

Title of report: Corporate Risk Register

Meeting: Audit and governance committee

Meeting date: Tuesday 12 April 2022

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.

Corporate risk register

5. The heat map below shows the current risks on the council's Corporate Risk Register as at the end of February 2022. References and the full details of the risks can be found at appendix A. At the request of the committee, changes in the Corporate Risk Register have been identified in red text in the appendix.

Corporate Risk Register - February 2022

		IMPACT			
		4		5	
LIKELIHOOD	5	CRR.66 *		CRR.67 ↑E	
	4	CRR.61 -- CRR.63 -- CRR.69 *		CRR.60 -- CRR.64 ↑ CRR.68 *	
		Directorate RR (9 - 15)	Service RR (5 - 8)	Service RR (1 - 4)	Closed
		CRR.52 ↓D CRR.65 ↓D	CRR.62 ↓D		

-- No Change
 E Escalated
 D De-escalated

★ New in quarter
 ↑ Residual Risk Increased
 ↓ Residual Risk Decreased

6. Since the last report to committee (November 2021), there have been 3 new corporate risks, 1 risk escalated to the corporate risk register, and 3 risks de-escalated as follows:
- A new risk in relation to receiving an adverse Ofsted inspection (CRR.66);
 - A new risk in relation to the availability of new waste collection vehicles in readiness for the new waste collection service (CRR.68);
 - A new risk in relation to the Hereford City Centre Improvement programme being delivered to programme (CRR.69);
 - An escalation of the risk in relation to the possible onset of Ash Dieback within the county (CRR.67);
 - CRR.52 – the risk in relation to high risk notable cases within the courts has been reduced to a directorate risk; court skills training with legal services and the local judiciary has been developed, and case tracking of all legal cases, with senior management oversight panels are now embedded.
 - CRR.62 – the risk in relation to availability of workers for waste collections has been reduced to a service risk; the business continuity plan has been reviewed and service provision will be prioritised if required.
 - CRR.65 – the risk in relation to the multi-agency safeguarding hub has been reduced to a directorate risk; progress has been made around the standard operating procedure review and a new multi-agency referral form has been agreed.
7. 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	1	16
Children and Young People	3	10
Economy and Environment	4	29
Corporate Support	-	33
Total	8	88

* Includes corporate risks

8. 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		1	2	1
Closed risk				
Escalated			1	
De-escalated from DRR	1		1	
Increased score		2	2	
Reduced score		2		
No change	16	5	24	32

* 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.

Risk Management Maturity Assessment

9. As previously reported to the audit and governance committee, the team has recently worked with SWAP on a risk management maturity assessment. This was completed as a facilitated self-assessment and the final report has now been completed; the summary can be found at appendix F.
10. This report was scoped as a maturity assessment, rather than a full audit, and as such does not have a formal judgement. However, the report helpfully provides an indication of areas that could be strengthened as part of the continual roll out of the Risk Management Plan.

11. The report suggests that the existing risk framework provides a good foundation for risk management within the council. There are of course areas for improvement, in particular embedding risk management within services; this is likely to be completed through a range of training and workshop sessions. One of the key focusses of these sessions must be about turning risk into actions which aim to increase meaningful controls and reduce the residual risk.
12. This report will be considered and a plan for the ongoing embedding of risk management within the council will form part of the business intelligence team's annual service business plan.

Community impact

13. 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

14. 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

15. 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.
16. There are no equality duty implications arising from this report.

Resource implications

17. 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

18. None.

Risk management

19. There are no direct risk 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

16. 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

Appendix F Risk maturity assessment

Background papers

None.