


Non-Executive Report of the: Audit Committee Thursday, 29 July 2021	 TOWER HAMLETS
Report of: Interim Corporate Director, Resources (s.151 Officer)	Classification: Open (Unrestricted)
Annual Risk Report 2020-2021	

Originating Officer(s)	Paul Rock
Wards affected	(All Wards);

Executive Summary

The following report summarises the risk management activity during the course of 2020/21, provides an update on progress made against the previously agreed actions and proposes an action plan for 2021/22.

Recommendations:

The Audit Committee is recommended to:

1. Note the annual risk management report and agree the proposed risk management action plan for 2021/22.

1. REASONS FOR THE DECISIONS

- 1.1 The Accounts and Audit Regulations 2015 require that a relevant authority must ensure that it has a sound system of internal control which:
 - a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - b) ensures that the financial and operational management of the authority is effective; and
 - c) includes effective arrangements for the management of risk.
- 1.2 The terms of reference of the Audit Committee state the committee has responsibility for providing independent assurance for Members over the adequacy of the risk management framework and the internal control environment. It is responsible for monitoring the effective development and

operation of risk management in the Council and progress in addressing risk-related issues reported to the committee.

- 1.3 This report summarises the risk management activity undertaken during 2020-2021 and supports the Audit Committee in discharging its responsibilities.

2. ALTERNATIVE OPTIONS

- 2.1 None.

3. DETAILS OF THE REPORT

- 3.1 The attached report and associated appendices summarise the risk management activity during the course of 2020/21, provides an update on progress made against the previously agreed actions and proposes an action plan for 2021/22.

4. EQUALITIES IMPLICATIONS

- 4.1 There are no equalities implications arising from this report.

5. OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

- 5.2 The Accounts and Audit Regulations 2015 require authorities to ensure they have a sound system of internal control which:

- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- ensures that the financial and operational management of the authority is effective; and
- includes effective arrangements for the management of risk.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 There are no specific financial implications arising from the content of this report. General comments with regards the importance of effective risk management and the consequences of failure to monitor and manage organisational risks are contained within the body of the report.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The management of risk has a direct impact on the Council's ability to deliver its functions in a manner which promotes economy efficiency and effectiveness. Therefore, the consideration of this report demonstrates the Council's compliance with its Best Value Duty.
- 7.2 The Council is also legally required to ensure that it has a sound system of internal control facilitating the effective exercise of the Council's functions. This includes arrangements for the management of risk and an effective system of internal audit to evaluate the effectiveness of its risks management, control and governance processes, taking into account public sector internal auditing standards and guidance. This report also demonstrates compliance with these legal duties.

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- Annual Risk Management report for 2020/2021.
- Summary of progress against previously agreed actions.
- Summary report of risks rated as severe (or red)
- Proposed risk management action plan for 2021-2022

Local Government Act, 1972 Section 100D (As amended)

List of "Background Papers" used in the preparation of this report

List any background documents not already in the public domain including officer contact information.

- None.

Officer contact details for documents:

Paul Rock, Head of Internal Audit, Anti-Fraud and Risk.