

# Audit Committee

26 November 2020



<b>Title</b>	<b>Corporate Risk Management</b>
<b>Purpose of the report</b>	To make a recommendation to Cabinet
<b>Report Author</b>	Victoria Statham, Group Head of Corporate Governance
<b>Cabinet Member</b>	Councillor Sati Buttar
<b>Confidential</b>	No
<b>Corporate Priority</b>	This item is not in the current list of Corporate Priorities
<b>Recommendations</b>	<b>The Audit Committee is asked to:</b>  <b>Recommend the Corporate Risk Register to Cabinet for approval.</b>
<b>Reason for Recommendation</b>	<b>The Corporate Risk Register continues to ensure that the Council's most significant risks are identified, managed, monitored and reported.</b>

## 1. Key issues

- 1.1 At the July 2020 Audit Committee meeting the Internal Audit Manager reported on the work undertaken to progress the development of corporate risk at the Council. A draft version of the refreshed Risk Management Policy was presented to the Committee. Also presented was a mock risk category focusing on one area of the Corporate Risk Register.
- 1.2 The Audit Committee were asked for their views on the proposed policy and suggestions were invited to refine it. Whilst the Committee appreciated the detail contained in the policy, they considered it important that the document was as easy to read as possible for everyone and key points highlighted for ease of reference. It was agreed that a pared down, visually appealing summary version would be prepared in particular highlighting the policy "musts" from guidance, and circulated to the Committee, relevant colleagues and the Corporate Risk Management Group for their comments. In terms of the mock risk category it was agreed that the Chairman and Vice Chairman would meet with the officers and discuss ways in which the Corporate Risk Register could be modified to ensure it was simple to maintain, clear and easy to understand.
- 1.3 A meeting was held with the Chair and Vice Chair of the Committee, the Chief Finance Officer and the Group Head of Corporate Governance to discuss taking those actions forward. These are due to be discussed with the Internal Audit Manager to drive this change forward. This has not taken place prior to

this Audit Committee due to resource issues. Therefore, for the purposes of this report the Corporate Risk Register has been updated using the current format.

- 1.4 The Corporate Risk Register focuses on key corporate risks (eight risk categories) relating to the achievement of corporate priorities and objectives. The attached Risk Register at Appendix 1 refers to the current corporate priority areas as follows:
    - Housing
    - Clean, Safe and Sustainable Environment
    - Financial Sustainability
    - Economic Development
  - 1.5 When the Corporate Plan is refreshed the Corporate Risk Register will be revised to reflect the updated corporate priorities.
  - 1.6 Taking appropriate action on risk is of course an essential part of effective risk management. Therefore, accountability for risk actions continues to be assigned to named officers (where known) to promote ownership with reference to the Portfolio Holder in each case to facilitate oversight. Reference to a 'Lead Officer' has also been introduced as this is often a different person to the accountable officer.
  - 1.7 The attached version of the Risk Register at **Appendix 1** continues to highlight the direction of travel in implementing risk mitigating actions, ascertained from the status of actions previously recommended/identified. The narrative in the 'Progress' column supports the Red/Amber/Green (RAG) status granted and outlines developments where appropriate/advised by the accountable officer. In some areas new risk mitigating actions have been highlighted, which require monitoring. Overall positive progress has been made in a number of areas albeit some actions have not been fully implemented and/or are ongoing. It should be borne in mind that during the period under review the Council has been dealing with the COVID-19 response. This response and the global economic position has meant a number of risks for external reasons moving to a red rating. Due to the impact on the aviation industry and airport expansion not being a current risk this has been removed from the register. The impact on resources due to pandemic is viewed as a risk and has been added to the register. Management Team has reviewed the Corporate Risk Register and it is being shared with the Corporate Risk Management Group.
- 2. Options analysis and proposal**
    - 2.1 To note and accept the contents of the Corporate Risk Register including any new risk categories and risk mitigating actions underway or for perusal. The revised register at Appendix 1 is considered to be an accurate reflection of the high level risks affecting the Authority, as well as the progress made on actions previously proposed, based on our assessment of risk and controls in operation (preferred option); or
    - 2.2 To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.
  - 3. Financial implications**

3.1 Resources required (staff time) to implement actions proposed in the Corporate Risk Register should be contained within existing budgets as far as possible. There may however be some areas where additional resource /time/management support is required in order to implement risk mitigating actions. This will need to be highlighted by the assigned accountable or lead officer as appropriate.

**4. Other considerations**

4.1 There are none separate to those in the Corporate Risk Register.

**5. Sustainability/Climate Change Implications**

5.1 There are none separate to those in the Corporate Risk Register.

**6. Timetable for implementation**

6.1 The Corporate Risk Register shows accountable and lead officers responsible for progressing actions, together with target timescales for implementation. The register is reviewed and updated three times a year, coordinated and reported by the Internal Audit Manager.

6.2 The Internal Audit Manager will work with the Chair and Vice Chair to ensure the updated policy, summary document and Corporate Risk Register are available for the next schedule Audit Committee meeting.

**Background papers:**

**Appendices:**

**Appendix 1 – Corporate Risk Register**