

Committee Name and Date of Committee Meeting

Audit Committee – 29 July 2021

Report Title

Corporate Strategic Risk Register

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Jo Brown, Assistant Chief Executive

Report Author(s)

Simon Dennis (*Corporate Improvement and Risk Manager*)

Assistant Chief Executive's Department

Extension 22114

simon.dennis@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report forms part of the Audit Committee's remit to consider the Strategic Risk Register regularly. The report summarises the current Strategic Risk Register and provides a short summary of our risk management arrangements.

Recommendations

1. **The Audit Committee is asked to consider and note the update and make any comments as necessary.**

List of Appendices Included

Appendix 1 – Corporate Strategic Risk Register at 8th July 2021

Background Papers

Report to Audit Committee; 26th November 2019 (Risk Management Policy and Guide Refresh)

Report to Audit Committee; 9th January 2021 (Corporate Strategic Risk Register)

Report to Audit Committee; 22nd June 2021 (Risk Management Annual Summary 2020/2021)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

See above, the Corporate Risk Register has previously been considered by Audit Committee. Previous versions have also been presented to Cabinet and the Overview and Scrutiny Management Board.

Council Approval Required

No

Exempt from the Press and Public

Yes.

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains information that refers to the affairs of third parties.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because failure to do so may result in disclosure of information about the financial or business affairs of Council suppliers and partners.

Corporate Strategic Risk Register

1. Background

- 1.1 Since early 2020, the Council has been involved in responding to an unprecedented emergency. This involved the activation of the Council's Business Continuity Plan to ensure critical services could be maintained as well as the creation of significant new services to meet the needs of the most vulnerable in the Borough.
- 1.2 The Council's ongoing response to the COVID-19 pandemic saw risk management play a vital role but also required risk management processes to be carried out differently to how they would be under "business as usual". These changes have been reported to the Committee previously and this report summarises the current arrangements and presents the current Corporate Strategic Risk Register which has recently been considered by Strategic Leadership Team (SLT).

2. Overall Arrangements

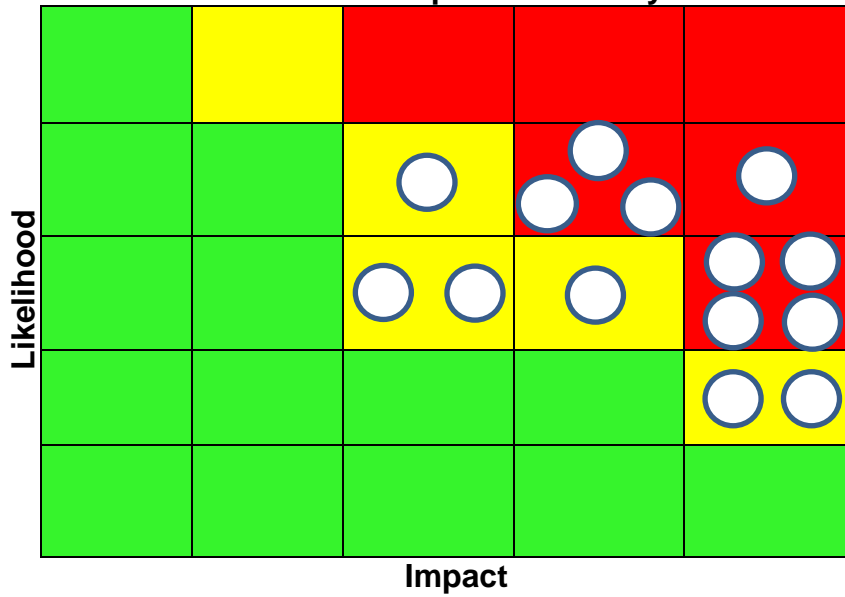
- 2.1 The Council's Risk Management Policy and Guide states that risk management is the responsibility of all Council officers. As well as the key responsibilities in the Policy and Guide, the Council has a group of Risk Champions, each of whom leads on risk for their Strategic Director. The Risk Champions, Assistant Chief Executive and the Corporate Improvement and Risk Manager form the Risk Champions Group. This group is responsible for co-ordinating Risk Management across the Council in normal circumstances.
- 2.2 The Corporate Strategic Risk Register has been completed following reviews of individual risks by Directorate Leadership Teams (DLTs). Every risk on the Register is owned by a member of SLT and also appears on their Directorate's Risk Register.
- 2.3 The Strategic Risk Register has been formally reviewed by SLT both at joint SLT/AD Performance Management meetings and at separate SLT meetings. These meeting will continue to review the Strategic Risk Register every three months.
- 2.4 The Register is also reported regularly to the Audit Committee alongside the annual "Deep Dives" of Directorate Risk Registers. Additionally, the Corporate Improvement and Risk Manager, through the Risk Champions, ensures updates are obtained from all risk owners, reviews each update, and draws attention to issues or missing updates.
- 2.5 There are 3 categories of risk Red, Amber, Green (RAG) representing varying degrees of exposure. Each category contains a range of risk scores and the table overleaf shows how the RAG rating and score are derived.

LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable / Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely / Rare 1	1	2	3	4	5
		Insignificant / Negligible 1	Minor 2	Moderate 3	Major 4	Critical or Catastrophic 5
IMPACT (B)						

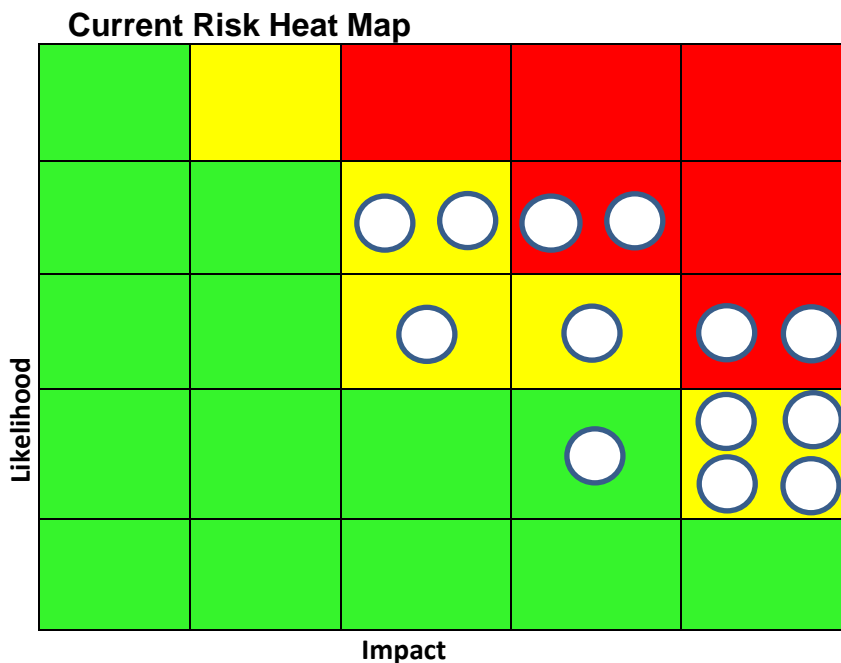
3. Corporate Strategic Risk Register

- 3.1 The Audit Committee's receives two reports a year on the overall status of the Council's strategic risks. As the Committee will be aware, the Corporate Strategic Risk Register (which is attached at Appendix 1) is currently aligned to the Council's Year Ahead Plan.
- 3.2 The last "heat map" which was reported to the Committee in January 2021 showed the risk profile on the page overleaf:

Risk Heat Map at 19 January 2021



3.3 The current “heat map” for the strategic risks included in this update of the Register is shown in the table below:



3.4 The table below shows that, up until COVID-19 struck, not only that the Council’s risk profile was reducing, but also that there was an increasing grasp on the key risks that need to be managed at a strategic level. This improvement has, inevitably, slowed during the pandemic but the overall track in the last two years is still an improving one. Since January 2020, 40% of risks monitored at a strategic level have reduced or been removed, 40% have remained stable and 20% have increased or are new to the register.

