



**Audit and Standards Advisory
Committee**
31st March 2021

**Report from the Director of Legal
HR Audit and Investigations**

Departmental Risk Management

Wards Affected:	All
Key or Non-Key Decision:	Non-Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	None
Background Papers:	None
Contact Officer(s): <small>(Name, Title, Contact Details)</small>	Michael Bradley Head of Audit and Investigations Tel: 07920 581620 Michael.bradley@brent.gov.uk

1. Purpose of Report

- 1.1. This report provides the Committee with an outline of the management of risk at Departmental level.

2. Recommendations

- 2.1. The Committee note the content of the report.

3. Background

- 3.1 The Audit and Standards Advisory Committee (ASAC) at its meeting, in December 2020, raised a query regarding the governance of departmental risk registers and suggested that this be reported to a later meeting of the Committee.

4. Risk Management Framework

- 4.1 The Council's Risk Management Policy and Strategy sets out the general framework for the identification, assessment and management of risk across

the organisation. It clearly sets out the roles and responsibilities of key stakeholders within that framework.

4.2 Risk management should be incorporated into: corporate, directorate, service and financial planning; strategic policy decision making; performance and project management; health and safety, and other relevant activities.

4.3 Key elements of the Council's Risk Management Policy and Strategy are:

- risk management is a key element of the Council's governance framework;
- statutory responsibilities exist within the Accounts and Audit Regulations;
- all Members and Officers have responsibility and a role to play in managing risk, and
- effective management of risk will ensure that the organisations objectives, and resulting outcomes, are achieved.

5. Corporate Risk Register

5.1 The Corporate Risk Register (CRR) is a document which records the risks that are considered by senior management to be of high impact and likelihood of materialising and which may have an adverse effect on the achievement of corporate objectives.

5.2 The content is provided via a 'bottom-up' provision of risks from services and departments which are deemed to require consideration at the higher level. Additionally, risks are input directly from Council Management Team (CMT).

5.3 The CRR is discussed and approved at CMT meetings and ASAC periodically. This allows comparative consideration of risk issues across department as well as monitoring of the effectiveness of mitigation strategies to address identified risks.

5.4 Continual development of risk registers facilitates opportunities to reduce duplication between departments in identifying and managing overlapping risks whilst providing opportunities for shared learning across the Council.

6. Departmental Risk Management

6.1 The Risk Management Policy requires departments 'to ensure that operational and strategic risks within departments are effectively managed'.

6.2 Specific responsibilities for departments in order to deliver that objective are to:

- maintain departmental risk registers and update risks quarterly, or more frequently if required;
- escalate risks to CMT where risk has escalated to a sufficient level, and
- promote robust risk management within services and teams.

6.3 Departments have the latitude to decide how, and how often, they assess and

consider their respective risk landscapes. Normally this is undertaken at department wide management meetings. Some departments maintain a single register while others maintain them at Operational Director level. There is no requirement for individual services within departments to maintain separate risk registers.

- 6.4 Periodically, the Internal Audit function will liaise with departments to obtain current versions of their risk register(s). Items within these registers that are represented as being of high impact, and more likely than not to materialise, are added to the CRR for onward discussion.
- 6.5 Internal Audit at this stage will comment on the completeness and reasonableness of the information provided. Internal Audit use this information to inform their annual and in-year audit planning processes. This helps to ensure that audit resource is effectively targeted at providing assurance on the highest risk areas.

7. Financial Implications

The report is for noting and there are no direct financial implications

8. Legal Implications

The report is for noting and there are no direct legal implications

9. Equality Implications

None

10. Consultation with Ward Members and Stakeholders

None

Report sign off:

Debra Norman, Director of Legal HR Audit and Investigations