

Report to	<b>Audit Committee</b>
Date	<b>5 April 2011</b>
By	<b>Director of Corporate Services</b>
Title of Report	<b>Corporate Risk Register</b>
Purpose of Report	<b>To present the Corporate Risk Register as at March 2011</b>

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**Recommendation: The Committee is recommended to approve the Corporate Risk Register as at March 2011**

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## **1. Introduction**

- 1.1 To present the South Downs National Park Authority's (SDNPA) Corporate Risk Register as at March 2011.

## **2. Background**

- 2.1 The Audit Committee has the responsibility "To monitor and review the Corporate Risk Strategy and Register" within its terms of reference.
- 2.2 The SDNPA had a risk register for its transitional year and this was presented to the Audit Committee on 18 January 2011. This necessarily focussed on the risks relating to the programme to establish the SDNPA and enable it to be fully operational.
- 2.3 The SDNPA will be fully operational from 1 April 2011. It will continue to need to manage risks effectively to achieve its objectives and ensure good risk management practices.
- 2.4 The recommendations of the Internal Audit Report "Review of Governance Framework", reported to the Audit Committee on 18 January 2011, included a recommendation to put in place a Risk Management Strategy and a Corporate Risk Register. This report sets out the Corporate Risk Register; there is a separate item elsewhere on the agenda presenting the Risk Management Strategy.

## **3. Corporate Risk Register**

- 3.1 The latest risk register (as at March 2011) is attached as **Appendix 1**. This Register now covers the risks for the SDNPA as a whole rather than the previous version which related only to the transition programme.
- 3.2 The risks in the organisation are reviewed monthly by the Strategic Management Team and the Corporate Risk Register is updated. In addition 'Significant' and 'High' risks identified in other parts of the SDNPA's work are escalated for inclusion in the Corporate Risk Register. An example of this (from the report to the Resources and Performance Committee on 8 March 2011) are the risks in relation to the budget for 2011/12.
- 3.3 Only the 'High' and 'Significant' risks have been included in the Register for the Audit Committee although there are other, less serious risks in the Register which are monitored by senior managers.

3.4 The format of the risk register follows the layout informally agreed with the Members of the Audit Committee. The headings are:

- Reference number – unique number that does not change when the register is updated
- Description of Risk – the description of the risk
- Description of Impact – explains the consequences for the Authority of the risk
- Mitigation – the measures the Authority is taking or has taken to reduce the chance of the risk actually occurring or the consequences if it does
- Contingency – further measures that might be taken to reduce the consequences of the risk if needed
- Likelihood – categorisation of the probability of the risk taking place
- Impact – categorisation of the severity of the impact if the risk takes place
- Owner – who is responsible for monitoring this risk
- Severity – a score for the risk related to the likelihood and impact categories (See Table below)

	Most Likely <b>IMPACT</b>				
<b>LIKELIHOOD</b>	Insignificant (1)	Minor (2)	Moderate (3)	Major (4)	Catastrophic (5)
Almost Certain (5)	Yellow 5	Orange 10	Red 15	Red 20	Red 25
Likely (4)	Yellow 4	Orange 8	Orange 12	Red 16	Red 20
Possible (3)	Green 3	Yellow 6	Orange 9	Orange 12	Red 15
Unlikely (2)	Green 2	Yellow 4	Yellow 6	Orange 8	Orange 10
Almost Impossible (1)	Green 1	Green 2	Green 3	Yellow 4	Yellow 5

3.5 In some cases the risks have changed or no longer exist. When this happens they will be marked “closed” on the report to the Audit committee and will be deleted before the Register is next presented.

### Changes since January 2011

3.6 The risk register presented to the Audit Committee on 18 January 2011 contained thirteen ‘Significant’ risks and one ‘Moderate’ risk.

3.7 The risk register now being presented has one ‘High’ risk and ten ‘Significant’ risks.

3.8 Of the fourteen risks presented on 18 January 2011:

- One ( Risk 19 ) was a ‘Moderate’ risk but is now considered a ‘High’ risk
- Eight ( Risks 2; 3; 5 ;7; 25; 28; 31; 33 ) are still ‘Significant’ risks
- One ( Risks 10) is now ‘Moderate’ risks and therefore not reported
- Four risks have been closed
  - Risk 22 - closed because the transfer is now completed with no unresolved issues arising
  - Risk 26 – closed because interim arrangements have been agreed and included in the planning agreements
  - Risk 30 – closed because the Local Government settlement was revised and the risk was no longer valid
  - Risk 32 - closed because the budget framework has been agreed and the Budget and Business Plan are to be agreed by SDNPA on 29 March 2011

3.9 There are two new ‘Significant’ risks . These are Risks 40 and 41

- Risk 40 – Public perception that SDNPA are not managing public funds effectively and efficiently in the tight economic climate
- Risk 41 - Increase in numbers of Planning Applications

- 3.10 Risk 7 - has been modified to include the financial risk raised in the report on the 2011/12 Budget.
- 3.11 The severity of Risk 19 – ‘Failure to meet high expectations for the National Park from stakeholders and communities’ – has been increased because partners, stakeholders and communities across the National Park will be aware that the SDNPA is fully operational on 1 April 2011. It is clear that they have high aspirations for the National Park. The Risk Register identifies the range of actions being taken by the SDNPA to meet those aspirations including the work on the Management Plan, actions from the annual Business Plan, support to local communities through the grants scheme and working with partners.

### **Next steps**

- 3.12 The Corporate Risk Register will be kept under regular review and supporting risk registers will be compiled for specific programmes of work to underpin the Corporate Risk Register. The Audit Committee will receive an updated Register at each of its meetings.
- 3.13 In addition to the risks that are recorded on the risk register the SDNPA needs to confirm its arrangements for emergency planning/ disaster recovery. It will also consider where it fits into the emergency planning strategies of the Councils and other Organisations, should an emergency occur within the National Park.

## **4. Resources**

- 4.1 There are no additional resource requirements arising from this report.

## **5. Risk Management**

- 5.1 The report outlines the current risks facing the Authority and how these will be mitigated.

## **6. Human Rights, Equalities, Health and Safety**

- 6.1 There are no implications arising from this report.

## **7. External Consultees**

- 7.1 None.

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Appendices	Appendix 1 Corporate Risk Register
SDNPA Consultees	Chief Executive Officer, Head of Planning, Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer & Senior Solicitor.