Number	Risk Summary	Jan 20	Jul 20	Jan 21	Jul 21	Risk Movement (Jan 2020 compared to July 2021)
SLT01	Children's Safeguarding	15	15	15	10	↓
SLT03	Tackling Family Poverty	16	16	16	16	→
SLT04	Making sustainable improvement in Children's Services	15	15	15	10	↓
SLT07	Influenza Pandemic	15	15	15	15	→
SLT08	Failure to enhance community cohesion	12	12	12	8	↓
SLT09	Confidence in Rotherham	12	12	12	12	→
SLT10	Failure to attract new business and investment	9	9	9	12	↑
SLT11	Risk of lack of effective Partnership working	10	10	10	10	→
SLT16	Financial Plans and budget gap	15	15	15	10	↓
SLT19	Emergency Planning and Business Continuity	4	4	-	-	↓
SLT22	Mental Capacity Act/DoLs	9	9	9	9	→
SLT27	Property and Estate condition surveys	10	10	10	12	↑
SLT 34	Impact of EU Trade Deal on the Economy	-	-	16	-	→
SLT 35	Impact of the COVID Pandemic	-	-	20	15	↓
SLT 36	Insufficient resources committed to Carbon Reduction Plan	-	-	16	16	↑

3.5 The Committee will note that, since that last update, one risk has been removed from the Register (SLT34 – Impact of the EU Trade Deal on the Economy) and there have been no new risks added. The consequences of risk SLT34 are now managed on the Risk Register held by the Regeneration Directorate and are integrated into other risks around the economy.

- 3.6 In total, there are now 13 risks on the Strategic Risk Register, down from 14 risks at the last review but up from 12 risks in January 2020.
- 3.7 The Committee should also be aware that the risk management process was recently subject to an Internal Audit review. This review compared our arrangements to the requirements of the relevant International Standard, ISO31000. The review concluded that substantial assurance could be derived from the controls that were in place. This is the highest assurance level possible.

4.0 Future Developments

- 4.1 As noted in the previous paragraphs, the Corporate Strategic Risk Register has been updated and is aligned with the Year Ahead Plan. As the Council moves towards a new Council Plan later in the year, the Risk Register will be reviewed again to ensure it remains aligned with the Council's strategic objectives.
- 4.2 As reported to the previous Committee meeting in June, work is now in hand to develop a refreshed approach to risk management training. This refreshed approach is intended to be in place before the end of the year.
- 4.3 The next step will be to revisit the Council's Risk Management Policy and Guide. This was last reviewed and approved in November 2019 and will require a refresh before the new financial year commences to ensure it aligns to current practice.

5. Options considered and recommended proposal

- 5.1 Not applicable.

6. Consultation

- 6.1 The risks included in this report have been drawn from Directorate Risk Registers.

7. Timetable and Accountability for Implementing this Decision

- 7.1 Not applicable.

8. Financial and Procurement Implications

- 8.1 The risks referred to in the table at section 3.4 require ongoing management action. In some cases, additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the management of these risks will be contained within overall budgets or otherwise reported through the monthly financial monitoring arrangements and to Cabinet if appropriate.

9. Legal Implications

- 9.1 There are no direct legal implications arising from the risk register. Any actions taken by the Council in response to risks identified will consider any specific legal implications.

10. Human Resources Implications

- 10.1 There are no Human Resources implications associated with the proposals.

11. Implications for Children and Young People and Vulnerable Adults

- 11.1 The Strategic Risk Register incorporates the CYPS risks that are of significance at a corporate / strategic level.

12. Equalities and Human Rights Implications

- 12.1 Proposals for addressing individual risks within the register incorporate equalities and human rights considerations where appropriate.

13. Implications for Partners and Other Directorates

- 13.1 The actions relating to any issues affecting partners are reflected in the risk register and accompanying risk mitigation action plans.

14. Risks and Mitigation

- 14.1 It is important to review the effectiveness of our approach to capturing, managing, and reporting risks on an ongoing basis. This report sets out how the approach to risk management will be developed over the course of the coming year.

15. Accountable Officer:

Simon Dennis (Corporate Improvement and Risk Manager)

Approvals Obtained from: -

Jo Brown, (Assistant Chief Executive)

This report is published on the Council's website or can be found at:

Not Applicable – Private Report