

REPORT TO: **AUDIT AND STANDARDS COMMITTEE**

DATE: **24 NOVEMBER 2021**

TITLE: **RISK MANAGEMENT REPORT**

LEAD OFFICER: **STUART MOSELEY, INSURANCE AND RISK
MANAGER (01279) 446215**

RECOMMENDED that:

- A** The Committee notes the Strategic Risks, risk scores and variation against risk appetite as at 30 September 2021.

BACKGROUND

1. The Audit and Standards Committee's terms of reference includes the responsibility to monitor the effective development and operation of risk management within the Council.
2. The Council's Risk Management Strategy states that the responsibility of the Audit and Standards Committee is to:
 - a) Monitor the effective development and operation of risk management in the Council.
 - b) Understand, scrutinise and endorse the Council's risk management strategy and monitor the Council's risk appetite.
3. The Senior Management Board regularly review Strategic Risks to ensure they are satisfactorily aligned with the Corporate Priorities and Principles.

ISSUES/PROPOSAL

Strategic Risks Update as at 30 September 2021

4. Appendix 1 details the council's Strategic Risk Register as at 30 September 2021.
5. Appendix 2 compares the council's strategic risks with the agreed risk appetite threshold for linked council priorities and principles.
6. Review of risk appetites and their respective thresholds is an iterative process. Therefore, while the thresholds facilitate monitoring of risks in a more structured way, it is also important to recognise that the limits and triggers require calibrating as well. Therefore, a review of risks against risk appetite should not only consider whether the risk has adequate controls but should also consider whether the threshold for the risk appetite definition has been set at the correct level.

7. Furthermore, risks which exceed the risk appetite threshold may not necessarily be poorly controlled but may be subject to factors outside the council's control.
8. Additional commentary is merited for the following Strategic Risks:
 - a) CR01 – Financial Resilience: There are strong financial controls and monitoring but the current risk scoring reflects the concerns around the ongoing Covid epidemic, Government fiscal policy and the possible future requirement to call upon council reserves. The council has approved a three year MTFP which reflects that there are projected budget gaps over the period 2021/22 to 2023/24.
 - b) CR06 - Lack of Resources and Capacity, Council and key partners: While HTS repairs and maintenance were reinstated following issues presented by Covid-19 along with the landscapes programme, the waste contract is still subject to ongoing challenges and the structure is being reviewed with Veolia.
 - c) CR08 – Equality and Diversity: the current risk score shows that, whilst likelihood of the risk materializing remains in line with risk appetite threshold, it is perceived that impact from the risk materializing would be more severe. This reflects the possible increased level of complaints and possible reputational damage should such risks materialize.
 - d) CR11 – Business Resilience: The Council has applied itself well to address both strategic and operational issues throughout the Covid 19 pandemic to ensure continuity of services and continues to keep this strategic risk under control.

Next Steps

9. As part of finalization of the new Corporate Strategy, the Senior Management Board will be required to undertake a review of the strategic risks to ensure they reflect the Council's priorities from 2022/2023 onwards.
10. Risk Appetite will also be reviewed as part of the corporate risk process.
11. In conjunction with the proposed new council structure and performance management process, the Risk Strategy will be updated to reflect roles, responsibilities and procedures.
12. Whilst a Risk Maturity Assessment was originally planned in 4th Quarter 2021/2022, this will now need to be delayed to allow for rollout and embedding of the new council structure.

IMPLICATIONS

Environment and Planning (Includes Sustainability)

None specific

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance (Includes ICT, and Property and Facilities)

None specific

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

None specific

Author: Andrew Murray, Director of Housing

Community Wellbeing (Includes Equalities and Social Inclusion)

None specific

Author: Jane Greer, Director of Communities and Environment

Governance (Includes HR)

Risk Management is an important part of the council's overall governance Arrangements, therefore the Audit and Standards Committee should consider the adequacy of overall arrangements on a regular basis.

Author: Simon Hill, Director of Governance and Corporate Support

Appendices

Appendix 1 – Strategic Risks as at 30 September 2021

Appendix 2 – Strategic Risks scores versus Risk Appetite thresholds