

**SURREY COUNTY COUNCIL**

**CABINET**

**DATE: 27 APRIL 2017**

**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 March 2017.

#### **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.

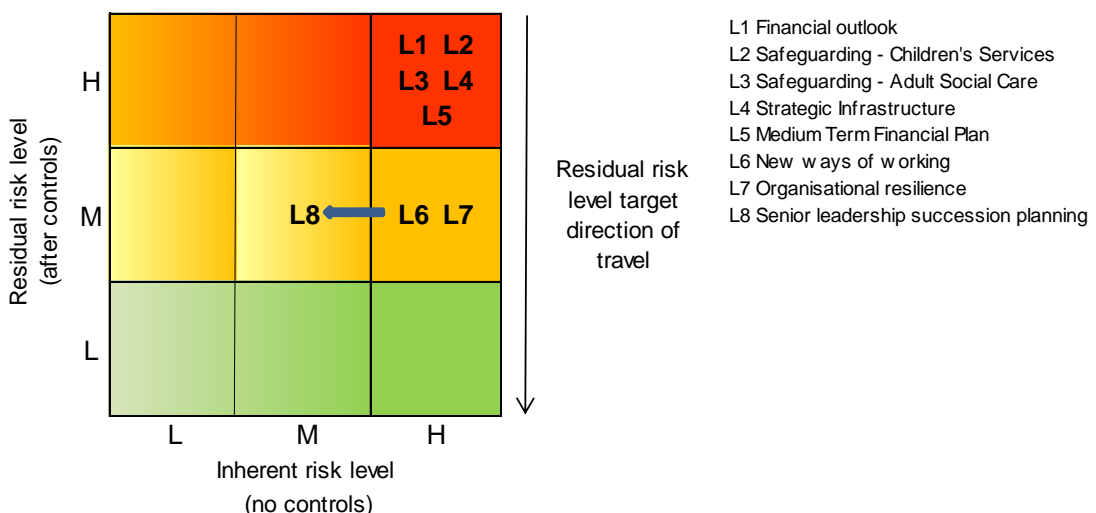
#### **LEADERSHIP RISK REGISTER:**

1. 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 destabilise the organisation.
2. 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.
3. The Leadership risk register is reviewed monthly by the Statutory Responsibilities Network, bi-monthly by the Strategic Risk Forum and the Audit and Governance Committee at each meeting.
4. Since the Leadership risk register was last presented to Cabinet in January 2017, updates have been made to the following risks:
  - **Financial Outlook (L1)** – risk description, processes and controls updated to further reflect the financial position;
  - **Safeguarding** – Children's Services (L2) and Safeguarding – Adult Social Care (L3) – processes and controls have been updated;

- **Strategic Infrastructure (L4)** – risk has been renamed (previously ‘Devolution’) and the risk description altered to reflect the broader scope of the risk. Processes and controls have also been updated.
  - **Medium Term Financial Plan (L5)** – updates to the processes and controls to reflect changes regarding the financial position.
  - **New Ways of Working (L6)** – risk description has been updated to reflect the broader aspects of the risk. Processes and controls have also been updated.
  - **Organisational Resilience (L7)** – risk description and processes updated.
  - **Senior Leadership Succession Planning (L8)** – the controls and processes have been updated.
5. Risk levels have been decreased for the following risks:
- **Senior Leadership Succession Planning (L8)** – the inherent risk level has been decreased from high to medium.

### Residual risk level

6. 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 or are being put in place, detailed on the risk register as both ‘processes in place’ and ‘controls.’
7. There are eight risks on the Leadership risk register. Seven risks have high inherent risk levels and one risk (L8) has a medium inherent risk level, as illustrated in the table below. Despite mitigating actions, five of these risks have a high residual risk level (L1,L2,L3,L4,L5) and three risks have a medium residual risk level (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:

8. The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups and the Audit and Governance Committee.

**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 Surrey County Council 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. 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 Surrey County Council 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 Surrey County Council Leadership risk register is presented to the Cabinet on a quarterly basis.

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**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

**Sources/background papers:**

None

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