

# 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 its key risks as shown in the Corporate Risk Register is noted.**

### SUMMARY:

This report provides the Audit Committee with an update and summary of 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 corporate objectives and priorities. Management recognises the need to embed robust risk management arrangements.
- 1.2 Maintaining up-to-date risk registers at both a Corporate and Service level assists with the management of risks and monitoring of the actions to mitigate them.

## 2 Risk Management Process

- 2.1 The key stages of the risk management are set out below:
- 2.2 Risk Identification - The ‘key’ or ‘significant’ risks that could affect the achievement of business objectives and the Corporate Plan priorities have been identified. This is an ongoing process which includes, but is not limited to, research of national risk profiles and forecasts, reviews of risk registers, significant issues coming out of internal reviews, Council decisions and ongoing discussions with senior management.
- 2.3 Risk Analysis and Action Planning – This involves ensuring a clear understanding of the root cause and consequences of the risks identified by considering the factors which influence or have a bearing on their likelihood or impact. Often these are external factors such as changes to legislation, government policy or the UK economy. The existing controls in place to mitigate each risk and their adequacy are then considered and further action planned where necessary.
- 2.4 Risk Prioritisation – The risks identified are assessed and scored using a 6x4 matrix, according to the potential likelihood of the risk occurring and its impact if it does. The risk score assigns a simple traffic light system which further indicates the priority of the risk. By mapping the scores for all the risks onto the matrix this provides the overall risk profile for the Council.

## Risk Profile

### Likelihood

A. Very High				
B. High				
C. Significant				
D. Moderate				
E. Low				
F. Very Low				
	IV	III	II	I
	Negligible	Significant	Critical	Catastrophic
	<b><u>Impact</u></b>			

- 2.5 Risk Management Monitoring - The Corporate Risk Register is reviewed on a quarterly basis by management team as part of the Performance Management Framework. Senior management are responsible for ensuring that the risks on the corporate risk register are managed and further mitigating actions progressed. A full review of the risks in the Corporate Risk Register is carried out annually as part of the corporate planning cycle.

### **3 Corporate Risk Register**

- 3.1 The way that risks are recorded on the Corporate Risk Register was fundamentally changed earlier this year. This involved taking a fresh look at the categories and types of risks facing a local authority at the current time and reconsidered the key strategic risks alongside and in the context of the Corporate Plan process. This rationalised the number of risks whilst bringing greater focus on the key areas. Work is continuing to identify and plan for any additional mitigations required.

## **4 Service Risks**

- 4.1 Service risks are more operational and relate specifically to the respective service objectives. Actions to prevent or control these risks are likely to be managed at a service level. Corporate and service risks are not mutually exclusive, and a service risk may have the potential to impact on the whole of the Council and likewise a corporate risk may relate to, or require management from, one Service. Heads of Service are responsible for ensuring that the key risks in their service risk registers are managed.
- 4.2 Service Risk Registers are in the process of being reviewed following the revision of the Corporate Risk Register. This is to consider the Service risks in the context of the key corporate risks identified, to rationalise and better align them.

## **5 Corporate Objectives and Priorities**

- 5.1 The purpose of risk management is to manage the barriers to achieving the Council's objectives and priorities.

## **6 Consultations/Communications**

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

## **7 Risk Management**

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

## **8 Resource Implications**

- 8.1 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.

## **9 Equality Issues**

- 9.1 The report is for information purposes, so the Council's EQIA process does not need to be applied.

## **10 Conclusion**

- 10.1 Risks are identified and managed throughout the year as part of the Council's Performance Management Framework.
- 10.2 The Internal Audit Manager facilitates the risk management process, updates the Corporate Risk register and can 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.

Background Papers (Local Government Act 1972 Section 100D)

None

Confidentiality

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		
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