

Executive Board - 21 September 2021

Subject:	Corporate Risk and Assurance Register
Corporate Director(s)/Director(s):	Clive Heaphy, Interim Corporate Director for Finance and Resources
Portfolio Holder(s):	Councillor Sam Webster, Portfolio Holder for Finance and Resources
Report author and contact details:	<p>Shail Shah, Head of Audit and Risk 0115 8764245 shail.shah@nottinghamcity.gov.uk</p> <p>Caroline Stevens, Principal Risk Specialist 0115 8764346 caroline.stevens@nottinghamcity.gov.uk</p>
Other colleagues who have provided input:	Corporate Leadership Team Directorate Leadership Teams
Subject to call-in: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Key Decision: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Total value of the decision: Nil	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 7 September 2021	
Relevant Council Plan Key Theme:	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input checked="" type="checkbox"/>
Growing Nottingham	<input checked="" type="checkbox"/>
Respect for Nottingham	<input checked="" type="checkbox"/>
Serving Nottingham Better	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
The report highlights to the Executive Board the top corporate risks to the Council, based on discussions at the Corporate Leadership Team, Leadership Group and with Corporate Directors, including cross-cutting risks and risks escalated from Directorates.	
Exempt information:	
The appendices to this report are exempt from publication under Paragraph 3 of Schedule 12A to the Local Government Act 1972 because they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.	
It is not in the public interest to disclose this information because the report contains sensitive commercial, financial and contractual details that, if disclosed to potential contractors or partners, would be prejudicial to the Council's commercial position.	

Recommendation(s):

- 1 To review the risks and mitigations within the new Corporate Risk and Assurance Register and discuss their relevance, their corresponding risk scores and if any risks need to be added or deleted from the Register.

1 Reasons for recommendations

- 1.1 To receive and review a regular report on corporate risks and how they are being managed, and to obtain assurance that the Corporate Leadership Team (CLT) are taking appropriate action on significant risks to strategic objectives.

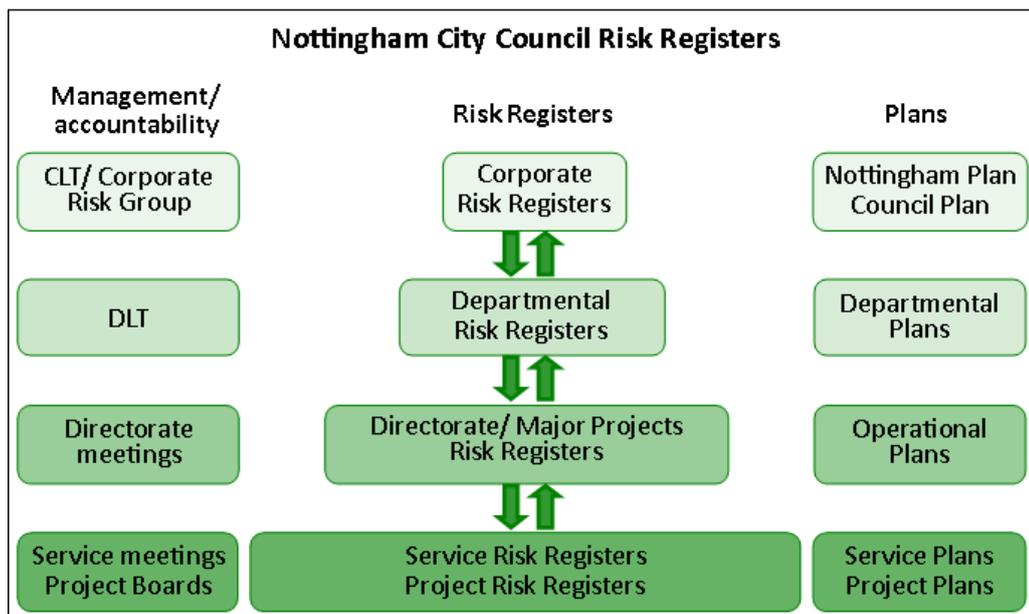
2 Background (including outcomes of consultation)**2.1 Risk Management Framework**

A refreshed Risk Management Framework was implemented in November 2019, and workshops delivered in 2019/20 with the Directorate Leadership Teams (DLTs) to review their risk registers using the revised Framework as the consistent standard. Work has continued to develop the Corporate Risk Registers and a further refresh of the Framework was agreed by CLT in November 2020 and reviewed by Audit Committee in March 2021.

