

<b>TITLE</b>	<b>Corporate Risk Management</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 18 September 2018
<b>WARD</b>	None specific
<b>DIRECTOR</b>	Chief Executive - Interim Manjeet Gill

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Enterprise Risk Management (ERM) provides for robust and transparent decision-making. Effective ERM is therefore an integral part of the council's governance arrangements and helps demonstrate the effective use of resources and sound internal controls. The council's Corporate Risk Register (CRR) demonstrates that the council is pro-actively identifying and managing its significant business risks.

## **RECOMMENDATION**

The Audit Committee is asked to:-

1. Approve the updated Enterprise Risk Management policy and guidance (Appendix A);
2. Consider and note the risks and mitigating actions of the Council's corporate risks as detailed in the attached CRR (Appendix B).

## **SUMMARY OF REPORT**

One of the roles of the Audit Committee is to periodically review the Council's risk management arrangements. This report includes an updated policy and guidance note on Risk Management for the Committee to review and approve. Officers will provide a presentation at the meeting outlining the key points of the way risks are identified and managed and offering the Committee an opportunity to shape and challenge the policy and guidance to ensure its fitness for purpose.

The Council faces significant challenges and risks over the forthcoming period which include financial, organisational and reputational risks. The report highlights these risks in the latest Council Corporate Risk Register (CRR) following review by Directors and Assistant Directors. The details of the CRR are attached to this report (Appendix B).

## Background

The roles and responsibilities of Members and Officers with respect to Risk Management are detailed in the Council's Enterprise Risk Management Policy (ERMP) and associated guidance.

The ERMP states that the Corporate Leadership Team (CLT) is responsible for identifying and managing the Council's risks and opportunities, and for setting an example to staff. CLT is also responsible for identifying, analysing and profiling high-level strategic and cross-cutting risks on a regular basis. Since the June 2018 meeting of the Audit Committee, Directors and Assistant Directors have participated in workshops to ensure the most significant risks to the Council have been identified and are being managed appropriately. This work is ongoing and the latest position will be verbally reported at the Committee meeting.

## Analysis of Issues

There have been additions to the risk register as part of this update since the CRR was presented to the Audit Committee in June this year. These concern risk 28 (Leadership) which has been escalated further due to current gaps in senior management posts and the timescales of associated recruitment processes.

There are also three new risks (no.s 29,30, and 31) where the appropriate risk mitigation activities are being identified and will be verbally reported to the meeting. These risks cover the financial risks associated with the Council's revenue budget, the production of the Local Plan, and corporate governance.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

### **Other financial information relevant to the Recommendation/Decision**

Effective risk management mitigates financial risks associated with the Council achieving its objectives.

<b>Cross-Council Implications</b> (how does this decision impact on other Council services, including properties and priorities?)
Risk management influences all areas of the Council – effective risk management is one of the ways assurance is provided that the Council’s key priorities and objectives will be achieved.

<b>Reasons for considering the report in Part 2</b>
Not applicable

<b>List of Background Papers</b>
Previous Corporate Risk Register papers to Audit Committee Enterprise Risk Management Strategy and Policy

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