

TITLE	Corporate Risk Register Review
FOR CONSIDERATION BY	Audit Committee on 28 September 2022
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 Risk Management Policy and Guidance sets out the policy framework and formally guidance for officers to enable them to pro-actively identify and manage its risks.

RECOMMENDATION

The Audit Committee is asked to review the Corporate Risk Register (at Appendix A) to determine that strategic risks are being actively managed.

SUMMARY OF REPORT

The Corporate Risk Register has been revised by the officer Risk Management Group and Corporate Leadership Team and is shown at Appendix A.

The Council's top four corporate risks are:

- Budget and financial resilience
- Health & Social Care Reform
- Adult Social Care supplier sustainability and sufficiency
- Education for Children with SEND

The Chief Executive will present the report to the Committee noting that there has been an overall increase in risk faced by the Council since the last review of the risk register due to:-

The increase in inflation which is directly impacting Council costs and those of suppliers

The increase in inflation and energy costs is impacting on residents and local businesses increasing demand for Council services

Further clarity of the impact of the Health and Social Care reforms

Since the register was last reported to Audit Committee on 27th June 2022, one new risk has been identified:-

- Risk 18 – Elections Act 2022 Implementation

One risk has been removed:-

- Following the successful implementation of the Public Protection Partnership (PPP) project the residual risk has been transferred to the Directorate risk register.

The report describes these risks and includes commentary on changes to existing risks.

The November review will include an assessment of the effectiveness of the Risk Management Group and Directorate Risk Registers.

Background

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.*

Analysis of Issues

The following changes have been made to the Corporate Risk Register since the register was last presented to the Committee on 27th June 2022

- 2.2 New risk no 18. Elections Act 2022 Implementation Uncertainty
The Elections Act 2022 introduces new requirements including, for example, voter ID and postal voting arrangements. This risk has been escalated to the corporate risk register. The Government's Infrastructure Project Authority increased the Election Integrity Project Delivery Confidence Assessment to red. This, accompanied with the delay to detailed implementation information, means that the Returning Officer is waiting for further detailed guidance on the requirements to deliver the 2023 Borough Elections and the timescale for implementation is now reduced. The Council is monitoring this risk and is preparing to mobilise on a cross council basis once clarity emerges. This is a short-term risk.
- 2.3 Increased risk - Risk 1 Financial Sustainability
Inflation continues to impact the Council directly and is placing significant budgetary pressures on the Council. Increases in demand for a range of Council services is beginning to emerge. The Council's analysis would suggest that this increase in risk is likely to be of at least a medium term.
- 2.4 Removed risk - Risk 8 Public Protection Partnership (PPP)
This risk has declined following the successful launch of the new service on 1st April 2022. The project risk has been effectively mitigated and the residual risk

is the operational risks faced by a new service. The new service has been successfully operating for six months, this risk has been transferred to the Directorate risk register.

2.4 Decreased risk - Risk 2 Governance

This risk has decreased following the implementation of governance improvement actions following the November 2021 LGA corporate peer challenge and the Annual Governance Statement (AGS) process. Work is continuing to mitigate this risk. Further assurance on this risk will be provided by the LGA peer challenge follow up visit taking place in October 2022.

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 assurances is provided that the Council’s key priorities and objectives will be achieved.

Public Sector Equality Duty

An Equality Impact Assessment is not required on the Corporate Risk Register. The impact on Equality is assessed in the impact of each risk.

Climate Emergency – This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030

The effective management of risk supports the achievement of this important priority

Reasons for considering the report in Part 2

Not applicable.

List of Background Papers

Corporate Risk Register – September 2022

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