

**GOVERNANCE & AUDIT COMMITTEE:
28 NOVEMBER 2023**

CORPORATE RISK MANAGEMENT - QUARTER TWO 2023/24

REPORT OF CORPORATE DIRECTOR RESOURCES AGENDA ITEM: 8.1

Reason for this Report

1. To update Governance & Audit Committee on the risk management position at quarter two 2023/24 and to highlight any changes from the previous 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 11th of July 2023, at which time the risk management position at quarter four 2023/24 was presented. The quarter one 2023/24 update report was not discussed in September, as planned, due the Committee meeting being cancelled.
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. All escalated DRRs are reviewed by the Corporate Risk Team, to ensure they are relevant for discussion at SMT.

Issues

- 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).
- 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 two position, 241 risks were reported from DRRs. All escalated risks and requests for de-escalation were discussed and approved in SMT on the 9th of November 2023.
- It was agreed that nineteen Directorate risks would be carried forward as SMT escalated risks at quarter two (Appendix C).

Directorate	Directorate Risks	Risks at SMT Escalation Point
Economic Development (inc Waste)	32	3
Education	22	0
Housing & Communities	25	4
Performance & Partnerships	14	1
Social Services	14	9 (1 shared)
Planning, Transport & Environment	19	1
Resources	96	1
Governance & Legal Services	19	1 (1 shared)
Total	241	19*

* Includes 1 shared

Corporate Risks

- SMT collectively reviewed the escalated directorate risks and corporate risk updates at the end of quarter two.
- In October's Governance & Audit Committee an update was provided on the position of RAAC and associated risks. In August 2023, revised guidance from the Health & Safety Executive (HSE) was issued following the collapse of a school roof in Kent which contained RAAC planks in the roof structure. The HSE advised that the use of RAAC planks was at the end of their useful life and that they could collapse without warning. For the quarter two position, the Health & Safety corporate risk includes risk mitigation measures that have been implemented and further controls that are being actioned to manage the risk of RAAC.

13. As part of the risk escalation process, consideration has been given to the Directorate risk in respect to ensuring an effective response to the increasing rise in homelessness. It is proposed that as from Q3 that this risk will be added to the Corporate Risk Register in order to ensure corporate oversight on this potential risk. This risk Homelessness Crisis was considered at the 20 November 2023 Community & Adult Services Scrutiny Committee and a link to the report can be found under backing papers section of this report.
14. A Core Cities risk management working group has recently been set up, and our risk management team are participating in this group. The first piece of work to be undertaken is a comparison of each City's Corporate Risks and once completed this will be shared at a future meeting.

Reason for Recommendation

15. To enable the Governance & Audit Committee to monitor risk management activity and consider the Risk Management Review – quarter two 2023/24.

Legal Implications

16. 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

17. 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

18. 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 2023/24
Appendix B - Detailed Corporate Risk Register – Q2 2023/24

The following background papers have been considered:

- *Directorate Risk Registers Q2 2023/24*
- [Homelessness Crisis - Report - CASSC 20 November 2023](#)