

SURREY COUNTY COUNCIL**CABINET****DATE: 18 JULY 2017****REPORT OF: MR TIM OLIVER, CABINET MEMBER FOR PROPERTY AND BUSINESS SERVICES****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 30th June 2017.

RECOMMENDATION:

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.

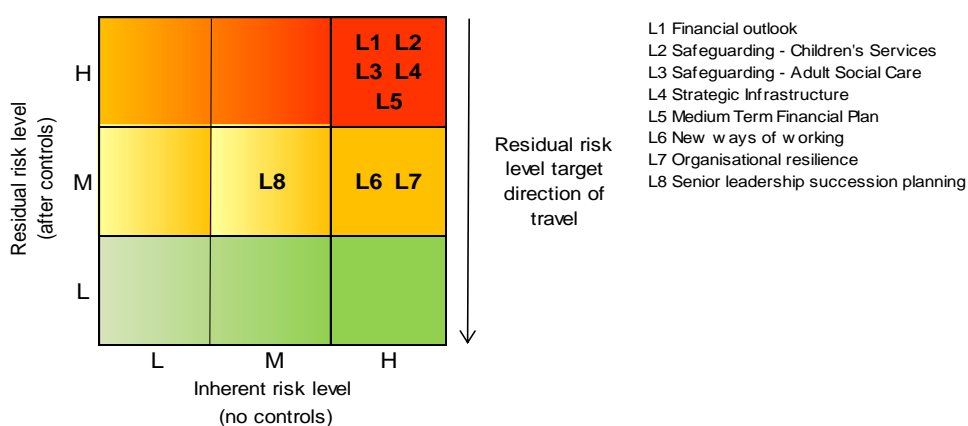
LEADERSHIP RISK REGISTER:

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 April 2017, updates have been made to the following risks:
 - **Financial Outlook (L1)** – risk processes and controls have been updated to further reflect the financial position, with specific reference to the council proactively seeking to engage with Government in relation to future funding policies. A new process has also been added relating to Cabinet and new Members induction;

- **Strategic Infrastructure (L4)** – processes have been updated with reference to 3SC.
- **Medium Term Financial Plan (L5)** – updates to the processes and controls to reflect changes regarding the financial position, with specific reference to Cabinet and new Members induction and income generation.
- **Organisational Resilience (L7)** – risk processes and controls have been updated with reflect the monitoring and review of business continuity and reference to new Members induction.

Residual risk level

- 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.'
- 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:

- The Surrey County Council Leadership risk register has been reviewed by a number of senior officer groups, including the Statutory Responsibilities Network on 3 July and the Audit and Governance Committee on 12 June.
- Risk management training was given to Members of the Audit and Governance Committee on 6 June 2017 to increase knowledge and understanding and support them in their role of ensuring effective management of risk at Surrey County Council.

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.

Contact Officer:

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Consulted:

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

Annexes:

Annex 1 – Leadership risk register

Sources/background papers:

None

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