West Northamptonshire Council

WEST NORTHAMPTONSHIRE COUNCIL

AUDIT AND GOVERNANCE COMMITTEE

1 March 2023

Report Title	Risk progress update
Report Author	Jen Morris, Head of Audit and Risk Management Jen.morris@westnorthants.gov.uk

Contributors/Checkers/Approvers

West MO	Cath Whitehead	Date here with confirmation that email approval obtained and retained
West S151	Martin Henry	Date here with confirmation that email approval obtained and retained

List of Appendices

Appendix 1 – Strategic Risk Register

1.   Purpose of Report

1.1.   The purpose of this report is to:

1.1.1.   Highlight the changes in the strategic register since the last meeting.

1.1.2.   Consider the effectiveness of the current risk management process.

2.   Executive Summary

2.1   The current risk management strategy is focussed on maintaining a quarterly Strategic Corporate Risk Register that incorporates the top three risks from each directorate and the transformation risk register. Greater focus is needed to implement an organisation wide risk management process that will see the development of a purely strategic register with directorate and service area risk registers feeding in through working groups and identification of risks for escalation.

3.   Recommendations

3.1.   It is recommended that the Committee:

3.1.1.   Considers the Strategic Risk (update summary provided at attached at Appendix 1).

3.1.2.   Consider and endorse the approach set out below to review and improve the current risk management process.

4.   **Reason for Recommendations**

4.1   The Audit and Governance Committee is responsible for:
- Monitoring the effective development and operation of risk management and corporate governance within the Council.

5.   Report Background

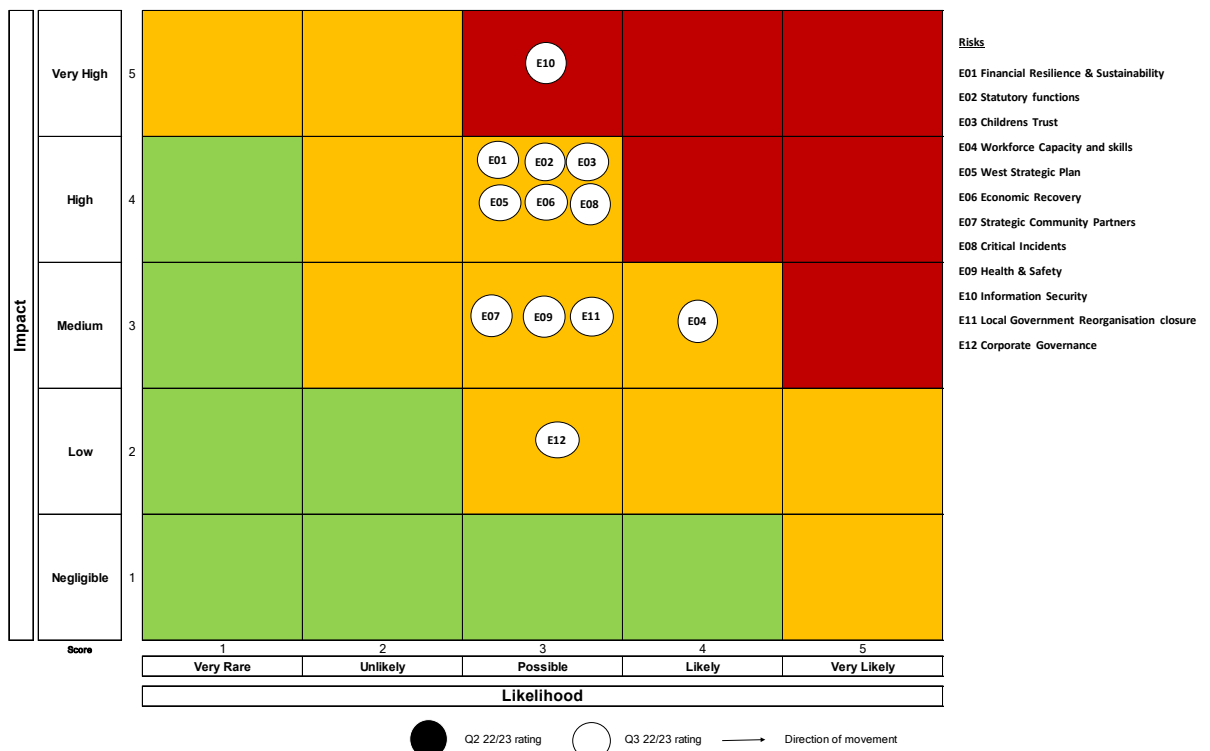5.1   We provide the Audit and Governance Committee with regular updates.

6.   Issues and Choices

Risk Register update

3.1   The residual score for each risk has been considered to determine if the score should be amended to reflect the revised actions and general update. The review of the risk register should update the current position on each risk, but the residual risk may remain the same. In this update the risk scores for all 12 risks have remained as previously scored. Update comments are provided in Appendix 1.

3.2   Two risk scores are provided in the appendix for each of the risks. An 'inherent' risk score which is assessed as if no controls or mitigating actions were in place. Mitigations are then highlighted, and each score is re-assessed considering those mitigating actions to provide a 'residual' score for each risk.

