

Audit Committee

Monday 27 June 2022



Report of: Director Finance, S151

Title: Q4 2021/22 Corporate Risk Report Update.

Ward: Citywide

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Recommendation

The Audit Committee review and comment the Q4 2021/22 Corporate Risk Report (CRR)

Summary

This report presents the Corporate Risk Report (Appendix A) as at March 2022.

The significant issues in the report are:

- The CRR is an important tool in managing risk. It aims to provide an overview of the significant risks facing the council and how they are being managed. The CRR attached to this report at Appendix A and is the latest formal iteration following a review by members of the council's Corporate Leadership Board (CLB) and Cabinet. The Q4 2021/22 risk review included managers from across the Council.



1 Policy

- 1.1. The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS). The Council is required to comment on the effectiveness of its arrangements in this regard. The statement must also identify any significant governance issues that may have resulted from failures in governance and risk management.
- 1.2. Risk Management is an integral part of good governance to which the Council is committed. Risk Management provides the framework and processes that enables the Council to manage uncertainty in a systematic way. As part of the Risk Management arrangements the Council reviews the Risk Management Assurance Policy on an annual basis.
- 1.3. It is considered good practice to regularly review and update the Risk Management Assurance Policy to ensure it strengthens the Council's approach to its risk management and assurance arrangements.
- 1.4. Ensuring that the Corporate Risk Report (CRR) is soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council's objectives and prioritise actions for managing those risks.
- 1.5. The CRR provides assurance to management and Members that the Bristol City Council's significant risks have been identified and arrangements are in place to manage those risks within the tolerance levels agreed.
- 1.6. The CRR is a management tool and needs regular review to ensure that the occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.
- 1.7. The CRR has been prepared and presented in line with the Risk Management Assurance Policy that was approved by Cabinet in January 2019.

2 Consultation

Internal - First to fourth tier managers, Extended Leadership Team, Corporate Leadership Team, Cabinet Member, Finance, Governance and Performance.

External - None

3 Context

Corporate Risk Register (CRR)

- 3.1 The Accounts and Audit Regulations 2015 require the council to have in place effective arrangements for the management of risk. These arrangements are reviewed each year and reported as part of the Annual Governance Statement (AGS).
- 3.2 Ensuring that the Service Risk Registers (SRR), Directorate Risk Reports (DRR) and the Corporate Risk Reports (CRR) are soundly based will help the council to ensure it is anticipating and managing key risks to optimise the achievement of the council's objectives and prioritise actions for managing those risks.
- 3.3 The registers and reports are a management tool. They need regular review to ensure that the

occurrence of obstacles or events that may put individual's safety at harm, impact upon service delivery and the council's reputation are minimised, opportunities are maximised and when risks happen, they are managed and communicated to minimise the impact.

3.4 The Q4 21-22 Corporate Risk Report (CRR) as at 31st March 2022 contained:

Threat Risks	Opportunity Risks	External / Contingency Risks
<ul style="list-style-type: none"> • 2 critical • 21 high • 2 medium • 1 new • 1 improving • 2 deteriorating • 1 de-escalating • 0 closed 	<ul style="list-style-type: none"> • 0 significant • 2 high • 0 medium • 0 new • 1 improving • 0 deteriorating • 0 de-escalating • 0 closed 	<ul style="list-style-type: none"> • 0 critical • 2 high • 0 medium • 0 new • 0 improving • 0 deteriorating • 0 de-escalating • 0 closed

3.5 A summary of risks (Threat and Opportunities) for this reporting period are set out below with full detail available in Appendix A

Threat Risks:

3.6 There are two critical threat risks:

- CRR32 - Failure to deliver enough affordable Homes to meet the City's needs. The risk rating being 4x7 (28) critical threat risk. This risk is managed on the Growth and Regeneration Service Risk Register.
- CRR46 - Increased costs and lack of availability of insurance cover for higher risk properties. The risk rating being 4&7 (28) critical threat risk. This risk is managed on the Resources Service Risk Register.

3.7 There is one new threat risks:

- There is one new risk identified for Q4: CRR46 - Increased costs and lack of availability of insurance cover for higher risk properties which has a risk rating of 4&7 (28) critical threat risk. This is managed on the Resources Service Risk Register.

3.8 There is one improving threat risks:

- CRR35 - Organisational Resilience. The risk rating reduced in Q4 from 4*7 (28) critical threat risk to 4x5 (21) high threat risk. This is managed on the Resources Service Risk Register.

