

## ITEM NO. 6

<b>DECISION-MAKER:</b>	AUDIT COMMITTEE		
<b>SUBJECT:</b>	STRATEGIC RISK REGISTER		
<b>DATE OF DECISION:</b>	27 <sup>TH</sup> SEPTEMBER 2007		
<b>REPORT OF:</b>	Carolyn Williamson – Executive Director of Resources		
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### STATEMENT OF CONFIDENTIALITY

NOT APPLICABLE

### SUMMARY

The 'Internal Control' section of the 'Comprehensive Performance Assessment ("CPA") - Use of Resources' requires that 'the Council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigns named individuals to lead on the actions identified to mitigate each risk'.

The Council's Strategic Risk Register for 2007-08 has been developed in consultation with the Chief Officer's Management Team ("COMT") and the Policy Co-ordinators Team ("PCoT") in their capacity as the Council's 'Risk Management and Controls Assurance Group'. The Risk Register also takes account of, and is aligned with, a range of key strategic documents including the output from the Directorate Risk Registers together with a review of 2006-07 Strategic Risk Register.

It should be noted that the risks listed represent the 'inherent risk' i.e. before the impact of any existing controls or risk reduction measures have been considered.

### RECOMMENDATIONS:

The Audit Committee is asked to:-

- (i) Review the Strategic Risk Register (Appendix 1) and to be satisfied that the document adequately reflects the key strategic risks facing the Council and/or to highlight any other significant key risks that may need to be considered.

### REASONS FOR REPORT RECOMMENDATIONS

1. The report is presented to the Audit Committee in their capacity as the member body with responsibility for providing independent assurance to the Standards and Governance Committee on the adequacy of the risk management framework and the internal control and reporting environment.
2. The Audit Committee is also responsible for providing assurance to the Standards and Governance Committee that appropriate action is being taken

on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.

3. The Internal Control section of the CPA - Use of Resources requires that 'Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being identified and effectively managed, including reporting to full council as appropriate'.

## **CONSULTATION**

The Strategic Risk Register has been developed in consultation with both PCoT in their capacity as the Council's Risk Management and Controls Assurance Group ("RMCAG") and COMT.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

No alternative options have been considered.

## **DETAIL**

1. The Strategic Risk Register is intended to capture the key risks that may prevent or have a significant adverse affect on the achievement of the Council's key objectives. The register has been developed based on a review of the 2006-07 Strategic Risk Register and taking into account a range of key strategic documents including the Corporate Improvement Plan 2007-08, the Medium Term Service and Financial Plan 2007-10, the Southampton Partnership Strategy, the Audit Commission's Annual Audit and Inspection Letter 2005-06.
2. It also takes into account the output from the 2007-08 Directorate Risk Registers (Appendix 2). The 'Summary – Directorate Risk Registers 2007-08' document highlights the range of risks identified by service areas. The 'Link to Strategic Risk' column is intended to illustrate the relationship between the most significant (red) risks identified by directorates and the strategic risks.
3. Each of the risks has an associated risk management action plan ("RMAP") using a standard template (Appendix 3). The risk register and associated RMAPs will be reviewed and updated on a quarterly basis by the RMCAG with any significant proposed changes reported to COMT for formal adoption. COMT also agreed that they would formally review the register and RMAPs on a six monthly basis. The purpose of the periodic review is to:-
  - Consider whether the risk profile is changing;
  - Gain assurance that risk management is effective, and to identify when further action is necessary; and
  - Consider any new or emerging risks i.e. as a result of new initiatives, new legislation, changes in the political or social environment etc.

The risk register should be seen as a tool for communicating risk information and the output can be assessed in terms of how well stakeholder and internal objectives are supported; and how well stakeholders and the organisation are safeguarded (in terms of the capacity to achieve objectives).

## **FINANCIAL/RESOURCE IMPLICATIONS**

### **Capital**

NONE

### **Revenue**

NONE

### **Property**

No specific property implications have been identified in this report.

### **Other**

NONE

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

The Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 require the Council to adopt Good Governance arrangements in respect of the discharge of its functions. The above arrangements are intended to meet those responsibilities.

### **Other Legal Implications:**

NONE

## **POLICY FRAMEWORK IMPLICATIONS**

NONE

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Draft Strategic Risk Register 2007-08
2.	Summary – Directorate Risk Registers 2007-08
3.	Risk Management Action Plan (RMAP) - template

**Documents In Members’ Rooms**

1.	NONE
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**Background Documents**

Title of Background Paper(s)

Relevant Paragraph of the  
Access to Information  
Procedure Rules / Schedule  
12A allowing document to be  
Exempt/Confidential (if  
applicable)

1.	NONE	
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**Background documents available for inspection at:** Internal Audit Office, North Block  
Basement, Civic Centre

E-mail: [peter.rogers@southampton.gov.uk](mailto:peter.rogers@southampton.gov.uk)

**FORWARD PLAN No:** N/A

**KEY DECISION?**

N/A

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**WARDS/COMMUNITIES AFFECTED:**

NOT APPLICABLE

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