3.3   The residual score for each of the risks is summarised in the matrix below, there are no changes from the previous quarter:

CORPORATE RISK REGISTER
Q3 31 December 2022

Impact		Score	1 Very Rare	2 Unlikely	3 Possible	4 Likely	5 Very Likely
Very High	5				E10		
High	4				E01 E02 E03 E05 E06 E08		
Medium	3				E07 E09 E11	E04	
Low	2				E12		
Negligible	1						

Likelihood

● Q2 22/23 rating   ○ Q3 22/23 rating   → Direction of movement

Risks

E01 Financial Resilience & Sustainability
E02 Statutory functions
E03 Childrens Trust
E04 Workforce Capacity and skills
E05 West Strategic Plan
E06 Economic Recovery
E07 Strategic Community Partners
E08 Critical Incidents
E09 Health & Safety
E10 Information Security
E11 Local Government Reorganisation closure
E12 Corporate Governance

3.4   The next full update from all service areas will be undertaken during March and April 2023 to reflect a quarterly reporting date of 31 March 2023.

Risk process effectiveness

3.5   The risk management process is under review and the Risk Management Strategy will be updated and shared with the Committee once completed along with guidelines for managers and officers.

3.6   The Head of Audit and Risk Management attended ELT on 13th February to discuss the proposed approach and to agree a way forward to have a more effective and efficient risk management procedure.

3.7   The current risk management process is adequate in terms of monitoring known risks and evaluating the effectiveness of current mitigations. Improvements to the process will enable us to develop the following areas:

3.7.1   Engagement across all areas – risk should be monitored at operational, directorate and leadership level

3.7.2   Monitoring at regular intervals – consideration should be given to the correct monitoring interval for all risks which may be monthly, quarterly, or annually

3.7.3 Emerging risks – alongside monitoring known risks, the Council should scan for and evaluate future risks

3.7.4 Reporting – to be effective we need to ensure that the correct message gets to the correct people. Our risk reporting will be layered, with high level summaries drilling through to individual risks

3.8 The development will provide clarity linking risks more closely to service delivery. Our current risk register is only monitored at a corporate level, whereas effective risk management is embedded throughout all levels of the Council. The current process is not well understood outside of senior management and is seen as the remit of others to manage. An implementation plan has been drafted to include engagement with all service areas to develop risk registers and to set up a Corporate Risk Management Working Group that will meet regularly throughout 2023 to discuss current and emerging risks that may affect the Council.
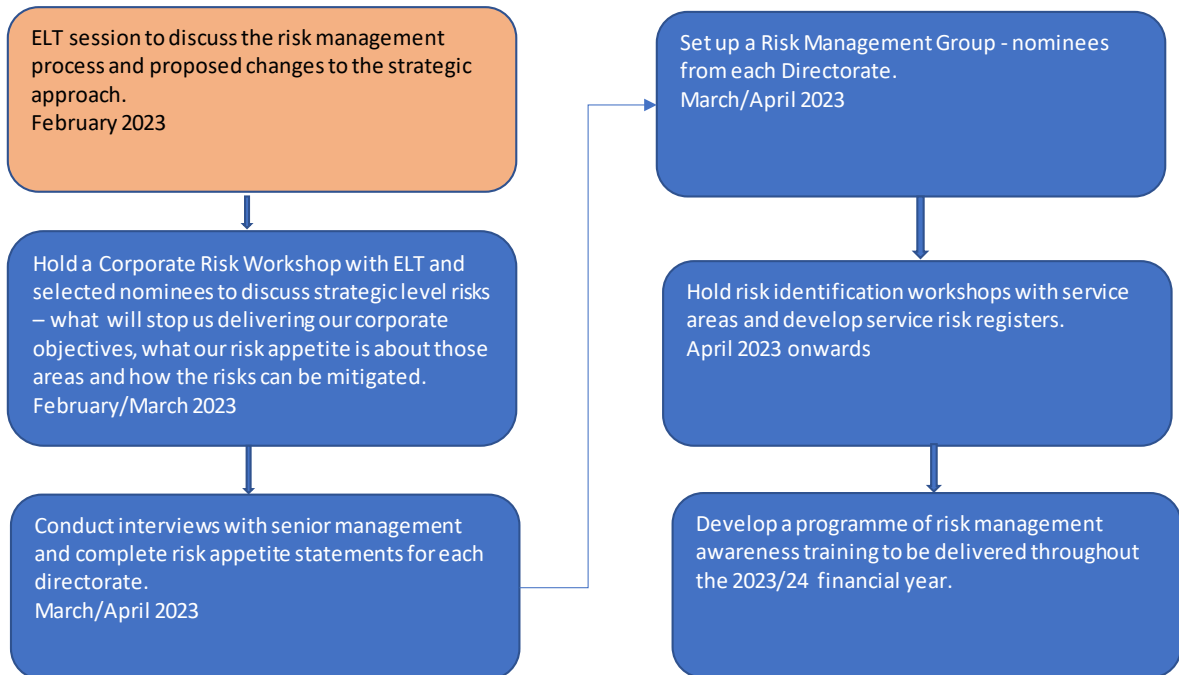
7.   Implications (including financial implications)

7.1.   Resources and Financial

7.1.1. There are no resources or financial implications arising from the proposals.

7.2.   Legal implications

7.2.1. There are no significant legal issues associated with this report.

7.3.   Consultation

7.3.1.   No consultation is required.

7.4.1   Consideration by Overview and Scrutiny

7.4.1   No Overview and Scrutiny comments

7.5   **Climate Impact**

7.5.1   There are not direct climate or environmental implications

7.6   **Community Impact**

7.6.1   There is no community impact

7.7   **Communications**

7.7.1   There are no recommended communications

8   **Background Papers**

8.4   Previous risk reports to Committee.