The Framework sets out the Council's approach to risk management and includes a policy, a strategy and a detailed risk management toolkit, which provides guidance to managers to assist them in undertaking any risk management activities. The document is supported by templates, a quick reference toolkit and an online training module which is made available to officers through the staff intranet.

2.2 Corporate Risk Approach

A risk reporting process is in place to support escalation of risk throughout the Council, as required. Risks can move between registers based on seriousness and required oversight and support. The escalation process is shown diagrammatically as follows:



Risks are reviewed by DLTs, CLT and Leadership Group quarterly. The Corporate Register will now be reviewed by Executive Board six-monthly to ensure that the risks

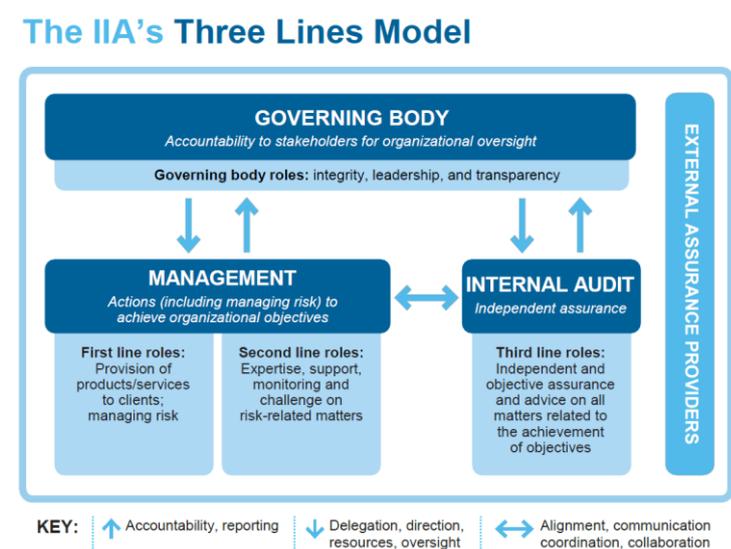
captured in the Register are reflective of risks faced by the Council, and to highlight to Executive Board members the risk profile of the Council. The register is also reviewed by Audit Committee six-monthly to provide assurance that the risk management process in place is appropriate.

Alongside regular review of risk registers at DLTs and CLT, the Risk Team has facilitated risk workshops for all directorates to support risk management and develop existing risk registers, and led risk discussions at Senior Leadership Forum. Risk Management has also been further embedded across the Council through the required review of risk implications for all committee reports and delegated decisions, and awareness raised through the Chief Executive’s blog to all colleagues.

2.3 Implementing the New Corporate Risk and Assurance Register

A Risk and Assurance Register has been developed this quarter to provide assurance that all key strategic risk areas are being controlled effectively alongside the management of high level operational risks. The Register has been populated with risks agreed at DLTs and includes risks that were previously reported via the full Corporate Risk Register and High Level Corporate Risk Register.

The aim of the Risk and Assurance Register is to demonstrate the state of effectiveness of the arrangements in place to deliver objectives and in particular to highlight issues that need attention. The Register follows the Three Lines of Defence Model (see image below) and will provide a summary for each strategic and operational risk of all key controls, how they are managed and internal and external assurances available for these.



2.4 Audit Committee and Further Assurance

The Audit Committee’s risk management role is to provide assurance on the adequacy of the Council’s Risk Management Framework and the associated control environment by reviewing the mechanisms for assessing and managing risk. This includes ensuring that relevant managers undertake active risk management.

The Audit Committee has established a Risk and Assurance Working Group. The Group has met three times so far and will meet quarterly through 2021. The purpose of the Group is to enable deeper understanding and focus by Audit Committee members on risk management including adopting a risk-focused approach to the work programme.

