Chorley Council

Report of	Meeting	Date
Chief Executive	Audit Committee	15 March 2012

STRATEGIC RISK UPDATE REPORT

PURPOSE OF REPORT

1. The Strategic Risk Register (SRR) is the vehicle by which the Council aims to identify and address any potential risks to the organisation and the delivery of its functions and therefore need to be managed strategically.

2. This report provides members with an updated SRR which includes twelve strategic risks to the Council, including actions in progress as well as actions planned to further mitigate them.

RECOMMENDATION(S)

3. That members note the strategic risks, actions in progress and actions planned to further mitigate the strategic risks as set out in Appendix 1.

EXECUTIVE SUMMARY OF REPORT

4. The Council does not exist in a vacuum and the political, economic and financial environment in which it operates is constantly changing. The SRR is therefore a live document and needs to be updated to reflect any new or emerging strategic risks facing the Council.

5. This report therefore contains the latest revision to the SRR for members' information and comment.

Confidential report Please bold as appropriate	Yes	**No**

CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

Strong Family Support		Education and Jobs	
Being Healthy		Pride in Quality Homes and Clean Neighbourhoods	
Safe Respectful Communities		Quality Community Services and Spaces	
Vibrant Local Economy		Thriving Town Centre, Local Attractions and Villages	
A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money			✓

BACKGROUND

7.   The management of risk is clearly embedded within the Council. While the Strategic Risk Register sets out the Council's main strategic risks there are a number of other processes that contribute to effective risk management at all levels of the organisation. These include our Business Improvement Planning process, programme and project management and Partnerships Framework. This is described in more detail in the Council's risk management framework.

HOW THE RISKS ARE SCORED

8.   The risks identified in the register have been scored on a 3 x 3 matrix, reflecting the likelihood of the risk occurring against the impact of it on the organisation if it did happen. The resulting score out of 9 is used to aid in prioritising the risk and the actions that are planned to mitigated them.

Likelihood of Occurrence	High	4	7	9
	Medium	2	5	8
	Low	1	3	6
		Noticeable	Significant	Critical
			Impact on Business	

9.   Each entry within the register is scored to provide an assessment of the residual level of risk, that is the score taking into account the 'controls in place'.

10.   Whatever level of residual risk remains it is essential that the controls identified are appropriate, working effectively and kept under review.

SUMMARY OF RISKS

11.   The strategic risks are summarised below:

Risk Reference	Risk	Residual Rating
1	Delays to the implementation of new technology having a negative impact on the performance, satisfaction and the ability of the organisation to drive change. (NEW)	High (7)
2	Budget cuts in key public sector partners having a negative impact on local level service delivery	Medium (6)
3	External legislative and policy change affecting service delivery	Medium (5)
4	Reduction in satisfaction with the Council	Medium (5)
5	Reduction in staff satisfaction and morale with the Council	Medium (5)
6	Failure to sustain our performance in light of budget cuts and abolition of Comprehensive Area Assessment	Medium (5)
7	Failure too achieve desired outcomes through partnership working and deterioration in relationships	Medium (5
8	Incidents affecting service delivery/business continuity or even widespread damage, injury or risk to the public.	Medium (4)
9	Damage to the Council's reputation through increasing commercial income generation activity	Low (3)
10	Build and maintain strong relationships of trust and confidence between officers and each party to promote good and open relationships between political parties	Low (3)

| 11 | Failure of shared service arrangements | Low (3) |
| 12 | Lack of resources to deliver the Council's priorities due to public sector funding cuts (Financial & Staff Capacity) | Low (3) |

12. Further details about each of these risks and their mitigating controls can be found within the register in Appendix 1.

13. The updated risk register includes one new risk, and one risk from last year has been split into two (satisfaction with the council and staff satisfaction). All of the risks have been re-assessed and the register shows the change in score from last year.

14. None of the risks have increased in risk level, but one regarding a lack of resources has been reduced from high risk level to a low risk level, as this year the Council has resources to invest in growth items.

15. The new risk of delays to the implementation of new technology has been initially assessed as the highest risk facing the Council. There are a number of actions already in place to mitigate this risk including the information champions group who test new systems and communicate changes and feedback issues from their service areas, regular internal communication through e-news and views, project monitoring and additional temporary resources. In addition systems and user awareness training will be held throughout the next year to ensure the smooth roll out of new systems.

IMPLICATIONS OF REPORT

16. This report has implications in the following areas and the relevant Directors' comments are included:

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area	✓	Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

17. There are no comments

COMMENTS OF THE MONITORING OFFICER

18. There are no comments

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Rebecca Huddleston	5779	03/02/2012	Strategic Risk Audit Committee Report