

Cherwell District Council

Accounts, Audit and Risk Committee

26 March 2014

Risk Strategy Update 2014-15

Report of Director of Resources

This report is public

Purpose of report

To review the Council's risk strategy updated for 2014/15.

1.0 Recommendations

The meeting is recommended:

- 1.1 To agree the 2014/15 risk strategy.

2.0 Introduction

- 2.1 The Council sets out its approach to managing risk in its Risk and Opportunities Management Strategy. This document is reviewed and updated on an annual basis and sets out the framework for managing risks of all types.
- 2.2 Risks are reviewed on a quarterly basis, undertaken by the Accounts, Audit and Risk Committee and JMT. This takes the form of reviewing the strategic risk register. Operational risks are reviewed at the departmental level but can be escalated to the strategic risk register if required. Risks may be identified and added to the strategic risk register at any point during the year. However, a formal review is undertaken in the final quarter of the year to refresh the strategic risk register and identify any new or emerging risks or opportunities.

3.0 Report Details

- 3.1 The strategy has been reviewed and the following principles continue to be used for the management of risk:

Core Risk These are the core set of strategic and high level risks that are recorded in the Council's Risk Register and are managed by JMT. They are monitored by the Accounts, Audit and Risk Committee and JMT on a quarterly basis. These risks are defined as strategic, corporate and partnership risks (see 'types of risk' below).

Residual Risk This is a measure of impact and likelihood after the proposed mitigating actions or controls have been taken into account. This is given a score using a 5x5 matrix which can then range from 1 to 25, with 25 being the highest level a risk can score. Changes in residual risk are highlighted in the risk monitoring reports to draw attention to any increase or decrease in risk and any new controls required.

Types of Risk the Council distinguishes between types of risk and those defined as strategic, corporate or partnerships are held on the Council's core risk register. Operational risks are managed at the service and directorate level and not corporately through the strategic risk register. Our definitions are as follows:

- Strategic risks that are significant in size and duration and will impact on the reputation and performance of the Council as a whole and in particular on its ability to deliver its four strategic priorities.
- Corporate risks to corporate systems or processes that underpin the organisation's overall governance, operation and ability to deliver services.
- Partnership risks to a partnership meeting its objectives or delivering agreed services/ projects.
- Operational risks specific to the delivery of individual services/service performance or specific projects.

3.2 The strategy has been reviewed as part of an annual process and minor adjustments have been made, particularly to ensure there is a clear relationship between project and programme risk management and the strategic risk framework.

4.0 Conclusion and Reasons for Recommendations

4.1 The risk strategy has been reviewed for 2014/15. Additional content regarding project management and risk has been added to the strategy which strengthens the relationship between strategic risk and project risk management; this reflects a recommendation from a project management audit undertaken during 2013.

5.0 Consultation

JMT

6.0 Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Reject the risk strategy and commission an alternative approach. This is not recommended as it would leave the council without a functioning risk strategy.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising from this report but the risk register contains risks relating to the organisation's finance and budgets.

Comments checked by: Interim Head of Finance and Procurement,
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Legal Implications

- 7.2 There are no direct legal implications arising from this report but the Council has to ensure it is aware of any risks to its deliver of what is required by law.

Comments checked by: Kevin Lane, Head of Law and Governance,
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8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Document Information

Appendix No	Title
Appendix 1	Risk Strategy and Appendices
Background Papers	
None	
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