

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	22 January 2020
<b>Subject:</b>	Corporate Risk Register
<b>Report of:</b>	Head of Corporate Services
<b>Corporate Lead:</b>	Chief Executive
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	1

## **Executive Summary:**

The Council has a risk management framework and this is set out in the risk management strategy approved by Executive Committee on 16 January 2019. Risk management is an intrinsic element of good, effective management and should not be seen as a 'bolt on'. The strategy sets out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy is capturing key corporate risks through a Corporate Risk Register. This register is presented at each Audit and Governance Committee.

## **Recommendation:**

**To CONSIDER the risks contained within the Corporate Risk Register and assurance that the risks are being effectively managed.**

## **Reasons for Recommendation:**

Risk management is an integral part of the Council's overall governance framework. It is within the Terms of Reference of the Audit and Governance Committee to gain assurance that key risks are effectively managed.

## **Resource Implications:**

None arising directly from this report.

## **Legal Implications:**

None arising directly from this report.

## **Risk Management Implications:**

If the Council does not have in place a Corporate Risk Register then it cannot demonstrate that corporate risks are formally considered, scored and managed.

**Performance Management Follow-up:**

The Corporate Risk Register is considered at each Audit and Governance Committee and prior to this by Corporate Management Team on a monthly basis.

**Environmental Implications:**

None.

**1.0 INTRODUCTION/BACKGROUND**

**1.1** The Council's risk management strategy formalises the Council's risk management arrangements and sets out the risk management approach around the identification, analysis, prioritisation and management of risk. A key element of the strategy is the maintenance of a Corporate Risk Register that captures the Council's key corporate risks. The register is a high level document to record in a proportionate manner the key risks facing the Council, their risk score and high level management controls that are in place to manage individual risks. The scoring matrix within the strategy provides guidance on scoring those risks.

**2.0 CORPORATE RISK REGISTER**

**2.1** The register is a useful tool to demonstrate in a concise manner that corporate risks are being considered and managed. The headings within the register and the scoring of risk are all detailed within the risk management strategy. Succinctly, the scoring is based around three stages;

- Gross risk score (the inherent risk without any mitigating controls in place).
- Current risk score (the assessed risk after the application of controls).
- Target risk score (proposed risk score by applying future controls, if the current risk score is deemed to be too high).

**2.2** The format of the register is one which is commonly used throughout local government. There is no statutory requirement to have a register in place but is seen as good practice. It also helps the Audit and Governance Committee fulfil its risk management responsibilities. Internal Audit will support the Audit and Governance Committee in gaining assurance that the risks are being effectively managed. Days have been allocated within the Internal Audit Work Plan to review the register and give assurance to the committee around such things as:

- Is the register complete? Are there any risks missing?
- The controls detailed in the register – are they actually in place and working effectively?
- Future actions – is there assurance they will be implemented within appropriate timescales?

**2.3** The risk register template includes a 'comments' box below each risk. This provides opportunity for each risk owner to provide an update on the status of that risk. For example, if the risk score has been downgraded as a result of effective control action being implemented or, alternatively, if the risk score has increased. An increase could happen through a number of scenarios, for example if an internal audit has concluded that a mitigating control is not effective.

**2.4** The risk register is presented at Corporate Management Team on a monthly basis and further reviewed by the Corporate Governance Group; this group is chaired by the Borough Solicitor. Other attendees are the Lead Member for Corporate Governance, a representative from the Counter Fraud Unit, Head of Corporate Services and Head of Finance and Asset Management. The risk register can be found in Appendix 1.

### **3.0 KEY UPDATES ON THE REGISTER**

**3.1** Summarised below are key actions arising since the register was last presented at Committee:

<b>Risk identified</b>	<b>Key action arising</b>
Ref 1. Financial sustainability	The risk has been reviewed in its totality and the current risk score increased to reflect the uncertainty around local government financing.
Ref 5. GDPR	An internal audit of GDPR arrangements has been undertaken and reported to this Committee on 22 January. The key recommendation is to develop a new action plan to ensure ongoing broad compliance.
Ref 6. Emergency Planning	Recent incidents such as localised flooding have tested emergency procedures and these have held up well.
Ref 7. Waste Partnership	The Joint Waste Team has disbanded with members of the team moving back to their host organisations. This will lead to the development of a new Waste Team within the Council to manage both strategic and operational issues including monitoring of the Ubico contract.
Ref 9. Safeguarding	An updated Safeguarding Policy is to be presented at Overview and Scrutiny Committee in February.
Ref 10. Council assets	An additional £20m capital investment was approved by Council in October 2019, including additional resource for operational management of the properties and further contribution to sinking fund.
Ref 11. Treasury Management	This risk has been included on the risk register since its inception. Given it has been well controlled and consistently reported as low risk it is proposed to remove it from the register.
Ref 12. Growth Hub	The mitigating controls relating to this risk will be subject to internal audit review during quarter four.
Ref 13. Fraud and corruption	This risk has been included on the risk register since its inception. Given it has been well controlled and consistently reported as low risk it is proposed to remove it from the register.

Ref 16. Ashchurch Bridge Project	A new risk to the register to recognise that non-delivery of the project would have a financial impact upon the council.
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**4.0 OTHER OPTIONS CONSIDERED**

4.1 None.

**5.0 CONSULTATION**

5.1 None.

**6.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

6.1 Risk Management Strategy.

**7.0 RELEVANT GOVERNMENT POLICIES**

7.1 None.

**8.0 RESOURCE IMPLICATIONS (Human/Property)**

8.1 None.

**9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

9.1 None.

**10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

10.1 Mitigation of risk will help the Council achieve its objectives.

**11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

11.1 None.

**Background Papers:** None

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**Appendices:** Appendix 1 – Corporate Risk Register