



<u>Committee and Date</u>	<u>Item</u>	<u>Paper</u>
Audit Committee – 18 <sup>th</sup> February 2016		

## STRATEGIC RISK REPORT 2016

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### 1. Summary

- 1.1 This report sets out the current strategic risk exposure of the Council and details recent movements within the register following the latest review.

### 2. Recommendations

- 2.1 Members are asked to accept the position as set out in the report.

## REPORT

### 3. Strategic Risk Exposure

- 3.1 The management of strategic risk is a key process which underpins the successful achievement of our priorities and outcomes. As the Council evolves risk management must also develop to ensure that the management of risk remains robust and is a tool which offers real benefits to the Council as a whole.

- 3.2 In accordance with previous years, the recent review of strategic risks in January 2016 has linked all strategic risks to the appropriate Annual Governance Statement Action Plan point.

- 3.3 The strategic risk review is achieved through face to face meetings with the risk owners, key officers, Directors, Chief Executive and Portfolio Holder. These meetings take place over a one week period resulting in an up to date and timely report detailing current risk exposures, changes that have occurred, reasons for changes to exposure and the identification of emerging risks.

- 3.4 Following the January review there are now 12 strategic risks as opposed to 16 previously. The reduction in the number of risks has risen due to the amalgamation of several risks:-

- The Commissioning Council risk is an amalgamation of a previous commissioning risk and a separate alternative service delivery vehicle risk.
- The Governance risk is an amalgamation of a previous governance risk and a separate fraud and corruption risk.

The current strategic risks together with the direction of travel are listed overleaf:-

Risk (AGS Action Plan Point)	Risk Owner	L	I	Status	Direction of Travel
ICT <b>AGS 1</b>	Clive Wright	4	5	20	=
Staffing <b>AGS 4</b>	Michele Leith	4	5	20	=
Work Related Stress <b>AGS 4</b>	Michele Leith	5	4	20	=
Sustainable Budget – 2017/2018 and beyond <b>AGS 2</b>	James Walton	3	5	15	=
Reputation <b>ALL</b>	Clive Wright	5	4	20	↑
Contract Management <b>AGS 5</b>	George Candler	5	4	20	↑
Governance <b>AGS 3 &amp; 5</b>	Clive Wright	4	4	16	=
Strategic Vision <b>AGS 3</b>	Clive Wright	4	4	16	=
Failure to safeguard vulnerable children. <b>AGS 7</b>	Karen Bradshaw	4	4	16	↑
Commissioning Council <b>AGS 5</b>	George Candler	4	4	16	=
Failure to safeguard vulnerable adults. <b>AGS 7</b>	Andy Begley	3	4	12	=
Future Funding Levels – 2017/18 and beyond <b>AGS 2</b>	James Walton	3	4	12	↑

- 3.5 As can be seen from the direction of travel, four of the risks have increased.
- Reputation –The risk has been increased from medium to high.
  - Contract Management – The risk has been increased from medium to high
  - Failure to Safeguard vulnerable children – This was previously a medium risk, the change has resulted from an increase in the likelihood score but the overall risk has remained medium.
  - Future Funding Levels – This was previously a low risk but has been increased to a medium risk.
- 3.6 Two risks have been deleted as they were considered no longer relevant as strategic risks. These related to the University project (which has its own project risk register) and the transition programme.

- 3.7 During the December 2015 review a new strategic risk was added – Work Related Stress. This was identified through HR monitoring and also during the operational risk review.
- 3.8 Consideration is also given to the risks associated with the Council’s key projects. Each project has its own risk register and this is managed by either a member of the risk team on major projects, or a member of the project team. An overview of these risk registers by the Risk Management Team allows identification of any risks which are occurring across several projects and should be identified as a strategic risk.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Annual Governance Statement  
Opportunity Risk Management Strategy

**Cabinet Member**

Michael Wood, Portfolio Holder Resources & Support

**Local Member**

N/A

**Appendices**

N/A