

CORPORATE RISK MANAGEMENT - QUARTER FOUR 2022/23

**FINANCE, MODERNISATION & PERFORMANCE (COUNCILLOR
CHRIS WEAVER)**

AGENDA ITEM: 4

Reason for this Report

1. To update Cabinet on the risk management position at quarter four 2022/23 and to highlight any changes from the quarter two 2022/23 report.

Background

2. Cabinet receives a risk management update on a biannual basis with the opportunity to make comments.
3. 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.
4. 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.
5. 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

6. 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).

7. 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 11th of July 2023, at which time the risk management position at quarter four 2022/23 was presented.
8. 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

9. At the quarter four position, 242 risks were reported from DRRs. All escalated risks and requests for de-escalation were discussed and approved in SMT on the 29th of June 2023.
10. It was agreed that seventeen Directorate risks would be carried forward as SMT escalated risks at quarter four. Where a risk has been escalated it is primarily due to either mitigations being required from other directorates or a need to monitor the position so prompt corporate action is undertaken as and when required. Updates on the escalated risks are reported to Senior Management Team throughout the quarter and they are formally considered as part of the Quarterly review process.

Directorate	Directorate Risks	Risks at SMT Escalation Point
Economic Development (inc Waste)	37	2
Education	22	0
Housing & Communities	23*	4
Performance & Partnerships	14	1
Social Services	12**	9 (1 Shared)
Planning, Transport & Environment	24	0
Resources	96	1
Governance & Legal Services	17	1 (Shared)
Total	245	17*

* Includes 1 shared

** The H&C and Adults Services number of DRR risks is significantly different as they have conducted a full review of their risks this quarter.

Corporate Risks

11. SMT collectively reviewed the escalated directorate risks and corporate risk updates at the end of quarter four.
12. For quarter four, the Budget Monitoring corporate risk was discussed at SMT, as its residual risk has changed from B2 to D2. The reason for this change was the improving financial position arising out of quarter four to a final outturn balanced position and the Budget being set for 2023/24 in March 2023. The Budget setting process having considered any financial pressures arising from 2023/24 and where appropriate allocating financial resource to address those issues going forward.

13. SMT considered that the Welfare Reform corporate risk is removed from the Corporate Risk Register. The rationale being that the Welfare Reform Act was introduced in 2012 and since then, many of the mitigations put in place to achieve the residual risk rating have become business as usual for services within Housing & Communities. Housing & Communities also have a new escalated risk on their Directorate Risk Register that monitors the support residents of the city are receiving during the Cost-of-Living crisis which is more relevant in addressing current economic pressures. There is also an escalated risk on Temporary Accommodation which mitigates against many of the risks previously covered in the Welfare Reform risk. It is proposed that the Welfare Reform Corporate Risk is removed from the Corporate Risk Register but with the proviso that the escalated risks of resident support and temporary accommodations continue to be reported and monitored at the corporate level for the next few months at least.

Reason for Recommendation

14. To enable the Cabinet to monitor risk management activity and consider the Risk Management Review – quarter four 2022/23.

Legal Implications

15. 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

16. 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.

RECOMMENDATION

Cabinet is recommended to note the content and changes proposed going forward in the Corporate Risk Register.

SENIOR RESPONSIBLE OFFICER	Christopher Lee Corporate Director Resources
	15 September 2023

The following appendices are attached:

- Appendix A** - Corporate Risk Register Summary Snapshot – Q4 2022/23
- Appendix B** - Detailed Corporate Risk Register – Q4 2022/23