

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE

TUESDAY, 19 JULY 2022

Report Title	Corporate Risk Register Update			
Purpose of Report	To consider the Corporate Risk Register, including recent updates			
Decision(s)	The Committee RESOLVES to Accept and Note: a. The actions taken to update the Corporate Risk Register b. The Current Corporate Risk Register at Appendix B			
Consultation and Feedback	Audit and Standards Committee have previously considered the risk management review			
Report Author	Andrew Cummings, Strategic Director of Resources Email: andrew.cummings@stroud.gov.uk			
Options	No alternative options at the current stage			
Background Papers	None			
Appendices	Appendix A – Example Bow Tie Report Appendix B – Current Corporate Risk Register			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	No	No	No	No

1. INTRODUCTION / BACKGROUND

- 1.1 At its meeting in April 2022 the Audit and Standards Committee considered a comprehensive review of the Council's risk management procedures. The outcome of that review were 5 medium priority recommendations and one low priority recommendation.
- 1.2 Included within the recommendations was a commitment to bring the Corporate Risk register in a meaningful form to each Audit and Standards Committee. This allows effective transparency and scrutiny of the Council's current risks and controls. This report is the first publication of the Corporate Risk Register since that report.
- 1.3 The Council's risk management procedures were well established in it's risk management toolkit and the Risk Register update. The risk toolkit is a comprehensive operational manual for officers for identifying, and appropriately managing, risks.
- 1.4 In light of its significance to the Committee, Risk Management is a standing item for the Audit and Standards Committee.

2. MAIN POINTS

- 2.1 In line with the recommendation to report the Corporate Risk Register to every committee the risk register has been comprehensively updated. This Register covers risks which affect the medium to long term strategic risks of the Council, and should be overseen by the Audit and Standards Committee.

- 2.2 The headline approach for managing our risks is set out in the toolkit as follows:
- 1) Clarify our objectives
 - 2) Identify/describe our risks
 - 3) Assess
 - 4) Control
 - 5) Monitor and report risks
- 2.3 The Council Plan, agreed in October 2021, represents the vital first stage of this process. Strategic Risks are those deemed to have an impact on the priorities within the Council Plan or other statutory function. The risk toolkit and approach taken by officers to control risks forms sections 2,3 and 4 of the approach. The Audit and Standards Committee plays a vital role in the last stage, where risks are reported to Committee where they can be appropriately monitored.
- 2.4 The risk toolkit sets out the process by which each risk should be assessed. This includes determining the risk triggers and risk impacts for each report. The risk triggers sets out what causes the risk to occur. The risk impacts set out what may happen should the risk occur. Controls can be either preventative or mitigation controls (or both), depending on whether they relate to triggers or impacts respectively.
- 2.5 Combined, the risks, controls, triggers and impacts represent a methodology known as the “bow tie” approach whereby a graphical representation of the risk can be created. As an example of this approach the bowtie for CCR1 is shown at Appendix A.
- 2.6 The controls for all risks have been reviewed in recent weeks to ensure the Risk Register is up to date. As an additional measure a RAG rating has been introduced for every control. This mechanism allows lead officers to give their view on the current effectiveness of all the controls relating to strategic risks.
- 2.7 It is vital as part of the risk management process to assess the “Risk Appetite” for each Strategic Risk. This sets out the level of risk that the Council is prepared to accept and tolerate and helps set out the level of resource which should be put in to control measures. As part of the process of renewing our approach to Risk Management the risk target has been reviewed for each and every Strategic Risk. The Appetite for each risk is included in the Risk Register as the “Risk Target”.
- 2.8 As well as the risk target a level is given to the current risk score representing the current level of risk. Put simply, the controls used by management should be used to bring the current risk score in line with the risk appetite. Where the current risk score is higher than the target further action is likely to be required.
- 2.9 The process of reviewing the risk register has resulted in a number of new Strategic Risks being added to the register, along with appropriate triggers, controls and impacts. These new risks are;
- CCR92 – High levels of inflation
 - CCR93 – Low staff wellbeing and mental health
 - CCR95 – Successful cyber attack
- 2.10 The process of reviewing the risk register is not regarded as a “one and done” system. The risk register must be a live document which is kept updated on a regular basis. The Council’s Strategic Leadership Team are tasked with refreshing the Risk Register,

including with appropriate horizon scanning. The Risk Register will be reported to each Audit and Standards Committee meeting, even if there have been no material changes. It is likely that at this early stage of refreshing risk management additional risks may be added to the Corporate Register in the coming months.

- 2.11 If the Committee choose to ask for a “Deep Dive” on a particular risk, the full Bowtie report will be presented to a future committee and a lead Officer will attend to ask any questions that the Committee may have.
- 2.12 It is expected that at the time of the Committee meeting procurement will be underway for a new software system for Performance and Risk Management, including a provision to allow members access directly to the system. This is likely to lead to some changes in the way risks are managed. It will certainly mean that risk register updates are visually different from the current form. The Committee will be kept updated on progress of the procurement.

3. CONCLUSION

- 3.1 The Corporate Risk Register has been fully reviewed. This has included setting a risk appetite for all risks as required by the Council’s Risk Management Policies. Appropriate controls have also been considered for all strategic risks.
- 3.2 The Risk Register will now be subject to continual review and will be reported as a standing item to the Audit and Standards Committee.

4. IMPLICATIONS

4.1 Financial Implications

There are no financial implications arising from this decision.

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4.2 Legal Implications

There are no specific legal implications arising from the report and/or its recommendations.

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4.3 Equality Implications

An EIA is not required because there are not any specific changes to service delivery proposed within this decision.

4.4 Environmental Implications

There are no significant implications within this category.