

Report to: Audit and Governance Committee
Date: 28th September 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 August 2022 Review

- 3.1 The Strategic Risk Register was taken to Corporate Management Team on 24th August 2022 for the quarterly review.
- 3.2 The Corporate Management Team were requested to specifically comment on the issue, raised by the committee, of why high risks were not being considered more frequently than quarterly. The Chief Executive responded that the Strategic Risk Register is considered at Corporate Management Team as a quarterly review as a standing item. Directors can raise risk issues in view of any perceived changes on a weekly basis at Corporate Management Team.
- 3.3 SR_002 – “Changes to the economic environment makes the council economically less stable”. Corporate Management Team considered the wording of the description number 3. “Covid 19 has had a serious impact on the council’s finances”. It is felt that the greater threat to council finances is now from the issues of the slowing economy and rising inflation. The wording has therefore been altered to read, “Inflation affecting council costs is having a serious impact on the council’s finances”.
- 3.4. SR_004 – “The employment market provides unsuitable employment base for the needs of the organisation”. Corporate Management Team are aware of there being a general issue with recruitment across all sectors currently. The effect of this has become more noticeable to the council. This risk has therefore been fully reviewed and the following amendments have been made to update the information.
- The risk description was “Employment market unable to fulfil recruitment and retention requirements of the council resulting in a decline in performance standards and an increase in service costs”. This has been altered to read, “Employment market unable to fulfil recruitment, and council unable to retain staff, resulting in a decline in performance standards and an increase in service costs”.
 - A new internal control has been added to reflect the current steps being taken. This reads “Maximising flexibility around recruitment and retention”.
 - It was decided to increase the likelihood score from 3 (likely) to 5 (almost certain) but it was felt that the impact should remain at (moderate).
- 3.5 SR_007 – “Council materially impacted by the medium to long-term effects of an event under the Civil Contingencies Act”. Corporate Management Team considered that the mitigating actions listed and agreed to add two more. These are:
- “Funds set aside to help fund responses to an event”
- and
- “Working with the Environment Agency on climate change measures”.
- 3.6 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