

**Committee Name and Date of Committee Meeting**

Audit Committee – 10 January 2023

**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)**

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Assistant Chief Executive's Department

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**Ward(s) Affected**

Borough-Wide

**Report Summary**

This report forms part of the Audit Committee's remit to consider the Corporate Strategic Risk Register (CSRR) 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 – 7<sup>th</sup> December 2022

## **Background Papers**

Report to Audit Committee; 29<sup>th</sup> November 2022 (Risk Management Policy and Guide Refresh)

Report to Audit Committee; 28<sup>th</sup> July 2022 (Corporate Strategic Risk Register)

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)

## **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 This report summarises the Council's current risk management arrangements and presents the current Corporate Strategic Risk Register (CSRR) which has recently been considered by the Council's Strategic Leadership Team (SLT).
- 1.2 Further details around the Council's arrangements for Risk Management were presented in the annual summary of risk management which was presented to the Committee on 28<sup>th</sup> June 2022.

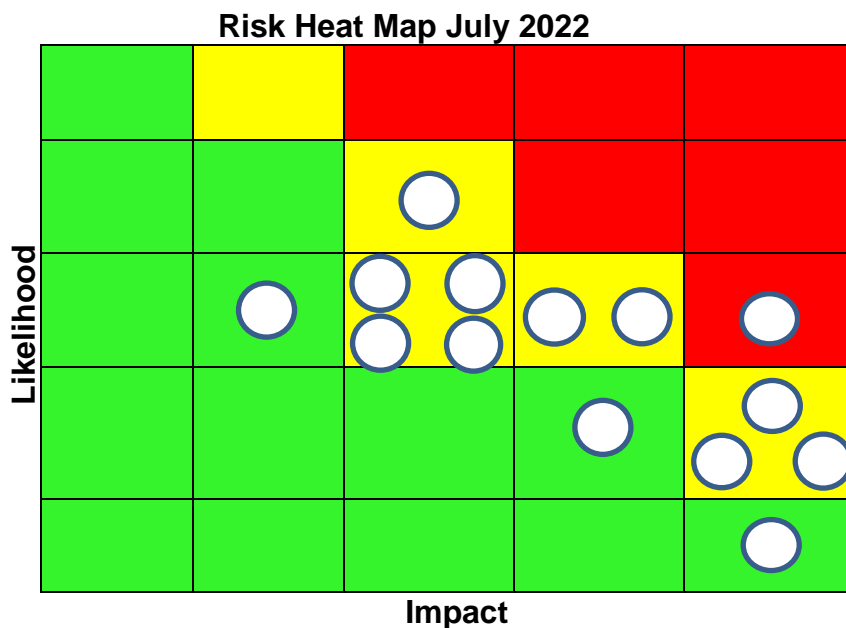
### **2. Overall Arrangements**

- 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 SLT meetings every quarter. Most recently, the CSRR has been reviewed at SLT in December and SLT/AD in September. These meetings 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.

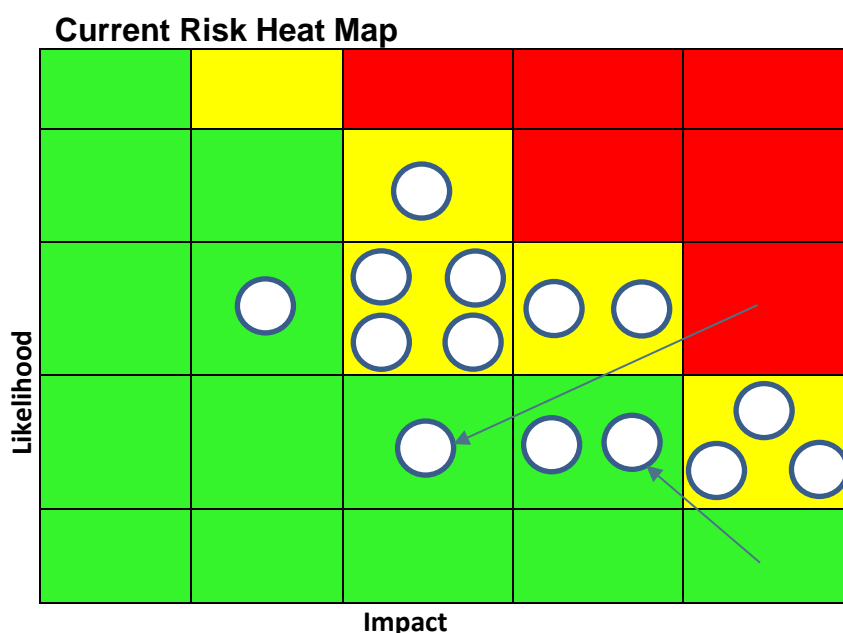
LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable / Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely / Rare 1	1	2	3	4	5
		Insignificant / Negligible 1	Minor 2	Moderate 3	Major 4	Critical or Catastrophic 5
	IMPACT (B)					

### 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 July 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. Arrows have been inserted to illustrate the risks that have moved since the last report. These risks are SLT07 and SLT35.



3.4 The table below shows that the long-term pattern of assessed risk level reducing has broadly continued over the last two years. This reflects the increasing grasp on the key risks that need to be managed at a strategic level as well as the continued improvement following the reduction in impact of the pandemic. Since July 2021, just over 42% of risks monitored at a strategic level have reduced in assessed level, just over 42% have remained stable and 12% have increased or are new to the register.

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

SLT07	Response to a future pandemic	15	8	5	8	↓
SLT08	Failure to enhance community cohesion	8	8	8	8	→
SLT09	Communications fail to be of sufficient quality	12	12	6	6	↓
SLT10	Failure to attract new business and investment	12	12	12	12	→
SLT11	Risk of lack of effective partnership working	10	10	12	12	↑
SLT16	Financial plans and budget gap	10	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	12	12	9	9	↓
SLT 35	Impact of the COVID pandemic	15	10	15	6	↓
SLT 36	Insufficient resources committed to Carbon Reduction Plan	16	12	9	9	↓
SLT37	Failure to manage and deliver projects	-	-	9	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 July 2022, there have been no new risks added to the CSRR and no risks have been removed or de-escalated from the register. In total, there remain 14 risks on the CSRR, the same number as reported in July 2022.
- 3.6 Risk number SLT03 was rewritten in early 2022 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 and as a result is not directly comparable to risk SLT03 as it stood in December 2021. Further details on the changes were reported to the Committee at its July 2022 meeting.
- 3.7 The Committee will 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 Training and other developments**

- 4.1 As reported to the previous Committee meeting in July, a refreshed approach to risk management training is currently being delivered with a new training programme rolled out to senior officers in December. This includes a new online package, which will be rolled out this month, 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 2022 meeting. A further refresh will be carried out in late 2023 and will be presented to this Committee at its November 2023 meeting, following Cabinet approval of the Risk Management Policy.

#### **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