

## Audit and Governance Committee 20<sup>th</sup> June 2022

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**

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

### **2. Executive Summary**

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- 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 and Governance Committee.
- 2.2 An updated register is provided for the Committee's consideration. The format has been further developed and reviewed with Corporate Leadership Team and the content has been subject to a full review by management.

### **3. Recommendations**

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- 3.1 It is recommended that the Committee:
- a) Note the risk management update.
- 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

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- 4.1 The Risk Management Strategy and the Council's first Strategic Risk Register were presented to the Audit & Governance Committee in July 2021. The last update on the Register was provided in March 2022.
- 4.2 The Council is seeking to further develop its risk management approach and ensure a risk management culture is embedded across the organisation's activities. Directorate level Risk Registers are now held and maintained by service leads and any risks identified as requiring escalation to the Strategic Risk Register are incorporated as part of the ongoing review process. The format of the Strategic Risk Register has also been reviewed and further developed for the start of the 2022/23 financial year. Amendments include:
- Reviewing risk descriptions - to reflect the risk faced rather than general risk areas / objectives and ensure appropriate focus of entries;
  - Reflecting both inherent and residual risk scores – this provides an insight into the estimated impact of the controls that are in place to mitigate the risk and reliance on those controls. This assists in informing audit coverage and ensuring key controls are identified; and
  - Introducing a field for sources of assurance – this is an initial step in mapping assurances that can be taken in respect of the Council's key controls and should assist in directing the work of the auditors and informing the Annual Governance Statement.
- 4.3 The content of the Strategic Risk Register entries has been reviewed and updated by Corporate Leadership Team 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. Some items, whilst they relate to a similar theme, will re-start for risk purposes such as the risk to the in-year and medium-term financial position.
- 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 entries

Risk entry	Update
Risk 15 - Pandemic Impacts across all services	This risk has been removed from the Strategic Risk Register as the Council moves to business as usual in managing the associated risks of the Covid-19 pandemic.
Risk 2 - Statutory Compliance across all services	This risk entry has been consolidated with Risk 17 - Good governance and lawful decision making within organisation. It was considered that there was

Risk entry	Update
	overlap between these risk entries and one consolidated entry was more informative.
Risk 12 - The Council's dependency on hosted and shared services provided to NNC by WNC.	This risk entry has been consolidated with Risk 10 – effective and robust contract management. It is considered that the management of hosted services should be subject to the same robust contract management arrangements as those applied to other procured services. As such, the same controls should apply.

- 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.

## **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**

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7.1 None.