

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	21 November 2022		
TITLE:	Rationalised Corporate Risk Register		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Performance		
REPORT AUTHOR:	Ged Greaves, Corporate Performance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

### **REPORT SUMMARY/COVER PAGE**

PURPOSE OF REPORT/SUMMARY:
<p>This report presents the proposed rationalised corporate risk register.</p>
KEY ISSUES:
<p>A rationalisation review with Management Team has proposed to reduce the number of risks from forty to fourteen. The strategically focused register also includes risk actions which evidence the register is used as a management tool for driving mitigation and improvement.</p>
OPTIONS CONSIDERED:
<p>Not applicable.</p>
RECOMMENDATIONS:
<p>Members are requested to consider:</p> <p>a) the proposed rationalised Corporate Risk Register and confirm agreement with Management Team's assessment of the risks to the corporate business plan.</p>
REASONS FOR RECOMMENDATIONS:
<p>In order to ensure the council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.</p>

## **REPORT DETAIL**

### **1. Introduction**

- 1.1 The Risk Management Policy and Risk Management Strategy covering this reporting period were approved by Council in October 2022.
- 1.2 The Terms of Reference for the Audit Committee include responsibility for monitoring the management of risk.
- 1.3 The previous Corporate Risk Register has a high number of individual risks. Audit Committee observations and comparisons with other local authorities has indicated a need to rationalize the register with a strategic focus.

### **2. Changes to the Corporate Risk Register**

- 2.1 Management Team considered the August 2022 update of the register and a proposed rationalized framework. The proposed risks have been worked up to form the draft register. The text from the previous risks has been amalgamated and partly condensed. The previous risks have been used as sub-headings for transparency purposes. This forms the baseline for future and more succinct updates that will be developed in forthcoming reviews of the risks and related processes.
- 2.2 Appendix A provides a summary of those risks on the 5 by 5 risk matrix.
- 2.3 Appendix B provides a summary of how the previous risks have been assimilated to form the proposed rationalized corporate risk register.
- 2.4 Internal Audit's Risk Maturity Assessment (May 2022) recommended that the risk register includes information regarding the treatment approach for each risk i.e. "Avoidance, Transfer, Mitigate, and Acceptance". These have been included in the proposed register.

### **3 Corporate Priorities**

- 3.1 The Corporate Risk Register is aligned with the previous Corporate Business Plan. Following the development of directorate plans, the register is aligned with the corporate business plan agreed in November 2021.

### **4 Policy Implications**

- 4.1 The updated register reflects emerging policy development related to climate change.

### **5 Financial Implications**

- 5.1 The Corporate Risk Register is designed to assist senior management to identify and manage any financial implications identified through normal operations.

### **6 Personnel Implications**

- 6.1 None.

### **7 Statutory Considerations**

- 7.1 Account and Audit Regulations 2015 - s3(c). The council must ensure that it has 'effective arrangements for the management of risk'.

## **8 Equality Opportunity Considerations**

8.1 None

## **9 Risk Management Implications**

9.1 The council has in place a Risk Management Policy and Strategy.

9.2 The Corporate Risk Register records high level risks which pose a threat or opportunity to the council's objectives. It is a tool used by Management Team to help manage risk across the authority and is a key document within the governance controls applied within the council.

## **10. Environmental Implications**

10.1 The risk register includes a number of climate change and environmental risks covering Business continuity, Flood management and coastal erosion and Carbon emissions.

## **11 Recommendations**

11.1 Members are requested to:

- a) consider the contents of the rationalised risk register;
- b) confirm agreement with Management Team's review of the register:

## **12.0 Declarations of Interest / Dispensations Granted**

12.1 None.

## **Background Papers**

Previous Corporate Risk Registers reported to Audit Committee  
Risk Management Policy and Strategy

## APPENDIX A - Risk Matrix

### Rationalised register

LIKELIHOOD	5 Almost Certain	(Green)	(Orange)	(Red)	(Red) SR1, SR3, SR4, SR9, SR14	(Red)
	4 Likely		(Green)	(Orange) SR8	(Red)	(Red)
	3 Possible		(Green)	(Green)	(Orange) SR2, SR5, SR6, SR7, SR10, SR11, SR12, SR13	(Red)
	2 Unlikely			(Green)	(Green)	(Orange)
	1 Rare					(Green)
		1 Insignificant	2 Minor	3 Moderate	4 Major	5 Extreme
<b>IMPACT</b>						

