



Council Overview Board
13 April 2016

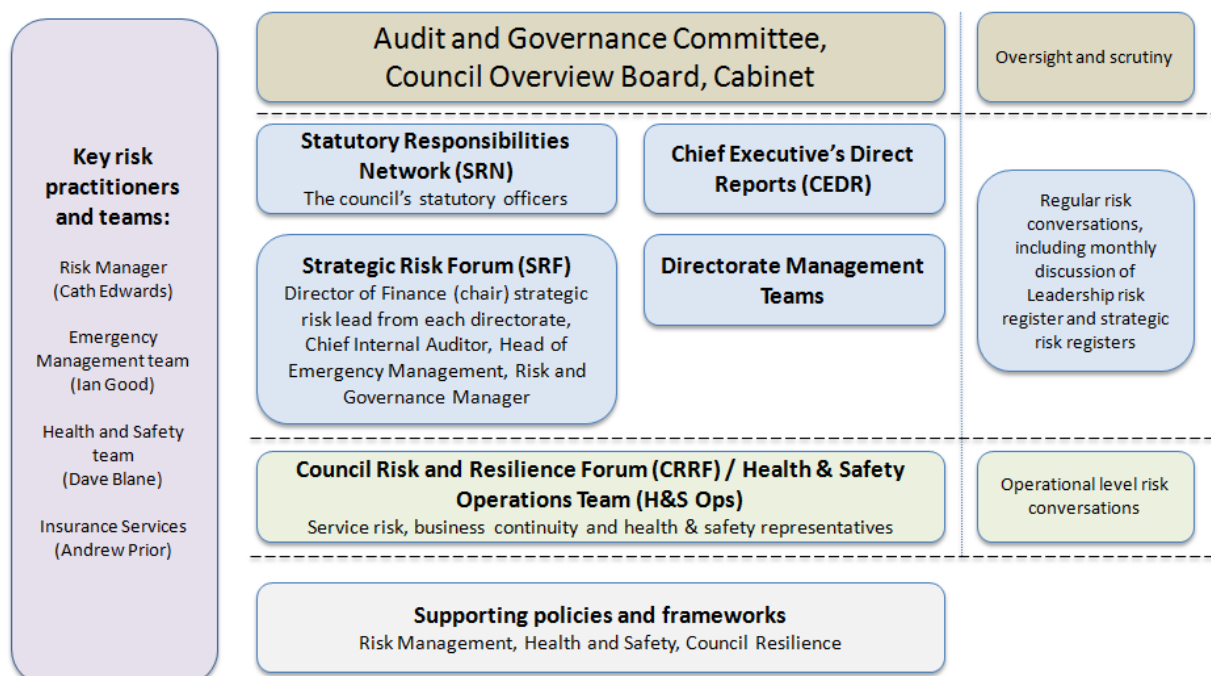
Leadership risk register

Purpose of the report:

This report provides member with an overview of the council’s risk management arrangements and presents the Leadership risk register as at 29 February 2016.

Risk governance arrangements

1. The Director of Finance is the council’s strategic lead for risk management and provides monthly risk updates to the Statutory Responsibilities Network (SRN) and on an ad hoc basis to the Chief Executive’s Direct Reports. The risk updates include proposed changes to the Leadership risk register, emerging risks and other updates such as the risk management strategy.
2. The Strategic Risk Forum (SRF), chaired by the Director of Finance, meets bi-monthly and leads on developing the council’s risk culture and reviews strategic risks through challenge and moderation. Membership consists of strategic risk leads, Risk and Governance Manager, Chief Internal Auditor and Head of Emergency Management.
3. The council’s risk governance arrangements are shown below:



4. The council has three levels of risk register:
 - Leadership risk register – owned by the Chief Executive, each risk is assessed by high, medium, low for both inherent and residual risk levels using strategic risk assessment criteria.
 - Strategic risk registers – each directorate has a risk register owned by the Strategic Director, each risk is assessed by high, medium, low for both inherent and residual risk levels using strategic risk assessment criteria.
 - Operational risk registers – each service has a risk register, owned by the Head of Service, each risk is assessed by impact (financial, service and reputation) and likelihood to create a total risk score shown as red, amber or green.
5. All the risk registers are available to view on the council's intranet.
6. Clear and transparent reporting enables informed decision-making and that actions drive improvement. The table below provides an overview of the monitoring and reporting of risk across the council:

