



Leicester  
City Council

WARDS AFFECTED:

Audit and Risk Committee

25<sup>th</sup> July 2018

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**Strategic and Operational Risk Registers and Insurance Claims Data**

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**Report of the Director Delivery, Communications and Political Governance**

**1. Purpose of the Report**

To present to the Audit and Risk Committee an update on the Strategic and Operational Risk Registers, claims data and the risk training and schedule:

- Appendix 1, the Strategic Risk Register (SRR) provides a summary of the strategic risks facing the council which may affect the achievement of the council's strategic objectives;
- Appendix 2, supports appendix 1, which provides the detail in relation to the council's strategic risks;
- Appendix 2a informs where changes have been made to the SRR since the last quarter;
- Appendix 3, the Operational Risk Register (ORR) Exposure Summary, provides a high level summary of the operational risks, which affect the day to day operations of the divisions. Such risks are assessed by Divisional Directors with a risk score of 15 or above for consideration;
- Appendix 4, the ORR, supports Appendix 3, the summary of the ORR, which provides the detail in relation to the council's operational risks;
- Appendix 4a, provides details of where changes are made to the ORR since the last quarter;
- Appendix 5 – Insurance Claims Data summary from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2018.
- Appendix 6, is the 2018 training schedule for risk and business continuity

## 2. Recommendations

### **Audit and Risk Committee is asked to:**

- Note the SRR and ORR as at 30<sup>th</sup> April 2018;
- Note the insurance claims data;
- Note the training schedule for 2018
- Make any comments to the Executive or Director of Delivery, Communications and Political Governance.

## 3. Background

- 3.1 The Council's 2018 Risk Management Strategy requires the development, maintenance and monitoring of both the SRR and ORR.
- 3.2 Both the SRR and ORR process is owned and led by the Chief Operating Officer. The Strategic Directors support the strategic risk register process documenting the key strategic risks facing the council and help to ensure these are managed. The SRR complements the operational risk register process which is supported and managed by the Divisional Directors. Both registers are populated and maintained by the Manager, Risk Management (RM).
- 3.3. The insurance claims data is provided to the Audit and Risk Committee, as one measure of how risks in practice are managed. Paragraph 4.9 and Appendix 5 provide more detail.

## 4. Report

- 4.1. The SRR has been compiled following a review by all Strategic Directors and has been updated to the period 30<sup>th</sup> April 2018. The summary of the strategic risks is attached as **Appendix 1** and **Appendix 2** provides the fuller detail of risks. **16** updates to risks were made comprising of changes to controls and targets dates. **Appendix 2a** indicates in bold and underlined where such alterations were made.
- 4.2. Strategic risk ratings have remained constant which is common practice due to the nature of strategic risks and the changes in the external environment posing risks to the organisation are being managed/mitigated within the appetite of the organisation.
- 4.3 The risks in the ORR are presented by:
- Department (in alphabetical order);
  - Division (again within alphabetical order);
  - Then by 'risk score' with the highest first.

4.4 The ORR summary document, **Appendix 3**, has been compiled using divisional risk registers submitted to RMS by each Divisional Director. The significant risks (scoring 15 and above) identified within these individual registers have been transferred to the Council's ORR.

