

Audit and Governance Committee

Strategic risks

23rd March 2021

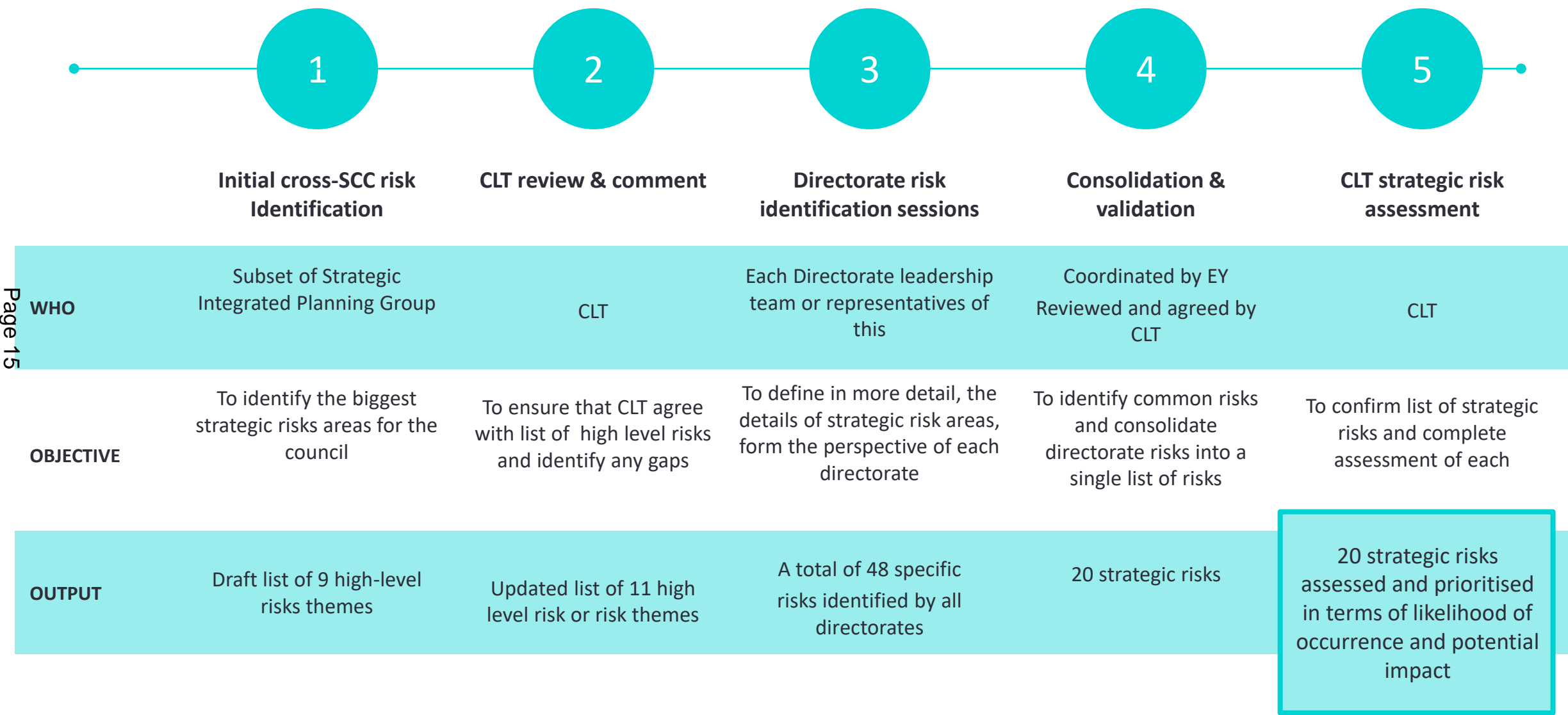
Introduction



The purpose of this document is to provide the Audit and Governance Committee with a prioritised list of SCC's identified strategic lists (See pages 4,5 and 6).

It also provides a summary explanation of how this list of risks has been developed (see page 3) and sets out future actions needed to continue to develop and manage SCCs strategic risks (see page 7).

