Member Report
Corporate Risk Register Update

Public

To:	Governance Committee	**Date:**	22 April 2024
From:	Managing Director (Head of Paid Services)	**Decision type:**	For information
Portfolio:	Resources	**Forward Plan Reference:**	
Priority:	All Priorities		

1 Summary of report

The Governance Committee has responsibility for reviewing the adequacy of the Council's corporate governance arrangements and this includes risk management arrangements. To enable the Committee to do this, Members receive updates twice per year on the current corporate risks, and a full review of corporate risks is undertaken.

2 Recommendation

It is recommended that Members of the Governance Committee

(A) Note the bi-annual update of the current corporate risk register and update on red risks at Appendix 1 and 2.

(B) Consider and approve the revised Risk Management policy, which is updated every two years and attached to this report at Appendix 3.

(C) Note the Rating a Risk guidance document attached to this report at Appendix 4.

3 What are the objectives of the report and how do they link to the Council's priorities?

To achieve the Corporate Plan's priorities, vision, and values, it is essential that the Council manages the range of risks that could threaten the realisation of these. By having effective risk management, the Council can also have the confidence to pursue suitable opportunities. It is important to note that effective risk management is not just about avoidance, but about understanding risk to enable appropriate opportunities to be taken. The Council recognises that effective risk management is a key element of effective corporate governance and supports the maintenance of a robust internal control environment.

4 What options have been considered

Since the last update to committee, we have reviewed the risks, and the corporate risk register now contains 8 corporate risks, of which 5 have a residual scoring of 16 or more, thereby making them red-rated risks. The remaining 3 risks are amber. All green risks are treated as directorate-only risks and are not, therefore, included on the corporate risk register.

4.1 Update on risks

Appendix 2 provides a new look and approach for Members on updates for red risks, this follows on from feedback at previous meeting of the Governance Committee where Members requested more details on these risks. The additional information provides further clarity on the risk to the Council, updates on progress to mitigate the risk and on control measures and evidence to support the impact of these measures. Hopefully, these changes address the comments made by Members at previous meetings, but any suggestions regarding further improvement would be welcomed and incorporated

into future reports.

4.2   Proposed change to red risks

After review, the current red risk for coastal erosion has been revised and the risk score moves this to an amber level risk. As the Coastal Strategy has now been agreed and a long term, five, ten and twenty-year plan is in place, the risk mitigations are predominantly monitoring of any further damage to the coast, and to make sure that the strategy is on track and there is no further deterioration. Due to these ongoing mitigations, the risk changes to an amber risk, which we can continue to monitor and this can be escalated going forward, if the risk does increase significantly.

4.3   Amber risk update

There have been no changes to the amber risk scores for this update.

5   Policy update

The Risk Management policy has been reviewed. The main change within the policy is within Section 6.4 which includes an update for the section on risk appetite for the Council and considerations to be made when assessing this for each risk. This is a structured approach to make sure that strategic decisions are aligned with the appropriate risk appetite, and that they are being made with consistency, reflecting areas that we would consider to be either more or less risk averse or risk tolerant. This will be used by DMT's and EMT's when making decisions so that the criteria can be used, to make sure it is aligned with the Council's risk appetite, this should be checked off before decisions are made.

6   Rating a risk guidelines

At the last Governance Committee, a request was made by the group to have guidance on how a risk is scored and how we determine the risk rating. Attached is the Rating a Risk guidance. This details the criteria to score each risk, based on severity and likelihood and gives each a score, which will determine which risk register the risk will sit on, the document does not contain every scenario but is helpful tool for risk owners to use for guidance. Each risk will have an initial score as if there were no control measures in place, and then a residual score which is the score if all risk mitigations/control measures are put in place. The control measures are then reviewed to make sure they are being implemented and that the residual score is being met.

7   Risk Management Audit

Recently, a risk management internal audit was carried out by Veritau. This audit achieved Substantial Assurance, with only three minor recommendations, one of which had already been implemented, by the time the report was issued. The other two outstanding audit actions will be implemented by 30 April 2024. This shows a sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

8   Impact assessment

Climate Emergency Impact
No specific impact, Officers have reduced travel time with meetings held via Teams.

Health and Safety
The assurance of the Health and Safety team, which is charged with validating health & safety practices are operating in accordance with policy will ensure that the Council is performing as required in relevant areas. Effective risk management includes effective health and safety risk management.

Social Value
Effective risk and opportunity management is aimed at supporting management to take the right decisions for the benefit of service improvement to the local community. It is aimed at mitigating the materialisation of risks that could cause harm or damage.

Legal
By managing risks, the Council has a process in place for identify and mitigating against the risks of failing to comply with legislation.

Financial

There are clear links from risk management to the financial spend of the Council. By managing risks, the Council can highlight any trends and manage these to ensure that there is no detrimental financial impact. Risk appetite is closely linked to the cost of insurance.

Human Resources
No Implications

Equality and Diversity
There are no direct implications from this report on equality and diversity although aspects of risk management work may involve a review of issues affecting equality and diversity.

9   Consultation and Engagement
The Managing Director, Executive Management Team, Directorate Management Team, Assistant Directors, and Risk Management Group work together to ensure risks are managed well and that the organisation's risk culture is promoted. Risk owners are responsible for updating their risk profiles and for reporting on mitigation actions.

10   Appendices and background papers

Appendix 1 – Summary of Corporate Risk Register
Appendix 2 – Update on Corporate Red Risks
Appendix 3 – Reviewed Risk Management Policy
Appendix 4 – Rating a Risk Guidelines

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