

TEWKESBURY BOROUGH COUNCIL

Report to:	Audit and Governance Committee
Date of Meeting:	20 July 2022
Subject:	Corporate Risk Register
Report of:	Head of Corporate Services
Corporate Lead:	Chief Executive
Lead Member:	Lead Member for Corporate Governance
Number of Appendices:	1

Executive Summary:

The Council has a risk management framework and this is set out in the Council's approved Risk Management Strategy. 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. The latest register can be found at Appendix 1.

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.

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. The latest register can be found at Appendix 1.

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).

It should be noted that the main focus should be on the risk description and the mitigating controls rather than to challenge the risk scores as these are only indicative. It is the assurance on the management of the controls which is important.

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 support the Audit and Governance Committee in gaining assurance that the risks are being effectively managed. Days are 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?

Once the Internal Audit team is fully operational following redeployment to deal with the impact of COVID-19, it will resume the audit of these risks as part of its work programme.

- 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 concluded that a mitigating control is not effective.
- 2.4 The risk register is presented at Corporate Management Team on a regular basis and further reviewed by the Corporate Governance Group; this group is chaired by the Corporate Director.

3.0 KEY UPDATES ON THE REGISTER

3.1 Summarised below are key updates arising since the register was last presented at Committee on 24 March 2022:

Risk identified	Key update arising
Ref 6. – Emergency planning	As discussed at the previous Audit and Governance Committee meeting it is proposed to remove this risk from the register. Whilst emergency planning incidents will remain a risk, the Council can demonstrate that arrangements to manage this risk are effective.
Ref 9. – Asset management	Another significant surplus at year end means some will be re-directed to asset management reserves to support the need over the medium term. This top up of reserves is crucial given the financial support to the solar canopy project and likely need for financial support towards the replacement of the heating system. Workload over the last year has meant that the planned production of an updated asset management strategy has been postponed to late 2022/23.
Ref 11. – Brexit	It is proposed to remove this risk from the register as it largely remains outside of the Council’s control. Any financial impact resulting from Brexit, compounded by the global effect of COVID-19 and the Ukrainian crisis can be picked up through the financial sustainability risk.
Ref. 14 – COVID-19 recovery	To note that the COVID-19 recovery plan actions have been transitioned back into the refreshed Council Plan which will be considered by Council on 26 July 2022. Whilst the majority of services are in recovery mode, this recovery is compounded by the additional pressures of other activities such as the energy rebate scheme and support to the Ukrainian refugee scheme.

3.2 In terms of emerging risk, one which is an issue rather than a risk is that of recruitment and retention of staff. Whilst it is an issue, it is felt important enough for inclusion in the register and will be scored and evaluated accordingly for when the register is presented next. As Members are acutely aware, there are recruitment issues across a number of professional posts, particularly within Development Services and One Legal and specialist posts such as cyber security.

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 (July 2022)