Background: Steps taken to identify, agree and assess strategic risks

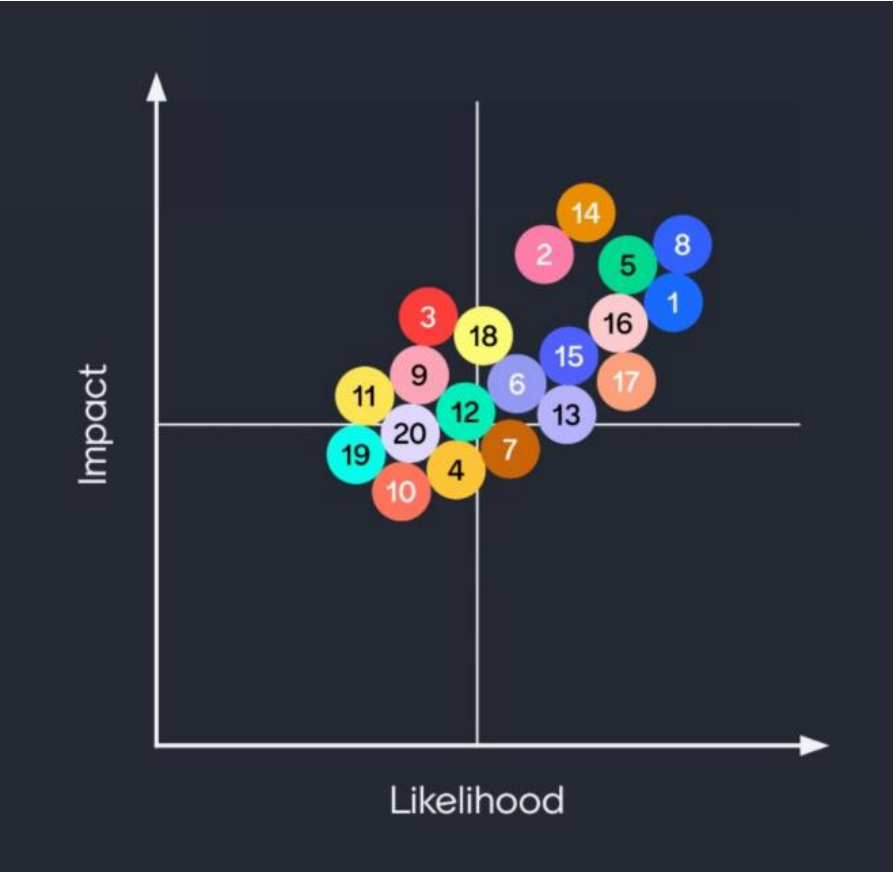


Summary of strategic risks



No.	Risk Title
ST.01	Local economy
ST.02	SCC's Financial sustainability
ST.03	Cyber threat
ST.04	Loss of data / breach of GDPR
ST.05	Staff wellbeing
ST.06	Supplier failure
ST.07	Market supply of services
ST.08	Increasing demand
ST.09	Failure to transform
ST.10	Governance and decision making
ST.11	Effective partnerships
ST.12	Capacity and capability to deliver
ST.13	Government policy
ST.14	Children's Service Improvement
ST.15	Severe Weather
ST.16	Economic deprivation
ST.17	Climate change
ST.18	Infrastructure
ST.19	Health & Safety
ST.20	Electricity transmission

See description of risks on next pages



Assessment of risks by CLT on 1st February 2021

Strategic risks (top 10 *)

