

Non-Executive Report of the: Audit Committee Thursday, 12 November 2020	 TOWER HAMLETS
Report of: Corporate Director, Governance and Monitoring Officer	Classification: Open (Unrestricted)
Risk Management - Corporate Risk Register	

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

Executive Summary

This report presents the Audit Committee with the opportunity to review the Corporate Risk Register

Recommendations:

The Audit Committee is recommended to:

1. **Note** the corporate risks, and where applicable request risk owner(s) with risks requiring further scrutiny to provide a detailed update on the treatment and mitigation of their risk including impact on the corporate objectives at the next Committee meeting (or separately before the meeting if urgent).
2. **Note** the progress made against the Annual Action Plan for Risk Management.
3. **Decide** which Directorate level risk register the Committee would like to review at its meeting in January 2021.

1. REASONS FOR THE DECISIONS

- 1.1 The Audit Committee has responsibility for oversight of the arrangements for governance, risk management and control and this report assists the Committee in discharging its responsibilities.

2. ALTERNATIVE OPTIONS

- 2.1 None.

3. DETAILS OF THE REPORT

- 3.1 The Head of Risk has been working with Corporate and Divisional Directors to update the Corporate Risk Register. The updated register is attached at Appendix A. This register was presented to CLT in September 2020 for their review and agreement.
- 3.2 The Audit Committee should review the Corporate Risks and be satisfied that the risks are appropriate. In doing so the Committee may wish to consider the following questions:
- a. Are these the key, corporate level risks that might prevent the Council from achieving its objectives?
 - b. Are there any key, corporate levels risks missing, bearing in mind there are many more risks being managed at Directorate and Service level?
 - c. Are the risks up to date, scored correctly and owned appropriately?
 - d. Are the control measures (actions) up to date and owned appropriately?
 - e. Do you want to request any of the risk owner(s) to provide a more detailed update on the treatment and mitigation of their respective risk(s) including impact on the corporate objectives?
 - f. Do you require any independent assurance from Internal Audit or elsewhere that the corporate risks are being appropriately managed?

Recommendation

- 3.3 The Committee is recommended to **note** the corporate risks, and where applicable request risk owner(s) with risks requiring further scrutiny to provide a detailed update on the treatment and mitigation of their risk including impact on the corporate objectives at the next Committee meeting (or separately before the meeting if urgent).

Progress against Annual Action Plan for Risk Management

- 3.4 Progress against the Annual Action Plan for Risk Management has been slow as a recruitment freeze remains in place and there are no dedicated risk resources in the Risk Team. Nevertheless, some progress has been made as follows:
- The Risk Management Strategy has been updated and was approved by the Audit Committee in July 2020.
 - Each Directorate has nominated a Risk Champion to lead on risk in their respective Directorates. The Risk Champions meetings have been reconstituted; the first meeting is to be held on 13th November 2020.

- The Corporate Leadership Team have been requested to ensure risk management features at least quarterly on their Divisional Leadership Team meeting agendas.
- The Directorate Risk Registers for Place, Governance and Resources have been reviewed and actions identified to update and/or close out of date active risks.
- Training has been provided to Senior Business Support Officers enabling them to support Directorates in updating risks on JCAD (the Council's risk management software).
- Both the Joint Health and Safety Committee and the Civil Contingencies Board have requested and received risk reports in their respective areas and actions were identified to ensure risks were updated or closed if no longer applicable.
- Separate risk registers are being coordinated through the Head of Risk for the Council's response to Covid-19 and its recovery and reconstitution, updates are reported regularly to the Corporate Leadership Team. The bespoke risk registers are available to the Committee Members upon request.
- The review of the Council risk management software (JCAD) has been put on hold until 2021 due to financial and other resource constraints.

Recommendation

- 3.5 The Committee is recommended to **note** the progress made against the Annual Action Plan for Risk Management.

Directorate Risk Register Deep Dives

- 3.6 The Committee has previously requested the opportunity to review one Directorate level risk register at each of its meetings. These reviews will begin from January 2021.

Recommendation

- 3.7 The Committee should decide which Directorate level risk register the Committee would like to review at its meeting in January 2021.

4. EQUALITIES IMPLICATIONS

- 4.1 There are no specific equalities implications.

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 under Regulation 3 of the Accounts and Audit Regulations 2015 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

- Appendix A – Corporate Risk Register

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:

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