	FINANCE & AUDIT SCRUTINY 1 November 2016	Agenda Item No. 4

Title	Review of Chief Executive's Office Risk Register
For further information about this report please contact	Andrew Jones Deputy Chief Executive Tel: 01926 456830 Andrew.jones@warwickdc.gov.uk
Wards of the District directly affected	Not applicable
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	13th January 2015 – Finance & Audit Scrutiny Committee (last service risk register review)
Background Papers	WDC risk management policy & guidelines

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality & Sustainability Impact Assessment Undertaken	N/A: no direct service implications

Officer/Councillor Approval		
With regard to report approval all reports _must_ be approved as follows		
Title	**Date**	**Name**
Chief Executive/Deputy Chief Executive	24/10/2016	Chris Elliott/Andrew Jones
Section 151 Officer	24/10/2016	Mike Snow
Monitoring Officer	21/10/2016	Andrew Jones
Portfolio Holder(s)	24/10/2016	Cllr Andrew Mobbs
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1   **SUMMARY**

1.1   This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Chief Executive's Office Risk Register.

2   **RECOMMENDATION**

2.1   That Finance & Audit Scrutiny Committee should review the Chief Executive's Office Risk Register attached at Appendix 1 and make observations on it as appropriate.

3   **REASON FOR THE RECOMMENDATION**

3.1   To enable members to fulfil their role in managing risk (see section 8, below).

4   **POLICY FRAMEWORK**

4.1   The Chief Executive's Office Risk Register is part of the Council's corporate risk management framework. The Register reflects the Council's corporate priorities and key strategic projects that are contained in Fit for the Future.

5   **BUDGETARY FRAMEWORK**

5.1   Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

5.2   The risk register sets out when the realisation of risks might have financial consequences. One of the criteria for severity is based on the financial impact.

6   **RISKS**

6.1   The risks are contained in the Service's Risk Register, set out as Appendix 1.

7   **ALTERNATIVE OPTION(S) CONSIDERED**

7.1   This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

8   **RESPONSIBILITY FOR RISK MANAGEMENT**

8.1   In its management paper "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers:

> "Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:
>
> • decide on the structure through which risk management will be led and monitored;

> - consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
> - agree an implementation strategy;
> - approve the council's policy on risk (including the degree to which the council is willing to accept risk);
> - agree the list of most significant risks;
> - receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
> - commission and review an annual assessment of effectiveness: and
> - approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.
>
> The role of senior officers is to implement the risk management policy agreed by members.
>
> It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility."

9 BACKGROUND

9.1 Executive agreed on 11 January 2012 that:

(a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers.

(b) Portfolio Holder Statements should include each service's top three risks.

(c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers.

(d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

9.2 The full framework endorsed by Executive at that meeting is set out as Appendix 3.

9.3 Risk registers are in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service areas there is the Significant Business Risk Register that contains the organisation's corporate and strategic risks (the latest version of this being presented to the April Executive meeting).

10 CHIEF EXECUTIVE'S OFFICE SERVICE RISK REGISTER

10.1 Introduction

10.1.1 The latest version of the Chief Executive's Office Risk Register is set out as Appendix 1 to this report. The register has been updated in the last few weeks.

10.1.2 The scoring criteria for the risk register are subjective and are based on an assessment of the likelihood of something occurring, and the impact that might have. Appendix 2 sets out the guidelines that are applied.

10.1.3 In line with the traditional risk matrix approach, greater concern should be focused on those risks plotted towards the top right corner of the matrix whilst the converse is true for those risks plotted towards the bottom left corner of the matrix. If viewed in colour, the former-described set of risks are within the area shaded red, whilst the latter-described set of risks are within the area shaded green; the mid-range are in the area seen as yellow.

10.2 Overview of Chief Executive's Office Risk Management

10.2.1 The Chief Executive's Office Risk Register is owned and managed by the Leader & the Chief Executive's Office Management Team.

