

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE

**AGENDA
ITEM NO**

22 NOVEMBER 2016

9

Report Title	REVIEW OF THE RISK REGISTER
Purpose of Report	To present the Council's risk register to the Committee for approval.
Decision(s)	The Committee RESOLVES that the Risk Management process is fit for purpose, and the Risk Register as set at page 4 is representative of the key risks facing the Council.
Consultation and Feedback	None.
Financial Implications & Risk Assessment	<p>There are no financial implications arising from this report.</p> <p>It is important that all staff and members are fully aware of their responsibilities with regard to managing the risks faced by the council. Failure to properly identify, record and manage risk will prevent the Council from delivering efficient and effective services as set out in the Corporate Delivery Plan.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
Legal Implications	<p>No direct legal implications arise.</p> <p>Karen Trickey, Legal Services Manager and Monitoring Officer Tel 01453 754369 Email: karen.trickey@stroud.gov.uk</p>
Report Author	<p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
Options	None.
Performance Management Follow Up	The Audit and Standards Committee will receive regular reports on the risk management process and any policy updates.
Background Papers and Appendices	The Risk Register, at page 4, gives details of all the Councils risks currently scoring 8 and above. It is recommended that Members of the Committee look at Excelsis and review the higher scoring risks as the system contains more detailed information about the scope of the risk and the mitigating action being taken.

Background

2. Each Strategic Head reports to Corporate Team at least annually on all their service risks and cross cutting risks where they are the responsible officer. All risks scoring eight and above are reviewed at every risk management meeting. Corporate Team consider the completeness of the register to ensure it reflects all the risks associated with the delivery of the Council's objectives as identified in the Corporate Delivery Plan.
3. This Committee's role is to provide independent scrutiny of the adequacy of the risk management framework. It is responsible for:
 - scrutinising the effectiveness of the overall policy and compliance by officers; and
 - reviewing the Council's approach to risk management and recommending changes or improvements to processes.
4. The Leader of the Council is the member Risk Champion for the Council, as recommended by Audit and Standards Committee, and approved by Strategy and Resources Committee.

Review of the Risk Register

5. The Council operates a 4 x 4 matrix for scoring risk as described in the Risk Management Policy and shown in the diagram below. The Council's risk appetite is the level at which we are prepared to accept that adequate controls are in place. Using the diagram below, risks scoring of 8 or more are deemed to be the level at which Corporate Team will more regularly review and monitor. Every effort must be taken to reduce the risk to more acceptable levels. These risks and any mitigating actions must be reviewed regularly.

Diagram 1 – Risk Scoring Matrix

	4	8	12	16
IMPACT	3	6	9	12
	2	4	6	8
	1	2	3	4
				LIKELIHOOD

6. A recent review of the risk management process undertaken by the Audit Risk Assurance Shared Service using ISO31000 – Risk Management – Principles and Guidelines has identified that 91% compliance with the standards. The ISO 31000 consists of thirteen key areas (comprising of 59 questions) which are categorised between risk management responsibilities and key systems and processes.
7. This review has recommended to the Audit and Standards Committee a Risk Management Action Plan that by implementing will continue to provide assurance that risk management operated effectively within the Council.
8. The Risk Register, at page 4, gives details of all the Councils risks currently scoring 8 and above. It is recommended that Members of the Committee look at Excelsis and review the higher scoring risks as the system contains more detailed information about the scope of the risk and the mitigating action being taken.

Conclusion

9. The Audit & Standards Committee is asked to agree the current risk management process is fit for purpose.
10. The Committee agrees the Risk Register as set out at page 4 is representative of the key risks facing the Council.

Corporate Risk Register – 8 November 2016

Code	Severity	Probability	Risk Score	Risk Description	Lead Officer
Cross Cutting Risks					
COMS10	very high	very high	16	If the Council does not regularly review it's business continuity/disaster recovery plans to ensure they are fit for purpose, the delivery of frontline and back office services will be disrupted in the event of an incident	Stuart Spain
CCR48	very high	very high	16	If the Council fails to identify and deliver significant budget & efficiency savings or increase income levels over the medium term then GF balances will be depleted and the Council will have to make cuts to service	David Stanley
ICT17	very high	very high	16	If we do not invest in IT plan published on the Hub, then the Council runs the risk of not meeting obligations for residents	Stuart Spain
ICT18	very high	very high	16	The Council is under threat from Cyber attack. If the Council does not have a BCP plan in place then a Cyber attack would cause severe issues.	Stuart Spain
CCR83	very high	high	12	If the financial pressures from issues such as stock condition survey data and income related to the collection of rents in conjunction with planned and responsive works delivery are not properly addressed the likelihood facing the HRA is that this will lead to a significant reduction in service provision and potential staff cuts.	Kevin Topping
CCR84	very high	high	12	If staff in Finance are not suitably trained to understand the complexities of the HRA, there is a risk that errors will be made	Kevin Topping
CCR47	very high	high	12	If the Council does not produce and implement an Information Management Policy it could potentially result in a breach of data protection or PSN compliance.	Stuart Spain
CCR80	very high	high	12	If the pay points are not reviewed, the introduction of the National Living Wage will have an impact on our pay differentials which may lead to issues of Equal Pay.	Ros White
CCR50	very high	high	12	If we do not review and develop the Workforce Plan then the continuing pressure on our finances will affect service delivery.	Allison Richards
CCR77	high	high	9	IF the Council agrees to enter into a Devolution deal and approves the establishment of a Combined Authority THEN there will be a significant change in the council's finances.	David Stanley
CCR69	high	high	9	If we cannot recruit specialist professional staff with the necessary knowledge, skills and experience then there may be an impact on service delivery.	Ros White
CCR82	high	high	9	If Housing Committee do not approve the action plan, there is a risk that services will not be delivered due to substantial lack of budget resource	Kevin Topping
CCR88	high	high	9	If we do not invest in staff training and development then staff may become disengaged and will not have the requisite knowledge and skills to deliver the council's services.	Ros White
CCR86	very high	medium	8	If The Sport & Health Development Service were to cease (currently operating on minimum capacity)	Jane Bullows

