



<u>Committee and Date</u>	<u>Item</u>	<u>Paper</u>
Audit Committee – 25 th February 2020		

STRATEGIC RISK REPORT FEBRUARY 2019

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1. Summary

- 1.1 This report sets out the current strategic risk exposure following the December 2019 quarterly 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 and the Chief Executive. 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 The previous review in September saw several changes to the strategic risk profile with three low strategic risks being removed – Contract Management, Governance and ICT Provision. It was agreed by Directors that these areas of risk should now be embedded in the operational service areas and managed accordingly. The existing risk; Failure to Safeguard adults with care and support needs including adhering to legislation in relation to DoLs, was separated into two separate risks and a new risk profile was developed to

manage adhering to legislation in relation to DoLs. It also saw the introduction of two new risks – Ability to Fund Children’s Services and the Ability to Fund Adult Services – both of these were scored a high risk. Audit Committee members have since had the opportunity to discuss these two new risks with the Directors of each at a training session in November 2019.

3.6 As at the December 2019 review there were 17 strategic risks on the strategic risk register and these are each managed by specific Directors. This is an increase of one strategic risk relating to the effects of Climate Change. These are detailed as follows:

Risk	Risk Owner	L	I	Status
Ability to fund Adult Social Services	Andy Begley	5	5	25
Ability to fund Children’s Services	Karen Bradshaw	5	5	25
Staffing	Michele Leith	5	4	20
Work Related Stress	Michele Leith	5	4	20
Sustainable Budget	James Walton	4	5	20
Commercial Strategy	Mark Barrow	4	5	20
Future Funding Levels	James Walton	4	5	20
Digital Transformation Programme	Michele Leith	4	4	16
Economic Impact of Brexit	Clive Wright	4	4	16
The effects of Climate Change	Mark Barrow	4	4	16
Failure to Safeguard Vulnerable Children	Karen Bradshaw	3	4	12
Economic Growth Strategy	Mark Barrow	3	4	12
Reputation	Michele Leith	3	4	12
Strategic Vision and Strategy	Clive Wright	2	4	8
Health & Social Care	Andy Begley	4	2	8
Failure to Safeguard Adults with care and support needs	Andy Begley	2	3	6
Failure to adhere to legislation in relation to DOLs	Andy Begley	2	3	6

High Risks
Medium Risks
Low Risks

3.7 **The Effects of Climate Change** - The review has seen one new risk being added – the announcement that Shropshire Council has declared a Climate Change Crisis has led to a strategic risk being created. The risk has currently been scored as Likelihood 4 x Impact 4 giving it a High score of 16. Adrian Cooper has been appointed the lead officer on climate change and we have been liaising with him for completion of the risk profile.

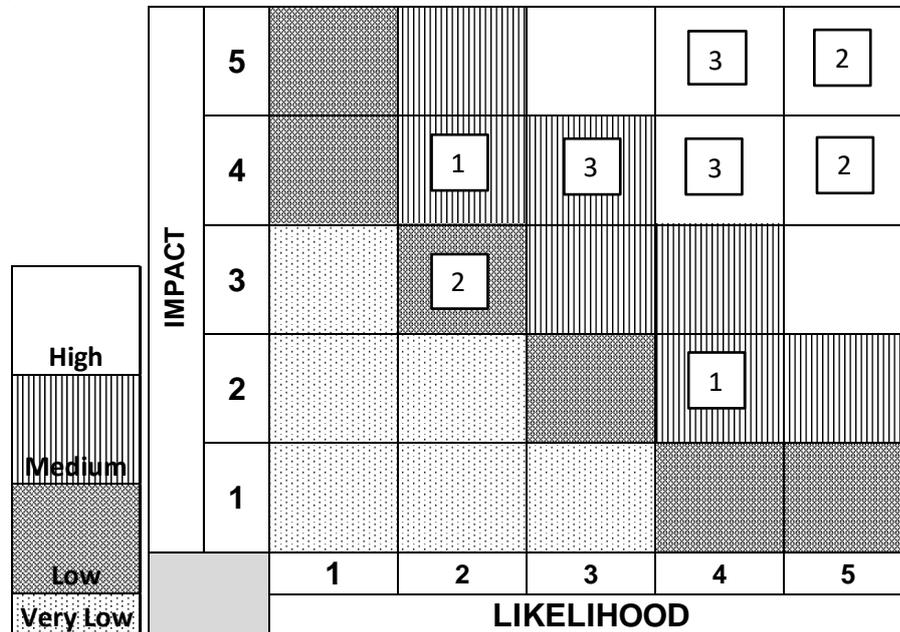
3.7.1 **Economic Growth Strategy** – At the time of the review in December the effects of Brexit on the economy were unknown and this was acknowledged in the Economic Growth Strategy strategic risk with the score increasing from a low risk to a medium risk with a likelihood score of 3 and an impact score of 4.

3.7.2 **Reputation** - The reputation risk score was reduced from a high risk to a medium risk – likelihood 3, impact 4, recognising that there were no major

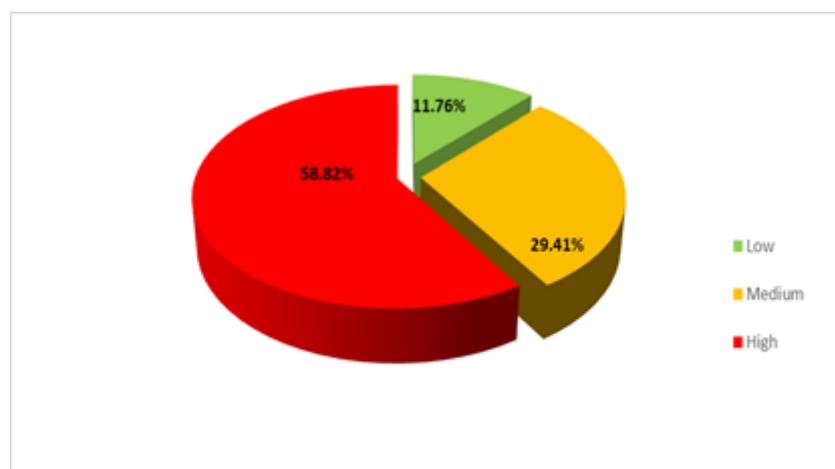
issues at the time of the review. However, with an emergency having been announced within Highways concerning the number of pot holes, this risk has since been increased.

3.7.3 **Safeguarding Children** – The risk score was reduced this review from a high risk to a medium risk – likelihood 3 x impact 4, acknowledging the work that has been done to recruit social workers and the positive effects this is having.

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 below. This shows that the strategic risk exposure above our tolerance level (i.e. high and medium risks) is currently just over 88% a slight increase from the previous review.



3.10 The next review is due in March 2019 and we have already seen some mid-review changes to the risk scores regarding Reputation risk (as detailed

earlier in the report) and the no deal Brexit risk will be re-worked now that we have left the EU with a deal.

4. Assurance

4.1 Each Director continues to give assurances around the risk and how this is being managed.

4.2 During the March review we will also discuss whether the target scores set by Directors at the beginning of 2019 have been achieved.

5. Monitoring

5.1 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.

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
