

**Committee Name and Date of Committee Meeting**

Audit Committee – 28 July 2022

**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](mailto: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 corporate strategic risk register regularly. The report summarises the current 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 – 5<sup>th</sup> July 2022

**Background Papers**

Report to Audit Committee; 28<sup>th</sup> June 2022 (Risk Management Annual Summary)

Report to Audit Committee: 11<sup>th</sup> January 2022 (Corporate Strategic Risk Register)

Report to Audit Committee; 30<sup>th</sup> November 2021 (Risk Management Strategy and Policy)

Report to Audit Committee; 29<sup>th</sup> July 2021 (Corporate Strategic Risk Register)

## **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

See above, the corporate strategic risk register has previously been considered by Audit Committee.

## **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 Although the response to the COVID-19 pandemic, which has seen risk management play a vital role, remains ongoing, risk management arrangements have now broadly returned to normal. This was set out in the Risk Management Annual Summary that was presented to the Audit Committee at its most recent meeting in June.
- 1.2 This report summarises the current arrangements and also presents the current Corporate Strategic Risk Register (CSRR) which has recently been considered by Strategic Leadership Team (SLT).

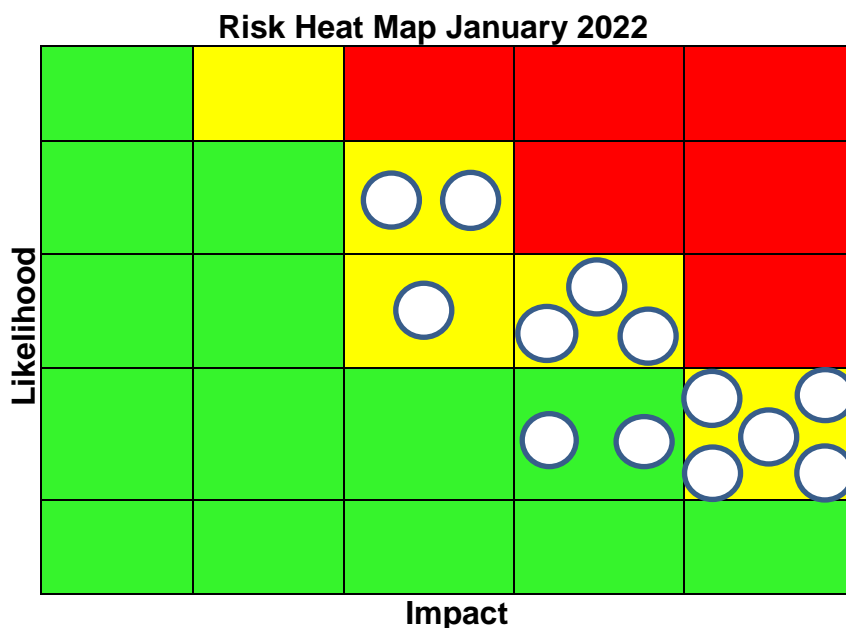
### **2. Overall Arrangements**

- 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, 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 CSRR 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 appears on their Directorate's risk register.
- 2.3 The CSRR has also been formally reviewed both at joint SLT/Assistant Director performance management meetings and at separate SLT meetings. Most recently, the CSRR has been reviewed at SLT in June and SLT/AD in July, with both meetings making substantial comments on the document. These meeting will continue to review the CSRR every three months.
- 2.4 The register is also reported regularly to the Audit Committee alongside the annual "Deep Dives" of individual 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.

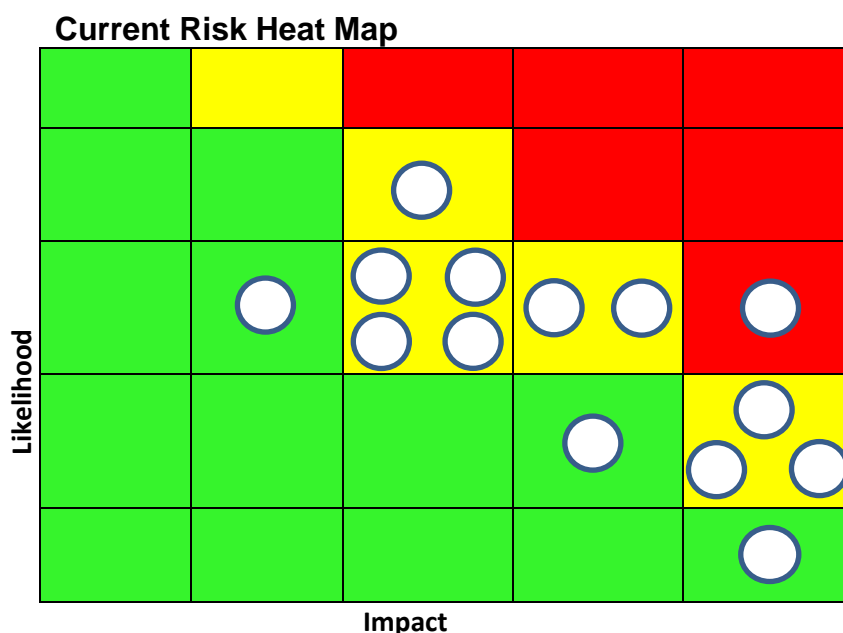
LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable / Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely / Rare 1	1	2	3	4	5
		Insignificant / Negligible 1	Minor 2	Moderate 3	Major 4	Critical or Catastrophic 5
IMPACT (B)						

