

TITLE	Corporate Risk Register
FOR CONSIDERATION BY	Audit Committee on 2 June 2021
WARD	None Specific
LEAD OFFICER	Deputy Chief Executive - Graham Ebers

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 risks.

RECOMMENDATION

The Audit Committee is asked to consider and note the risks and mitigating actions of the Council's corporate risks as detailed in the attached CRR (Appendix A).

SUMMARY OF REPORT

One of the roles of the Audit Committee is to provide assurance on the adequacy of the Council's Risk Management Strategy and associated control environment. It does this by periodically reviewing the Strategy, and evaluating the effectiveness of the Corporate Risk Register.

At its previous meeting on 22 February, the Audit Committee received an update on the latest Council Corporate Risk Register (CRR). Since the last meeting, Directors have updated their Directorate Risk Registers and considered any further changes to the CRR. The details of the CRR is attached to this report (Appendix A). Directors will also be undertaking more detailed work before the next meeting of the Committee in July to further develop and embed the Council's risk management practices.

The Interim Director of Place & Growth will attend this Committee to review the specific risks in his area.

There have been no new risks added to the register since the last report to the Committee. Two risks have been removed. "Elections 2021" has been removed following the successful delivery of the May 2021 elections, and "End of EU transition" following the recent confirmation that the EU does not assess the UK as a 'third country' for data protection purposes.

Background

- 1.1 The Council's Constitution sets out the remit of the Audit Committee as follows with regard to Risk Management.

Extract from Constitution (paragraph 4.4.3.2 (d))

To provide an independent assurance of the adequacy of the Risk Management Strategy and the associated control environment. In particular:-

i) To receive the annual review of internal controls and be satisfied that the Annual Governance Statement properly reflects the risk environment and any actions required to improve it;

ii) To receive quarterly reports reviewing implementation of the Council's Risk Management Policy and Strategy to determine whether strategic risks are being actively managed;

iii) To review, revise as necessary and recommend adoption of the Risk Management Policy and Strategy to Executive when changes occur;

iv) To have the knowledge and skills requisite to their role with regard to risk management and to undertake awareness training in respect of Enterprise Risk Management (ERM) as and when specific training needs are identified.

- 1.2 The Audit Committee has historically received a report on the Corporate Risk Register at each meeting (ii above). The remit of the Committee is to gain assurance on the risk management process as opposed to a detailed analysis of individual risks. In discharging this responsibility, the Committee is advised to focus its review in seeking assurance that the risk management framework ensures that new key risks are identified, that risk mitigations are in place and are effective, and that management action ensures a match with the risk appetite of the Council.

Corporate Risk Register

- 2.1 The Enterprise Risk Management Policy (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.
- 2.2 Since the February 2021 meeting of the Audit Committee, Directors and Assistant Directors have reviewed their directorate risk registers and considered whether any new risks have emerged. Changes made since the last meeting fall into the category of either presentational or new/removed risks.
- 2.3 The main changes to the composition of the register are as follows:-

Changes to headline assessments of existing risks

- Budgeting and Financial Management risk (no.1) has been re-assessed from "high" to "very high" due to the uncertainties around local government funding in 2023 and beyond, and also the ongoing financial risks of the impact of Covid-19.
- The Local Plan (no. 4) has been reduced in severity to "medium" recognising there is now a clear timeline in place for the adoption of the Plan.

- The Adult Social Care Provider Failure Risk (no.12) has reduced in severity from “very high” to “high” as a consequence of the positive impact of mitigating actions.
- The description of the equalities risk (no. 17) has been revised to reflect the Covid-related impact to this risk noting the Council’s proposed approach to tackling poverty and new Equality Plan which was agreed by Council in March 2021.
- The Pandemic risk (no. 18) has been updated to reflect the outcomes of Overview & Scrutiny in considering the Council’s response to the first wave. The overall findings of the Scrutiny process were that the Council’s response to the pandemic had been very positive but noting the Council has continued to respond to the pandemic as the Borough is moving through the Government roadmap. The Council’s Recovery Plan is due to be considered shortly by the Executive.
- No new corporate risks have been added.

Two corporate risks have been removed from the CRR to be managed at a directorate level:-

- 2021 Elections risk - following the successful delivery of the recent elections.
- End of EU Transition risk – following the recent confirmation that the EU does not assess the UK as a ‘third country’ for data protection purposes.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.

	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.

Cross-Council Implications
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.

Public Sector Equality Duty
This is a report to note. An equalities impact assessment is not therefore required.

Reasons for considering the report in Part 2
Not applicable

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

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