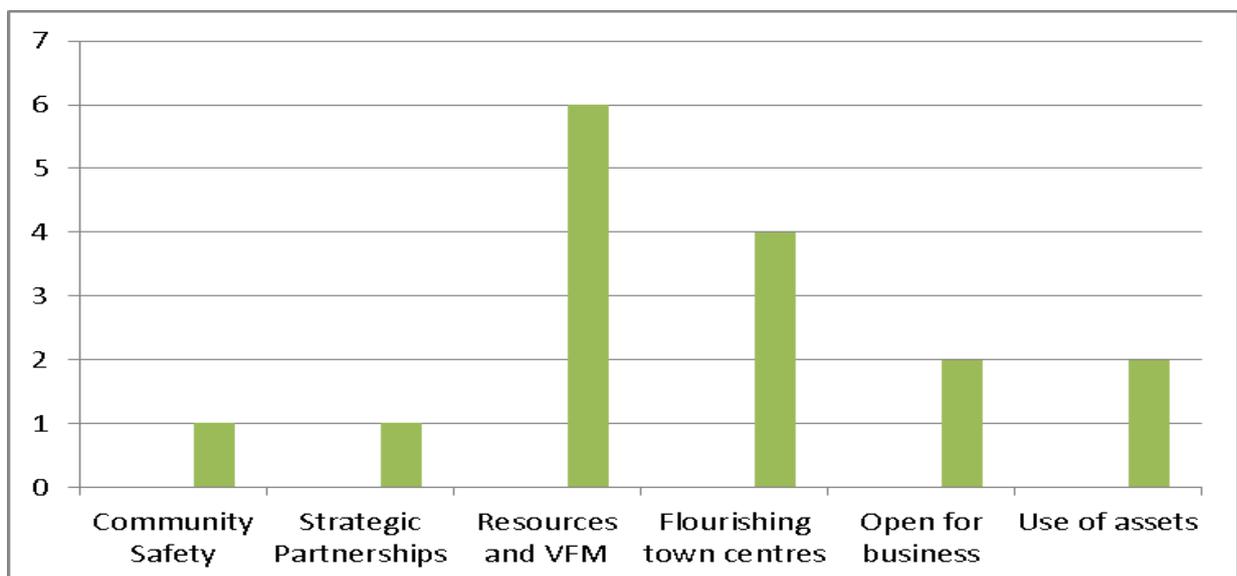
## 8. Strategic Risks

- 8.1 The December 2017 analysis of the Strategic Risk Register reveals that the Council has identified and assessed 14 Strategic Risks, of which 29% 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.
- 8.2 The Council's risk profile is displayed below and is unchanged from the last reported position in June 2017.

Residual Risk Rating	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	1	3	4
Medium	3	5	8
Low	1	1	2
<b>Total Risks</b>			<b>14</b>

		Impact				
		1	2	3	4	5
Likelihood	5					
	4				HRA Business Plan (financial / regulatory reform)	
	3				Medium Term Financial Plan	Investment into assets and long term planning
	2					Safeguarding duty (legal obligations)
	1					

8.2 The four 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.



**9. Operational Risks**

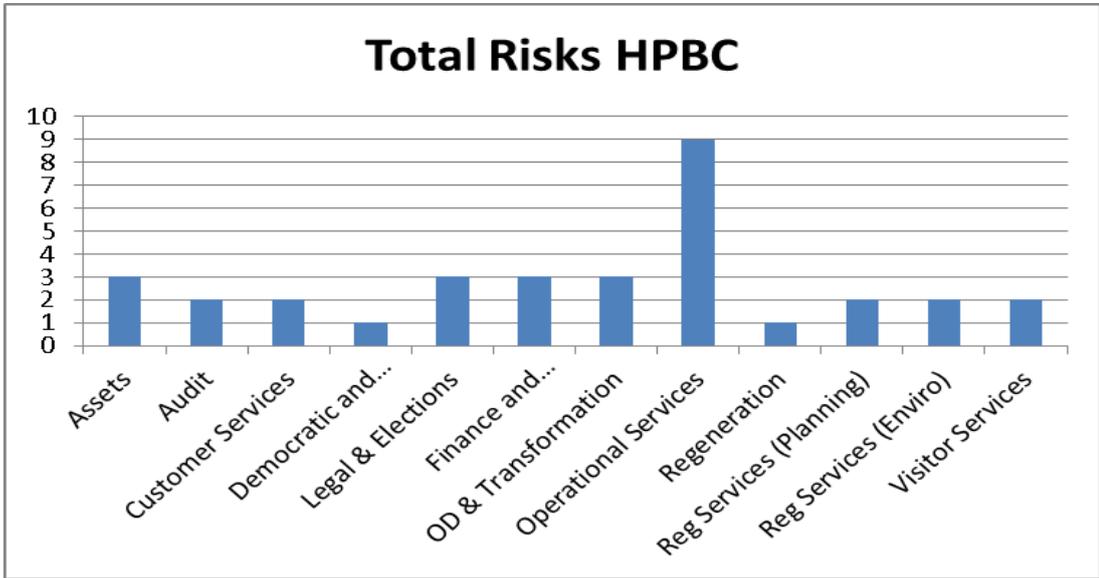
9.1 The December 2017 analysis of the Operational Risk Registers reveals that the Council has identified and assessed 33 Operational Risks in total, of which 18% are rated as 'high' and therefore above the Council's risk tolerance thresholds. This represents a net increase of two risks, due to the addition of three new risks within the Operational Services register arising from a recent audit of Cemeteries (bulleted below) and the removal of the low-rated risk around new ways of working from the OD & Transformation register.

- New Risk - an incident occurs at one of the Council's cemeteries or a closed churchyard under the control of the Council
- New Risk - a Council cemetery reaches capacity
- New Risk - burden of increasing number of closed cemeteries transferring to the Alliance for maintenance responsibilities
- Increased assessment – the Customer Services Carelink risk has been increased from 'low' to 'medium' due to an increase in the likelihood risk assessment. An internal audit will help inform future improvements to the service.

9.2 The six 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	High Peak Risks	Alliance Risks	Total Risks
Critical	-	-	-
High	1	5	6
Medium	2	8	10
Low	-	17	17
<b>Total Risks</b>			<b>33</b>

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



9.4 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.

## **10. Project Risks**

10.1 Projects committed through the Corporate Plan will be included in the strategic risk register and other start and finish projects are being picked up through the project risk registers. 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
- Accelerated Housing Delivery Programme
- Hybrid Mail
- Subject Access Requests (NEW)

10.2 The project risks identified so far are all below the Council's tolerance thresholds with no 'high' rated risks:

- 0% Critical
- 0% High
- 18% Medium – 4 risks
- 82% Low – 18 risks