

AUDIT AND GOVERNANCE COMMITTEE

8th November 2021

Report Title	Strategic Risk Register update	
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List of Appendices

Appendix A: Strategic Risk Register

Appendix B: Risk scoring methodology

1. Purpose of Report

- 1.1 To provide the committee with a quarterly update on the Council's Strategic Risk Register entries.

2. Executive Summary

- 2.1 The Council's Risk Management Strategy defines the Council's risk management approach and the practices required to make it work. The strategy includes quarterly updates on the Strategic Risk Register for the Audit & Governance Committee. An initial version of the Strategic Risk Register was presented to the Committee in July 2021 and this has been subject to review by the Council's Corporate Leadership Team to ensure it reflects the current risk environment and actions required. An updated register is provided for the Committee's consideration.

3. Recommendations

- 3.1 It is recommended that the Committee:

a) Note the update on the Strategic Risk Register.

- 3.2 Reason for Recommendations –

- For the Committee to exercise its duties and responsibilities within its Terms of Reference and provide independent assurance of the adequacy

of the risk management framework and the associated control environment.

4. Report Background

- 4.1 The Risk Management Strategy and the Council's first Strategic Risk Register were presented to the Audit & Governance Committee in July 2021.
- 4.2 In recent months, the Council's Corporate Leadership Team (CLT) have overseen development of directorate level risk registers. These have been collated and reviewed by CLT to ensure that the Strategic Risk Register suitably reflects any key/cross-cutting risks highlighted at the directorate level.
- 4.3 The Strategic Risk Register has been updated in light of those considerations and a copy is provided for the Committee's information, as Appendix A to this report. The amendments made to the risk entries since the last report to Audit and Governance Committee are summarised in Table 1.
- 4.4 It should be noted that whilst Internal Audit assist with the facilitation of risk management, CLT are responsible for defining all risk entries and scoring, and applying the Risk Management Strategy.

Table 1: Updates to Strategic Risk Register

Risk entry	Update
1. Assurance the Children's Trust is delivering to the agreed standards (Intelligent Client)	<p>This risk entry has been updated to reflect the latest progress reported in the July 2021 Ofsted visit and the governance arrangements in place.</p> <p>Risk score reduced from 5 for likelihood and 5 for impact (25 in total) to 3 for likelihood and 4 for impact (12 in total).</p>
4. That key services have robust and effective resilience arrangements in place (including Emergency Planning and Business Continuity)	<p>Updated to reflect the additional resources currently available to support the mitigating controls in this area.</p> <p>Risk score reduced from 5 for likelihood and 5 for impact (25 in total) to 5 for likelihood and 4 for impact (20 in total).</p>
6. Safeguarding vulnerable people	<p>Updated to reflect the key threats and uncertainties impacting upon this risk area at the current time.</p> <p>No amendment made to scoring, which remains at 4 for likelihood and 5 for impact (20 in total).</p>
7. Sustainable Finances (medium Term)	<p>Updated to reflect the controls operating, including budget challenges and savings proposals.</p>

Risk entry	Update
	Risk score reduced from 5 for likelihood and 5 for impact (25 in total) to 3 for likelihood and 4 for impact (12 in total).
8. Sustainable Finances (2021/22)	<p>Updated to reflect the budgetary control processes that have been implemented and governance arrangements.</p> <p>Risk score reduced from 5 for likelihood and 5 for impact (25 in total) to 2 for likelihood and 2 for impact (4 in total).</p>
10. Effective and robust contract management	<p>Updated to reflect the control environment, including enhanced due diligence arrangements.</p> <p>Risk score reduced from 4 for likelihood and 5 for impact (20 in total) to 2 for likelihood and 3 for impact (6 in total).</p>
16. Health and safety	<p>New risk entry</p> <p>The Council has a number of responsibilities for the health and safety of individuals, and these are noted in a number of the directorate level risk registers. It was considered appropriate to reflect this as an overall, cross cutting risk in the Strategic Risk Register.</p> <p>Risk score set as 3 for likelihood and 5 for impact (15 in total).</p>
17. Good governance and lawful decision making within organisation	<p>New risk entry</p> <p>Reflects the risks arising whilst the new system of governance is being embedded. Whilst awareness and training is ongoing, there is an increased need for consistent compliance.</p> <p>Risk score set as 3 for likelihood and 5 for impact (15 in total).</p>

- 4.5 A copy of the risk scoring methodology is provided as Appendix B to this report, for the Committee's information in reviewing the register. This is an extract from the Council's Risk Management Strategy.
- 4.6 It is recognised that the risk scoring remains relatively high in some areas even after further controls have been considered. It is anticipated that these will reduce as the Council works through a number of legacy issues and the detail of service arrangements moving forward, including any required structural changes. Similarly, once there is greater certainty on the finances following the Autumn Budget Statement and Spending Review it is expected that this risk will be amended, accepting that some longer-term risk remains with the uncertainty of the fair funding review and reform of business rates.

5. Issues and Choices

- 5.1 The report provides an update on the Strategic Risk Register. The Committee has the opportunity to review the entries and scoring within the register and obtain assurance that this suitably reflects the risk environment and the risk management process is effective.

6. Implications (including financial implications)

6.1 Resources and Financial

- 6.1.1 None specific to this report.

6.2 Legal

- 6.2.1 None specific to this report.

6.3 Risk

- 6.3.1 The maintenance of an effective risk management framework is crucial to managing risk effectively. The Strategic Risk Register is a key part of that framework. The report itself does not give rise to any specific risks for consideration.

6.4 Consultation

- 6.4.1 None specific to this report.

6.5 Consideration by Scrutiny

- 6.5.1 Not required on this occasion.

6.6 Climate Impact

- 6.6.1 None specific to this report.

6.7 Community Impact

- 6.7.1 None specific to this report.

7. Background Papers

- 7.1 None.