

## **STRATEGIC RISK REGISTER REVIEW**

### **1. INTRODUCTION**

In response to the CIPFA/SOLACE good practice guidance on Corporate Governance, during 2003-04 the Gedling undertook a review of Strategic Risks that could impact on the business and objectives of the Authority.

The report in 2003 identified the work undertaken by the Risk Management Group and the Senior Management Team, and how compliance with the Corporate Governance requirements in relation to Risk Management and Internal Control, were to be evidenced.

The links between Risk Management and other activities such as the Emergency Plan, Business Continuity, Internal Audit, Health & Safety and Property Management ensure a pro-active approach to Risk Management throughout the Authority at all levels.

### **2. BACKGROUND**

Following on from the initial Risk Profiling exercise undertaken in 2003, Strategic Risks have been subject to ongoing review. In addition, Operational Risks are subject to quarterly review to ascertain whether any of the high or monitored risks on the Operational Risk register are significant enough to impact the authority strategically.

Finally, internal and external environmental scanning is undertaken to identify new and emerging risks that may impact upon the Authorities strategic aims and objectives.

Strategic Risks were subject to managerial review during September 2006 and March 2007. Results of the review are identified below in section 4.

Following each review, the Authority's Strategic Risk register is updated, along with the profile for each risk. The Authority's current Strategic Risk register and supporting profile is provided in **Appendix 1**, along with definitions for risk classifications.

### 3. REVISED RISK MANAGEMENT STRATEGY

During 2006-07, the Authority's Risk Management Strategy has been reviewed and updated. The key enhancements include the introduction of a standard approach (common language) to risk terminology, the formalisation of reporting procedures and the introduction of Key Performance Indicator's to measure how effectively risks are being managed and the extent to which risk management procedures are embedded across the Authority.

The revised strategy outlines proposals to undertake holistic, ongoing reviews of Strategic Risks, incorporating findings from Internal Audit activity and other sources of assurance such as Health & Safety forums.

This approach will enable the Authority to submit quarterly updates using the Corporate Risk Scorecard to the Audit Sub Committee.

In future years this Strategic Risk report will provide a summary of the movement in the Corporate Risk Scorecard during the course of the financial year.

### 4. 2006-07 REVIEW RESULTS

#### Strategic Risks Rescinded

Following successful implementation of the new Revenues system, International Business Systems (IBS), in November 2005, **risk profile 100** (failure of Valid EDRMS) has been removed from the Strategic Risk Register.

This risk related to the potential disruption to the existing Revenues and Benefits system (EDRMS), whilst the new IBS system was being implemented.

In addition, **risk profile 25** (Timescale Change for Whole of Government Accounts) has been removed from the Strategic Risk Register.

This risk will be monitored for further changes to reporting timescales.

#### New / Emerging Risks

The Chief Executive's vision for the Authority provides the lever for Gedling's Service Transformation Programme, designed to shape the organisation to meet the challenges of the future.

As a consequence of the programme, and subsequent organisational restructure, **risk profile 85** (Changes to Senior Management structure) has been reinstated.

This risk was initially identified in February 2005, and removed in October 2005 following the successful implementation of the restructure.

The residual risk profile of this risk was downgraded to reflect the effectiveness of the organisational change procedures successfully deployed during the previous organisational restructure during 2005.

The Strategic Risk register and supporting risk profile matrix has been updated to reflect these changes and is provided in **Appendix 1**.

## **SIGNIFICANT AND STRATEGIC RISK REGISTER**

### **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
101. Conurbation 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
- ~~100. Failure of Valid EDRMS~~
104. Disaster Recovery for ICT

## **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)
- 102. LSVT
- 103. Shared Services
- 106. Supporting People Review

### **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
- 105. Teal Close land deal

### **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
- 82. Housing Stock Options – Implementation
- ~~83. 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).
84. Changes to Senior Management Structure
- ~~85. 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~~



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

## STRATEGIC RISKS PROFILE

The table below shows the residual (following development and deployment of controls) risks associated with individual risk categories identified on the Authorities Strategic Risk register.

	<b>No impact</b>	<b>Minor</b>	<b>Major</b>	<b>Catastrophic</b>
Frequent		43,51	1	
Probable		11, 27, 30, 38, 79, 85, 87, 92,	29, 47, 76, 100	
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, 101,102,105, 106	3, 4, 6, 7, 9, 20, 25, 32, 44, 50, 55, 56, 70, 71, 72, 73, 78, 80, 82, 88, 91, 94, 96, 97, 99,103,104,	22, 23, 33
Almost Never	12	5, 34, 35, 58	2, 15, 31, 40, 62, 69	18, 36, 46, 48,

The table below shows the inherent (assuming no controls in place) risks associated with individual risk categories identified on the Authorities Strategic Risk register.

	<b>No impact</b>	<b>Minor</b>	<b>Major</b>	<b>Catastrophic</b>
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, <b>106</b>	10, 27, 29, 34, 40, 41, 57, 67, 68, 78, 79, 80, 85, 89, 93, 94, 95, 96, 97, <b>100,102</b>	6, 87
Possible	39,70	8,13,19,21,28 38,42,49,59, 60, 61, 63,64, 65, 66, 98, <b>101,105</b>	24, 32, 44, 53, 56, 71, 73, 76, 83, 86, 88, 90, 91, 92, 95, <b>103,</b>	2, 15, 18, 20, <b>104</b>
Almost Never	12	58	31	36, 46, 48, 69

## RISK CLASSIFICATIONS

