

**CHERWELL DISTRICT COUNCIL**  
**ACCOUNTS, AUDIT AND RISK COMMITTEE**

**17 DECEMBER 2008**

REPORT OF THE STRATEGIC DIRECTOR - CUSTOMER SERVICE & RESOURCES AND  
THE HEAD OF EXCHEQUER

REVIEW OF STRATEGIC RISKS

**1 Introduction and Purpose of Report**

- 1.1 To update the Committee on the management of the Council's Strategic Risks in accordance with the approved rolling reporting Cycle.

**2 Wards Affected**

- 2.1 All wards.

**3 Effect on Policy**

- 3.1 None.

**4 Contact Officer(s)**

- 4.1 Rosemary Watts (extension 1566)

**5 Background Information**

- 5.1 At its meeting on 2 April 2007, the Executive approved a proposal that the Accounts, Audit and Risk Committee should receive and consider a report on the management of strategic risks as a standing item on the agenda of each of their meetings and should report any concerns arising to the Executive.
- 5.2 At its meeting on 16 April 2008, the Corporate Management Team re-considered the Council's Strategic Risks originally identified in 2007/2008 and a number were re-allocated to senior management to monitor and review. With new risks identified, this left six high level Strategic Risks for the Corporate Management Team to monitor and review.
- 5.3 The Accounts Audit & Risk Committee approved the revised planned Cycle for reporting to during 2008-2009 at its meeting on 28 May 2008 as detailed below:
- Cycle 1 : September 08 - Strategic risk numbers F01.0397; F01.0347  
Cycle 2 : December 08 - Strategic risk numbers F01.0350; F01.0355  
Cycle 3 : March 09 - Strategic risk numbers F01.0398; F01.0399
- 5.4 However, at its meeting on 27 October 2008, the Accounts Audit & Risk Committee (Reserve) agreed that Strategic Risk No. FO1.0398, "Failure to adapt to the economic issues and pressures in the District" should be brought forward from reporting Cycle 3 to Cycle 2 given the current economic situation.

5.5 This report therefore provides an update on the management and review of the Council's strategic risks in Cycle 2 and F01.0398 from Cycle 3.

## 6 Strategic Risks

6.1 Using a 5 x 5 matrix, the strategic risk owners score each of the strategic risks for both 'gross' and 'net' likelihood and impact (i.e. *gross* = before considering any controls or mitigating factors which may already be in place; *net* = after considering the existing controls and mitigating factors).

The current results of this quarterly reviewing / scoring exercise of strategic risks are attached (Annex A).

6.2 The Council operates a 'red, amber, green' or 'RAG' system to classify its risks. The summary at Annex A indicates that :

- there are 2 strategic risks with a **red gross risk score**, and **4 with amber gross risk scores**
- all 6 strategic risks currently have **amber net risk scores**.

## 7 Risk Assessment, Financial Effects and Contributions to Efficiency Savings

7.1 The following details approved by Karen Curtin, Chief Accountant, 01295 221551 and Rosemary Watts, Risk Management & Insurance Officer, 01295 221566.

7.2 Risk assessment

There are no direct risks associated with this report. However, if strategic risks are not regularly monitored and reviewed there is a danger of the Council not achieving its corporate objectives and receiving a poor Use of Resources assessment.

7.3 Financial effects

None resulting directly from this report.

7.4 Efficiency savings

None resulting directly from this report.

## 8 Recommendation

8.1 The Accounts, Audit and Risk Committee is **RECOMMENDED** to: consider and approve the reports relating to the management of the strategic risks in Cycle 2 and F01.0398 from Cycle 3 , set out in section 5.3 of this report, reporting any concerns arising to the Executive.