	Service risk register	Directorate risk register	Leadership risk register
Risk co-ordinator	Service risk representative	Strategic risk lead	Risk and Governance Manager
Frequency of risk register review	Monthly where necessary but at least quarterly	Monthly	Monthly
Monitoring, assurance and accountability	Head of Service / Director 1-2-1 Service management team CRRF meetings	Director / Chief Executive 1-2-1 Directorate management team SRF meetings	SRN Leadership Team SRF meetings Director / Chief Executive 1-2-1
	Cabinet / Audit and Governance Committee / Scrutiny Boards Internal Audit Risk and Governance Manager		
Escalation of risk	Cross-directorate Cross-council High impact Significant project or programme	➔	Cross-council Corporate Strategy High residual risk level
			➔

7. Risk owners and co-ordinators are responsible for ensuring that risks are escalated as appropriate through the risk governance arrangements outlined above. Some risks may be more appropriately managed at a service or directorate level and therefore may not necessarily require escalation to the next level of risk register.

Risk management strategy and plan

8. The risk management strategy clearly sets out the council's risk management approach on one page, in alignment with the Corporate Strategy. The risk management strategy is supplemented by the risk management plan, which outlines the risk governance arrangements, specific roles and responsibilities and the key risk actions for the year.

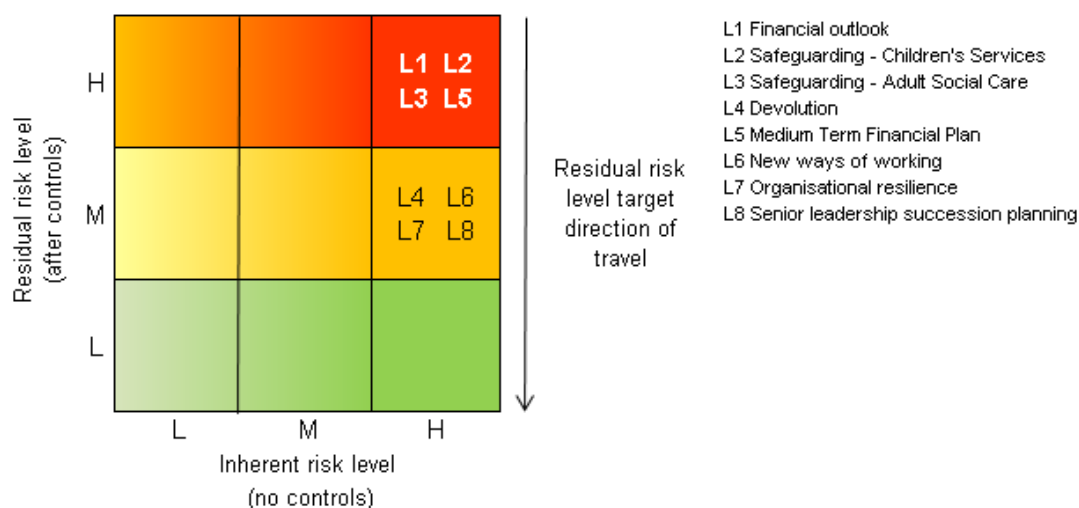
9. The Audit and Governance Committee receive 6-monthly updates reports and annual training on the council's risk management arrangements. They also annually approve the risk management strategy at the committee meeting in May. The 2015-20 risk management strategy and plan is attached at Annex 1.

Leadership risk register

10. The Leadership risk register (Annex 2) is owned by the Chief Executive and captures the council's key strategic risks. The risk register focuses specifically on the strategic risks facing the council as it strives to fulfil its purpose to ensure Surrey residents remain healthy, safe and confident about their future.
11. The risk register has recently been extensively reviewed by SRN and 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.
12. The leadership risk register is presented to the Audit and Governance Committee at each meeting and to the Cabinet on a quarterly basis.
13. The directorate risk registers continue to be regularly reviewed and updated and are discussed at each SRF. Emerging strategic risks and, if appropriate, escalation of residually high level directorate risks, are taken to SRN for discussion and possible inclusion on the leadership risk register.

Residual risk level

14. 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.'
15. All eight risks on the Leadership risk register 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.



Recommendations

To note the report.

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