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| Non-Executive Report of the:<br><br><b>Audit Committee</b><br><br>Thursday, 28 January 2021 | <br><b>TOWER HAMLETS</b> |
| <b>Report of:</b> Kevin Bartle Interim Corporate Director,<br>Resources (S.151 Officer)     | <b>Classification:</b><br>Open (Unrestricted)   |
| <b>Risk Management - Corporate and Place Directorate Risk Register</b>                      |   |

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| <b>Originating Officer(s)</b> | Paul Rock    |
| <b>Wards affected</b>         | (All Wards); |

### Executive Summary

This report presents the Audit Committee with the opportunity to review the Corporate and Place Directorate Risk Registers.

### 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 Place Directorate 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 directorates objectives at the next Committee meeting (or separately before the meeting if urgent).
3. **Note** the progress made against the Annual Action Plan for Risk Management.

### 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

#### Corporate Risk Register

- 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 January 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).

#### Place Directorate Risk Register

- 3.4 Since the last Audit Committee meeting the Chair of the Audit Committee confirmed that the Committee would like to review the Place Directorate level risk register. This register is attached at Appendix B.
- 3.5 The Audit Committee should review the directorate risks and be satisfied that the risks are appropriate. In doing so the Committee may wish to consider similar challenge questions as those presented above.

#### **Recommendation**

- 3.6 The Committee is recommended to **note** the directorate 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 directorate objectives at the next Committee meeting (or separately before the meeting if urgent).

### Future Directorate Risk Register Reviews

3.7 Going forward the Committee will be presented with the other directorates risk registers on a rolling programme as follows:

- Governance and Resources (new combined directorate)
- Children's and Culture
- Health, Adults and Community

### **Progress against Annual Action Plan for Risk Management**

3.8 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 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, Health Adults and Community, Children's and Culture, Governance and Resources have all 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 continue to receive risk reports in their respective areas.
- A separate risk register is being maintained and coordinated through the Head of Risk for the Council's response to Covid-19; updates are reported weekly to CLT Gold. This bespoke risk register is 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.
- The Audit Committee has been presented with its first opportunity to review a directorate level risk register and a timetable is in place to review all other directorate registers in the future.

## **Recommendation**

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

## **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 Accounts and Audit Regulations 2015 require local authorities to ensure they have a sound system of internal control which facilitates effective exercise of its functions and includes effective arrangements for the management of risk. This report demonstrates the Council's compliance with this requirement.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- None.

### **Appendices**

- Appendix A – Corporate Risk Register
- Appendix B – Place Directorate Level 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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