



<u>Committee and Date</u>	<u>Item</u>	<u>Paper</u>
Audit Committee – 30th November 2017		

STRATEGIC RISK REPORT NOVEMBER 2017

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1. Summary

- 1.1 This report sets out the current strategic risk exposure following completion of the October review.

2. Recommendations

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

REPORT

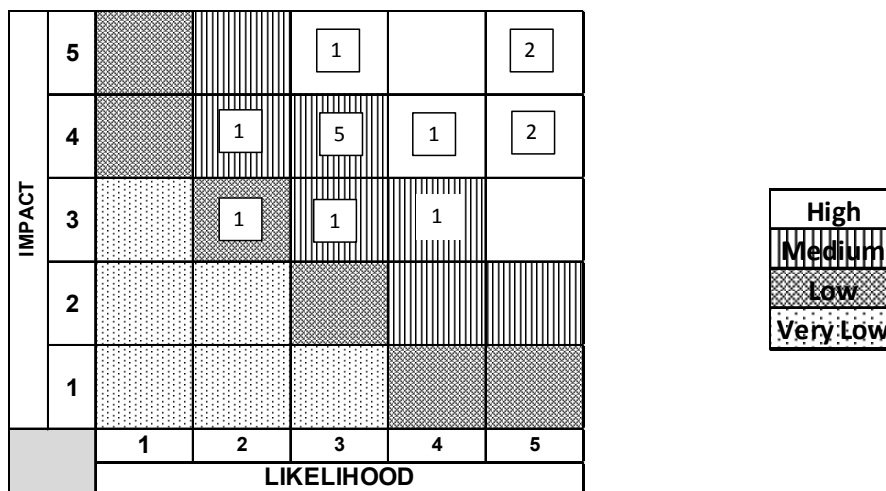
3. Current Strategic Risk Exposure

- 3.1 The management of strategic risk is a key process which underpins the successful achievement of our priorities and outcomes. Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.
- 3.2 Our strategic risks are reviewed on a quarterly basis ensuring that the level of risk exposure is monitored regularly in our rapidly changing environment.
- 3.3 The review was achieved through scheduled meetings with key officers, Directors, Chief Executive and Portfolio Holder. The outcome of each review is then reported to Directors and Informal Cabinet.
- 3.4 The Risk Profile & Action Plans for managing our strategic risks are completed and fully embedded. These detail the direction of travel for each strategic risk over the year and clearly articulate the current controls in place and the additional controls required to mitigate and manage our strategic risk exposure effectively. Any slippage on outstanding actions is also identified and challenged.
- 3.5 The Risk Profile & Action Plan also includes target scores for each strategic risk to be achieved by the end of the current financial year.
- 3.6 As at the October 2017 review there were 15 strategic risks on the strategic risk register and these are each managed by specific Directors. These are detailed as follows:-

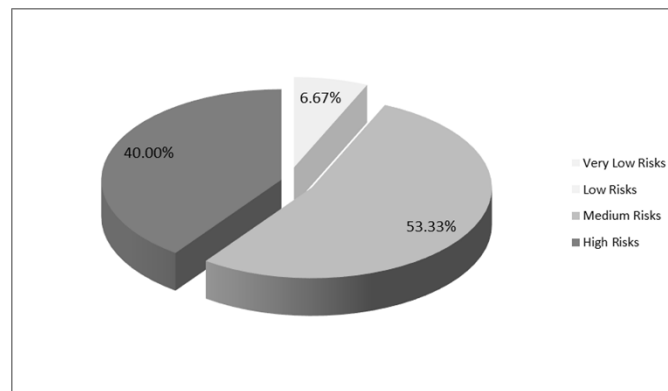
Risk	Risk Owner	L	I	Status
Sustainable Budget	James Walton	5	5	25
Staffing	Michele Leith	5	4	20
Work Related Stress	Michele Leith	5	4	20
Future Funding Levels	James Walton	5	5	25
Failure to Safeguard Vulnerable Adults	Andy Begley	4	4	16
Digital Transformation Programme	Michele Leith	3	5	15
Contract Management	George Candler	3	4	12
Failure to Safeguard Vulnerable Children	Karen Bradshaw	3	4	12
Delivery of Key Corporate Strategies	George Candler	3	4	12
Governance	Claire Porter	3	4	12
Health & Social Care	Andy Begley	3	4	12
ICT Provision	Michele Leith	3	3	9
Strategic Vision and Strategy	Clive Wright	2	4	8
Reputation	Michele Leith	2	3	6
Impact of Brexit	Clive Wright	4	3	12

