

South Lakeland District Council
Audit Committee
Tuesday, 9 April 2019
Risk Management - Operational Risks

Portfolio:	Cllr Giles Archibald - Leader of the Council
Report from:	Dan Hudson – Strategy Lead Specialist
Report Author:	John Davies – Performance and Risk Officer
Wards:	Not applicable
Forward Plan:	Not applicable

1.0 Expected Outcome

- 1.1 Members are aware of the operational risks which are positioned above the line of risk tolerance.

2.0 Recommendation

2.1 It is recommended that Audit Committee:-

- (1) **note the operational risks which are positioned above the line of tolerance as listed in appendix 1 of this report and the mitigations to manage them, and;**
- (2) **note the reviewed Strategic Risk No 5 'Impact of the Welfare Reform on Communities' as listed in appendix 2 of this report.**

3.0 Background and Proposals

- 3.1 Following an internal audit recommendation the Performance and Risk Officer reports the operational risks that are above tolerance to Audit Committee on an annual basis to ensure that Members are aware of the operational risks which have been identified and are being managed. Service Planning includes reviewing operational risks for the start of each financial year and the reporting fits in with this schedule.
- 3.2 The Strategic Risk Register is also reported to Audit Committee every 6 months. The Strategic Risk Register is currently reviewed by Senior Management Team prior to being reported each quarter as part of quarterly performance monitoring and reporting arrangements.
- 3.3 This report asks the Audit Committee to note the operational risks which are positioned above the line of tolerance as listed in Appendix 1 to the report and the mitigations to manage them.
- 3.4 Audit Committee requested a review of Strategic Risk 5 'Impact of the welfare Reform on Communities' - to be reported to April 2019 meeting. The completed review can be seen at Appendix 2. The Council has mitigations to reduce poverty and alleviate against universal credit impacts and these are now listed.

4.0 Consultation

4.1 The Performance and Risk Officer collates operational risks following risk reviews with managers at operational level. The risks which are above tolerance are listed in appendix 1.

5.0 Alternative Options

5.1 No alternative options – Audit Committee must have sight of operational risks to ensure that they are aware and that they are being managed.

6.0 Links to Council Priorities

6.1 Risk Management directly underpins all Council Plan priorities.

7.0 Implications

Financial, Resources and Procurement

7.1 There are no financial implications associated with reporting operational risks.

Human Resources

7.2 There are no staffing implications associated with reporting operational risks.

Legal

7.3 There are no legal implications associated with reporting operational risks.

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: There are no Health, Social, Economic or Environmental implications associated with reporting operational risks.

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: There are no Equality and Diversity implications associated with reporting operational risks.

7.9 Summary of equality and diversity impacts: None

Risk

Risk	Consequence	Controls required
There is a risk that Members are not aware of the Council's 'above tolerance' Operational Risks	Members are not able to ensure that risks are managed effectively. Risks impact on services.	Operational Risks are reviewed by managers at operational level and those risks which are above tolerance are reported to Audit Committee by the Performance and Risk Officer.

Contact Officers

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Appendices Attached to this Report

(delete if no appendices attached)

Appendix No.	Name of Appendix
1	Operational Risks
2	Strategic Risk No 5 'Impact of the Welfare Reform on Communities'

Background Documents Available

Name of Background document	Where it is available
Risk Management Process. Performance Management Framework.	Both documents can be viewed on SLDC Website
Audit Committee updates.	Previous Audit Committee updates can be viewed on SLDC Website

Tracking Information

Signed off by	Date sent
Legal Services	14/03/19
Section 151 Officer	14/03/19
Monitoring Officer	14/03/19
SMT	28/03/19

Circulated to	Date sent
Assistant Director	14/03/19
Human Resources Manager	14/03/19
Communications Team	14/03/19
Leader	28/03/19
Committee Chairman	NA
Portfolio Holder	28/03/19
Ward Councillor(s)	N/A
Committee	09/04/19
Executive (Cabinet)	N/A
Council	N/A