Page 17

No	Risk title	Summary description ²	Initial risk assessment ¹		
			Likelihood	Impact	Risk Score
ST.05	Staff wellbeing	There is a risk that some SSC staff will experience a significant and unacceptable decline in their health and / or wellbeing.	3.2	3.1	9.92
ST.01	Local economy	There is a risk that Surrey's GVA (Gross Value Added) does not achieve the projected increases of 4% for 2021 and 7% for 2022.	3.3	3	9.9
ST.08	Increasing demand	There is a risk that SCC will be unable to meet and increasing level of demand from services and level and quality of services demanded by the community over the medium term.	3.2	3	9.6
ST.14	Children's Service Improvement	There is a risk that we cannot demonstrate sufficient improvement in the provision of Children's services and that it will be rated as inadequate when next inspected under an ILACS (Inspecting Local Authority Children's Services)	2.7	3.4	9.18
ST.02	SCC's Financial sustainability	There is a risk of a significant gap between the planning assumptions in the medium term financial plan and future economic conditions whereby a significantly reduced funding settlement from central government between 2021 and 2026, can not be offset at the local level.	2.5	3.2	8
ST.16	Economic deprivation	There is a risk of significant increase in the levels of poverty within our community, with a rising number of people facing higher levels deprivation.	3	2.6	7.8
ST.17	Climate change	There is a risk that SCC will not implement sufficient measures to deliver carbon emissions reductions, and to respond to the impacts of climate change.	3	2.4	7.2
ST.15	Severe Weather	There is a risk of increasing duration, frequency and effects of various severe weather events leads to substantial loss of service or network, asset deterioration or failure, unsustainable annual budget pressures and reputational damage due to customer dissatisfaction.	2.6	2.3	5.98
ST.13	Government policy	There is a risk that changes in national policy will create additional demands and expectations on SCC services and/or additional financial liabilities that are not offset by central funding.	2.5	2.3	5.75
ST.03	Cyber threat	There is a risk of a deliberate and / or targeted cyber attack compromising IT systems and critical IT infrastructure	1.9	2.6	4.94

Top
5
risks

* Top 10 risks as assessed by CLT on 1st February 2021

¹ Risk scores are mean average of scores given by each member of CLT participating in risk session, 1st Feb. 2021

² Full descriptions of each risk, including causes and consequences are provided in separate document

Strategic risks continued (risks 11- 20*)



No	Risk title	Summary description ²	Initial risk assessment ¹		
			Likelihood	Impact	Risk Score
ST.06	Supplier failure	There is a risk that a supplier or a commissioned service is unable to continue provide that service, or that that they fail to do so the required level or quality standards.	2	2.4	4.8
ST.18	Infrastructure	There is a risk of failure to deliver major infrastructure and failure to maintain key infrastructure or assets.	2	2.4	4.8
ST.12	Capacity and capability to deliver	There is a risk that SCC will not be able to recruit and retain sufficient numbers of skilled staff to manage and deliver quality services and realise the 2030 vision	2.1	2.1	4.41
ST.04	Loss of data / breach of GDPR	There is risk that data will be accessed by individuals who are not authorised to receive it.	1.9	2	3.8
ST.09	Failure to transform	There is risk that we will not achieve the intended outcomes of our transformation programme, in the planned timeframe	1.6	2.1	3.36
ST.07	Market supply of services	There is a risk of a significant decline in the number of 3rd party providers of key services (including Children's, Adults, highways, and waste services).	1.8	1.8	3.24
ST.19	Health & Safety	There is a risk of failure to comply with H&S statutory duties, or managers/individuals failing to comply with H&S processes.	1.6	1.9	3.04
ST.11	Effective partnerships	There is a risk that the working partnerships we have with other organisations will not deliver the intended objectives	1.5	2	3
ST.10	Governance and decision making	There is a risk that the council's governance structures do not support effective, timely decision making and provide the level of accountability, transparency and challenge that is expected of the council.	1.5	1.8	2.7
ST.20	Electricity transmission	This is a risk of failure of the national electricity transmission.	1.3	1.9	2.47

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² Full descriptions of each risk, including causes and consequences are provided in separate document

Next steps (and beyond) to develop and maintain strategic risk register

Next steps

Suggested questions for AGC to ask...

1. Assign strategic risk owners

- Who is responsible for leading the management of this risk?

2. Develop risk response plans for each risk

- What is the objective with this risk (eg to reduce the likelihood of occurrence)?
- What controls are currently in place to manage this risk?
- What further actions are planned to reduce the level of risk and when will they be complete?

3. Monitor risks and progress against plans (quarterly)

- Have planned actions to address each risk been completed as per plan?
- What is the latest assessment of this risk and how has this changed?
- What is the cause of any change in the level of risk?

4. Identify new and emerging risks (6 -12 months)

- What new or emerging risks have been identified?



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