

TO: GOVERNANCE AND AUDIT COMMITTEE
25TH JANUARY 2017

RISK MANAGEMENT UPDATE
Head of Audit and Risk Management

1 PURPOSE OF REPORT

- 1.1 This report presents the updated Strategic Risk Register for review

2 RECOMMENDATION(S)

- 2.1 To review and provide feedback on the Strategic Risk Register attached.**

3 REASONS FOR RECOMMENDATION

- 3.1 To inform the Governance and Audit Committee of the current key corporate risks to the achievement of the Council's objectives

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There is no alternative.

5 SUPPORTING INFORMATION

- 5.1 In accordance with the Risk Management Strategy the Strategic Risk Register has been reviewed quarterly by the Strategic Risk Management Group (SRMG) and twice a year by the Corporate Management Team (CMT). The Register was last reviewed by SRMG on 30th November 2016 and by CMT on 11th January 2017. The following changes were agreed at CMT:
- Risk 1- the score for likelihood was reviewed for the financial and economic risk to consider if this was too high given the actions taken to identify savings, the efficiency plan and the 4 year settlement. CMT agreed that this should be reduced from 5 to 3 to reflect that the actions to date have already mitigated the risk.
 - Risk 3 - amended wording to reflect the impact of the Transformation Programme on staff resources.
 - Risk 6- given that separate risk registers are now routinely developed and maintained for major projects and these are monitored by the individual project boards, it was agreed that a separate risk is not required for major projects and hence this risk could be removed.
 - Risk 11- this risk has been reframed to focus on how the national and global economy might impact on the local Bracknell Forest economy with a risk score of 3 for both likelihood and impact.
 - Risk 13- the town centre risk has been removed given that the project is well progressed, that there is a separate risk register for the town centre and financial impacts are reflected in risk 1.

- Risk 14- the transformation programme risk has been removed given that separate risk registers are in place and the programme is monitored by the Transformation Board.
- Risk 16 – new risk added on additional employment opportunities in new town centre affecting the Council's ability to attract and retain staff to deliver services. Risk score of 4 for both likelihood and impact.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 Nothing to add.

Borough Treasurer

- 6.2 There are no direct financial implications arising from this report.

Equalities Impact Assessment

- 6.3 Not applicable.

Strategic Risk Management Issues

- 6.4 A robust Strategic Risk Register that is a complete and up to date record of the significant corporate risks is essential for effective risk management, enabling the Council to prioritise resources to identify and implement actions to address the threats to the achievement of the Council's objectives and make informed decisions.

7 CONSULTATION

Principal Groups Consulted

- 7.1 SRMG, CMT and strategic risk owners.

Method of Consultation

- 7.2 The Strategic Risk Register was reviewed by by SRMG on 30th November 2016 and by CMT on 11th January 2017

Representations Received

- 7.3 None.

Background Papers

Risk Management Strategy

Contact for further information

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SUMMARISED RISK REGISTER

Ref	Date Added	Risk	Potential Impact	Current Residual Risk Score			Risk Owner(s)	Strategic Themes
				Like'hd	Impact	Total		
1	Qtr 4 2007/08	Maintaining satisfactory service standards within a balanced budget.	Strategic objectives and statutory duties not met Increased insurance claims/ legal costs/penalties.	3	4	12	Borough Treasurer	All themes
2	Qtr 4 2007/08	Council unable to predict and plan for future changes in demands for services arising from demographic changes and national policy initiatives.	Failure to meet demand Statutory duties not met	3	3	9	Director CYPL/ Director ASCHH	3,4,5 and 6
3	Qtr 4 2007/08	Loss of key/ senior staff. Managing services with reduced capacity and with staff resources re-allocated to the transformation programme	Negative impact on the effectiveness of services Difficulties in retaining high calibre staff.	4	3	12	Director of Corporate Services	All themes
4	Qtr 3 2008/09	IT infrastructure or systems unavailable due to IT failure, non-compliance with PSN/PCI requirements, insufficient IT staff resources of the required calibre to deliver services/projects, an incident preventing the functioning of IT or IT suppliers being unable to deliver/maintain systems.	Disruption to services. Failure to meet statutory duties Removal of access to external databases and systems e.g. DWP	3	4	12	Director of Corporate Services	All themes
5	Qtr 3 2012/13	Council unable to comply with data protection/security requirements to secure data resulting in inappropriate disclosure, loss or theft of sensitive data.	Fines/penalties Disruption to services. Failure to meet statutory duties Removal of access to external databases and systems e.g. DWP	3	3	9	Director of Corporate Services	All themes
6		Council unable to implement major project.	Cost overruns/ pressure on the capital budget Late delivery	4	3	12	See below	See below

