

**Audit and Risk Management Committee**  
**Monday, 22 July 2019**

<b>REPORT TITLE:</b>	<b>UPDATE OF THE CORPORATE RISK REGISTER</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF FINANCE AND INVESTMENT</b>

**REPORT SUMMARY**

1.1 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 embed. Ensuring that the leadership has a clear shared and current understanding of those risks is fundamental to that aim. This report provides an update in relation to the arrangements that underpin the corporate risk register and appends a copy of the current version of the register.

**2.0 RECOMMENDATION**

2.1 That the report be noted.

## **SUPPORTING INFORMATION**

### **1. 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. OTHER OPTIONS CONSIDERED**

- 2.1 No other options considered.

### **3. BACKGROUND INFORMATION**

- 3.1 My reports of 24 September and 19 November 2018 and 28 January 2019 indicated that work had been undertaken with the Strategic Leadership Team to draw out their view of the Council's most significant risks.
- 3.2 My report of 11 March 2019 confirmed that a second workshop with the sub-group of this committee was held on 28 January 2019. Within that session further consideration was given to the definitions of the risks and their mitigation. The register was then shared with Cabinet members and SLT in the week commencing 4 February 2019 and appended to the Revenue Budget 2019/20 and Medium-Term Financial Strategy report to Cabinet on 18 February 2019.
- 3.3 The revised corporate risk register was appended to the 11 March 2019 Committee report.

#### **Current Update**

- 3.4 The risk register has been updated through consultation with corporate risk owners, and lead risk management support officers within departments. This has included updates as appropriate to existing mitigations, risk owner, planned additional mitigation and target dates.
- 3.5 The updated risk register has been reported to SLT. SLT have agreed that no changes to risk descriptions are required at this stage and the only changes to risk scores that are required, since the register was reported to the 11 March 2019 ARMC, are as follows:
  - Risk 7 - Governance – in recognition of the existing mitigations that now includes improved overall internal governance procedures, incorporating a revised Code of Corporate Governance and Annual Governance Statement and involving improved reporting and monitoring, it is acknowledged that the likelihood of the risk arising has actually reduced from 3 to 2, resulting in an overall risk score reduction from 16 to 12;

- Risk 14 – Health & Safety – after further consideration of the potential significance of the threat posed by this risk, it was felt that the unmanaged score should have been 16 rather than 12. Given the actual mitigations currently in place there is no actual change to the current risks score of 12.

### **Further action planned**

- 3.6 Work to improve the Council's understanding of the key mitigation for each risk will continue.
- 3.7 The Internal Audit Plan for 2019/20 has been directly informed by the revised corporate risk register. During the forthcoming financial year, audits will shed light on the effectiveness of existing mitigation and areas for improvement. This work will also support the mapping of the key controls for each risk onto a 'three lines of defence' assurance model and the identification of any gaps in the control environment. The output from that exercise will be shared with SLT and this Committee.
- 3.8 Target scores for the corporate risks will be completed following an exercise planned for later in 2019/20 to draw out the risk appetite of political and executive leaders for each of the revised corporate risks.
- 3.9 Directorate and Programme Management Office risk registers have recently been updated, linked in the case of service departments to the service planning process for 2019/20. The Risk Management Support Officers Group continues to meet monthly and help contribute to the further strengthening of the Council's risk management arrangements. The arrangements for presenting risk management information to monthly DMTs and SLT are being further refined and will help contribute to the new monthly corporate risk review process where emerging or developing risks to programmes and business plans that have potential corporate significance will be escalated to SLT. SLT 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 risk registers.
- 3.10 At the ARMC meeting on 11 March 2019 it was resolved that Members would examine one of the revised corporate risks in detail at each future meeting of the committee. The Financial Resilience risk is the subject of a separate report on the 22 July ARMC agenda.

### **4. FINANCIAL IMPLICATIONS**

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

### **5. LEGAL IMPLICATIONS**

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

### **6. RESOURCE IMPLICATIONS**

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

## 7. RELEVANT RISKS

- 7.1 The work mentioned in section 3.0 is leading to the regular review and update of the revised corporate level risk register.

## 8. ENGAGEMENT/CONSULTATION

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

## 9. EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

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## APPENDICES

Corporate Risk Register 110719

## BACKGROUND DOCUMENTS

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
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