

SURREY COUNTY COUNCIL**CABINET****DATE: 24 FEBRUARY 2015****REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES****LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE****SUBJECT: LEADERSHIP RISK REGISTER****SUMMARY OF ISSUE:**

The Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 31 January 2015.

RECOMMENDATIONS:

It is recommended that the Cabinet note the content of the Leadership risk register (Annex 1) and endorse the control actions put in place by the Statutory Responsibilities Network.

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 to a tolerable level 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 Forum¹ (chaired by the Director of Finance) and the Statutory Responsibilities Network² on a monthly basis.
2. The role of the Cabinet is to assure itself that the council's key risks are identified on the risk register and that appropriate actions are being taken to effectively mitigate the risks to a tolerable level.
3. Since it was last presented to the Cabinet in November 2014, the Leadership risk register has been reviewed by the Audit and Governance Committee, the Strategic Risk Forum, the Statutory Responsibilities Network and the Directors reporting to the Chief Executive.

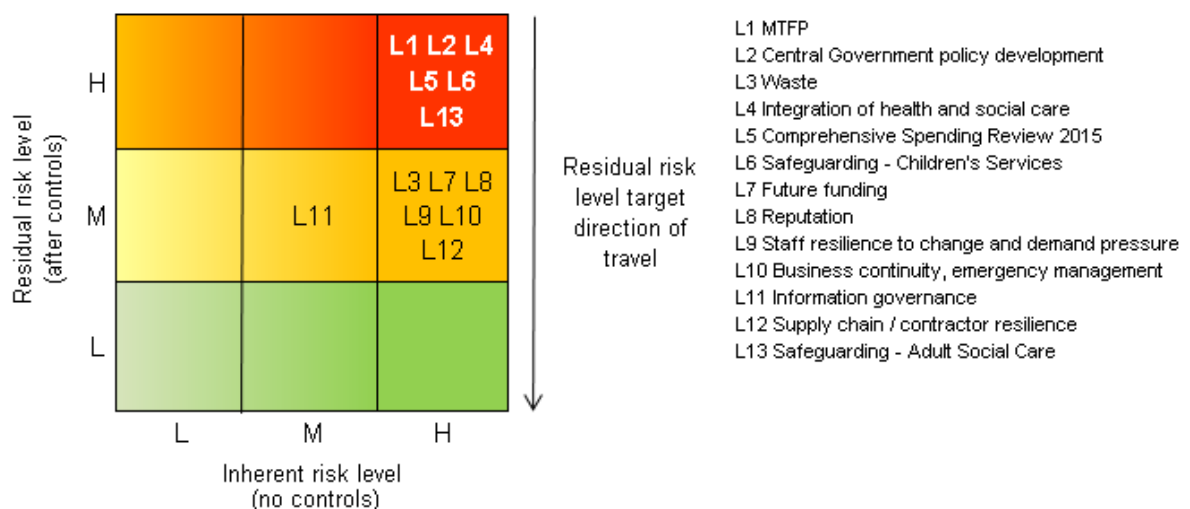
¹ Strategic Risk Forum membership – Director of Finance (Chair), strategic risk leads, Chief Internal Auditor, Head of Emergency Management, Risk and Governance Manager.

² Statutory Responsibilities Network membership – Chief Executive (Chair), statutory officers for Social Care, Education, Fire, Public Health, Director of Finance, Director of Legal and Democratic Services, Chief Internal Auditor, Head of Human Resources.

4. The reviews have resulted in a number of changes to the risk register:
 - The residual risk level for the Waste risk (L3) has been reduced to medium;
 - The Safeguarding risk has been split into Safeguarding – Children’s Services (L6) and Safeguarding – Adult Social Care (L13). The residual risk levels have been increased to high;
 - Wording changes have been made to the ‘processes in place’ and ‘controls’ for risks L1, L2, L3, L4, L5, L6, L9 and L12;
 - Risk owners have been reviewed and updated (see paragraph 7 below).

Residual risk level

5. The Leadership risk register includes both the inherent and residual risk levels for each risk. Inherent risk is the level of risk before any control activities are applied. The residual risk level takes into account the controls that are already in place, detailed on the risk register as both ‘processes in place’ and ‘controls.’
6. There are 13 risks on the Leadership risk register, of which 12 have a high inherent risk level, as illustrated in the table below. Despite mitigating actions, seven of these risks have a medium residual risk level (L3,L7,L8,L9,L10,L11, L12) and six have a high residual risk level (L1,L2,L4,L5,L6,L13): showing the significant level of risk that the Council is facing despite the processes and controls being put in place to manage the risks.



Risk Owners

7. To ensure clarity of control, a single lead risk owner is now identified against each risk on the Leadership risk register and they have the lead responsibility for driving the mitigating actions and ensuring the risk is regularly reviewed and updated as appropriate. Specific mitigating actions are delegated by the risk owner to relevant officers who are then responsible for the implementation of those actions and providing updates to the risk owner.

CONSULTATION:

8. The Leadership risk register has been reviewed by a number of officer groups as detailed in paragraph 3. The Audit and Governance Committee reviewed the Leadership risk register on 16 February 2015.

RISK MANAGEMENT AND IMPLICATIONS:

9. Effective management of risks and financial controls supports the council to meet its objectives and enable value for money.

Financial and Value for Money Implications

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

Section 151 Officer Commentary

11. The Section 151 Officer is well sighted of current and emerging risks through being chair of the Strategic Risk Forum, a member of the Statutory Responsibilities Network and a direct report to the Chief Executive Officer. Her attendance at key strategic meetings provides further insight and ensures an integrated risk approach.

Legal Implications – Monitoring Officer

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

Equalities and Diversity

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

WHAT HAPPENS NEXT:

14. The Leadership risk register will be presented to the Cabinet on a quarterly basis.

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Consulted:

Strategic Risk Forum, Statutory Responsibilities Network, Chief Executive and direct reports, Audit and Governance Committee, Cabinet

Annexes:

Annex 1 – Leadership risk register

Sources/background papers:

None

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