Unrestricted

Ref	Date Added	Risk	Potential Impact	Current Residual Risk Score			Risk Owner(s)	Strategic Themes
				Like'hd	Impact	Total		
			Core objectives of projects not being achieved. Statutory responsibilities not met					
6a	Qtr 1 2011/12	Binfield Learning Village at Blue Mountain	See above	4	3	12	CMT/ Director CYPL	3
6b	Qtr 1 2011/12	School's places programme school's backlog maintenance.	See above	4	3	12	Director CYPL	3
6c	Qtr 4 2014/15	Coral Reef roof replacement and enhancements to facility	See above	2	3	9	Director of ECC.	4
7	Qtr 3 2008/09	Business Continuity Plans and procedures inadequate or not clearly communicated and understood.	Failure to respond effectively to a business continuity incident Disruption to services. Failure to meet statutory duties	3	3	9	Borough Treasurer	All themes
8	Qtr 4 2007/08	Factors outside the control of the Council may result in the injury, death or sexual exploitation of a vulnerable child or adult in the community. Weaknesses in Council procedures may contribute to the failure to safeguard a vulnerable child or adult.	Loss or reputation Fines/penalties Insurance claims	3	4	12	Director CYPL Director ASCHH	3 and 4
9	Qtr1 2010/11	Council unable to maintain buildings/highways in accordance with health and safety and other legislative standards. .	Injury, loss or damage. Increased liability claims. Potential non-delivery of housing Negative impact on service	3	3	9	Director of ECC.	1

Unrestricted

Ref	Date Added	Risk	Potential Impact	Current Residual Risk Score			Risk Owner(s)	Strategic Themes
				Like'hd	Impact	Total		
			delivery, productivity and reputation.					
10	Qtr 4 2007/08	Council unable to work effectively with key partners or involve residents in the development of our services.	Community needs not met Negative impact on community cohesion which could lead to extremism. Increased risk of failure of voluntary sector umbrella support	2	2	4	Director of Corporate Services Assistant Chief Executive	All themes
11	Qtr 2 2015/16	Impact of the national and global economy on economic activity in the Borough. Failure of economic activity in the Borough.	Economic prosperity not sustained	3	3	9	Assistant Chief Executive	2
12	Qtr 4 2009/10	Council unable to implement legislative changes. Legal challenge on decisions relating to levels of service provision.	Litigation Prosecution Financial penalties/cost Loss of reputation	2	3	6	Director of Corporate Services	All themes
13	Qtr 2 2011/12	Delays in the Town Centre Regeneration project led by Bracknell Regeneration Partnership (BRP) working in partnership with Bracknell Forest Council. Failure of the Council to monitor and control their respective elements of the project.	Increased costs for the Council. Delays to regeneration of the town centre Loss of reputation Core benefit of the regeneration not realised.	4	4	4	Assistant Chief Executive	2 and 5
14	Qtr 4 2015/16	Council unable to deliver the transformation programme.	Conflicting pressures between elements of the programme Core objectives/benefits not achieved. Statutory responsibilities not met	2	4	8	Chief Executive	All themes
15	Qtr 4	Council unable to prevent a cyber attack	Disruption to services.	3	4	12	Director of	All

Unrestricted

Ref	Date Added	Risk	Potential Impact	Current Residual Risk Score			Risk Owner(s)	Strategic Themes
				Like'hd	Impact	Total		
	2015/16	and/or unable to respond effectively to an attack to enable services to be sustained.	Failure to meet statutory duties				Corporate Services	themes
16	Qtr 4 2016/17	Additional employment opportunities in new town centre affects the Council's ability to attract and retain staff to deliver services	Disruption to services. Failure to meet statutory duties	4	4	16	Director of Corporate Services	All themes

RISK MATRIX JANUARY 2017

LIKELIHOOD

5					
4			3.Staffing	16 Recruitment and retention	
3			2.Demand 5. Info Sec 7. Bus Continuity 9.Infrastructure/Assets 11,Economic activity.	1.Finance 4. ICT 8. Safeguarding 15Cyber attack	
2		10. Partnership	12.Litigation		
1					
	1	2	3	4	5

IMPACT

Likelihood:

5 Very High

4 High

3 Significant

2 Low

1 Almost Imp

Impact:

5 Catastrophic

4 Critical

3 Major

2 Marginal

1 Negligible

RISK MATRIX JUNE 2016

LIKELIHOOD	5				1. Finance	
	4			3. Staffing 6. Other Major Projects		
	3			2. Demand 5. Info Sec 7. Bus Continuity 9. Infrastructure /Assets 12. Litigation	4. ICT 8. Safeguarding 14 Transformation 15 Cyber attack	
	2		10. Partnership 12, Economic dev.		13. Town Centre	
	1					
		1	2	3	4	5
IMPACT						

Likelihood:
5 Very High
4 High
3 Significant
2 Low
1 Almost Imp

Impact:
5 Catastrophic
4 Critical
3 Major
2 Marginal
1 Negligible

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 5 Very High
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 2 Low
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 4 Critical
 3 Major
 2 Marginal
 1 Negligible