

7 September 2020**Agenda Item: 6****REPORT OF SERVICE DIRECTOR FOR FINANCE, INFRASTRUCTURE &
IMPROVEMENT****CORPORATE RISK MANAGEMENT UPDATE****Purpose of the Report**

1. To provide members with an update on the Council's arrangements for corporate risk management, and to propose a schedule of future updates and member training.

Information

2. The County Council's corporate risk management processes are managed through the work of the Risk, Safety and Emergency Management Board (RSEMB), under the leadership of the Service Director, Place and Communities. The RSEMB comprises representatives from all departments, plus specialist support officers.
3. Under normal circumstances, RSEMB meets five times each year. Meetings are held more frequently to manage the Council's response to local and national emergencies, and this has been the case in recent times as a result of local flooding in the autumn of 2019 and the ongoing, national coronavirus pandemic. The RSEMB links to the Risk, Safety and Emergency Management Group (RSEMG) for each department, and it informs the Corporate Leadership Team (CLT) on risk issues. By this mechanism, risk topics are cascaded through the organisation as appropriate.

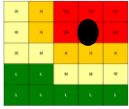

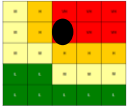

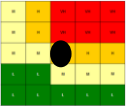
Corporate Risk Register

4. Corporate risk management is a standing agenda item for RSEMB, and a key aspect of the Board's role is to maintain the Council's corporate risk register. As part of its response to Covid-19, RSEMB recognised the need to update the register to take account of the significant changes in the Council's operating environment. The updated register has been approved by RSEMB and CLT and is attached as Appendix 1.
5. The first page of the appendix sets out the approach to risk scoring, along with some guidance notes and definitions. There are then 12 corporate risk entries captured in the register, one on each page of the appendix. Each entry in the register is structured to be read from left to right across the page. The following sets out a brief guide to aid understanding of the terms and format:

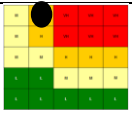

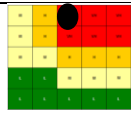
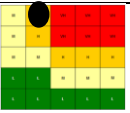
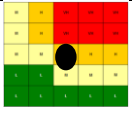

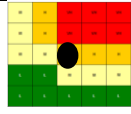

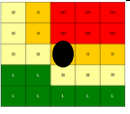
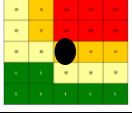

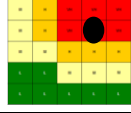
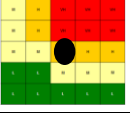
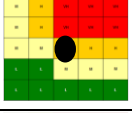

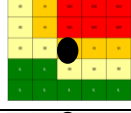

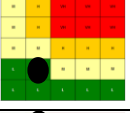


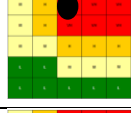


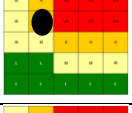

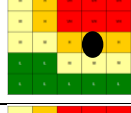

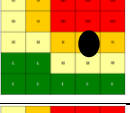
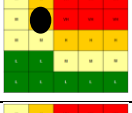

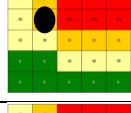
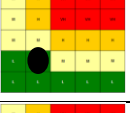
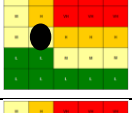

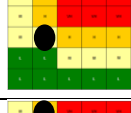

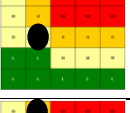
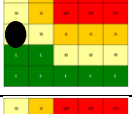

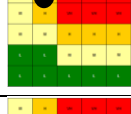


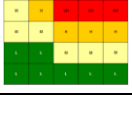
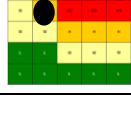
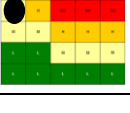
- Sources and triggers – these describe the factors which may give rise to a risk event occurring. These describe how **likely** an event is to happen.
- Possible consequences – these describe how significant the event would be for the Council. These relate to the **impact** of an event, should it happen.
- Current controls and mitigations – these summarise the control framework currently in place to protect the Council from the likelihood and impact of each risk. These are set to in terms of the ‘three lines of defence’, with which Members will be familiar from the previous reports on assurance mapping:
 - 1st Line – day-to-day controls operated by management
 - 2nd Line – controls applied by corporate functions, often located in the Chief Executive’s Department
 - 3rd Line – verifications by independent inspectors, such as Internal Audit, External Audit, etc.
- Agreed current risk – this a score agreed with risk owners, RSEMB and CLT, based around the notional formula of:

$$\text{Current Risk} = \text{Sources \& Triggers} \times \text{Possible Consequences} - \text{Current Controls \& Mitigations}$$

