

Report to: Audit and Governance Committee
Date: 12th July 2022
Title: Strategic Risk Register Quarterly Review
Report of: Chief Internal Auditor
Ward(s): All
Purpose of report: To report to Committee the outcomes of the quarterly review of the register by Corporate Management Team
Officer recommendation(s): To receive and note the update to the Strategic Risk Register
Reasons for recommendations: The Council is committed to proper risk management and to regularly updating the committee with regard to the Strategic Risk Register.
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1 Introduction

- 1.1 The Strategic Risk Register is a high level document that records the key risks facing the council: those risks that would prevent the authority from achieving its overall strategies and objectives.
- 1.2 Maintaining the Strategic Risk Register is a vital part of the governance arrangements of the authority and, as such, it is overseen by the Corporate Management Team who review it on a quarterly basis.
- 1.3 The risk register shows the risk, a description of the risk, the risk score if no action is taken (original risk score), the internal controls put in place to mitigate the risk and the risk score after these controls are in place (current risk score).
- 1.4 The risk register is brought to the committee when any changes have been made to it following review by the Corporate Management Team.

2 Process

- 2.1 The Strategic Risk Register is the top level of the risk management process. Whilst the Strategic Risk Register is considered quarterly at the Corporate Management Team, this is a simply a review of the register itself.
- 2.2 There are many different risks and pieces of work that feed into the Strategic Risk Register. These are managed and monitored on a day to day basis within the relevant sections and departments.
- 2.3 The quarterly meeting of the Corporate Management Team to discuss the Strategic Risk Register allows the relevant Director/Assistant Director to provide feedback on risks in their area. This information is then used to consider changes that may need to be made to the Strategic Risk Register.
- 2.4 The Corporate Management Team will also carry out “horizon scanning” at these meetings: considering issues that are arising and considering whether they need to be included in the register.

3 June 2022 Review

- 3.1 The Strategic Risk Register was taken to Corporate Management Team on 8th June 2022 for the quarterly review.
- 3.2 At the committee meeting in March, questions were raised about the impact of the war in Ukraine on the risk register. Corporate Management Team discussed these and the following was decided.
- Escalation/call up of staff: the Civil Contingencies Act covers war and the effects of an event under the Civil Contingencies Act is dealt with under risk SR_007.
- Denial of service attacks: denial of service is already covered under risk SR_006 "Council prevented from delivering services for a prolonged period of time".
- The Head of Legal Services and Monitoring Officer also pointed out that there is a new Procurement policy which lays down that procurement can be based on non-commercial reasons to reduce exposure to companies with links to certain countries.
- For the reasons given above, the Corporate Management Team decided that no changes were required.
- 3.3 The committee had also raised the current concerns with rising energy prices and cost of living. This was considered and it was agreed to add a description to risk SR_002 "Changes to the economic environment makes the council economically less stable". The description added reads "Rising energy prices and inflation affecting the cost of living will affect the ability of customers to pay rent and council tax."
- 3.4. At the March meeting, the committee raised a question about whether the experience of the bin strike should be reflected in the risk register. This was considered by the Corporate Management Team and it was felt that this fits under risk SR_006 "council prevented from delivering services for a prolonged period of time". However, lessons were learned and so the mitigating action "3. Regularly reviewed and tested business continuity plans" has been updated by adding "and updated contingency plans actioned".
- 3.5 The Cipfa External Assurance Review looked into the companies and commercial investments of the council. With this in mind, Corporate Management Team considered the wording of SR_009 "Commercial enterprises that are fully controlled by the authority do not deliver financial expectations or do not meet governance requirements". It was agreed that the wording needed to reflect the current situation and therefore this has now been changed to read "commercial enterprises and investments do not deliver financial expectations or do not meet governance requirements".
- 3.6 SR_005 "not being able to sustain a culture that supports organisational objectives and future development" - It was mentioned by the Corporate Management Team that the wording of internal control 1. of the risk was not particularly clear. This has therefore been changed from "deliver a fit for purpose organisational culture" to "build an organisational culture that supports equality and inclusivity through communication and support."
- 3.7 The changes can be seen on the Strategic Risk Register at Appendix A.

4. Financial appraisal

4.1 There are no financial implications arising from this report.

5. Legal implications

5.1 This report is for noting only and therefore the Legal Services team has not been consulted on the content of it.

6. Risk management implications

6.1 If the Council does not have an effective risk management framework that is subject to proper oversight by Councillors it will not be able to demonstrate that it has in place adequate means to safeguard Council assets and services, and it could be subject to criticism from the Council's external auditor or the public.

7. Equality analysis

7.1 An equalities impact assessment is not considered necessary because the report is for information only and involves no key decisions.

8. Appendices

Appendix A - Strategic Risk Register

9. Background papers

None

Jackie Humphrey

Chief Internal Auditor