

**GOVERNANCE & AUDIT COMMITTEE:  
19 JULY 2022**

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

**REPORT OF CORPORATE DIRECTOR RESOURCES AGENDA ITEM: 11.2**

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**Reason for this Report**

1. To update Governance & Audit Committee on the risk management position at quarter four 2021/22 and to highlight any changes from the quarter three 2021/22 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 15<sup>th</sup> of March 2022, at which time the risk management position at quarter three 2021/22 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

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

### Directorate Risks

- At the quarter four position, 341 risks were reported from DRRs. All escalated risks and requests for de-escalation were discussed and approved in SMT on the 5<sup>th</sup> of July 2022.
- It was agreed that twelve Directorate risks would be carried forward as SMT escalated risks at quarter four.

<b>Directorate</b>	<b>Directorate Risks</b>	<b>Risks at SMT Escalation Point</b>
Economic Development (inc Waste)	48	2
Education	27	0
Housing & Communities	58	2
Performance & Partnerships	16	1
Social Services	49	6 (1 Shared)
Planning, Transport & Environment	23	0
Resources	110	1
Governance & Legal Services	10	1 (Shared)
<b>Total</b>	<b>341</b>	<b>12*</b>

\* Includes 1 shared

### Corporate Risks

- SMT collectively reviewed the escalated directorate risks and corporate risk updates at the end of quarter four. Risks associated with COVID-19 and Brexit have been included in Directorate Risk Registers, and these are to be reviewed and managed following the Council's risk management process, with the potential for the latter to be de-escalated in 2022/23.
- The Increasing Demand (Children's Services) risk was escalated to SMT with a change in its residual risk from C1 to B1, in light of sustained high and increasing level of demand and complexity.

## **Reason for Recommendation**

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

## **Legal Implications**

14. 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**

15. 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**

16. 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 – Q4 2021/22

**Appendix B** - Detailed Corporate Risk Register – Q4 2021/22

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

- *Directorate Risk Registers Q4 2021/22*