

## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

**Date of Meeting: 22 July 2020**

**Report of: Chief Executive & 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?**

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

#### **2. Recommendations:**

2.1 That the committee reviews Corporate Risk Register

#### **3. Reasons for the recommendation:**

3.1 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.**

4.1 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 currently facilitated by Internal Audit.

#### **5. Section 151 Officer comments:**

5.1 Members should note the additional risk and amended risk score. In light of the Covid-19 pandemic, it is projected that the savings required by the Council will be significantly higher than previously projected. This, in the section 151 Officer's view now constitutes a high risk. Further monitoring will take place throughout the year, to assess whether external conditions have improved and the risk will be reviewed if there is an improvement to the projections.

#### **6. What are the legal aspects?**

6.1 None identified.

## **7. Monitoring Officer's comments:**

7.1 This report does not raise any issues of legality for the Monitoring Officer.

## **8. Report details:**

8.1 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.

8.2 The Strategic Management Board have worked with the council's insurers, Zurich, to review the Corporate Risk Register

8.3 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.

8.4 The Corporate Risk Register as at 30.06.20 has been reviewed and updated by members of SMB as follows:

### **NEW RISK**

#### Risk number 13 – Inability to manage and respond to COVID19 pandemic

##### Potential Causes:

Due to a loss of income from business rates, commercial rents and car parking charges, the Council is unable to put measures in place to manage and support its staff and stakeholders during and after the pandemic

##### Potential Impacts:

- Loss of staff due to illness
- Loss of income for the council
- Closure of Civic Centre
- Negative impact on economy for Exeter and wider region
- Unable to support Exeter Community Wellbeing
- Adverse impact on service delivery

### **UPDATED RISK**

#### Risk number 12 – Maintaining the financial stability of the Council

The residual risk scoring has increased from 9 (Medium) to 12 (High) as a result of Covid-19. The current medium Term Financial Plan requires £5.8 million reductions to balance as a result of projections based on lower business rates receipts and increased costs.

The updated Corporate Risk Register for June 2020 can be viewed at Appendix A.

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

9.1 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?**

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

**11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs;
- and foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

11.4.1 The report does not set policy.

**12. Carbon Footprint (Environmental) Implications:**

12.1 Not applicable

**13. Are there any other options?**

13.1 Not applicable.

**Chief Executive and Growth Director**

**Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

Contact for enquires: Democratic Services (Committees)01392 265275