

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 23 FEBRUARY 2016**

**REPORT OF: MS DENISE LE GAL, CABINET MEMBER FOR BUSINESS SERVICES AND RESIDENT EXPERIENCE**

**LEAD OFFICER: SHEILA LITTLE, DIRECTOR OF FINANCE**

**SUBJECT: LEADERSHIP RISK REGISTER**



#### **SUMMARY OF ISSUE:**

The Surrey County Council Leadership risk register is presented to Cabinet each quarter and this report presents the Leadership risk register as at 31 January 2016.

#### **RECOMMENDATIONS:**

It is recommended that the Cabinet note the content of the Surrey County Council 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 Surrey County 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:**

##### **Strategic risk arrangements**

1. The Director of Finance provides strong leadership on the council's risk management arrangements, which enables effective strategic risk conversations with senior officers and members. Monthly risk updates are provided by the Director of Finance to the Statutory Responsibilities Network and on an ad hoc basis to the Chief Executive's Direct Reports. The risk updates are focused on the Leadership risk register and emerging risks, but also includes the risk management strategy and plan, and the findings from the internal audit of risk management.
2. The Strategic Risk Forum, chaired by the Director of Finance, continues to challenge and scrutinise strategic risk through reviewing risk registers and emerging risks and proposing changes to the Leadership risk register to the Statutory Responsibilities Network.

## Leadership risk register

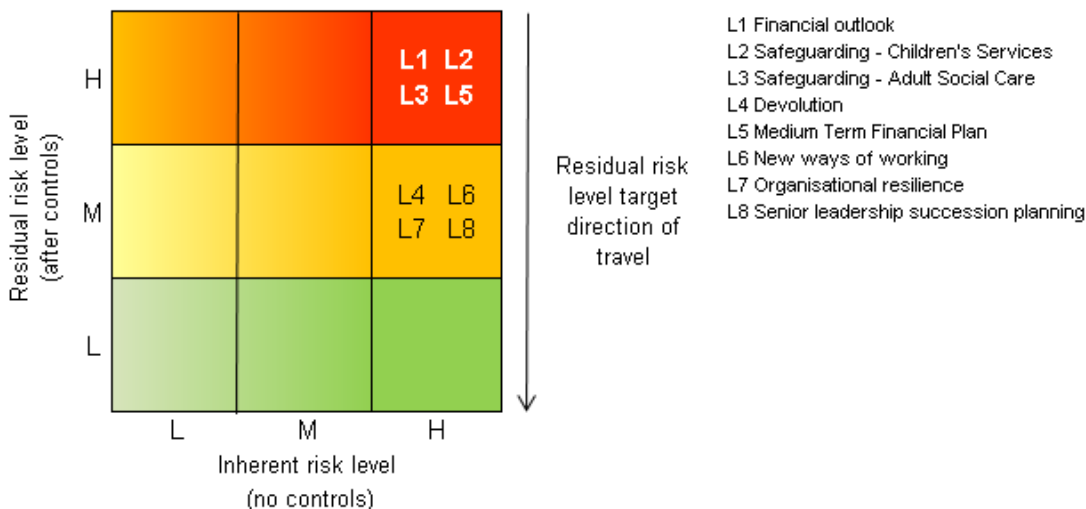
3. The Surrey County Council Leadership risk register (Annex 1) is owned by the Chief Executive and captures Surrey County Council's key strategic risks. The risk register focuses specifically on the strategic risks that have the potential to significantly disrupt or destroy the organisation.
4. The role of the Cabinet is to assure itself that Surrey County Council's strategic risks are captured on the risk register and that appropriate actions are being taken to effectively mitigate the risks to a tolerable level.

## Refresh of the Leadership risk register

5. The risk register has been extensively reviewed and refreshed by the Statutory Responsibilities Network during December 2015 and January 2016 and now has eight risks, split into two sections:
  - Strategic risks (L1 to L4) – risks that have the potential to significantly disrupt or destroy the organisation; and
  - Cross-cutting risks (L5 to L8) – high level risks that can be mitigated more effectively through cross working.
6. A number of risks have been removed from the risk register due to:
  - Amalgamation with other risks;
  - The risk becoming reality (e.g. Comprehensive Spending Review); or
  - Reviewing and monitoring of the risk taking place at a directorate level.
7. The detailed changes are shown in Annex 2.
8. The directorate risk registers continue to be regularly reviewed and updated and are discussed at each Strategic Risk Forum. Emerging strategic risks and, if appropriate, escalation of residually high level directorate risks, are taken to the Statutory Responsibilities Network for discussion and possible inclusion on the Leadership risk register.

## Residual risk level

9. The Surrey County Council 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.'
10. There are now eight risks on the Surrey County Council Leadership risk register, all of which have a high inherent risk level, as illustrated in the table below. Despite mitigating actions, four of these risks continue to have a high residual risk level (L1,L2,L3,L5) and four continue to have a medium residual risk level (L4,L6,L7,L8): showing the significant level of risk that the council is facing despite the processes and controls being put in place to manage the risks.



**CONSULTATION:**

11. The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups as detailed in paragraphs 1 and 2.

**RISK MANAGEMENT AND IMPLICATIONS:**

12. 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**

13. There are no direct financial implications relating to the Surrey County Council Leadership risk register.

**Section 151 Officer Commentary**

14. 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**

15. There are no direct legal implications relating to the Surrey County Council Leadership risk register.

**Equalities and Diversity**

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

**WHAT HAPPENS NEXT:**

17. The Surrey County Council Leadership risk register will be presented to the Cabinet on a quarterly basis.

**Contact Officer:**

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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  
Annex 2 – Leadership risk register changes

**Sources/background papers:**

None

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