



Audit and Risk Management Committee
Monday, 27 January 2020

REPORT TITLE:	Corporate Risk Management Update
REPORT OF:	Director of Finance and Investment

REPORT SUMMARY

This report provides an update on the Corporate Risk Register and current risk management arrangements.

RECOMMENDATION/S

That the report be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To enable the Committee to understand the Authority's most significant risks, the associated mitigating controls and the risk management framework in order to fulfil its role of providing independent assurance of the Council's Risk Management Framework.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 BACKGROUND INFORMATION

- 3.1 The Corporate Risk Register has been reported to each Audit and Risk Management Committee since it was finalised in March 2019.

- 3.2 The latest version is attached as Appendix 1 to this report

Update of the Corporate Risk Register (CRR)

- 3.3 Updates on the Corporate Risks have been gathered from all of the Risk Owners in December.

- 3.4 The Risk Owners were asked to consider 6 key steps when reviewing their risks to ensure the risk register remains relevant and up to date.

- **Review the Risk Description** – is the risk worded accurately to reflect the current concerns? The description should articulate the possible cause and consequence of a potential threat or opportunity which could affect the achievement of the Council's objectives and priorities within the Council Plan.
- **Update Existing Mitigation / Controls** – are they still in place and having an effect on the risk? Any additional measures that have been implemented? Perhaps planned actions been completed and need to be transferred over?
- **Review the "Current" score** – is it appropriate in light of the controls in place? Can the score drop because actions have been completed or perhaps it needs to increase due to external pressures or changes in circumstances?
- **Set a Target Score** – is enough being done? Is the Current score acceptable or is it too high? What actions are to be taken to reduce the score and what score is being aimed for? If the current level is acceptable then the Target and Current can be the same. See Appendix 2 for the scoring definitions chart.
- **Add any new actions** – review the planned additional mitigation and add any new actions or if circumstances have changed amend those already recorded. Remember to include an owner and a timescale for completion.
- **Provide a Risk Update / Commentary** – if scores are changed, or the target date and progress on actions has slipped use this additional field to add some context and commentary to explain what is happening. This is particularly important where actions have a timescale of "ongoing 19-20".

- 3.5 Further work is required on setting of Target scores for each risk and a commentary. This will continue over the coming months in line with preparations for the alignment with the new Council Plan.
- 3.6 As a result of this review 5 risks have seen a change in score with 4 risks dropping in score.

Risk 7 Effective Governance – likelihood score reduced to reflect changes across the Council in relation to focus and appetite as well as the review and strengthening of arrangements over the past 12 months. The planned changes to the committee system and associated changes to the Constitution in the next financial year will be significant and take time to be embedded.

Risk 9 Upstream/Preventative Activity in Health and Care Services (likelihood score dropped) and *Risk 11 Significant Safeguarding Incident* (score has dropped from red to amber) - following the Ofsted inspection in June an Accountability Board has been established to oversee continuous improvement across children's services. Recommendations on the Ofsted Improvement Plan and Care Quality Commission Action Plan have been aligned.

Risk 15 Information Management – there has been a slight drop in score. This is the first review since the risk was identified in September 2019.

- 3.7 One risk has seen an increase in score; *Risk 12 Business Continuity Planning – Response to Disruptive Incidents*. This is to reflect the fact that business continuity planning is not common across all services. In addition, the plans developed for critical services have not all been maintained and updated to reflect the numerous structure and service delivery changes, as well as the increase in agile working practices and rationalisation of office space.
- 3.8 Several of the Corporate Risks have seen specific work involving the Risk, Continuity and Compliance Manager:

Risk 14 Health and Safety (H&S) Management – a health and safety risk management framework has been developed. A request to senior managers to undertake a risk assessment and develop a H&S risk register for their service area was issued in January. These will be used by the H&S Team to undertake targeted audit work and identify common areas of improvement and focus. This allows an informed summary risk register to be held and monitored by the Health, Safety and Wellbeing Board.

Risk 15 Information Management – an Information Risk Register has been developed with the Information Governance Board (IGB) in December 2019. It will continue to be finessed over the coming months with the development of mitigating actions into the new year 2020/21. It will be a standing item for review by the Board and along with the proposed new Senior Information Risk Owner (SIRO) report structure will drive the IGB's future agenda.

Heatmap

- 3.9 To assist with the reporting and visualisation of the CRR a heatmap has been developed. The heatmap shows the Current Score of each risk and if there has been

any change in score this is also plotted with an arrow to show the movement of the risk. A key to the right provides the risk headlines which can be cross referenced to the risk register for more detail.

Directorate Risk Registers (DRRs)

- 3.10 The Third Quarter Review of DRRs has just been completed. An update on these will be provided at the next Committee.

Member Risk Workshop

- 3.11 Regular workshops with the subgroup of this committee are being scheduled at regular intervals through the year. This is to allow members more time to review the risk register and add value to the discussion and a voice in the decision-making process.

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.
- 5.2 The Authority has a statutory responsibility under Part 2 – Internal Control of the Accounts and Audit Regulations (England) 2015 to have arrangements in place for the management of risk. It also forms part of the seven new core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 There are no immediate resource implications arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 Without robust risk management procedures in place there is a danger that the Council will fail to identify, understand and monitor key strategic and operational risks. An ineffective and poorly established risk management framework prevents the optimisation and balanced approach between risk taking and control, leading to ineffective assurance and missed opportunities. The consequence of both is that risks are not considered in decision-making which could have serious financial, reputation and resource implications.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The content and/or recommendations contained within this report are expected to:
- Have no impact on emissions of CO2

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APPENDICES

- Appendix 1 - Corporate Risk Register – updated December 2019
Appendix 2 - Risk Register Scoring Definitions Chart

BACKGROUND PAPERS

None

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	
Improvements to the Corporate Risk Management Framework	23 July 2018
Development of the Revised Corporate Risk Register	24 September 2018
Development of the Revised Corporate Risk Register	19 November 2018
Development of the Revised Corporate Risk Register	28 January 2019
Development of the Revised Corporate Risk Register	11 March 2019
Update of the Corporate Risk Register	22 July 2019
Update of the Corporate Risk Register	23 September 2019
Update of the Corporate Risk Management Arrangements	18 th November 2019