10.2.2 Amendments to existing risks are made to the register as appropriate and when any new risks are identified.

10.2.3 The Risk Register includes the significant business risks across the service; some of these are common across the service and others, given the broad range of services, are specific to a particular part of the service. Sitting beneath this Risk Register are a series of detailed risk assessments within each part of the service that identify the day-to-day risks which exist within the service. In general terms these are health & safety risks relevant to the type of service being provided. There are also the Service Area Crisis Plan and Business Continuity Plans which address emergency situations.

10.2.4 It should be noted that during the summer of 2016 the Chief Executive's Office risk register has been fundamentally rewritten. This was because the risk register were previously split into generic risks and the risks associated across the three main teams (ICT, HR/Media and Democratic Services). This separation was as a result of when the teams were restructured into the Chief Executive's Office. On examination, there was considerable duplication which made the Chief Executive's Office risk register unwieldy. After, consultation with the Audit & Risk Manager, it was agreed that it would be appropriate to produce a single register for the Service. As a result of this work the risk register has been reduced in size to 15 risks.

10.2.5 The risk register has subsequently been through peer challenge and review via SMT (which will now take place for all Service area Risk Register prior to them coming to Finance & Audit Scrutiny Committee) and the Insurance and Risk Officer. Their welcome and informed contributions have been incorporated, within the current register appended to this report.

10.3 Chief Executive's Office Service Risks

10.3.1   The Chief Executive's Office is responsible for the provision of a wide range of services. The risk register (Appendix 1) includes generic risks at the start of the document. These are divided in to various categories. Service-specific risks are then listed, relevant to the various sections of the service.

10.3.2   Although the three services involved are corporate assets, the risk scoring reflects the risk from the team's perspective and not the corporate view. The corporate risk view should be expressed in the corporate significant risk register. So for example, the loss of Council computer facilities reflects HR losing their system, or Democratic Services losing a system, rather than corporate loss of all systems.

10.3.3   The three main risks within the service are considered to be:

Risk 2 - Non-Availability of Staff
Links to our corporate skills audit to ensure we are identifying gaps as part of our Appraisal & Competency Scheme/Personal Development Plans; identifying 'mandatory', 'essential' and 'desirable' training needs will ensure managers are enabled to perform competently. Updated policies e.g. Managing Attendance, will provide support and guidance with clear procedures. Well defined and documented processes within teams will be prepared to ensure resilience and planning for unplanned circumstances.

Risk 3 - Inability to retain and subsequently recruit staff
Links to the 'Review of Salary Benefits and Recruitment' reported and updated to the People Strategy Steering Group. Scope includes consideration of the impact of the Living Wage, reward and recognition initiatives, data analysis of leavers, how we recruit, assessment of new government initiatives connected to Apprenticeships (also relates to Work Experience/Interns) and effective training and development.

Risk 4 - Loss of Data or Data Integrity
Although there is no direct evidence that Local Government is a specific target for cyber criminals or state sponsored terrorism, the risks are changing and growing as local government is becoming increasingly important in delivery of public services. Furthermore, the Council is not immune to non-targeted attacks that exist on the Internet. For example, the threat of ransomware is on the increase as criminals seek to monetise their activities. The recent ransomware attack on Lincolnshire County Council illustrates the impact such an attack can have on public services.

In addition, as the as the council pursues its digital agenda to improve service delivery and reduce costs, this has the potential to increase the threat to Council data. Although appropriate controls have been put in place, as evidenced in the risk register, the requirements to allow third parties to access systems, to allow data to be accessed from multiple devices in multiple locations and to provide services digitally means that the threat landscape and controls will continue to evolve.

10.4   **Review of Risk Register by Members**

10.4.1   It is proposed that Members should review the risk register set out as Appendix 1, confirming that risks have been appropriately identified and assessed and that appropriate measures are in place to manage the risks effectively. Members may wish to challenge the Portfolio Holder and the Leader on these aspects and assure themselves that their risk register is a robust document for managing the risks facing the service.