<b>15-25 Very High Risk – immediate action</b>	<b>10-12 High Risk – Senior Management attention</b>
SR1 – Financial sustainability SR3 – Facilitating and enabling growth SR4 – Community issues SR9 – Organisational change SR14 – Cost of living	SR2 – Significant programmes/projects SR5 – Continuity of service SR6 – Data management and security SR7 – Corporate governance SR8 – Reputation management SR10 – Climate change mitigation and adaptation SR11 – Statutory compliance SR12 – Council owned companies SR13 – Contract/ Supply failure

## APPENDIX B – ASSIMILATION OF PREVIOUS CORPORATE RISK REGISTER

Example rationalised strategic and corporate risk		Existing Corporate Risk Register item
1. Financial sustainability	Ineffective management of finances leading to a lack of financial resilience as government funding reduces and demand increases	1.2 Cost management and income generation 1.10 Financial Plan 1.11 Pension fund 1.12 Business rates 1.21 Rapidly rising costs
2. Significant programmes/projects	Impact on the delivery of council services due to the failure of major programmes/projects. A major programme/project being any project that can cause significant financial, legal, reputational or compliance issues or prevent the council from delivering a strategic priority or key objective.	1.4 Due diligence 2.3 Major housing developments 2.8 Accelerated Construction Programme 2.9 Major projects programme
3. Facilitating and enabling growth	The inability of the council to facilitate and enable the market to deliver the council's growth agenda. This failure may reduce investment in infrastructure, inward investment, job opportunities, new housing and commercial development therefore impacting on communities and businesses.	2.1 Local employment 2.2 Empty retail properties/town centre decline 2.4 5 year land supply, housing delivery and housing delivery test 2.5 Housing market 2.6 Strategic land and property acquisition 2.7 West Winch/North Runcton Strategic Growth Area 5.3 Improvements to heritage buildings
4. Community issues	The risk of various communities within the borough feeling excluded, disengaged or being unable to access available services and opportunities including, rural, deprived, minority and vulnerable communities and local businesses etc. Services and opportunities to include health and wellbeing, early intervention and prevention. Immediate and longer term economic and societal impact of Covid-19 global pandemic on BCKLWN communities.	5.1 Community relations 4.2 Preventing homelessness 1.18 Conflicting aims (with partners) 1.20 Covid-19
5. Continuity of service	The council's ability to effectively respond to a major emergency and maintain that response without affecting essential day to day service delivery. The risk is to both the council as a business continuity issue and to our vulnerable communities.	1.1 Business continuity 6.2 Emergency response (external)
6. Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential or	1.5 Loss of ICT 1.6 ICT failure of back up 1.14 Cyber security attack

Example rationalised strategic and corporate risk		Existing Corporate Risk Register item
	business critical information or breach of information governance legislation.	
7. Corporate Governance	The risk of failures in systems of governance within the council, within council owned/influenced organisations and partnerships and other collaboration arrangements, leading to governance issues, fraud and corruption, failures in management systems, poor policy and decision making.	1.4 Due diligence 1.8 Fraud and corruption 1.16 GDPR
8. Reputation management	The risk that the council's reputation is damaged by major service failure, failure to respond to a significant incident(s), governance issues, dispute with a key partner, failure to deliver corporate business plan.	1.3 Reputation management 5.2 Council reputation
9. Organisational change	Ensuring that the council, its members and its workforce have the skills, resources, ability and capacity to adequately respond to current and future organisational change meaning the council is able to deliver its services in the most efficient and effective manner.	1.7 Capacity 1.13 Channel shift 1.15 Pay policy
10. Climate change mitigation and adaptation	Inability to mitigate and adapt to climate change - increased coastal erosion and flooding and failure to meet net zero target with consequent reputational issues.	3.1 Flood management and coastal erosion 3.2 Carbon emissions
11. Statutory compliance	Implementation and maintenance of statutory compliance management systems. E.g. health and safety, service related legal obligations	Broadened scope of risk 6.3 Health and Safety.  Plus other statutory duties.
12. Council owned companies	Managing performance, finances, liabilities and the relationship between the Council and its wholly owned companies in accordance with the governance agreements.	Broadened scope of risk 6.1 Provision of leisure and cultural services.
13. Contract/ Supply failure	Managing contracts with key suppliers to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.	Broadened scope of 1.19 Waste and Recycling Contract.