### 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 CSRR (which is attached at Appendix 1) is currently aligned to the Council's current Year Ahead Plan.
- 3.2 The last "heat map" which was reported to the Committee in January 2022 showed the risk profile below:



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 the pattern of reducing assessed risk has broadly continued. This also reflects the increasing grasp on the key risks that need to be managed at a strategic level. This improvement, inevitably, slowed during the pandemic but the overall track in the last two years remains an improving one. Since January 2021, just over 73% of risks monitored at a strategic level have reduced or been removed, just over 6% have remained stable and 20% have increased or are new to the register.

Number	Risk Summary	Jan 21	Jul 21	Dec 21	Jul 22	Risk Movement (Jan 2021 compared to Jul 2022) ↓ = Risk level reduced ↑ = Risk level increased → = Risk level static
SLT01	Children’s safeguarding	15	10	10	10	↓
SLT03	Failure to deliver the Council Plan due to the pressures generated by the cost-of-living crisis	16*	16*	12*	12	↓*
SLT04	Making sustainable improvement in Children’s Services	15	10	10	10	↓

SLT07	Response to a future pandemic	15	15	8	5	↓
SLT08	Failure to enhance community cohesion	12	8	8	8	↓
SLT09	Communications fail to be of sufficient quality	12	12	12	6	↓
SLT10	Failure to attract new business and investment	9	12	12	12	↑
SLT11	Risk of lack of effective partnership working	10	10	10	12	↑
SLT16	Financial plans and budget gap	15	10	10	10	↓
SLT22	Failure to comply with Mental Capacity Act/DoLs	9	9	9	9	→
SLT27	Health and Safety and operational risks from property	10	12	12	9	↓
SLT 34	Impact of EU trade deal on the economy	16	-	-	-	↓
SLT 35	Impact of the COVID pandemic	20	15	10	15	↓
SLT 36	Insufficient resources committed to Carbon Reduction Plan	16	16	12	9	↓
SLT37	Failure to manage and deliver projects	-	-	-	9	↑

\* Risk Detail has changed and risk is not now directly comparable – see 3.6 below

3.5 The Committee will note that since its last full update in December 2021, there has been one addition to the CSRR. This is risk number SLT37 and relates to the Council's ability to deliver the wider range of projects, schemes, and initiatives which it is committed to. There have been no risks removed from the risk register, although one risk has been modified as set out in the following paragraph. In total, there are now 14 risks on the CSRR, up from 13 risks in December 2021.

3.6 Risk number SLT03 has been rewritten to more accurately reflect the risk that the Council is currently facing relating to pressure on its services in the context of the current cost of living crisis. The previous version of the risk referred solely to family poverty, limiting its scope and also did not clearly state which business objectives the Council might fail to meet. As a result of a review, the risk has

been reframed to specifically refer to the impact of the current cost of living crisis on delivery of the Council Plan (and the associated Year Ahead Delivery Plan). The associated mitigations are similar to the previous risk but have been enhanced to reflect the wider potential impact of this risk.

- 3.7 The Committee will also be aware that the risk management process was reviewed by Internal Audit during early 2022. This review compared our arrangements to the requirements of the relevant International Standard, ISO31000. The review once again concluded that substantial assurance could be derived from the controls that were in place. This is the highest assurance level possible. A further review will be carried out in 2023.

#### **4.0 Future Developments**

- 4.1 The Committee will be aware that the Council approved its new Council Plan in January 2022. As a result, the CSRR has been updated and aligned with that Plan and this is the first time that the Committee has considered the CSRR with this new alignment.
- 4.2 As reported to the previous Committee meeting in June, a refreshed approach to risk management training is currently being delivered. This includes a new online package, which will be rolled out in September 2022, alongside the latest iteration of the management training which is already in place.
- 4.3 Finally, the Committee will be aware that the Council's Risk Management Policy and Guide was reviewed and approved at its November 2021 meeting. A further refresh will be carried out in late 2022 and will be presented to this Committee at its November 2022 meeting.

#### **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