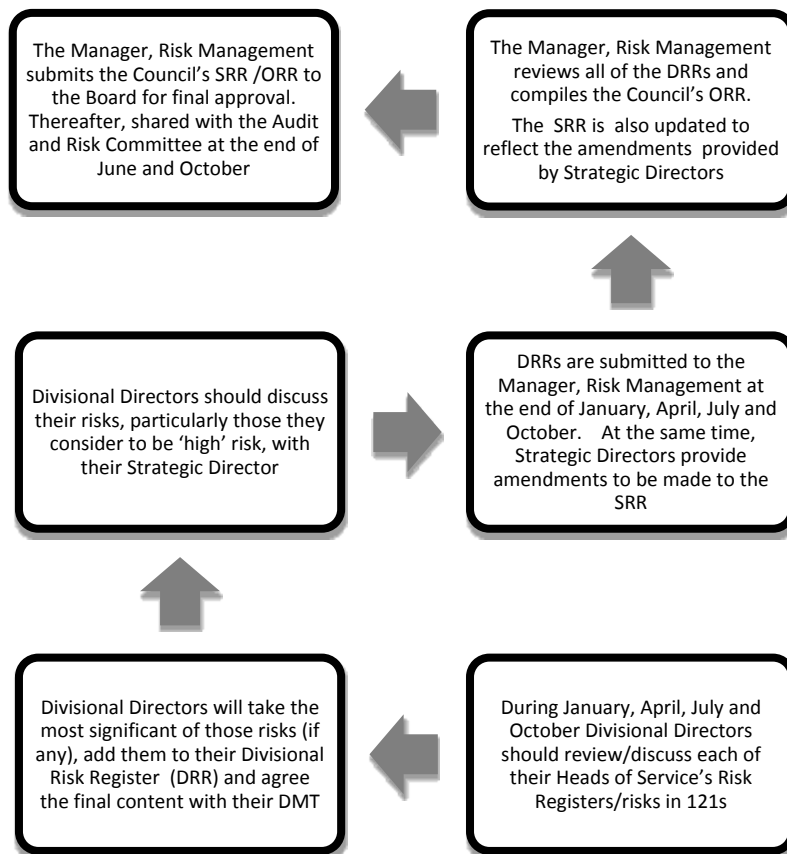
4.5 **Appendix 3**, the summary of operational risks, is supported by **Appendix 4** which provides details of the operational risks. With regards to the ORR, **57** existing risks have been amended, **2** deleted and **1** new risk added. **Appendix 4a** indicates in bold and underlined where amendments and deletions have been made. As a reminder, the deletion of a risk does not necessarily mean the risk is eliminated. It refers to the risk score no longer being 'high' and it may well remain within the individual divisional register with a score below 15, which was the case in the deleted risk this quarter.

The key risks that local authorities are currently facing nationally and which are being managed and mitigated include:

- Cyber /Data Protection security/GDPR
- Grenfell Tower impacts
- Uncertainty about future funding beyond 2020

4.6 Both the strategic and operational risk registers attached to this report contain the most significant managed/mitigated risks. Whilst there are other key risks, it is the view of Directors that these are sufficiently managed/mitigated for them not to appear in these registers. More detailed registers of operational risks are owned and maintained by individual Divisional Directors and their Heads of Service (and where appropriate their managerial and supervisory staff) as detailed in the Risk Management Policy and Strategy.

4.7 For clarity, the process for reviewing and reporting operational risks, in line with the Council's strategy, should be as per the following flowchart:



- 4.8 A planned review of the Council's Divisional Risk Registers which complements the ORR by RM is currently underway. This will be a 'sense check' of risks being reported to ensure that descriptors allow the 'uninitiated' to understand that alignment is taking across the division and to ensure risks are not over scored.
- 4.9 **Appendix 5** shows insurance claims relating to the last financial year. At the time of writing, 48% of claims received have been repudiated – however, this figure will increase over time as the majority of recent claims are still to be resolved.
- 4.10 **Appendix 6** provides details of the business continuity and risk management training programme for Council officers. This is presented for the Committee's information and to provide assurance that a robust training programme is in place, to promote a proper understanding of risk and insurance across the Council.

## 5. **Financial, Legal Implications**

### 5.1 **Financial Implications**

'There are no direct financial implications arising from this report'  
Colin Sharpe, Head of Finance – 37 4081

**5.2 Legal Implications**

'There are no direct legal implications arising from this report'  
Kamal Adatia, City Barrister – 37 1401

**6. Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting Information
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Climate Change	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	
Risk Management	Yes	All of the paper.

**7. Report Author**

Sonal Devani – Manager, Risk Management – 37 1635  
2<sup>nd</sup> July 2018