3.9 There are two deteriorating threat risks:

- CRR12 - Failure to deliver suitable emergency planning measures and respond to and manage emergency events when they occur. The risk rating has increased from of 3*5 (15) high threat risk to 3*7 (21) high threat risk. This is managed on the Growth and Regeneration Service Risk Register.
- CRR26 – ICT Resilience. The risk scoring has increased from 2*5 (10) medium level risk to 2*7 (14) high Level Risk. This is managed on the Resources Service Risk Register.

3.10 There is one De-escalating Threat Risk:

- 'CRR34 - Corporate Equalities' – for Q4 the risk rating is 1*5 = 5 and the tolerance score is 1*5 = 5. The risk rating is within the risk tolerance, reflecting the mitigations implemented, and as such it was agreed to de-escalate the risk from the CRR to be

managed at the Resources Directorate Risk Report level.

3.11 There is one risk flagged for closing and incorporating into a separate CRR risk:

- Consideration and agreement were given at CLB to combine the 'CRR35 - Organisational resilience' and 'CRR5 Business Continuity' risks into a single corporate risk entitled 'CRR5 - Organisational Resilience and Business Continuity' and closing the organisational resilience risk. This was recommended following a recent risk management audit due to the risks being very similar in nature and therefore better managed as a single risk with a variety of related sub risks. This will be reviewed in Q1 2022-2023.

Opportunity Risks

3.12 Improving Opportunity Risks:

- There is one improving opportunity risk: 'OPP2 – Corporate Strategy' which has increased in opportunity risk rating from 2*7 (14) high to 3*7 (21) high opportunity risk. This is managed on the Resources Service Risk Register.

3.13 The closed risks are now reflected within individual risks across the Council's Service Risk Registers.

3.14 All risks on the CRR have management actions in place.

3.15 It is not possible to eliminate the potential of failure entirely without significant financial and social costs. The challenge is to make every reasonable effort to mitigate and manage risks effectively, and where failure occurs, to learn and improve.

Additional Information:

3.16 The reporting template has been amended for Q4. Internal Controls and Actions have been added to the CRR Appendix template, replacing the 'What we have done' and 'What we are doing' section – there is ongoing work to accurately capture and review these controls and actions over the next quarters. Actions will include a due date and progress status. In addition, a 'summary of progress' has been included to capture the quarterly update in the management of the Corporate risks.

3.17 The forming of a Corporate Risk Management Group has been agreed at Resources EDM in February 2022. The Terms of Reference have been drafted and an initial session will be launched for Q1 2022-2023.

3.18 An assessment of the Council's Risk Maturity, Risk Culture and Risk Appetite is underway which will feed into a review of the Council's Risk Assurance Policy and Framework.

Risk Management Framework

3.19 Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the council achieving its priorities and objectives and a key element of the council's governance framework.

3.20 The risk management framework and process continues to be developed. During 2021/22 we have:

- Managed, maintained and communicated Risk Management internally on the Source and SharePoint and via Internal Manager Bulletins.

- Quarterly Risk Reporting
- Implemented a new Risk Management Database and data migration to the new system.
- Workshops and system training.
- Rolled out mandatory Risk Management eLearning for responsible officers.

4 Proposal

- The Audit Committee are requested to receive and note the Risk Management update.
- The Audit Committee review and comment upon the Corporate Risk Report (CRR) as a source of assurance that risk management arrangements are in place.

5 Other Options Considered

None necessary. Having robust risk management processes in place is a requirement of the City Council. The CRR has been developed in line with the Risk Management Assurance Policy.

6 Risk Assessment

The Risk Management Assurance Policy and the CRR will further develop risk management assessment within the City Council, and help the management of risk arrangements embed.

7 Public Sector Equality Duties

- 8a)** Before making a decision, section 149 Equality Act 2010 requires that each decision-maker considers the need to promote equality for persons with the following “protected characteristics”: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. Each decision-maker must, therefore, have due regard to the need to:
- i) Eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act 2010.
 - ii) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to --
 - remove or minimise disadvantage suffered by persons who share a relevant protected characteristic;
 - take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it (in relation to disabled people, this includes, in particular, steps to take account of disabled persons' disabilities);
 - encourage persons who share a protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
 - iii) Foster good relations between persons who share a relevant protected characteristic and those who do not share it. This involves having due regard, in particular, to the need to –
 - tackle prejudice; and

- promote understanding.

8b) No equalities assessment necessary for this report.

8 Legal and Resource Implications

Legal - N/A

Financial - N/A

Land - N/A

Personnel - N/A