

## AUDIT COMMITTEE

30 SEPTEMBER 2021

### REPORT OF ASSISTANT DIRECTOR (FINANCE & IT)

#### A.2 CORPORATE RISK UPDATE

(Report prepared by Clare Lewis)

#### PART 1 – KEY INFORMATION

##### PURPOSE OF THE REPORT

To present to the Audit Committee the updated Corporate Risk Register.

##### EXECUTIVE SUMMARY

- The Corporate Risk Register is normally updated and presented to the Audit Committee every 6 months. The report was last presented in May 2021.
- The following table summarises the position at the end of the period under review with updated information provided within the register where necessary:

Item	Number
New Risks Identified	0
Risks Removed	0
Risk Score Amended	0
Risks Under Review	0
Risks Amended	3

##### RECOMMENDATION(S)

That the Audit Committee notes the updates provided to the current Corporate Risk Register.

#### PART 2 – IMPLICATIONS OF THE DECISION

##### DELIVERING PRIORITIES

Risk assessment, monitoring and control forms the central tool for managing the strategic risks that may prevent the Council from achieving the corporate priorities as identified in the Corporate Plan and associated corporate goals.

##### FINANCE, OTHER RESOURCES AND RISK

###### Finance and other resources

The risk management approach can be delivered within existing budgets.

###### Risk

The subject of risk and its management by the Council is set out in the main body of this report.

##### LEGAL

There are no specific legal implications.

## OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

**Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.**

There are no other direct implications.

## PART 3 – SUPPORTING INFORMATION

### BACKGROUND

The Corporate Risk Register was last presented to the Committee in May 2021.

The Terms of Reference for the Audit Committee include a responsibility to provide independent assurance of the adequacy of the risk management framework and the associated control environment. The Corporate Risk Register is where possible brought to the Committee at six monthly intervals to enable the Committee to fulfil its role.

### CURRENT POSITION

#### Corporate Risk Management Framework

Although no changes have been identified as being required at this time, the framework is included at **Appendix A** for information only. A review of the framework will due to take place later in 2021/22.

Although COVID related matters continue to affect the whole organisation, they are not reflected in the risk register itself, so we do not lose sight of the risk registers purpose.

A review of lessons learnt relating to COVID 19 has now been included in the Internal Audit Plan for 2021/22 and will be brought before the Audit Committee at a later meeting.

Council services have now reopened, and the council continues to ensure staff are safe while carrying out their day to day duties.

The below table sets out **all** amendments to the Risk Register since it was last considered by the Committee in May 2021.

<b>Risk Register Item</b>	<b>Amendments / Comments</b>
New Risks Identified	None
Risks Removed	None
Risk Scores Amended	None
Risk under review	None

Risks Amended	<p><b>Item 1b - Catastrophic IT network failure</b> – change to main text relating to remote working.</p> <p><b>Item 1d - Ineffective Cyber Security Physical and Application (software) Based Protection Management</b> - update on main text relating to current status of cyber security</p> <p><b>Item 2d - Ineffective delivery of Transforming Tending project</b> – update on the completion of works.</p>	
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Although not currently included within the risk register, it is important to highlight the following two potential emerging issues:

- **Shortage of Global Supplies** – Due to various reasons (including the on-going impact of COVID 19) the risk of key supplies not being available when required has increased - one example being the shortage of computer processing chips. This is currently being managed via earlier procurement planning and remaining alert to market conditions. *(Links to existing Corporate Risk associated with Failure to Deliver Key Services and Ineffective Business Continuity Planning)*
- **Failure to Deliver Key Contracts** – As part of delivering key services to residents, where appropriate, the Council will engage with external providers on a commercial basis e.g. ECC Careline Contract. As recognised during the associated decision making processes, there are significant financial and reputational risks associated with this approach. *(Links to existing Corporate Risk associated with Ineffective Workforce Management and Planning)*

The above two items will be kept under review and will be revisited / reported back to members as part of the next corporate risk register update that is scheduled to be submitted to the Committee in March 2022.

The Fraud and Risk Team continue to oversee the councils Risk Management supported by the councils Internal Audit Team. The table sets out the work currently being undertaken.

Agreed Action	Current Position
Management Team to promote the importance of operational risk management within the organisation and ensure that Senior Managers implement a process for identifying and mitigating risks in coordination with the Corporate Fraud	The Fraud and Risk Manager continues to work with Management Team to effectively promote the importance of operational risk management within the Council, and continues to attend management team meetings (via Teams) on a quarterly basis

and Risk Manager.	and provides monthly updates for any urgent matters identified.
One to one meetings will continue to take place between Senior Managers and the Corporate Fraud and Risk Manager to identify and record key operational risks within their service areas. Support to be provided by Internal Audit if required	This is unfortunately delayed due to the Corporate Fraud and Risk Manager being redeployed to other tasks during the past 12 months. These one to one meetings will commence again in October 2021 and will task will be completed by March 2022.

**Follow up item**

Arrange Risk Management training for all departments across the council	The Council has identified a need for managers to have some Risk Management training to ensure the council can move forward with verifying risk register actions and review departmental risks across all departments. Training is being carried out by the Fraud and Risk manager in October 2021, with a view to rolling this out if the training is thought to be appropriate.
Review carried out relating to the effectiveness of the current control measures in place to identify inherent risk.	This review is still ongoing and a report will be brought before the Audit Committee at a later meeting.

**BACKGROUND PAPERS FOR THE DECISION**

None

**APPENDICES**

**Appendix A** – Risk Management Framework  
**Appendix B** – Corporate Risk Register