

AUDIT COMMITTEE – 15th February 2022

Report of the Strategic Director for Environment and Corporate Services

Part A

ITEM 6 RISK MANAGEMENT (RISK REGISTER) UPDATE

Purpose of Report

The purpose of this report is to provide the Committee with details of the Strategic Risk Register produced for the period to 2022/23.

Recommendation

The Committee notes the report.

Reason

To ensure the Committee is kept informed of progress against the strategic risks that should they materialise would cause the Council to be unable to operate and/or provide key services leading to a significant adverse effect on public wellbeing.

Policy Justification and Previous Decisions

An internal audit was undertaken in August 2021 and the report was finalised in September 2021. In order to address the recommendations of the report it was agreed to review the Strategic Risk Register and associated Risk Management Framework.

Once presented to Audit Committee the documents will be presented to Cabinet on the 10 March 2022 for approval and then monitored through the Audit Committee on a quarterly basis.

Implementation Timetable including Future Decisions

Reports will continue to be submitted to the Committee on a quarterly basis.

Report Implications

The following implications have been identified for this report.

Financial Implications

None

Risk Management

There are no specific risks associated with this decision.

Background Papers: Cabinet Report 11th February 2021 – Item 11
Audit Committee Report 16th November 2021

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Part B

Background

1. In accordance with the Committee's work programme the Committee receives quarterly monitoring reports in respect of the Council's risk management arrangements. The reports provide a detailed commentary against the risks included in the strategic risk register and identifies any changes to the risk rating and / updated treatments and controls. .

Development of the Strategic Risk Register

2. An audit of Corporate Risk Management was undertaken by the Internal Audit Partnership in August 2021, with the report published in September 2021. The audit covered the periods from July 2020 to June 2021.
3. The audit put forward a number of recommendations to improve the effectiveness of the process and improve the internal control of risk management.
4. In order to address the recommendations of the report it was agreed to review the Strategic Risk Register and associated Risk Management Framework.
5. Each risk has been reviewed and the description updated to meet the guidance outlined in the Risk Management Framework.
6. In addition 5 new Strategic Risks have been identified following a benchmarking exercise with other local authorities and through considering best practice.
7. There are now 10 proposed Strategic Risks which will be presented to Cabinet for approval on 10 March 2022. The Risks are included in detail at Appendix A but are summarised below;

| | |
|------|--|
| SR1 | Business Continuity |
| SR2 | Emergency Planning for Civil Contingencies |
| SR3 | Finance |
| SR4 | Staffing and workforce |
| SR5 | Governance |
| SR6 | Partnerships |
| SR7 | Data sharing and security |
| SR8 | Communication |
| SR9 | Climate Change |
| SR10 | Legislation and External Factors |

9. The new risks are SR4, SR5, SR6 and SR9. SR10 has been expanded to reflect all legislative changes.
10. In reviewing the risk register it should be noted that the inherent risk shown in the first risk matrix is the risk that the Council would bear if **no** actions were

taken to mitigate the risk. In the vast majority of cases the Council is able to operate risk mitigation processes which results in the residual risk shown in the second risk matrix. It is this latter score which represents the current assessment of strategic risks faced by the Council.

11. The registers will continue to be monitored and reviewed by the Risk Management Group which includes all members of the Senior and Corporate Leadership Teams and meets quarterly.

Appendices

Appendix 1 – Revised Strategic Risk Register

Appendix 2 – Risk Management Framework