



**Audit and Standards Advisory  
Committee**  
26 July 2021

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

**Corporate Risk Register**

<b>Wards Affected:</b>	All
<b>Key or Non-Key Decision:</b>	N/A
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
<b>No. of Appendices:</b>	One Appendix 1: Corporate Risk Register
<b>Background Papers:</b>	None
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## **1.0 Purpose of the Report**

- 1.1 This report provides an update on the Council's Risk Management position and includes an updated Corporate Risk Register. Departmental management teams have carried out a review and re-assessment of their risk registers put together last year.

## **2.0 Recommendations for Audit and Standards Advisory Committee**

- 2.1 Committee to note the current Corporate Risk Register and heat map included at Appendix 1 to this report.

## **3.0 Detail**

### **3.1 Risk Management Framework**

- 3.1.1 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.

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

3.1.3 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.

## **3.2 Corporate Risk Register**

3.2.1 The Corporate Risk Register (CRR) records the risks which 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.

3.2.2 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).

3.2.3 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.

## **3.3. Departmental Risk Management**

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

3.3.2 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.

3.3.3 Internal Audit 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.

3.3.4 Internal Audit comment on the completeness and reasonableness of the information provided and use the 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.

3.3.5 Based on the recently revised departmental risk registers, the Corporate Risk Register has been updated and is presented at Appendix 1.

3.3.6 There are inherent risks which the Council faces which are owned and monitored at Departmental level. These have previously been identified as:

- Safeguarding (Children and Adults);
- Business Continuity;
- Information Governance;
- Legislative Compliance;
- Fraud and Corruption;
- Major Unforeseen Event;
- Financial Stability, and
- Health and Safety.

These risks will be incorporated into the Corporate Risk Register when net or mitigated risk ratings are deemed to be of a level that exceed the appropriate tolerance. During the course of last year's exercise none of these inherent high risks were rated as high risk' although some risks were identified which could potentially have an impact on financial stability.

3.3.7 The main changes to the risk register following this review are:

- Reassessment and update of risk developments and actions to take account of the ongoing impact of the pandemic.
- Removal of the *financial pressures arising from the COVID-19 pandemic* risk. The ongoing impact of this risk has been incorporated in other risks.

#### New Risks

- **Delays in the re-procurement of key public realm services** - risk of failure to effectively progress the required processes or failure to re-procure one or more contracts relating to the 'Redefining Local Services' programme that could lead to the potential failure to deliver essential public services leading to potential major service disruption, additional cost and loss of reputation.
- **Increase in Dedicated Schools Grant High Needs Block Deficit** - risk that current deficit will continue to rise due to an increase in the number of children needing Education and Health Care Plans. This could have an adverse impact on the ability to meet the needs of pupils who require special education support and the Council's legal obligation to meet the educational needs of children in the borough. There is also has an adverse impact on the ability to meet the DfE's requirement to produce a balanced budget.

## 4.0 Financial Implications

4.1 There are no specific financial implications arising from this report. Departments assess and manage risks within existing budgets.

## **5.0 Legal Implications**

5.1 All Local Authorities are required to have in place arrangements for managing risks, as stated in the Accounts and Audit Regulations 2015:

“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.”

## **6.0 Diversity Implications**

None

**Report sign off:**

***Debra Norman***

Director of Legal, HR, Audit and Investigations