Item 9



**Report of the PCC CFO to the Chair and Members of the Joint Audit Committee**

**23rd March 2017**

**Presenting Officer: Mr Michael Porter, Chief Finance Officer**

**Status: For information**

**Strategic Risk Register**

**1. Purpose**

1.1 To provide Members with an update on the progress of the PCC’s risk register.

**2. Recommendations**

2.1 That Members note the content of the report.

**3. Background**

3.1 The PCC is taking an integrated approach to embedding its risk register within the OPCC. The strategic register is managed on the Insight4GRC system and also continues to be reviewed in line with the OPCC’s own Risk Management Policy.

3.2 The Risk Register is being reviewed and reported on a half yearly rolling basis. The objective of the review is to update risk controls, scoring, and check progress against outstanding actions and to explore new or emerging risks.

1. **Progress and Changes since the last update in September 2016**
   1. All risks have been reviewed during the six months since the last report to Members was provided in September 2016. This has resulted in only very minor changes at this stage. There have been no additional risks added to the register during the last 6 months.
   2. During the 6 month period a number of ‘actions required’ have been implemented and whilst these haven’t resulted in any reductions in Residual Risks there are now a number of risks with only one action required which will then enable these risks to be at their ‘Target Risk’ level.
   3. The residual risks on 2 risks (Financial Planning and Reductions in Central Funding) have increased during the 6 months. They are now at their Target Risk having previously been below the Target Risk due to the organisation having a 4 year balanced plan in place. The increased risk in these areas results from having a 2 year (i.e. 2017/18 and 2018/19) balanced plan in place.
   4. A full review of the Diversity and Equality Risk has been requested to ensure that this fully reflects both the current risk in this area and that it also takes into account all of the current work. This will be refreshed by the next update of the Risk Register in September 2017.

* An overview of all current ‘open’ risks on the PCC’s Risk Register, based on Inherent Risk is shown in the table below:**Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 5 - Catastrophic | Contingency (5) | Contingency (10) | Primary (15) | Primary (20) | Primary (25) |
| 4 - Significant | Contingency (4) | Contingency (8) | Primary (12) | Primary (16) | Primary (20) |
| 3 - Moderate | Low (3) | Contingency (6) | Contingency (9) | Primary (12) | Primary (15) |
| 2 - Minor | Low (2) | Low (4) | House Keeping (6) | House Keeping (8) | House Keeping (10) |
| 1 - Insignificant | Low (1) | Low (2) | House Keeping (3) | House Keeping (4) | House Keeping (5) |
|  | 1 - Negligible | 2 - Rare | 3 - Unlikely | 4 - Possible | 5 - Probable |

* 1. With the following table showing the Residual Risks:
* **Inherent Risk Priority (I x L)**
* **Residual Risk Priority (I x L)**

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|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
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**5. Risk Register**

5.1 The Insight4GRC methodology and Risk Management Policy is in place and work is continuing to embed it into the day to day work of the OPCC.

5.2 All of the risks have and will continue to be allocated to individual Officers with regular updates required.

5.3 A copy of the Strategic Risk Register is included at todays meeting.

**6. Implications**

6.1 Finance

There are no known financial implications at the present time. However, as the process progresses the financial implications will be continually reviewed.

6.2 Diversity and Equal Opportunities

There are no diversity or equal opportunities implications arising from the content of this report.

6.3 Human Rights Act

There are no Human Rights Act implications arising from the content of this report.

6.4 Sustainability

Risk Management is a vital element in ensuring the sustainable delivery of services and delivering the PCC’s priorities.

6.5 Risk

Risk Management is crucial in ensuring the sustainable delivery of services and delivery of the PCC’s priorities through the effective identification and management of the principal risks to the delivery of corporate objectives.

**7. Conclusion**

* 1. The risk register and the work to embed risk management within the work of the OPCC is on-going and work will continue to ensure progress is maintained and risks are appropriately captured and managed.