

Corporate Risk Register – Update

Report of the Internal Audit Manager (Portfolio: Finance and Resources)

Recommended:

That the update on the Council’s approach to the management of the Corporate Risk Register be noted.

SUMMARY:

- This report provides the Audit Committee with an update on the risk management approach and the key risks contained in the Council’s Corporate Risk Register (attached as an Annex).

1 Introduction

- 1.1 The purpose of risk management is to assess the potential barriers to achieving the Council’s objectives. Maintaining an up-to-date risk register assists with management of risks and monitoring of the actions to mitigate them.

2 Corporate Risk Register

- 2.1 The Corporate Risk Register has been integrated into, maintained, and reviewed as part of the Council’s Performance Management Framework. It is reviewed by senior management on at least a quarterly basis and involves:

- (i) Identification of the key risks facing the Council at the present time to ensure these are all captured. The potential consequences of these risks are also considered and what needs to be done to manage them.
- (ii) Review of the current risks in the register to consider their continuing significance and relevance.

- 2.2 The Corporate Risk Register is under review to assess the categories and types of risks facing a local authority at the current time and to reconsider the key strategic risks alongside and in the context of the Corporate Plan process. Accordingly, this is not a full report of the register, however members are provided with an update on the content and direction of travel of the Register’s ‘Red’ Risks. The Annex highlights the red risks together with the mitigations and the direction of travel for the current risk score compared to the previous risk score as determined by the Council’s Management Team.

- 2.3 The table below summarises the overall scoring of the current risks and the direction of travel since they were last reported to the Audit Committee in September 2022.

	Total	Red	Amber	Green
Total Number	16	3	11	2
Risk Score Reduced	3	1	2	0
Risk Score Unchanged	12	2	8	2
Risk Score Increased	1	0	1	0

2.4 The risks that have seen scores change are:

- (i) C12 “Inability to recruit and retain staff” (reduced risk score) – this is as a result of work undertaken with managers to review harder to recruit posts
- (ii) C26 “Processes, funding and capacity are insufficient to deliver regeneration projects” (reduced risk score) - this is due to the establishment of 2 additional posts and a funding strategy is being developed.
- (iii) C2 “Major loss or release of personal data in contravention of the Data Protection Act 2018 and GDPR” (reduced risk score) – this is because the mitigating measures are working effectively at the current time.
- (iv) C28 “Inability to effectively absorb the economic shocks arising from Ukraine, cost of living and other geo-political issues” (increased risk score) - this being due to the increase in cost of living and its potential impacts.

2.5 The nature of corporate risks is such that a decrease in risk scores will generally be longer term. There will be some risks where the future actions are designed to prevent the risks (likelihood and/or impact) from getting any worse and therefore the score remains the same despite having carried out further actions.

3 Corporate Objectives and Priorities

3.1 The purpose of risk management is to manage the barriers to achieving the Council’s objectives and priorities.

4 Consultations/Communications

4.1 The Corporate Risk Register is subject to regular review and update by senior management on at least a quarterly basis.

5 Risk Management

- 5.1 The maintenance of the Council's risk registers contributes towards the overall corporate governance framework of assurance.

6 Resource Implications

- 6.1 The Internal Audit Manager facilitates the risk management process. This role is segregated from her Internal Audit role and to maintain independence any audit review of risk management is undertaken by the Senior Auditor and reported to the Head of Finance & Revenues/S151 Officer.

7 Equality Issues

- 7.1 The report is for information purposes.

8 Conclusion

- 8.1 Risks are identified and managed throughout the year as part of the Council's Performance Management Framework.
- 8.2 The Internal Audit Manager facilitates the risk management process, updates the Corporate Risk register and is able to respond to any queries relating to the risk management process. Each risk has a designated officer as "Risk Owner" and they are responsible for ensuring that all agreed mitigation actions are completed.

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1		
Author:	Jan Balfour	Ext:	8234
File Ref:	N/A		
Report to:	Audit Committee	Date:	27 March 2023