



## Audit and Risk Management Committee

### Monday, 19 November 2018

<b>REPORT TITLE:</b>	<b>DEVELOPMENT OF THE REVISED CORPORATE RISK REGISTER</b>
<b>REPORT OF:</b>	<b>Director of Finance and Investment</b>

#### **REPORT SUMMARY**

An improved focus on its most critical risks is a key component of the enhancements to arrangements for managing risk which the Council is working to introduce. Ensuring that the leadership has a clear shared and current understanding of those risks is fundamental to that aim. My report of 24 September 2018 indicated that work had been undertaken with the Strategic Leadership Team to draw out their view of the Council's most significant risks. This report provides a progress update in relation to that work.

#### **RECOMMENDATION**

1. Members consider the proposed set of corporate risks.

## **SUPPORTING INFORMATION**

### **1.0 REASON FOR RECOMMENDATION**

- 1.1 The committee needs to understand the authority's most significant risks in order to fulfil its role of providing independent assurance of the Council's Risk Management Framework.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 None.

### **3.0 BACKGROUND INFORMATION**

- 3.1 My report of 24 September 2018 provided a summary of the areas of risk which had been considered in the second SLT session that had taken place the previous month. It confirmed that the output from that session had been subject to further consideration and comments by the Team to refine the definitions and advised that work would be undertaken to develop a revised Corporate Risk Register.
- 3.2 The draft risk definitions which are shown in the appendix comprise mostly strategic and tactical risks but also 4 risks which are operational in nature but which are considered to be of such criticality that they require regular direct oversight by SLT.
- 3.3 The definitions were placed into a risk register template and an owner for each risk was agreed. An early draft of the register was then shared with the Risk Management Support Officers who were tasked with obtaining from each risk owner an opinion as to the key controls and of the risk's significance.
- 3.4 It is recognised that the Council faces major operational risks that are not included in the draft Corporate Risk Register. Work has been undertaken by the Internal Audit team and the Senior Risk and Insurance officer to identify those which are of potential corporate significance. It is proposed that these are subject to regular monitoring by the Corporate Governance Group and escalated to SLT where there are concerns as to the effectiveness of the mitigation.

#### **Further action planned**

- 3.5 On 19 November a sub-group of this committee will consider the draft set of corporate risks in detail and put forward their views on those risks and any of corporate significance not reflected in the draft register.
- 3.6 The output from that session will be considered by SLT and a final baseline Corporate Risk Register agreed.

- 3.7 With input from the Internal Audit team the key controls for each risk will be mapped onto a three lines of defence assurance model and an exercise undertaken to identify any gaps in the control environment. The output from that exercise will be shared with SLT and this Committee.
- 3.8 An exercise will also be undertaken to draw out the appetite of political and executive leaders for each of the revised corporate risks.
- 3.9 Through the new monthly corporate risk review process emerging or developing risks to programmes and business plans that have potential corporate significance will be escalated to SLT. The Team will consider each such risk and decide whether it warrants addition to the Corporate Risk Register or should continue to be managed within the directorate or programme.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are no immediate financial implications arising directly from this report.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are no immediate legal implications arising directly from this report.

#### **6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS**

- 6.1 Risk management support officers have been identified from the Council's existing establishment.

#### **7.0 RELEVANT RISKS**

- 7.1 The work mentioned in section 3.0 is leading to the creation of a revised corporate level risk register.

#### **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 No specific consultation has been undertaken with regard to this report.

#### **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are none arising directly from this report.

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#### **APPENDICES**

Draft Corporate Risks

## **BACKGROUND PAPERS**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management Committee	
Improvements to the Corporate Risk Management Framework	23 July 2018
Development of the Revised Corporate Risk Register	24 September 2018