

## Audit Committee – 26 November 2021

<b>Title of paper:</b>	Risk Management and Corporate Risk and Assurance Register Update	
<b>Director(s)/ Corporate Director(s):</b>	Mel Barrett, Chief Executive Clive Heaphy, Interim Corporate Director of Finance & Resources	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Shail Shah Head of Audit and Risk 0115 8764245 <a href="mailto:shail.shah@nottinghamcity.gov.uk">shail.shah@nottinghamcity.gov.uk</a> Caroline Stevens Principal Risk Specialist 0115 8764346 <a href="mailto:caroline.stevens@nottinghamcity.gov.uk">caroline.stevens@nottinghamcity.gov.uk</a>	
<b>Other colleagues who have provided input:</b>	John Slater, Group Auditor Jackie Handley, Insurance and Risk Manager Corporate Leadership Team Departmental Leadership Teams	
<p>The appendices to this report are exempt from publication under paragraph number three of Schedule 12A to the Local Government Act 1972 because it contains 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.</p> <p>It is not in the public interest to disclose this information because this may lead to potential for commercial disadvantage if sensitive commercial, financial or contractual information became available to potential contractors or partners.</p>		
<b>Recommendation(s):</b>		
<b>1</b>	To note and provide views and feedback on the progress made to review existing processes and further embed Risk Management across the Council.	
<b>2</b>	To note the Corporate Risk and Assurance Register and if appropriate identify any risks for further review with the risk leads at the Risk and Assurance working group.	

### 1 Reasons for recommendations

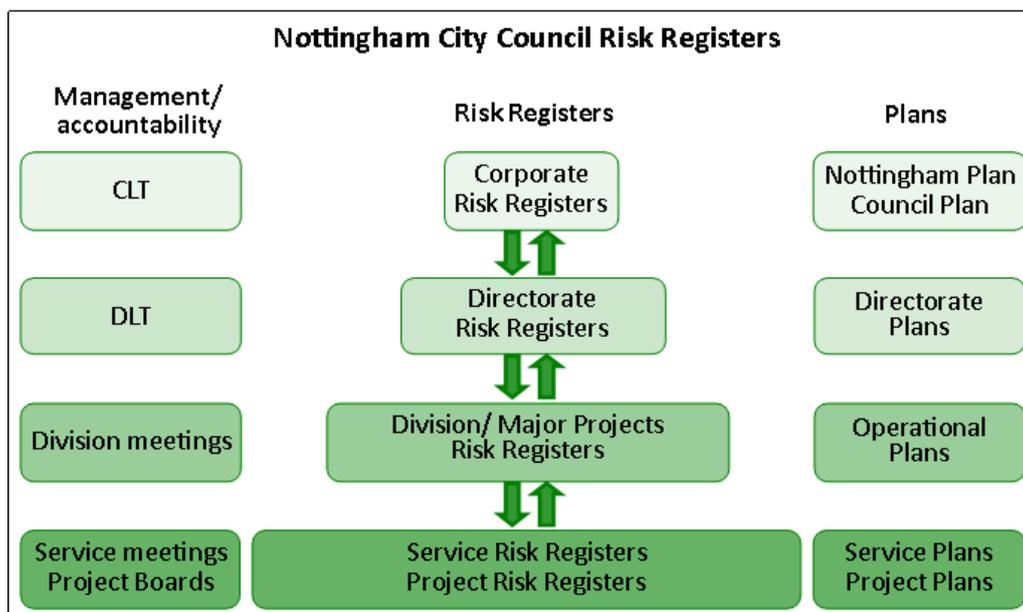
- 1.1 The Audit Committee's risk management role is to provide assurance on the adequacy of the Council's Risk Management Framework and the associated control environment by reviewing the mechanisms for assessing and managing risk. This includes ensuring that relevant managers undertake active risk management. This report presents an update on Risk Management and the latest review of the corporate risks faced by the Council.

### 2 Background

#### 2.1. Risk Management Approach

2.1.1. It is the Council's policy to proactively identify, understand and manage the risks inherent in our services and associated within our plans and strategies, so as to encourage responsible, informed risk taking.

2.1.2. 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:



2.1.3. Risks are reviewed by Directorate Leadership Teams (DLTs), Corporate Leadership Team (CLT) and Leadership Group quarterly and Executive Panel and Executive Board six monthly. The register is also reviewed by Audit Committee six monthly to provide assurance that the risk management process in place is appropriate.

## 2.2 Progress to date

2.2.1. A Risk and Assurance Register has been developed and was introduced last 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 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 and provides a summary for each strategic and operational risk of all key controls, how they are managed and internal and external assurances available for these.

2.2.2. Further work has been undertaken to engage with members on risk and the new register. Increased support has been provided to directors when briefing portfolio holders on related risks and discussing risks within their areas that are escalated for corporate management. The new Corporate Risk and Assurance Register has also been reviewed at Executive Panel and Executive Board ensuring members are sighted on the top risks to the Council and the Council's risk profile and have an opportunity to input to the risks included.

2.2.3. Work to establish the Council's risk appetite has commenced. A survey led by Zurich, the Council's insurers has been completed by SLMG officers and results have been discussed by DLTs and CLT. The survey asked officers to assess the Council's current risk exposure across each area of the Council's risk categories and propose what they think the appetite should be for this. Feedback from the survey and discussions at DLTs and CLT and with members will form the basis for a risk appetite statement for the Council.

### **2.3. Next steps**

2.3.1. Following agreement of a risk appetite statement, a workshop will be arranged at Senior Leadership Forum to further embed risk management and the established risk appetite across the Council.

2.3.2. 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.
- Training for members providing an overview of risk management.

2.3.3. Further support and training for divisions and services will be delivered as part of the transformation programme. This will include training sessions and register development across services to support embedding of risk management and escalation of risk throughout the Council.

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

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

### **2.4. Risk and Assurance register update**

2.4.1. Since the last review of the register by Audit Committee on 26 March 2021, the Audit Committee Risk and Assurance working group reviewed the new risk and assurance register in May 2021 and the latest quarterly update in October 2021. A summary of the top corporate risks to the Council and changes made to the register since the last review is attached as Appendix 1. The summary Corporate Risk and Assurance Register is attached as Appendix 2 for information.

## **3 Background papers other than published works or those disclosing exempt or confidential information**

3.1 None

## **4 Published documents referred to in compiling this report**

4.1 None