



Report to: Audit Sub-Committee

Subject: Strategic Risk Register Review

Date: 19th December 2005

Author: Manager of Resource Services

1. PURPOSE OF REPORT

To inform members of the changes made to the Strategic Risk Register following the review by Senior Management Team in October 2005.

2. BACKGROUND

Senior Management Team reviews the Strategic Risk Register formally in October and March of each year. This forms part of the Corporate Governance Framework and highlights any risks, which may need actioning.

When reviewing the Strategic Risk Register all currently recorded risks are reviewed to consider whether their impact or likelihood has changed since the previous review.

In addition to this new risks are identified and their inherent and residual impact on the authority is recorded; the process also looks at the actionable operational risks to ascertain whether there are any strategic risk implications

3. REVIEW RESULTS

The review in October identified three additional risks, two of which are strategic risks and one operational. These are:

- Local Area Agreements – this had previously been included within the partnerships risk, but is now significant to warrant a specific entry in the register.

- Avian Flu Pandemic – this risk was considered almost never and minor, but it was agreed that this risk would regularly be reviewed a more information became available. This risk is now classified as possible major.
- Syndicate wins impact at service level – this is classified as a generic operational risk, but would be classified as almost never and major.

In addition to the above several of the current strategic risks were amended to reflect changes in impact or likelihood. A full list of all strategic risks is given in **Appendix A**. The inherent and residual record of these risks is given in **Appendix B** together with the risk classification table.

4. CPA REQUIREMENTS

The Authority's Corporate Governance procedures are considered good by the Audit Commission. However, one of the criteria for Risk Management under the Use of Resources element of the CPA assessment is that the committee charged with Governance should receive details of strategic risk reviews on a quarterly basis.

It is therefore intended that Strategic Risk Review becomes a standing agenda item for this committee.

5. RECOMMENDATIONS

Members are asked to note the contents of this report and to agree to Strategic Risk Reviews becoming a standard agenda item for this committee.

SIGNIFICANT AND STRATEGIC RISKS IDENTIFIED

Legal

1. Human Rights Act, Equal Opp.s, DDA, FoI, DPA and other legislation
2. Management of Statutory Functions
3. New political arrangements (setting of tax)
4. Members' awareness of new code of conduct and consequences
5. Maladministration
6. Quality of advice
7. Case management
92. Decriminalisation of Parking Enforcement

Contractual

8. Partnerships with community
9. Absence of clear contract (non compliance with contract law)
10. Choice of contactor including reputation (changes etc)
11. Cost overruns
- ~~12. Reputation of contractor (changes etc)~~
13. Contractor insolvency & vetting
14. Reliance on one or more contractors
15. PFI/PPP etc
94. Cultural Change Management/Industrial Relations
98. **Local Area Agreements**

Technological

16. IT obsolescence
17. ICT keeping up with developments and change
18. Breakdown of communications (website developments and failures)
19. Customer expectations of websites – loss of customer focus
20. Loss of customer info (implementing new software – can we afford not to? Delivery)
21. Technology on equipment eg refuse freighters
22. Virus/hackers
23. Total reliance on IT – malfunctions and accuracy (IT crashers) Security of information and access
78. IT upgrade/developments

Financial

24. TFS reviews and government intervention/changing the rules
25. “Whole of government accounts” – timescale change. (Gearing effect on Council Tax (New rules for capital)
26. Investment Strategy
27. Actuarial valuation of county pension fund
28. Communicating change of funding strategy and linking to aims/objectives
29. Insurance costs and consultants (Market movements – all)
30. Staffing and cost changes
31. Failure of funding and funding bodies
32. Recruitment and retention “could be in all categories”
33. Fraud and internal control
34. Recognising ongoing project commitments
35. Processing of bills

- ~~79. Highways Agency~~
- 80. Government RSG significantly lower than anticipated
- 81. Car Park Charging
- 93. Licensing (resource implications)
- 95. Freedom of Information (resource implications)

Environmental

- 36. Climate change
- 37. Pollution – poacher and gamekeeper (Contaminated land and costs)
- 38. Energy and fuel consumption – efforts to reduce (Resources eg water)
- 39. Flooding
- 40. Methane
- 41. Asbestos in buildings
- ~~42. Land deals~~
- 43. Health in community, increasing responsibilities
- ~~44. Refugees~~
- 45. Quality of Housing Stock
- 46. War
- 47. Crime and Disorder
- 48. Emergency plans
- ~~49. Congestion charging Nottingham~~
- 50. Waste management strategy and litter
- 51. Abandoned Vehicles
- ~~82. Countywide Waste Management Strategy Local Implementation~~
- 91. Arnold Master Plan redevelopment

