

# Title of report: Corporate Risk Register

**Meeting: Audit and Governance Committee**

**Meeting date: Monday 31 July 2023**

**Report by: Head of Corporate Performance**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards)

## **Purpose**

To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the performance management framework.

## **Recommendation(s)**

**That:**

- a) The committee determine any recommendations it wishes to ensure effective risk management.**

## **Alternative options**

1. The committee could choose not to review the Corporate Risk Register. This is not recommended as regular monitoring should provide assurance that risk is being managed effectively within the council.

## **Key considerations**

2. In accordance with the council's Performance Management Framework (PMF) and associated Risk Management Plan, it is the committee's role to ensure that risk management is effectively managed and in line with the processes set out in the PMF.
3. Risks are identified as part of daily council business, self-assessment as part of business planning processes, as well as a result from regulator and audit activity. As these risks are identified, they are scored based on the likelihood and impact, using the methodology within the Risk Management Plan (RMP). Risks are reported and escalated based on their residual

or current score. The council's Corporate Risk Register therefore holds the highest, most immediate risks across the organisation; the table below provides a summary of risks based on their scores, the associated monitoring required and the action necessary.

	Green	Yellow	Amber	Red
	Low	Medium	High	Extreme
Score	1-4	5-8	9-15	16-25
Register*	Service		Directorate	Corporate
Action	Unlikely	Might	Should	Must
Review frequency	Quarterly	Monthly	Monthly	Monthly

- NB: Risks that appear on the Corporate Risk Register will also appear on their relevant Directorate and Service Risk Registers

4. It is the responsibility of risk owners to ensure that risk scores are regularly reviewed and scores, controls and future mitigating activity are updated where necessary.
5. At its meeting of 13 March 2023, committee received a paper on the '[Review of approach to strategic risk management](#)' which set out the principles and the approach that the Council was taking for managing corporate risks. At that time it was anticipated that training for senior officers, members and managers would have been delivered at the start of the municipal year, which would lead to a CLT workshop to review and agree on the strategic risks for the organisation. The training is now scheduled for early summer, following which a strategic risk register will be developed for future presentation to this committee.
6. At the Audit and Governance Committee, members agreed with the principles for a more strategic approach, requesting to view the strategic risk register once finalised, with recommendations for it to be cross-cutting and cross-organisation and reflect the council's inter-relationship with the external impacts, and requested that the finalised approach to strategic risk, be presented to a meeting of the Committee which is scheduled for September.

### **Corporate risk register**

7. The heat map below shows the current risks on the council's Corporate Risk Register as at June 2023. References and the full details of the risks can be found at Appendix A.

**Corporate Risk Register - June 2023**

		IMPACT			
		4		5	
<b>LIKELIHOOD</b>	<b>5</b>	CR.74 -- CR.82 *		CR.67 --	
	<b>4</b>	CR.61 -- CR.63 -- CR.69 -- CR.70 -- CR.71 -- CR.72 --	CR.75 -- CR.77 -- CR.80 -- CR.81 --	CR.60 -- CR.64 -- CR.68 --	
		Directorate RR (9 - 15)	Service RR (5 - 8)	Service RR (1 - 4)	
		CR.78			
		-- No Change E Escalated D De-escalated		★ New in quarter ↑ Residual Risk Increased ↓ Residual Risk Decreased	

8. Since the last report to committee (January 2023), there has been one new corporate risk; one de-escalated; and one corporate risk closed:
- a) A closure of the risk in relation to CRR.79 Herefordshire fuel poverty level
  - b) A de-escalation of the risk in relation to CRR.78 Impact of statutory direction
  - c) A new risk in relation to CRR.82 Contract Fleet Lease Expiry
9. The table below provides a breakdown of the current corporate risks by directorate, as well as the number of risks currently being managed at directorate level.

	Corporate Risks	Directorate Risks*
Community Wellbeing	3	19
Children and Young People	5	6
Economy and Environment	8	37
Corporate Support	0	11
<b>Total</b>	<b>16</b>	<b>73</b>

\* Includes corporate risks

10. Directorate risk registers can be found at appendices B-E. A summary of changes across directorate risk registers is found in the table below.

	Community Wellbeing	Children and Young People	Economy and Environment	Corporate Support
New risk			2	
Closed risk	4	2	7	2
Escalated	2			
De-escalated from DRR		2	2	13
Increased score				
Reduced score				
No change	17	6	35	11

\* Some risks have both increased in residual score and escalated to the Directorate Risk Register; in this instance, the table above only counts these risks in the escalation row.

### Community impact

11. In accordance with the principles of the council's adopted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective risk management is an important component of this performance management system.

### Environmental impact

12. This decision itself has minimal environmental impacts, however effective risk management will increase the likelihood of the council achieving its strategic objectives, including to "protect and enhance our environment and keep Herefordshire a great place to live".

### Equality duty

13. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

14. There are no equality duty implications arising from this report.

### Resource implications

15. There are no resource implications arising from this report, however effective risk management should increase the likelihood of the council delivering its budget.

## **Legal implications**

16. There are no legal implications arising directly from this report.

## **Risk management**

17. There are no direct risks as a result of this report. It is clear that we still have some way to go to embed the new approach. By reviewing the corporate risk register on a regular basis, greater assurance is given that the council manages its risk effectively.

## **Consultees**

18. None.

## **Appendices**

Appendix A - Corporate risk register

Appendix B - Community wellbeing directorate risk register

Appendix C - Children and young people directorate risk register

Appendix D - Economy and environment directorate risk register

Appendix E - Corporate centre directorate risk register

## **Background papers**

None identified.