

<b>Report to:</b>	Audit and Corporate Governance Committee
<b>Lead Cabinet Member:</b>	Cllr John Williams
<b>Lead Officer:</b>	Anne Ainsworth

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## Six-Monthly Strategic Risk Report

### Executive Summary

1. This report provides details of the council's current strategic risks, in the form of the Strategic Risk Register.

### Key Decision

2. This is not a key decision.

### Recommendations

3. It is recommended that Audit and Corporate Governance Committee:
  - a) Review the current Strategic Risk Register at **Appendix A** and make any comments and suggestions as appropriate for future reporting on Risk.

### Reasons for Recommendations

4. To ensure that the approach to managing, reporting and mitigation of strategic risks is appropriate across the Council.

### Details

#### Risk Reporting Developments

5. Since September 2022 Leadership Team has overseen a review of our organisational approach to risk management. This has included:
  - A comprehensive review of the corporate risk register; facilitated by Risk Leads who have been established in each service.
  - Adoption of a simplified approach to the logging and reporting of risk as an interim solution, while other systems are reviewed.

- Transfer of the corporate home of risk management from the Finance team, to Policy and Performance (in the Transformation team, sitting alongside the performance reporting function).
  - Ensuring adequate resources to support ongoing risk management.
  - Review of strategic risks facing the organisation.
6. Following this change in approach, strategic risks were reported to Audit and Corporate Governance Committee in December 2022, where committee requested updates on strategic risks bi-annually.
7. Since December 2022 the following additional work has been undertaken in relation to risk management at SCDC:
- Risk leads have worked with service managers to undertake further risk updates.
  - Service risk summary have been presented to Corporate Management Team (CMT)
  - Proposed strategic risks have been collated from CMT and reported alongside existing strategic risks to Leadership Team for review
8. We continue to make progress in embedding a culture of timely, appropriate review of risks and going forward CMT and Leadership Team will review risks quarterly at a minimum, with bi-annual updates for Audit and Corporate Governance Committee set to continue.

### **Risk Scoring and Categorisation Approach**

9. In line with the council's Risk Strategy, the risks detailed at **Appendix A** have been scored using the following approach.

An impact score has been assigned using the following categorisation:

<b>Score</b>	<b>Impact</b>
5	Critical
4	Significant disruption and/or damage
3	Noticeable effect
2	Some limited disruption
1	Virtually no impact

A likelihood score has been assigned using the following categorisation:

<b>Score</b>	<b>Likelihood</b>
5	Dead cert
4	Probable
3	Strong possibility
2	Some possibility
1	Little chance

These two scores have been multiplied to obtain a total score. For example:

Impact score 3 x Likelihood score 3 = Total risk score 9.

10. For each risk on the risk log, this approach has been undertaken to obtain both an 'Inherent Risk' score (the score prior to control measures being taken), and a 'Residual Risk' score (the score that is anticipated once control measures have been completed).

11. The risks at **Appendix A** are displayed in order of residual risk score, from high to low. In addition, a colour-coding system has been used to provide a visual indication of Inherent and Residual risk scores, as detailed below:

- Red is any strategic risk with a rating of 16-25 high risk
- Amber is any strategic risk with a rating of 12-15 significant risk
- Yellow is any strategic risk with a rating of 5-10 medium risk
- Green is any strategic risk with a rating of 1-4 low risk

## **Implications**

12. In the writing of this report, taking into account financial, legal, staffing, risk, equality and diversity, climate change, and any other key issues, the following implications have been considered:-

### **Financial**

13. There are no resource implications associated with the approach to risk management outlined within this report. Some of the risks reported on will have financial implications if risks are not mitigated as outlined or if external factors change. Timely review and appropriately planned mitigations will ensure these are identified as early as possible.

## **Alignment with Council Priority Areas**

14. The management of risks affects all areas of the Council's business and inherently aims to support achievement of all priorities.

## **Background Papers**

None

## **Appendices**

Appendix A: Strategic Risk Register

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