Corporate Risk Register – 8 November 2016

Code	Severity	Probability	Risk Score	Risk Description	Lead Officer
FIN11	very high	medium	8	If major contracts are not procured properly then the Council may face legal challenges that will slow down projects and incur costs	Sarah Turner
CCR78	very high	medium	8	IF the Council is unable to effectively run the Payroll Service in-house from April 2016 THEN staff and members will not be paid correctly.	Graham Bailey
Chief Executive					
CEX13	very high	high	12	CANAL - If SDC does not secure all matched funding for the project it will not be able to draw down all available HLF grant	Dave Marshall
CEX14	very high	high	12	If the specific skills required to deliver the project cannot be retained until the end of the scheme then we risk losing momentum, credibility and potentially, grant income.	Dave Marshall
CEX9	very high	high	12	If the remaining contracts produce unforeseen or underestimated difficulties, then the Project will exceed its available budget.	Dave Marshall
CEX10	very high	high	12	If the Stroud Valleys Canal Company has insufficient capacity to deliver their Business Plan then this will result in a poorly managed and maintained canal	Dave Marshall
CEX7	very high	medium	8	If we do not adhere to Health and Safety processes on the Canal Project then our staff, volunteers and contractors may be at risk due to working in a fundamentally dangerous environment. However, there are significant health and safety aspects of the scheme that are beyond our direct control. The canal is owned by SVCC and much work on it is performed by Cotswold Canals Trust volunteers. We can advise in these areas only.	Dave Marshall
Corporate Services					
HR1	high	high	9	If we cannot identify an effective date for transfer of all payroll related tasks to Finance, then there will be an adverse effect on workloads and stress levels in the HR team	Ros White
CPRX6	high	high	9	If the staff within the elections team are not fully trained and competent due to inexperience it is likely that mistakes will be made	Allison Richards
Customer Services					
PBS23	very high	high	12	If there is a significant imbalance in the recycling materials collected, then the budget for sorting the materials may increase beyond the current budget	Carlos Novoth
PBS5	high	high	9	If completion of the new depot is delayed, the council could face additional short term costs	Carlos Novoth
PBS24	very high	medium	8	If the new waste services are not implemented successfully, the service could incur additional costs and cause confusion amongst residents	Carlos Novoth
Finance and Business Services					
ICT10	high	very high	12	If individual IT officers supporting key applications leave then support for major applications within some services will be at risk	Stuart Spain

Corporate Risk Register – 8 November 2016

Code	Severity	Probability	Risk Score	Risk Description	Lead Officer
ICT7	high	very high	12	If suitably qualified IT Officers cannot be recruited to support the organisations needs then frontline service delivery may be affected	Stuart Spain
ICT1	very high	high	12	IF network not fit for purpose THEN business efficiency and effectiveness may be impaired, and decision making compromised	Stuart Spain
ICT16	high	high	9	If systems fail out of office hours then there is currently no ICT support available which affect service delivery particularly at external sites	Stuart Spain
ICT3	high	high	9	If the IT Strategy is not defined then resources may not be expended in line with the Council's objectives	Stuart Spain
ICT8	high	high	9	If Members are not signed up to the Council's Information Security Policy the Council's data security could be compromised	Stuart Spain
FIN14	very high	medium	8	If the Gloucestershire Pension Fund deficit cannot be addressed over the medium term then employer contributions will need to increase significantly above provision made in the MTFP	Graham Bailey
Tenant Services					
TNS62	very high	very high	16	If we fail to develop an effective response to the threats to our income and HRA presented by the RTB levy, rent reduction and pay to stay, then the income damage will be significant.	Tim Power
TNS11	very high	high	12	If the councils contractors are unable to resource the contract effectively customers could be provided a sub standard service.	Hannah Mawson
ASM13	very high	high	12	Sheltered Project - If residents experience high levels of anxiety and stress, the relationship between them and the council will be damaged and there would be less engagement from stakeholders ultimately slowing the decant process. If residents are not re housed within the timescales planned, the programme will be delayed.	Dave Milner
ASM12	high	very high	12	Sheltered Project - If internal and external pressures on the HRA increase from the current position the viability of the sheltered modernisation project will be negatively affected.	Dave Milner
ASM9	high	high	9	If Right to Buys increase due to Govt policy changes (e.g. pay to stay) there will be a loss of rental income to the HRA	Alison Fisk
ASM14	high	high	9	Sheltered Project - If the assumptions made in financial appraisals are dramatically different from those that are realised as the project moves forward, the proposed outcomes of the project will be subject to change.	Dave Milner
ASM16	high	high	9	Sheltered Project - Council tax payments on closing red sheltered scheme voids result in less investment available to improve green and amber schemes.	Dave Milner
TNS63	high	high	9	If staff are not suitably supported by colleagues and management due to financial and service delivery constraints including recruitment of key posts, there may be an increase in sickness absence and lowered morale as well as quality staff leaving the organisation	Kevin Topping