

REPORT TO AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting: 4 December 2019

Report of: Chief Executive and Growth Director

Title: Corporate Risk Register

Is this a Key Decision?

No

Is this an Executive or council function?

Risk management is a council function.

Risk Management is an important element of the council's Code of Corporate Governance. Regular monitoring of the council's corporate risks helps to ensure that the council's business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and used economically, efficiently and effectively.

1. What is the report about?

The report advises the committee of the council's risk management progress and presents the updated Corporate Risk Register (Appendix A).

2. Recommendations:

That the committee reviews the updated Corporate Risk Register.

3. Reasons for the recommendation:

To comply with the council's Risk Management Policy which states that this committee is responsible for monitoring and reviewing the Council's risks and reporting all new and updated risks to the Chief Executive and Growth Director.

4. What are the resource implications including non financial resources.

Directors and Senior Managers, as appropriate, are asked to update the Corporate Risk Register on a quarterly basis. The register is reviewed regularly by the Chief Executive and Growth Director, the Strategic Management Board and the Health and Safety Board. This process is facilitated by Executive Support.

5. Section 151 Officer comments:

The significant financial risks to the council have been consolidated under the risk 'Maintaining the Financial Sustainability of the Council'. I am comfortable at the moment that the mitigations in place and proposed, will reduce the risk to the council. However, continued uncertainty and the high level of savings that remain to be identified require a firm action plan in readiness for the 2021-22 budget.

6. What are the legal aspects?

None identified

7. Monitoring Officer's comments:

The council has a robust system of internal control designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

There is an ongoing process designed to identify and prioritise risks to the achievement of Council policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised and to manage them efficiently, effectively and economically.

8. Report details:

Review of the Corporate Risk Register

The council has recently undertaken a full review of its Corporate Risk Register. There were two important reasons for doing this:

- The register contained a mixture of strategic and operational risks and Strategic Management and Audit and Governance were discussing risks which could be managed at a service level. This was not a good use of resources.
- The register had, historically, been designated a Part 2 item. Members of the Audit and Governance Committee asked for this to be reviewed and for the register to be reported and discussed under part 1 to ensure openness and transparency.

The Strategic Management Board have worked with the council's insurers, Zurich, to review the Corporate Risk Register. The primary objectives of the review were to:

- Discuss the current approach to the management of the corporate risks including what constitutes a corporate risk and potential improvements to the process
- Identify the most significant risks facing the council, to ensure the Corporate Risk Register reflects the current risk landscape.

As a result of the review, the Strategic Management Board have identified those risks which, if they materialise, could have a significant impact on the city or the council. Each of these risks have been assigned ownership to a member of the Strategic Management Board to ensure strategic accountability and oversight.

The updated Corporate Risk Register can be viewed at Appendix A.

Removal of risks

The number of Corporate Risks has reduced from 22 to 12. A number of risks which were originally on the Corporate Risk Register have now been designated as operational risks and will be managed by Service Leads. These are detailed below:

- Council unable to manage demands placed on it by Universal Credit
- Contract Management is insufficient to ensure a contract is adhered to and managed
- SWW to retrospectively change the status of some surface water sewers to culverted watercourses
- Reduction or loss of current 2018-22 round of Arts Council England National Portfolio funding

- Non-compliance with internal and external procurement regulations
- Council unable to manage demands on it when the Homelessness Reduction Act is introduced
- Increase in number of rough sleepers in the city centre
- Monkerton District Heating Scheme
- Events on council owned land being non-compliant with health and safety legislation and safeguarding requirements
- Council does not comply with its safeguarding responsibilities
- Changes resulting from the implementation of the UK's exit from the EU

Service Leads are currently working with Zurich to identify their key operational risks so that Directorate Operational Risk Registers can be developed and regularly reviewed by Directorate Management Teams. These registers are due for completion by April 2020.

9. How does the decision contribute to the Council's Corporate Plan?

This decision helps to ensure the delivery of the council's purpose 'Well Run Council'.

10. What risks are there and how can they be reduced?

Any risks should be captured in either this document or the operational risk register.

11. What is the impact of the decision on equality and diversity; health and wellbeing; safeguarding children, young people and vulnerable adults, community safety and the environment?

The decision to regularly review the Corporate Risk Register will ensure that any risks or issues identified under the above headings will be identified and managed at a senior level. Most of the risks contained within the Corporate Risk Register would have an impact on one or more of the headings identified above.

12. Are there any other options?

None.

Chief Executive and Growth Director