Risk Management training has been delivered to Audit Committee members. The session was facilitated by a Strategic Risk Consultant at Zurich, as part of the strategic risk management support from our insurers. The training provided an overview of the importance and relevance of Risk Management in achieving the Council's goals, the risk management principles and processes at the Council and the role of the Audit Committee.

Risk Management training has also been delivered to the Audit Committee Chair and Vice Chair. The session was also facilitated by a Strategic Risk Consultant at Zurich, as part of the strategic risk management support from our insurers and the training provided an overview Risk Management principles.

Alongside the review of risk management at Audit Committee, the Risk Management Framework and approach has also been assessed through Internal Audit, the last follow up being completed in 2019 showing an improvement from limited assurance to significant assurance and a new audit currently being finalised showing a similar direction of travel. The Risk Team has also worked with the Council's insurers to review the approach and processes through their strategic risk consultant. The team are members of the Association of Local Authority Risk Managers (ALARM), having access to their resources and network to support benchmarking and are working with core cities to benchmark risk management.

2.5 Top Corporate Risks to the Council

A summary of the top corporate risks to the Council is included as Appendix 1, and the full Corporate Risk and Assurance Register is attached as Appendix 2 for review of the existing mitigations in place and to agree any further actions needed.

2.6 Next steps for Strategic Risk Management

2.6.1 Risk Appetite

A risk appetite statement defines the organisation's attitudes to risk and the types of risk it is willing to accept in pursuit of its objectives. It helps decision-makers at all levels take risks that are appropriate.

To develop a risk appetite statement for the Council, Senior Leadership Management Group members will be surveyed on their perception of risk exposure and appetite across each of the Council's eleven risk categories, and run risk workshops across DLTs to review findings. The feedback at these sessions will then be collated and presented to CLT to review and support in establishing a risk appetite statement for the Council.

Reviewing the findings in a workshop with CLT to create debate, review the existing risk categories and agree their associated appetite is the primary outcome. The workshop will also allow the opportunity to share benchmark data of other similar organisations and their risk appetite levels.

A workshop will then also be arranged following this at Senior Leadership Forum to further embed risk management and the established risk appetite across the Council.

2.6.2 Member Training

Further training for members is planned throughout 2021/22, including:

- further training to Audit Committee members on how to scrutinise risk management approaches;

- training for Portfolio Holders on risk management in their areas of responsibility; and
- training for members providing an overview of risk management.

2.6.3 Risk Reporting

Further development of risk and assurance register format and presentation is planned in 2021/22.

2.6.4 Online Training

Further review and update of the online training resources for risk management is planned in 2021/22.

2.7 Contacts for Strategic Risk Management

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- Shail Shah, Head of Audit and Risk
0115 8764245, shail.shah@nottinghamcity.gov.uk
- Caroline Stevens, Principal Risk Specialist
0115 87 64346, caroline.stevens@nottinghamcity.gov.uk

3 Other options considered in making recommendations

3.1 To do nothing: this option is rejected as it risks the potential that not all key corporate risks facing the Council are represented and understood within the Register and that Executive Board members are not fully engaged or aware of the Council risk profile.

4 Finance colleague comments (including implications and value for money/VAT)

4.1 Financial implications are highlighted as potential impacts for each risk included within the Register, alongside an assessment of the impact on finance using the risk matrix. Finance has inputted to related risks within the Register.

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

5.1 Legal, Procurement and Risk teams have inputted to related risks within the Register.

6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

6.1 Strategic Assets and Property teams have inputted to related risks within the Register.

7 Social value considerations

7.1 Social value implications are highlighted as potential impacts for each risk included within the Register, alongside an assessment of the impact using the risk matrix.

8 Regard to the NHS Constitution

8.1 Not applicable.

9 Equality Impact Assessment (EIA)

9.1 An EIA is not required because the report does not represent proposals for a new or changing policy, service or function.

10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

10.1 None.

11 Published documents referred to in this report

11.1 None.