

**GOVERNANCE & AUDIT COMMITTEE:  
23 NOVEMBER 2021**

---

**CORPORATE RISK MANAGEMENT - QUARTER TWO 2021/22**

**REPORT OF CORPORATE DIRECTOR RESOURCES AGENDA ITEM: 9.1**

---

**Reason for this Report**

1. To update Governance & Audit Committee on the risk management position at quarter two 2021/22 and to highlight any changes from the quarter four 2020/21 report.
2. The Governance & Audit Committee's Terms of Reference sets out their responsibility:
  - To monitor and scrutinise the effective development and operation of the risk management arrangements within the Council, and
  - To oversee progress in addressing risk-related issues reported to the Committee, such as the Corporate Risk Register (CRR).

**Background**

3. Governance & Audit Committee receives a risk management update each financial quarter with the opportunity to make comments. The last Governance & Audit Committee review was on the 20<sup>th</sup> of July 2021, at which time the risk management position at quarter four 2020/21 was presented.
4. Each Directorate holds a Directorate Risk Register (DRR) and the Senior Management Team (SMT) collectively own a Corporate Risk Register (CRR). The CRR records the main risks to the delivery of corporate objectives and priorities, whilst the DRRs record the key risks to the delivery of Directorate functions and priorities.
5. A risk escalation process is in place, whereby each Director is required to take ownership of all residual (current) risks rated as 'red/amber' and above on their DRR and, at a minimum, to escalate all 'red' residual risks to SMT for collective ownership and review.
6. This reporting process allows SMT to determine if any changes are required to the CRR each quarter. The remaining escalated risks continue to be held on DRRs and are reviewed by SMT each quarter until it is agreed that mitigation is sufficient for risk ownership to transfer back to the Directorate.

## Issues

7. Each Director has worked with their Risk Champion(s) to undertake their quarter two risk management review. The Risk Management Team has also provided advice and guidance on the measurement and reporting of risks. The quarter two risk assessments are presented on the Corporate Risk Register Summary Snapshot (Appendix A) and the Detailed Corporate Risk Register (Appendix B).
8. The Risk Management Review process has two tiers (Directorate and Corporate) and the actions at each for quarter two are detailed as follows.

### Directorate Risks

9. At the quarter two position, 206 risks were reported from DRRs. All escalated risks and requests for de-escalation were discussed and approved in SMT on the 9<sup>th</sup> of November 2021.
10. It was agreed that nine directorate risks would be carried forward as SMT escalated risks at quarter two. Also included in the figure of 206 directorate risks are 72 Covid-19 specific risks that have been identified and are being managed within directorates as at the end of quarter two.

Directorate	Directorate Risks	Of which:	
		Risks at SMT Escalation Point	Covid-19 Specific Risks
Economic Development (inc Waste)	30	2	11*
Education	12	0	7
Housing & Communities	38	2	24
Performance & Partnerships	15	0	0
Social Services	22	3 (1 Shared)	19
Planning, Transport & Environment	23	0	2*
Resources	59	2	8
Governance & Legal Services	7	1 (Shared)	1
<b>Total</b>	<b>206</b>	<b>9*</b>	<b>72</b>

\* Includes 1 shared

### Corporate Risks

11. SMT collectively reviewed the escalated directorate risks and corporate risk updates at the end of quarter two. This review included a review of the appropriateness of the risk descriptions and where necessary these were amended to reflect updated changes with an example of this being the financial resilience risk description.
12. At quarter two, the Senior Management Team considered and agreed to retain the Brexit risk from the Corporate Risk Register in order to ensure a continued focus on the number of actions / issues still outstanding with regards to this risk. The council's lead officer for this risk, will continue to monitor the current/future Brexit situation, and engage with nominated officers within each Directorate, and report on any relevant issues as they arise alongside suggested mitigations.
13. Whilst, all risks in the Corporate Risk Register remain unchanged for the current period this is based on the level of confidence that the current controls in place and those scheduled to be in place in the near future provide appropriate mitigations against the potential demand pressures foreseen.

## **Coronavirus (COVID-19)**

14. The impact of Covid-19 on existing risks continues to feature as part of quarter two reporting arrangements and these risks will continue to be monitored for the rest of 2021/22 at the very least. During quarter one, directorates undertook a full review of their COVID-19 risks and have reviewed in quarter two the Covid-specific risks as set out in the table above.
15. The Council's response to the pandemic and its risk management is not restricted to delivering its own services, and there are clear links with Welsh Government and Health partners.
16. The Senior Management Team has kept an oversight on preparations and actions of directorates in order to ensure that there is a level of business continuity and resilience built into service delivery plans. This robustness is supported by the existing Emergency Management processes in place and reliance is placed in this as an escalation mechanism.

## **Reason for Recommendation**

17. To enable the Governance & Audit Committee to monitor risk management activity and consider the Risk Management Review – quarter two 2021/22.

## **Legal Implications**

18. There are no direct legal implications arising from this report. However, one of the benefits of identifying risk is that mitigation measures may be taken, if appropriate, and consequently successful claims against the Council may be avoided altogether or reduced.

## **Financial Implications**

19. There are no direct financial implications arising from this report. The Corporate Risk register will be used to guide the Internal Audit Plan and the Council's resource planning processes and forms an important part of the governance arrangements for the Council.

## **RECOMMENDATIONS**

20. Governance & Audit Committee to note and comment upon the risk management activity and the contents of the Corporate Risk Register, and to consider the information given, in the programming of its work.

**Chris Lee**  
**Corporate Director Resources**

The following Appendices are attached:

**Appendix A** - Corporate Risk Register Summary Snapshot – Q2 2021/22

**Appendix B** - Detailed Corporate Risk Register – Q2 2021/22

*The following background papers have been taken into account:*

- *Directorate Risk Registers Q2 2021/22*