

South Lakeland District Council
Audit Committee
Wednesday, 5 December 2018
Risk Management Update

Portfolio:	Councillor Giles Archibald - Leader of the Council
Report from:	Simon McVey - Assistant Director Performance and Innovation
Report Author:	John Davies - Performance and Risk Officer
Wards:	(All Wards);
Forward Plan:	Not applicable

1.0 Expected Outcome

It is expected that Audit Committee will be updated with the Strategic Risk Register

2.0 Recommendation

2.1 It is recommended that Audit Committee note the Strategic Risk Register in appendix 1 of this report

3.0 Background and Proposals

- 3.1 Risk Management is a vital organisational control and is a key part of the Council's governance arrangements.
- 3.2 The Strategic Risk Register contains all those risks above and below the line of risk tolerance.
- 3.3 All risks above the line of tolerance have mitigations listed. These mitigations are designed to reduce the risks in terms of likelihood or impact or both.
- 3.4 The aim of mitigations is to reduce a risk from the current position on the risk matrix to the target position.
- 3.5 A risk should reach its target position by the target date. For a risk to be managed on schedule the mitigations must be implemented by their due dates. Not completing mitigations on time places a risk in exception.
- 3.6 Risks are highlighted with exception status as part of quarterly performance reporting arrangements. A risk is only removed from the register (archived) if there is no longer any risk. Please see the Risk Register at appendix 1.
- 3.7 Audit Committee of 23 April 2015, Item AUD/55 required sight of the full register to satisfy the committee that strategic risks are being managed.
- 3.8 Over 73% of the Strategic Risks are now positioned below risk tolerance – this demonstrates the effective mitigation and regular review of the risks.
- 3.9 Audit Committee of 25 July 2018 suggested that the Strategic Risk 'Medium Term Financial Plan' may have a higher impact than indicated on the risk matrix - due to future uncertainty over Government spending reviews. Officers then undertook a

review of the risk and it was decided that the matrix position for likelihood and impact is appropriate.

Since Audit Committee of 25 July 2018 one new Strategic Risk has been added. This new risk is 'Business Continuity: Flu Pandemic - Loss of people, skills and supply chain disruption'. Flu Pandemic is listed in the National Risk Register and the Cumbria Community Risk Register.

The report 'Customer Connect Programme', which also includes information on Customer Connect risks, can be seen as a separate item on Audit Committee agenda.

4.0 Consultation

4.1 The Strategic Risk Register is reviewed by Senior Management Team each quarter as part of quarterly performance monitoring and reporting arrangements and the review informs this report.

5.0 Alternative Options

5.1 No alternative options – the Audit Committee requires that risk management arrangements are effective.

6.0 Links to Council Priorities

6.1 Risk management arrangements underpin the achievement of all priorities.

7.0 Implications

Financial, Resources and Procurement

7.1 There are no financial or resource implications in updating Audit Committee on recent risk activity. However, many of the risks identified relate to financial issues and are considered as part of the Council's Medium Term Financial Plan, budget preparation and monitoring process.

Human Resources

7.2 There are no human resource implications in updating Audit Committee on risk activity.

Legal

7.3 There are no legal implications in updating Audit Committee on recent risk activity.

Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

7.5 If you have not completed an Impact Assessment, please explain your reasons: Risk management arrangements underpin Health, Social, Economic and Environmental objectives. Therefore there is no requirement to carry out a Health, Social, Economic and Environmental Assessment.

7.6 Summary of health, social, economic and environmental impacts: None

Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? No

7.8 If you have not completed an Impact Assessment, please explain your reasons: Risk management underpins equality and diversity objectives and therefore there is no requirement to carry out an Equality Impact Assessment.

7.9 Summary of equality and diversity impacts: None

Risk

Risk	Consequence	Controls required
That actions to mitigate the strategic risks are not met	The risks are not reduced or increase and impact on the Council's delivery against budgets/services	Risk mitigations are monitored as part of quarterly performance monitoring arrangements and appropriate action taken to reduce risks.
That risks are not captured or kept under review	Risks are not up to date or monitored leading to impact on service delivery	Risks are reviewed each quarter by Senior Management Team as part of quarterly performance reporting arrangements.

Contact Officers

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Appendices Attached to this Report

Appendix No.	Name of Appendix
1	Strategic Risks Register Quarter 2 2018

Background Documents Available

Name of Background document	Where it is available
Previous Audit Committee Risk Management Update reports	Previous Audit Committee reports on SLDC Website
Previous Cabinet Council Plan Performance Monitoring reports with Strategic Risks Register	Previous Cabinet reports on SLDC Website

Tracking Information

Signed off by	Date sent
Legal Services	29/10/2018
Section 151 Officer	29/10/2018
Monitoring Officer	29/10/2018
SMT	08/11/2018

Circulated to	Date sent
Assistant Director	29/10/2018
Human Resources Manager	29/10/2018
Communications Team	29/10/2018
Leader	08/11/2018
Committee Chairman	08/11/2018
Portfolio Holder	08/11/2018
Ward Councillor(s)	N/A
Committee	05/12/2018
Executive (Cabinet)	N/A

Circulated to	Date sent
Council	N/A