High Risks
Medium Risks
Low Risks

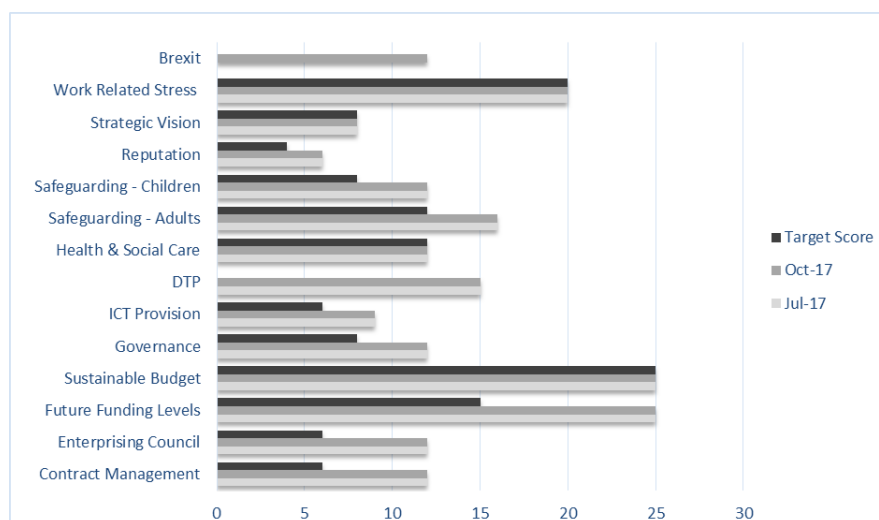
- 3.7 The review saw no changes to any of the risk scores with the exception of the Impact of Brexit risk which has been given a score during its development.
- 3.8 Our current risk exposure, when plotted on our matrix is demonstrated as follows:-



3.9 Our overall current risk exposure following the latest review is demonstrated as follows:-



3.10 As mentioned above the risk profile and action plans detail the target scores that have been allocated to the strategic risks to be achieved by the end of the financial year these are detailed as follows:



4. Assurance

4.1 We continue to undertake an assurance mapping process linked to our strategic risks which incorporates the three lines of defence:-

Defence	Type of Assurance	Provided by/ Obtained through
First Line	Management	Provided by Heads of Service/ key managers
Second Line	Internal Governance	Provided by:- <ul style="list-style-type: none"> • Performance (scrutiny, customer experience) • Legal (monitoring officer reports, committee reports, legal advice) • Finance (MTFP, Revenue & Capital, Treasury Mgt) • Risk (operational, project, programme)
Third Line	External	Obtained through:-

	Assurance	<ul style="list-style-type: none"> • Quality Assurance & 3rd Parties (e.g. Ofsted, CQC) • External Audit • Peer Reviews
Third Line	Internal Audit	Provided by Internal Audit

4.2 Each area provides an independent opinion as to the level of assurance they can give based on their knowledge and involvement, the assurances being as follows:

- Unsatisfactory
- Limited
- Reasonable
- Good

The strategic risk owner then gives their overall assurance opinion and this can be challenged by Directors and Informal Cabinet where appropriate.

5. Monitoring

5.1 As explained to the Audit Committee within a recent training session, behind all of the strategic risks are Risk Profiles and Action plans which elaborate in greater detail the risk and the current controls and outstanding actions which are in place and are monitored. Audit Committee can at any time elect to have a more detailed examination of any of the strategic risks and can invite the risk owner to a committee meeting to discuss their risk.

5.2 A key part of the risk management process is to be aware of the ever changing arena in which we work and to identify any new or emergency risks. A new emerging risk was identified within Safeguarding children and this relates to the financial capacity for the service to meet the needs and demands of delivering the service and looking after vulnerable children.

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

David Minnery, Portfolio Holder Resources & Support

Local Member

N/A

Appendices