



Title: **Strategic Risk Management**

Wards Affected: **All**

To: **Audit Committee**                      On: **21 January 2015**

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## **1. Background**

- 1.1 At its meeting on 24 September 2014, the Audit Committee considered the position at Quarter 1 with regard to the Strategic Risk Register. Members identified that they felt that the risk register had become so strategic it was lacking the operational detail that they needed to gain the reassurance that they required.
- 1.2 At that meeting the Committee was also informed that responsibility for the risk register would, from now on, lie with the Executive Head – Commercial Services. Members requested that the Executive Head attend the next meeting to present her initial thoughts on risk management.
- 1.3 This report provides those thoughts and outlines the work that is currently taking place to ensure that risk management is appropriately embedded within Torbay Council.

## **2. Introduction**

- 2.1 The new approach to strategic risk management was introduced in early 2013 at which point five strategic risks to the Authority were identified together with mitigating actions. Since that time, quarterly reviews of progress against those actions have been undertaken and reported to the Audit Committee.
- 2.2 In March 2014, Devon Audit Partnership undertook a review of the new risk management process. The report acknowledges that the new process was in its infancy and that the assurance opinion of “improvements required” reflected that current status and that it was “evident that there is still work being done to ensure that the Council is operating a fully robust Risk Management methodology”.
- 2.3 Devon Audit Partnership have separately identified that there may be opportunities between Torbay, Devon County and Plymouth City Councils to share experience and learning around risk management as many of the risks faced by county and unitary councils may well be similar. To that end the Partnership facilitated a meeting between officers from those authorities which has started a conversation around risk management issues.

### **3. Moving Forward**

- 3.1 The Policy, Performance and Review Team have taken on board the findings of the Devon Audit Partnership report and are currently refreshing the performance and risk management framework of the Council. The aim is to ensure that there is integration through the organisation ensuring linkages between operational risk, strategic risks, performance and financial management. Ultimately there also needs to be integration with business continuity and disaster management.
- 3.2 In developing the revised approach, the Team is ensuring that the specific issues of concern within the Devon Audit Partnership report are being addressed including the formalisation of the Risk Management methodology. Further, the currently identified strategic risks are being compared with those identified by a selection of south west local authorities.
- 3.3 The revised approach to performance and risk management identifies how the Council will meet its priorities, how we will monitor how well we are meeting those priorities and what are the risks associated with the priorities. Monthly monitoring reports in the form of performance and risk dashboards will be prepared for consideration by the Senior Leadership Team. SLT will then be able to review and challenge the Council's performance.
- 3.4 Once a quarter, a composite report including performance, risk and financial management information will be considered by the Overview and Scrutiny Board which will mean that there is open, democratic review and challenge to how well the Council is meeting its priorities.
- 3.5 Operational performance and risk management information will continue to be held by each Business Unit. However, the increased challenge from SLT and the Policy, Performance and Review Team will help to ensure that operational issues are escalated onto the strategic dashboard for consideration at SLT and the Overview and Scrutiny Board.

### **4. Feedback from Audit Committee**

- 4.1 Views of the Committee are welcomed on issues such as:
  - How can members challenge whether the strategic risks are appropriate without becoming overly involved in operational issues?
  - Are there any strategic risks the Committee do not feel are currently included in the Strategic Risk Register?
  - Should the Risk Register focus purely on the risks faced by the Authority or by the area as a whole?

**Anne-Marie Bond**  
**Executive Head – Commercial and Business Services**