

SURREY COUNTY COUNCIL**CABINET****DATE: 25 NOVEMBER 2014****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: JULIE FISHER, STRATEGIC DIRECTOR FOR BUSINESS SERVICES****SUBJECT: LEADERSHIP RISK REGISTER****SUMMARY OF ISSUE:**

This report presents the quarterly Leadership Risk Register as at 31 October 2014. The Audit and Governance Committee reviews the Leadership Risk Register, on a monthly basis, at their meetings.

RECOMMENDATIONS:

It is recommended that the Cabinet notes the amendments to the layout and content of the Leadership risk register (Annex 1) and endorses the control actions put in place by the Statutory Responsibilities Network (SRN).

REASON FOR RECOMMENDATIONS:

To enable the Cabinet to keep the Council's strategic risks under review and to ensure that appropriate action is being taken to mitigate risks in the most effective way.

DETAILS:

1. The Leadership risk register (Annex 1) is owned by the Chief Executive and shows the Council's key strategic risks. The register is reviewed by the Strategic Risk Forum (chaired by the Director of Finance) and then by the Statutory Responsibilities Network (SRN) on a monthly basis. The SRN comprises of the statutory officers for Social Care, Education, Fire, Public Health, Health & Safety (Head of Human Resources), the Chief Internal Auditor, the Directors for Legal and Democratic services, and Finance) and is chaired by Chief Executive.
2. The role of the Cabinet is to assure itself that the relevant risks are being recognised on the risk register and that appropriate actions are being taken to mitigate the risks.
3. Since the last meeting there have been a number of changes. The SRN has amended the layout of the register to enhance clarity and reviewed each of the strategic risks.
4. The changes to the layout are:
 - Added a note to emphasise that the risk register covers a rolling 12 month period.

- Added a column for “processes in place” to demonstrate how risks are being mitigated
 - Defined the controls column to highlight decisions needed to manage the inherent risk
 - Refined the risk owners to focus on officer responsibilities (in view of Members having overall oversight)
 - Re-ordered the register to show the most significant risks first.
5. The review of the strategic risks led by the SRN have focused on ensuring that the risk is clearly described, the right processes and controls are in place to mitigate the risk and that the level of confidence in those controls is reflected in the residual risk column.
 6. All of the existing strategic risks have been reviewed comprehensively with changes to titles, descriptions, risk levels, processes and controls.
 7. Since April, two additional strategic risks covering on the Comprehensive Spending Review 2015 and Reputation have been added. IT Risk (L4) has been removed.
 8. As the SRN has comprehensively reviewed all of the existing and additional risks, the register has been renumbered to emphasise the potential and significant risk
 9. Despite each risk being reviewed and processes put in place to mitigate the risk 50% of the risks remain at the initial assessment: The table below shows that there were 11 inherent risks assessed as being ‘High’. Following mitigating actions, five have remained as a high risk.

		Residual ratings			Inherent
		High	Medium	Low	Total
Inherent ratings	High	5	6		11
	Medium		1		1
	Low				0
Residual	Total	5	7		12

10. There have been some changes to the risk register since the beginning of the financial year. The table below highlights the reference and risk rating change. As stated all of the current risks descriptions and mitigating actions have been reviewed and amended.

Risk	April	October
Medium Term Financial Plan	L1 Risk ratings (Inherent High, Residual High)	L1 Risk ratings unchanged
Central Government policy development	L15 - Welfare Reform Risk ratings (Inherent High, Residual High)	L2 Risk ratings unchanged
Waste	L7 Risk ratings (Inherent High, Residual High)	L3 Risk ratings unchanged
Integration of health & social care	L16 - Partnership working Risk ratings (Inherent High, Residual High)	L4 Risk ratings unchanged
Comprehensive Spending Review 2015		New L5 Risk ratings (Inherent High, Residual High)
Safeguarding	L5 Risk ratings (Inherent High, Residual Medium)	L6 Risk ratings unchanged
Future funding	L14 Risk ratings (Inherent High, Residual High)	L7 Risk ratings unchanged
Reputation		New L8 Risk ratings (Inherent High, Residual Medium)
Staff resilience to change and demand pressures	L2 Risk ratings (Inherent High, Residual Medium)	L9 Risk ratings unchanged
Business Continuity, Emergency Planning	L3 Risk ratings (Inherent High, Residual Medium)	L10 Risk ratings unchanged
Information governance	L11 Risk ratings (Inherent High, Residual High)	L11 Risk ratings reviewed (Inherent Medium, Residual Medium)
Supply chain / contractor resilience	L17 Risk ratings (Inherent High, Residual Medium)	L12 Risk ratings reviewed (Inherent High, Unchanged)
IT risk	L4 Risk ratings (Inherent High, Residual High)	Risk removed from the register

11. These risks will continue to be reviewed on a monthly basis and reported to the Cabinet quarterly.

CONSULTATION:

12. The risk register is reviewed by the Strategic Risk Forum (chaired by the Director of Finance) and then by the Statutory Responsibility Network on a monthly basis. The Audit and Governance Committee also review the risk register at each of their meetings.

RISK MANAGEMENT AND IMPLICATIONS:

13. Effective management of risks and financial controls helps to monitor costs and enable value for money.

Financial and Value for Money Implications

14. There are no direct financial implications relating to the Leadership risk register.

Section 151 Officer Commentary

15. The Section 151 Officer is chair of the Council's Strategic Risk Forum and is therefore well sighted of current and emerging risks. This also ensures the link with budget setting and monitoring.

Legal Implications – Monitoring Officer

16. There are no direct legal implications relating to the Leadership risk register.

Equalities and Diversity

17. There are no direct equalities implications but any actions taken need to be consistent with the council's policies and procedures.

WHAT HAPPENS NEXT:

18. To note that the Leadership risk register will be presented to the Cabinet each quarter.

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Consulted:

Strategic Risk Forum, Statutory Responsibility Network, Chief Executive, Audit and Governance Committee, Cabinet

Annexes:

Annex 1 – Leadership risk register.