- Additional controls required and new controls being introduced – these set out additional actions planned to be taken to further strengthen the mitigations in place
 - Agreed target risk – this is the expected risk score once the additional controls are in place and operating effectively.
6. A significant aspect of the update was to capture the changed and additional actions in place to mitigate each of the key risks. Members will know and appreciate the impact the pandemic has had on all aspects of the Council’s activities. It is pertinent to note, therefore, what impact the emergency has had on the level of risk in the Council. Analysis of the risk assessments before and after the impact of Covid-19 show how risk levels have shifted, along with how risk levels are anticipated to reduce with the benefit of further action.

Risk	Pre-CV19		Post-CV19		After actions
1.Information governance	 VH		 VH		 H



2.Safe premises	 H		 VH		 H
3.Supply chain	 H		 H		 H
4.Business continuity	 H		 VH		 H
5.Transformation	 H		 H		 L
6.Safe children	 H		 VH		 H
7.MTFS	 H		 H		 H
8.ICT	 H		 H		 L
9.Community emergency	 M		 M		 M
10.Safe adults	 M		 H		 H
11.Governance	 n/a	New risk	 H		 M

7. As shown above, risk levels are assessed to have increased in the following areas as a result of coronavirus:

- Safe premises – this undoubtedly reflects the task of providing for Covid-19 secure settings for staff and service users
- Business continuity – the emergency represented a significant test of the Council's arrangements for business continuity, and its plans need to be kept up to date to maintain resilience as the pandemic situation develops
- Protecting vulnerable children – the national lockdown presented a considerable challenge for the Council in maintaining its face-to-face contacts with vulnerable children
- Protecting vulnerable adults – the Council's services are in demand to help those vulnerable to Covid-19 and the national measures in place to counteract it
- Governance framework – this risk has been added to the register to reflect the changes required to the Committee system and its implications for the established governance arrangements in the Council.

8. It can also be seen from the chart, above, that the additional actions set out in the register are anticipated to reduce assessed risk levels in most areas.

Further development

9. The Committee approved the draft Annual Governance Statement at its meeting in July 2020, and this included action related to corporate risk management, as below:
- Undertake a review of the Council's approach to risk management, including development of an approach to establishing the Council's risk appetite
 - Deliver a training session on risk management for the Governance & Ethics Committee
10. Work is being progressed by the Internal Audit team to review the corporate risk management process in the Council, focussing especially on options for capturing risk appetite. Proposals will be presented to the RSEMB and CLT for consideration and brought to Committee later in the year for approval. Consideration will be given at that time to the format and content of a training session for members of the Committee on risk management.

Other Options Considered

11. The report presents members with an updated position on the principal, corporate risks for the Council, taking account of the national pandemic. No other options were considered.

Reason/s for Recommendation/s

12. To present members with the opportunity to consider, and influence, the content of the Council's corporate risk register and its proposed actions to refresh the approach to corporate risk management.

Statutory and Policy Implications

13. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) Members approve the updated corporate risk register.
- 2) Members agree to receive further proposals for a refresh of the Council's approach to risk management, along with suggested training for the Committee.

Nigel Stevenson

Service Director for Finance, Infrastructure & Improvement and Section 151 Officer

For any enquiries about this report please contact:

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Constitutional Comments (LW 19-08-2020)

14. Governance & Ethics Committee is the appropriate body to consider the content of the report.

Financial Comments (SES 19-08-2020)

15. There are no specific financial implications arising directly from this report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

Electoral Division(s) and Member(s) Affected

- All