- 96. Civil Contingencies – Business Continuity for local businesses
- 99 Avian Flu pandemic

Customer/ Citizen

(Impact on Initiatives)

- 52. Public expectation – management of (Community partnerships) Crime and Disorder (Customer choice)
- 53. Community Education
- 54. Training of contractors/visitors procedures
- 55. Increased rights – Neighbourhood involvement
- 56. Protection of vulnerable people
- 57. First aid requirements of staff
- 58. Regional Resilience
- 83 Housing Stock Options – Implementation
- ~~84 One Stop Shop~~

Reputation

- 59. Media relations, management and press image
- 60. County Council and Taxes
- 61. Accessibility to buildings and services
- 62. CPA and other inspections/results (Race relations/Equal Opps)
- 63. Death in community – alleged involvement of GBC
- 64. Professionalism – eg e-mail controls etc
- 65. “Badging” charter marks ISO, liP etc – loss of
- 66. Burials and cemeteries

Professional

- 67. Personal liability eg H&S, Corporate manslaughter – professional liability. (Recruitment and retention) (Training and monitoring) (Job Specs) (Advice to third parties including reliance and others' advice).
- 68. Front line standards of behaviour monitoring. (Community leadership) quality of info and understandable to public) (Vires issues).
- ~~85—Changes to Senior Management Structure~~
- 86 Planning – standards
- ~~87—Domiciliary Care~~
- 90. Efficiency Agenda, including partnership working
- 97 Civil Contingencies – internal environment

Physical

- 69 . Civic Centre destroyed/not accessible and major staff casualties
- 70. Terrorism – threat of
- 71. Loss of non – IT info
- 72. Failure of H&S Systems

Others

- 73. ~~Local Plan~~

Political

- 74. ~~Local Election,- risk removed 2004~~
- 75. ~~Cost of re-run and Returning Officer responsibilities. – risk removed 2004~~
- 76. Regionalisation/ Public Service Restructuring
- ~~77.—Cabinet structure~~
- 88. Political Alliance
- 89 Capping

Appendix B(i)

Risks Profiled

This table shows how the Senior Management Team has categorised the strategic risks of the Authority after considering the controls and processes that already exist.

	No impact	Minor	Major	Catastrophic
Frequent		43,51	1	
Probable		11, 27, 30, 38, 79, 85, 87, 92	47, 76, 78,	
Possible	39,70	8,10,13,14,16, 17, 19, 21, 24, 26,28, 37, 41, 42, 45, 49, 52, 53, 54, 57, 59, 60, 61, 63, 64, 65, 66, 67, 68, 77, 81, 83, 84, 86, 89, 90, 93, 95, 98	3, 4, 6, 7, 9, 10, 20, 25, 29, 32, 44, 50, 55, 56, 70, 71, 72, 73, 78, 80, 82, 88, 91, 94, 96, 97, 99	22, 23, 33
Almost Never		5, 34, 35, 58	2, 15, 31, 40, 62, 69	18, 36, 46, 48,

The table below shows the risks as they were identified considering how the risks would impact if there were no controls and processes in place.

	No impact	Minor	Major	Catastrophic
Frequent		43,51	1,3,4,7,9, 16, 25,30, 37, 45, 47, 50, 55, 62, 72, 77, 81, 99	22, 23, 26, 33, 82
Probable		5, 11, 14, 52, 54, 84,	10, 27, 29, 34, 40, 41, 57, 67, 68, 78, 79, 80, 85, 89, 93, 94, 95, 96, 97	6, 87
Possible	39,70	8,13,19,21,28 38,42,49,59, 60, 61, 63,64, 65, 66, 98	24, 32, 44, 53, 56, 71, 73, 76, 83, 86, 88, 90, 91, 92, 95,	2, 15, 18, 20,
Almost Never	12	58	31	36, 46, 48, 69

Gedling Borough Councils

Risk Classification Table

	No Impact	Minor	Major	Catastrophic	
Frequent	LOW PRIORITY	Managed Risk	HIGH RISK		
Probable			Monitored Risk	HIGH RISK	
Possible		Managed Risk			
Almost Never		LOW PRIORITY			