

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	22 November 2023
<b>Subject:</b>	Corporate Risk Register
<b>Report of:</b>	Head of Service: Audit and Governance
<b>Head of Service/Director:</b>	Director: Corporate Resources
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	One

## **Executive Summary:**

The Council has a risk management framework and this is set out in the Council's 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.**

## **Financial Implications:**

None arising directly from this report.

## **Legal Implications:**

None arising directly from this report.

## **Environmental and Sustainability Implications:**

None arising directly from this report.

## **Resource Implications (including impact on equalities):**

None arising directly from this report.

## **Safeguarding Implications:**

None arising directly from this report.

## **Impact on the Customer:**

None arising directly from this report other than to give assurance to stakeholders that risks are being effectively managed.

## **1.0 INTRODUCTION**

**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 supports 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?

**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.

### 3.0 KEY UPDATES ON THE REGISTER

3.1 Summarised below are key updates arising since the register was last presented at Committee on 27 September 2023:

Risk identified	Key update
Ref 1 – Financial sustainability	The current risk score has been re-evaluated in light of the £3m Medium Term Financial Strategy (MTFS) reserves which gives the Council some protection from funding reductions and funding reform. Whilst there remain significant financial challenges in the medium term, in the short term there is confidence that a balanced budget will continue to be delivered.
Ref 9 – Carbon neutrality	The approval of a motion to support a boroughwide and ecological emergency, followed by the approval of additional resources to tackle the emergency has shown the Council's leadership and determination to do what it can to tackle climate change. In addition, the replacement heating project and the decision to acquire a new vehicle fleet powered by electricity or hydrated vegetable oil will greatly reduce the Council's own emissions. An updated action plan was agreed by Executive Committee in September. As a result of these actions, the current risk score has been slightly downgraded, although the challenge to deliver all ambitions remains significant.
Ref 11 – Migration of people	The asylum seeker hotel in the borough is due to close on 11 December. There is a risk that, due to the length of time that some asylum seekers have been in the accommodation, they will fall into the category that the government class as legacy cases that the Prime Minister has committed to them receiving decision by 31 December. This may result in large numbers of refugees (50+) with the ability to claim housing rights.
Ref 14 – Defra consultation	This risk can be closed as the government has confirmed that it will not impose significant changes to the way that waste collection authorities collect their recycling.

### 4.0 CONSULTATION

4.1 None

### 5.0 ASSOCIATED RISKS

5.1 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.

**6.0 MONITORING**

**6.1** The risk register is presented at Leadership Team on a regular basis and further reviewed by the Corporate Governance Group.

**7.0 RELEVANT COUNCIL PLAN PRIORITIES/COUNCIL POLICIES/STRATEGIES**

**7.1** A number of the risks relate directly to priorities within the Council Plan and others, such as governance related risks underly the delivery of those priorities.

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**Background Papers:** Previous update presented at Audit and Governance Committee on 27 September 2023.

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