Report to:	Audit and Governance Committee	Date of Meeting:	Wednesday 17 March 2021
Subject:	Corporate Risk Management		
Report of:	Executive Director of Corporate Resources and Customer Services	Wards Affected:	All
Portfolio:	Regulatory, Compliance and Corporate Services		
Is this a Key Decision:	No	Included in Forward Plan:	No
Exempt / Confidential Report:	No		

Summary:

The Corporate Risk Register is presented to each meeting of the Audit and Governance Committee. Since the last Committee meeting in December 2020, the Corporate Risk Register has been reviewed and updated.

There have been no new risks which have been added or escalated from the Service Risk Registers to the Corporate Risk Register.

No risks have been de-escalated from the Corporate Risk Register to the Service Risk Registers.

The following two EU exit risks have been amalgamated into one risk;

1. Failure to mitigate impacts of COVID-19, EU Exit, winter, austerity, on the Sefton economy.
2. Failure to mitigate risks of or develop and maximise opportunities from EU Exit.

The risks have been re-scored in accordance with the revised assessment guidance included in the Corporate Risk Management handbook which was approved by the Committee in December 2020.

A presentation on one of the risks within the Corporate Risk Register, Cyber Security, will be provided to Members at March meeting.

Recommendation(s):

(1) Consider the updated Corporate Risk Register, in particular noting the nature of the major risks facing the Council, and the controls and planned actions in place to mitigate these.

Reasons for the Recommendation(s):
A robust system of risk management will assist the Council in meeting its identified objectives

Alternative Options Considered and Rejected: (including any Risk Implications)
None.

What will it cost and how will it be financed?

(A)   Revenue Costs - There are no direct financial implications arising from this report. However, the Council benefits from the work of the Risk and Audit section in reducing the potential impact and likelihood (and therefore the costs) of the risks identified.

(B)   Capital Costs - There are no direct capital cost implications arising from this report.

Implications of the Proposals:

Resource Implications (Financial, IT, Staffing and Assets):
There are no direct resource implications.
Legal Implications:
There are no legal implications.
Equality Implications:
There are no equality implications.

Contribution to the Council's Core Purpose:

Protect the most vulnerable: Positive impact
Facilitate confident and resilient communities: Positive impact
Commission, broker and provide core services: Positive impact
Place – leadership and influencer: Positive impact
Drivers of change and reform: Positive impact
Facilitate sustainable economic prosperity: Positive impact
Greater income for social investment: Positive impact
Cleaner Greener: Positive impact

What consultations have taken place on the proposals and when?

(A)   Internal Consultations

The Executive Director of Corporate Resources and Customer Services (FD6327/21) and the Chief Legal and Democratic Officer (LD4428/21) have been consulted and any comments have been incorporated into the report.

(B)   External Consultations

None.

Implementation Date for the Decision

Immediately following the Committee meeting.

(Please delete as appropriate and remove this text)

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Appendices:

The following appendices are attached to this report:

Corporate Risk Register – March 2020

Background Papers:

There are no background papers available for inspection.

1.   Introduction/Background

1.1   Risk Management is defined as 'systematic application of principles, approach and processes to the task of identifying and assessing the risk and the planning and implementing of risk responses'.

1.2   Whilst the process of risk management is routinely undertaken within the Council in a number of areas, both at a strategic level and operationally, it is recognised that there is still scope, to develop a more integrated risk management approach. This report seeks to continue the process of formalising a system of robust Corporate Risk Management, and embedding this into the organisation. The Corporate Risk Management Handbook outlines that there should be three tiers of risk registers in place across the organisation which are identified through the scoring of the risks:
   - Corporate Risk Register – risks scored at 16 plus and these are the key risks affecting the Council
   - Service Risk Registers – risks scored between eight and 15 which are owned and managed by the Head of Service.
   - Operational Risk Registers – risks scored at seven and below which are owned and managed by Service Managers

1.3   An updated Corporate Risk Register is presented at each meeting of this Committee. The Corporate Risk Register has been shared with and reviewed by senior officers to ensure that the risk register reflects the most significant risks facing the Council. The completion of a risk register also demonstrates that the Council has set out an approach to mitigate the risks that have been identified. This should give members assurance that there is a robust corporate approach to the management of the most significant threats to the achievement of the Council's objectives. The updated Corporate Risk Register is set out at Appendix A, using the revised scoring approved by Members in December 2020, for noting by the Committee.

1.4   The Service Risk Registers are owned and reviewed by the Heads of Service on a quarterly basis and are provided to the Risk and Audit team for information. The completed Service Risk Registers are used by Audit as an agenda item in the formal quarterly meeting with the Heads of Service and are also used for the monthly budget meetings that are held by Finance with the Service Management teams. Due to the wider use of the risk registers there has been a noticeable improvement in the engagement on risk.

1.5   The Operational Risk Registers are owned and revised by Service Managers. Members may remember that the Risk and Resilience Team assisted by the Internal Audit Team completed an exercise in 2018/19 to fully implement this tier of risk registers across the organisation facilitating the completion of over 70 risk registers. This exercise was completed in March 2019. The Risk and Audit Team assisted by the Internal Audit Team work with the individual teams to facilitate regular reviews of the risk registers which will help to embed risk management at the centre of the Council's activities.

2.   Key Developments

2.1   Since the December 2020 update to the Audit and Governance Committee, the Corporate Risk Register has been fully reviewed and updated.

2.2   There have been no new risks which have been added or escalated from the Service Risk Registers to the Corporate Risk Register.

2.3   No risks have been de-escalated from the Corporate Risk Register to the Service Risk Registers

2.4   The following two EU exit risks have been amalgamated into one risk;

- Failure to mitigate impacts of COVID-19, EU Exit, winter, austerity, on the Sefton economy.

- Failure to mitigate risks of or develop and maximise opportunities from EU Exit.

2.5   The scoring of the risks has been reviewed by the risk owners in line with the revised scoring matrix approved by the Committee in December 2020.

2.6   At the Audit and Governance Committee in December 2019 it was agreed that for each meeting a short presentation would be made by a risk owner on one of the risks from the Corporate Risk Register. The briefing, in line with good practice on risk management, should be on the background to the key risk, the current

controls and the actions to mitigate the risk further. A presentation on Cyber Security will be provided to Members at the March 2021 meeting.

2.7   The Risk and Resilience Team are monitoring the updating of the operational risk registers and will starting from June 2021 provide granular details on which risk registers are not being updated. This will also apply to Service Risk Registers.

2.8   Work is currently on-going to define a process to formally define the Council's Risk Appetite. An update on the progress will be provided to future meetings.