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| <b>Report to:</b>                   | <b>Audit and Governance Committee</b>  |
| <b>Date:</b>                        | <b>18<sup>th</sup> September 2019</b>  |
| <b>Title:</b>                       | <b>Strategic Risk Register Quarterly Review</b>  |
| <b>Report of:</b>                   | <b>Chief Internal Auditor</b>  |
| <b>Ward(s):</b>                     | <b>All</b>   |
| <b>Purpose of report:</b>           | <b>To report to Committee the outcomes of the quarterly review of the register by Corporate Management Team.</b>   |
| <b>Officer recommendation(s):</b>   | <b>To receive and note the update to the Strategic Risk Register</b>   |
| <b>Reasons for recommendations:</b> | <b>The Council is committed to proper risk management and to regularly updating the Committee with regard to the Strategic Risk Register.</b>              |
| <b>Contact Officer(s):</b>          | <b>Name: Jackie Humphrey<br/>Post title: Chief Internal Auditor<br/>E-mail: Jackie.humphrey@lewes-eastbourne.gov.uk<br/>Telephone number: 01323 415925</b> |

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## **1 Introduction**

- 1.1 The Strategic Risk Register is a high level document that records the key risks facing the council: those risks that would prevent the authority from achieving its overall strategies and objectives.
- 1.2 Maintaining the Strategic Risk Register is a vital part of the governance arrangements of the authority and, as such, it is overseen by the Corporate Management Team who review it on a quarterly basis.
- 1.3 The Strategic Risk Register shows the risk, a description of the risk, the risk score if no action is taken (original risk score), the internal controls put in place to mitigate the risk and the risk score after these controls are in place (current risk score).
- 1.4 The Strategic Risk Register is brought to the Committee when any changes have been made to it following review by the Corporate Management Team.

## **2 August 2019 Review**

- 2.1 The Strategic Risk Register was taken to Corporate Management Team on the 20<sup>th</sup> August 2019 for the latest quarterly review.

- 2.2 The focus of discussion was around an increased likelihood of a No Deal Brexit and the associated risks if this is the outcome of the current negotiation process. It was decided that the risk level on two risks should be raised. As this risk not an inherent one but is solely the result of the current situation with Brexit the original risk score has not been altered but the residual risk score has been raised as there are limited actions that can be taken until the outcome of the negotiations is known.
- 2.3 Two risk scores have been increased. These are for risks number 2 (changes to the economic environment) and 7 (long term effects under the Civil Contingencies Act).
- 2.4 For risk number 2 the residual risk score has been raised from Likelihood 4 and Impact 3 to Likelihood and Impact 5. Whilst this is higher than the original risk score this is reflective of the current situation where the outcome of negotiations is unknown. If a No Deal Brexit goes ahead then the original risk score will be reviewed.
- 2.5 For risk number 7 the residual risk score has been raised from Likelihood 1 and Impact 3 to Likelihood 2 and Impact 3.
- 2.6 These changes to scores are based solely on the uncertainty of the current situation whereby the full possibilities cannot be known and appropriate action can only be planned for and not taken until there is more certainty.
- 2.7 In each instance the register contains an explanation of why the residual score has been increased. Once the outcome of the BREXIT negotiations is known the original and residual risk scores will again be reviewed.

### **3 Financial appraisal**

- 3.1 There are no financial implications arising from this report.

### **4 Legal implications**

- 4.1 This report demonstrates compliance with regulation 3 of The Accounts and Audit Regulations 2015, which requires the Council to operate a sound system of internal control, including effective arrangements for the management of risk.

*Lawyer consulted 27.08.19*

*Legal ref: 008358-EBC-OD*

### **5 Risk management implications**

- 5.1 If the Council does not have an effective risk management framework that is subject to proper oversight by Councillors it will not be able to demonstrate that it has in place adequate means to safeguard Council assets and services, and it could be subject to criticism from the Council's external auditor or the public.

## **6      Equality analysis**

6.1     An equalities impact assessment is not considered necessary because the report is for information only and involves no key decisions.

## **7      Appendices**

- Strategic Risk Register

## **8      Background papers**

None