

**WAVERLEY BOROUGH COUNCIL**  
**AUDIT COMMITTEE**  
**23 MARCH 2015**

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**Title:**

**RISK MANAGEMENT UPDATE**

[Portfolio Holder for Finance: Cllr Julia Potts]

[Wards Affected: N/A]

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**Note Pursuant to Section 100B(5) of the Local Government Act 1972**

An Annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in paragraph 3 of the revised part 1 of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

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**Summary and purpose:**

This report presents the latest corporate risk registers as refreshed by heads of service with assistance from Zurich Municipal, the Councils insurance and risk management advisors.

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**How this report relates to the Council's Corporate Priorities**

Good management of risk helps to ensure that Waverley achieves its objectives and minimises loss and damage which has a positive impact on the Borough's environment. The community benefits from Waverley's services being provided in an effective, safe manner.

**Financial Implications**

There are no direct financial implications arising from this report.

**Legal Implications**

There are no legal implications arising from this report.

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**Introduction and Background**

1. All organisations face risks in undertaking their business. Local authorities, with their wide-ranging responsibilities and duties, face a significant number of risks. A risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives. Clearly Waverley has been, and always will be, faced with many potential risks in all areas of its business.

Each year Waverley updates its framework that sets out its approach to the management of these risks.

2. The effective management of risks is an essential element in the overall operation of the Council and the delivery of its services and should not be seen as a separate task or function. Local authorities are required to demonstrate to their community that managing risk is at the heart of their governance framework and that they have effective arrangements in place to identify and respond to the risks that they face.

### **The Key Risks**

3. In February 2015, the corporate risk register was refreshed by the Heads of Service with assistance from the Council's risk advisors, Zurich Municipal in line with the Councils Corporate Governance requirements.
4. The register shows the high-level risks that could prevent the Council from achieving its corporate aims and objectives as set out in the Corporate Plan 2012-15 and has been comprehensively reviewed to ensure that it aligns to the current key risks facing the Council. The Corporate risk register and covering report from Zurich Municipal is included as (Exempt) Annexe 1. Members are asked to consider the risks and pass any comments to officers as appropriate.
5. Last year 13 risks were identified and analysed for likelihood of risk scenario materialising and impact on ability to deliver corporate objectives. All 13 risks are still valid and updated with one additional risk included this year. The new risk is Risk Profile 14: Planning performance: Government can remove planning powers from Councils who perform poorly against measure relating to speed of decision making, appeals and (in future) progress on Local Development Orders. This would give applicants the option of submitting planning applications direct to the Planning Inspectorate. This risk was assessed as low likelihood of risk scenario materialising and critical on impact on ability to deliver corporate objective. Current mitigations have been put in place with further actions identified.
6. Two risk profiles have been adjusted for likelihood of risk scenario materialising. Risk profile 7: Staff skill and capacity management: has increased from low to medium to reflect the current difficulties in recruitment and retention across some of the key services. Risk profile 1: Public service network: has increased from low to medium due to the annual increase in standards set by government. A significant amount of risk mitigation actions have already been done with further required actions identified.

### **Recommendation**

It is recommended that the Audit Committee considers the revised corporate risks register at (Exempt) Annexe 1 and passes comments and observations to officers.

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### **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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