

Report to	Corporate Governance and Audit Committee
Date of meeting	November 18, 2020
Lead Member / Officer	Alan Smith, Head of Business Improvement & Modernisation Julian Thompson-Hill, Lead Member for Finance, Performance and Assets
Report author	Iolo McGregor, Strategic Planning & Performance Team Leader
Title	Corporate Risk Register Review, September 2020

1. What is the report about?

1.1. An update on the September review of the Corporate Risk Register.

2. What is the reason for making this report?

2.1. This report asks that the Corporate Governance and Audit Committee considers the output of the latest risk review and are satisfied with the process of managing risk within the council.

3. What are the Recommendations?

3.1. That the Corporate Governance and Audit Committee supports changes made to the Risk Management Guide (appendix 4), including the addition of Safeguarding to our Risk Appetite Statement.

3.2. Following consideration of the Corporate Risk Register and Risk Management Guide, the Corporate Governance and Audit Committee endorse the council's risk management process and the publication of the latest guide on the council's website.

4. Report details

- 4.1. The Corporate Risk Register is developed and owned by SLT alongside Cabinet. It is formally reviewed twice yearly by Cabinet at Cabinet Briefing.
- 4.2. Following each formal review, the revised register is presented to Performance Scrutiny Committee, and is shared with Corporate Governance.
- 4.3. The last review was undertaken in February 2020.
- 4.4. The Corporate Governance and Audit Committee have a responsibility to be satisfied as to the robustness of processes in place to manage risk within the authority.

Risk Appetite and Risk Management Guide

4.5. The council's new risk appetite approach was adopted one year ago, and it was agreed that it would be reviewed during this September update. Overall, the addition of risk appetite to our risk management approach has not been burdensome, and has added value to our discussions, particularly when considering risk scoring and mitigating actions. The following changes, however, are recommended to further improve the organisation's application and understanding of risk appetite:

- Based on feedback from officers, and coinciding with the application of new accessible templates, we have made the Risk management guide more explicit in how risk scoring relates to the escalation criteria, and then in turn the level of risk severity that we are willing to accept within each risk appetite criteria. For example, a cautious appetite means we will only tolerate minor or moderate risks. Our new scoring matrix and appetite summary can be seen in appendix 3, as well as in the Risk Management Guide attached at appendix 4 (pages 7-8, 17-18 and 21 in the guide).
- During our discussions with risk owners over the February and this September review, it has become clear that risks concerning Safeguarding do not sit comfortably within a cautious appetite for Compliance and Regulation. Following agreement with the Senior Leadership Team, a new category has been included to cover

Safeguarding, where our appetite is minimalist. This addition can be seen in appendix 3 to this report, but also within the Risk Management Guide attached at appendix 4 (pages 7 and 37 in the guide).

4.6. In addition to the above outlined changes to the Risk Management Guide, the document attached at appendix 4 has been rewritten to comply with accessible standards, also taking the opportunity to update it with any changes that have occurred since it was last reviewed. These changes have mostly been minor, for example, updating website links, or out-dated references to the Corporate Executive Team.

Corporate Risk Register

4.7. During this latest review, the impact of Covid-19 has been forefront in our minds, and a number of risks have been updated to reflect the impact thus far and future implications. Some risks have seen their scores increase in severity as a result. All agreed changes are specified in appendix 2.

4.8. In summary:

- There is one new risk: **Risk 46 – Failure to progress the replacement Local Development Plan (LDP) to adoption.** This has been escalated from the Planning, Public Protection and Countryside Service Risk Register and is currently a Critical Risk (Almost Certain / High impact). Full details may be viewed in both appendix 1 and 2.
- No risks have been removed.
- Our risk concerning the economy and the potential demand / pressure that a downturn would place on our services has inherently increased in severity from C1 (Critical Risk: Possible / Very High Impact) to B1 (Critical risk: Likely / Very High Impact), and residually from C2 (Major Risk: Possible / High Impact) to B2 (Critical risk: Likely / High Impact). Additional actions have been identified to mitigate the risk.
- Our risk around responding to a serious unexpected event has been updated to reflect Covid-19 controls in place.

- The residual severity of our risk around significant liabilities coming from alternative models of service delivery has increased due to Covid-19 from E2 (Moderate Risk: Rare / High Impact) to C2 (Major risk: Possible / High Impact).
- Risk 18 acknowledges delays to programmes and projects due to Covid-19 and notes the positive outcome of the recent tranche review on the Corporate Plan programme.
- An update on current progress and further actions have been noted in relation to the risk around Ash Dieback.
- No risks have decreased in their severity.
- Risks 1, 6, 13, 21, 27, 33, 34, 36, 37, 44 and 46 (see appendix 2) are currently inconsistent with the council's Risk Appetite Statement (appendix 3). These have been reviewed in discussions with risk owners, their current scorings being agreed as appropriate. This discrepancy justifies their inclusion to be monitored as corporate risks.

5. How does the decision contribute to the Corporate Priorities?

5.1. The purpose of the Corporate Risk Register is to identify the potential future events that may have a detrimental impact on the council's ability to deliver its objectives, including its corporate priorities. The identified controls and actions are therefore crucial to the delivery of the corporate priorities.

6. What will it cost and how will it affect other services?

6.1. The cost of developing, monitoring and reviewing the Corporate Risk Register is absorbed within existing budgets.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1. This Corporate Risk Register documents identified risks and mitigating actions. The process of developing and reviewing the document itself does not impact adversely on any of the well-being goals. However, any new process, strategy

or policy arising as a result of a mitigating action will probably require a well-being impact assessment.

8. What consultations have been carried out with Scrutiny and others?

- 8.1. In the first instance, individual discussions have been held with Risk Owners.
- 8.2. The register and guide were then discussed and approved by SLT. Cabinet were also asked to agree and / or make further amendments.
- 8.3. The updated register is then considered by Performance Scrutiny, and shared with the Corporate Governance and Audit Committee.

9. Chief Finance Officer Statement

- 9.1. There are no financial implications arising from developing, monitoring and reviewing the Corporate Risk Register.

10. What risks are there and is there anything we can do to reduce them?

- 10.1. The most immediate risk is that the council does not have a published risk management strategy. Because of the launch of the council's new accessible website, the previous version of the guide (which did not conform to accessible guidelines) was taken offline. A new guide cannot be published until the proposed amendments are endorsed by the committee.

11. Power to make the decision

- 11.1. Local Government (Wales) Measure 2011, Part 6, Chapter 2, section 81. It is the responsibility of a local authority's audit committee to 'review and assess the risk management, internal control and corporate governance arrangements of the authority'; and to 'make reports and recommendations to the authority on the adequacy and effectiveness of those arrangements'.
- 11.2. The Council's Constitution stipulates that clear procedures and processes must be in place to manage risk effectively.