

Audit Committee

18 March 2021



Title	Corporate Risk Management
Purpose of the report	To note
Report Author	Punita Talwar, Internal Audit Manager
Cabinet Member	Councillor Satti Buttar
Confidential	No
Corporate Priority	Financial Sustainability
Recommendations	The Audit Committee is asked to note the report and recommend the Corporate Risk Register to Cabinet for approval.
Reason for Recommendation	The Corporate Risk Register continues to ensure that the Council's most significant risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored, and reported.

1. Key issues

- 1.1 The fully refreshed Risk management policy was presented to the Audit Committee in July 2020. It was agreed at that time that a pared down, visually appealing summary version would be prepared highlighting the policy "musts" from guidance, and circulated to the Committee, relevant colleagues and the Corporate Risk Management Group.
- 1.2 With regards the format of the corporate risk register, meetings and discussions have been held with the Chairman and Vice Chairman to discuss ways in which the Corporate Risk Register could be modified to ensure it is simple to maintain, clear and easy to understand. Taking this into account, a revised corporate risk register has been produced incorporating the summarised risk management policy guidance.
- 1.3 The new style risk register incorporates the following for reporting purposes:
 - (a) **Key Messages** - Introduction of a high- level risk summary showing the direction of travel (in terms of the RAG risk rating) which is visually appealing and accessible, thereby encouraging greater engagement with corporate risk management. This will help to promote further the embedding of a risk management culture across the authority.
 - (b) **Policy Guidance** - A summarised risk management policy guidance (2 pages) highlighting why and how risk is managed at Spelthorne

including the ways it integrates with corporate processes. The summary sets out the risk scoring approach (model) to be consistently applied in assessing the level of risk. RAG (RED/AMBER/GREEN) ratings plotted on the matrix determine and prioritise the most significant risks for action.

- (c) **Detailed Risk Register** – Identified risks (and opportunities) that impact the achievement of corporate priorities, the relevant corporate priority area (current/emerging) to which the risk relates, current controls in place to mitigate those risks, a RAG (Red, Amber, Green) rating based on the risk scoring (considering likelihood and impact of each risk), and ownership. All risk categories are assigned to the corporate management team in adherence to best practice.
 - (d) **Action Plan** - A risk management action plan setting out the assigned lead officer responsible for pursuing SMART actions to manage strategic corporate risks, as well as anticipated timescales for delivery of such actions and the status.
- 1.4 During the period under review the Council has continued to deal with the COVID-19 response and recovery as the most recent lockdown restrictions continue to be eased. This response and the global economic position have meant several risks on the corporate risk register continue to be influenced by external factors (this relates to both red and amber risks). Significant risk categories are also referred to in more detail in the separate Covid-19 Risk considerations report also being reported to the March Audit Committee.
- 1.5 The Council's most significant risks to highlight as part of this review of the corporate risk register are the three risk categories that have been assigned a red rating. This includes risk category 2 (Economy) which currently has the highest risk score as illustrated on the risk matrix, risk category 6 (Sustainability and Climate Change) and risk category 7 (Corporate Capacity & Resources). The corresponding risk action plan referred to earlier at 1.3 d highlights further actions and the status of any previously agreed actions. The key issues to highlight are set out below at 1.5 (a) to 1.5 (c).
- (a) **Economy – red risk category 2.** The Economic Development recovery plan is being developed. The draft plan and briefing report prepared by the Economic Development manager are included in the March Audit Committee papers and give useful insight of the unemployment situation as well as other economic activity. There are several initiatives underway to support the local economy (please refer to separate Covid-19 Risk report). Financial support for businesses has been made available through Government grant schemes, including the Council's discretionary Additional Restrictions grant scheme.
 - (b) **Sustainability and Climate Change – red risk category 6.** There are a number of areas of operation where consideration is being given to environmental and sustainable practices. It is important however that additional organisational pressures and demands do not result in a loss of focus around climate change and green initiatives.

- (c) Corporate Capacity and Resources – red risk category 7 - Corporate capacity remains severely stretched in the current environment. Additionally the departure of talented and experienced resource has created additional challenges, and there have been some measures to demonstrate support for staff (such as modest pay increase for 2021/22), with continued monitoring of staff retention approaches underway.

2. Options analysis and proposal

- 2.1 To note 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 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 to implement risk mitigating actions. This will need to be highlighted by the assigned 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 lead officers responsible for progressing actions, together with target timescales for implementation. The corporate management group have overall accountability for ensuring these strategic corporate risks are effectively managed. The register is reviewed and updated three times a year, coordinated and reported by the Internal Audit Manager.

Background papers: There are none.

Appendices:

Appendix 1 – High level risk summary (includes links to the risk management policy, the detailed risk register, and other relevant documents)

Appendix 2 – Draft Risk Management Policy

Appendix 3 – Corporate Risk Register

Appendix 4 – Risk Action Plan

Appendix 5 – Risk Scoring Matrix

Appendix 6 – Presentation Slides