

AUDIT AND RISK COMMITTEE

30 November 2021

RISK MANAGEMENT

Report of the Strategic Director for Resources

Strategic Aim:	All	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
Contact Officer(s):	Saverio Della Rocca, Strategic Director for Resources (s.151 Officer)	01572 758159 sdrocca@rutland.gov.uk
Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That the Committee:

1. Notes the content of the Strategic Risk Register (Appendices A and B) and the actions underway to address the risks.
2. Notes the Internal Audit risk management draft report (Appendix C) and notes the proposed response in 3.3.2 and 3.4.2 and the impact on resources.

1 PURPOSE OF THE REPORT

- 1.1 To present the Strategic Risk Register to the Committee and provide assurance that strategic risks are being adequately managed.
- 1.2 To receive the Internal Audit report on risk management and express a view on the recommendation raised to help inform a response.

2 STRATEGIC RISK REGISTER

- 2.1 The Risk Register has been reviewed and updated. The dashboard at Appendix A summarises the key movements since it was last presented at Audit and Risk in July 2021. The full register is included in Appendix B.

3 INTERNAL AUDIT REPORT

3.1 Background

3.1.1 The Internal Audit report (Appendix C) makes a number of observations about the Council's risk management arrangements and a recommendation for consideration in respect of Directorate risk registers.

3.1.2 The report highlights some important issues:

- The Council does not have up-to-date risk registers at a directorate level that sit underneath the strategic risk register but does have other registers;
- The Council has no dedicated risk management resource when most other Councils do;
- The investment of time in the arrangements we do have is significant.

3.1.3 The key question revolves around what are we trying to achieve, what is acceptable to us in terms of arrangements and how changes would be resourced.

3.2 Objectives

3.2.1 The policy sets out various objectives:

- i. Ensure that appropriate systems are in place to help identify, evaluate and make a conscious choice about how to deal with the risks that it faces
- ii. Ensure that mechanisms exist to track and report business risks on an ongoing basis
- iii. Embed risk management into the culture of the organisation in terms of how it operates and makes decisions
- iv. Adopt a systematic approach to risk management as an integral element of business planning and performance management
- v. Raise awareness of the need for risk management by all those connected with delivery of the Council's services (including partners and contractors).

3.2.2 These risk management objectives still remain valid.

3.3 Approach

3.3.1 One of the key tools used by organisations is risk registers as they serve most of the objectives highlighted above. The Council has various in place albeit in various forms.

- a) Strategic risk register - this is maintained by the s151 Officer and updated via SMT. Ideally, we would have corporate resource available to do this.

- b) Directorate risk registers - required per the policy but not in place. Producing these registers to the same level as the Strategic risk register would create additional workloads but would assist transparency.
- c) Fraud risk register - this exists but has not been updated. Fraud risks and control arrangements evolve much slower than other risks but this still needs to be updated in due course.
- d) Project risk registers - they exist on each project.
- e) Contract risk registers - required per the Contract Procedure Rules for contracts over £50k.

3.3.2 It would be useful to confirm what risk registers should be maintained as a minimum and which may be left to the discretion of managers. As a minimum, the suggestion is that Strategic and Director Risk registers are maintained alongside project risk registers. This has been discussed with Senior Management Team who have agreed to have Directorate Risk Registers in place by the end of the financial year.

3.4 Resources

3.4.1 The issue of resources is challenging in the Council's financial context. Managers already have a range of responsibilities from health and safety, business continuity, performance management, data management etc which are undertaken with little corporate support. Equally, the existence of corporate support does not mitigate the responsibilities of managers to manage operational risks.

3.4.2 Senior Management Team have asked whether Internal Audit are able to support the process i.e. through facilitation, checking and providing advice. The Head of Internal Audit has confirmed that this service is provided elsewhere via the Internal Audit plan and this could be replicated here at Rutland. The use of c15 days audit time to support the risk management process does help the Head of Internal Audit in producing the audit opinion but does mean less coverage on audit assignments.

4 CONSULTATION

4.1 Senior Management team have been consulted on the Internal Audit recommendations as indicated at 3.4.2.

5 ALTERNATIVE OPTIONS

5.1 This report provides an opportunity for the Audit and Risk Committee to review the Register therefore there are no alternative options for this recommendation.

5.2 The Committee could ask for suggest alternative arrangements for Risk Registers below the Strategic Risk Register.

6 FINANCIAL IMPLICATIONS

6.1 There are no direct financial implications arising from this report but the Committee should note that the failure to manage risks effectively could have a financial impact on the Council.

7 LEGAL AND GOVERNANCE CONSIDERATIONS

7.1 As set out in the terms of reference within the constitution, this Committee has responsibility to provide assurance of the adequacy of the Risk Management framework and control environment.

7.2 There are no legal implications arising from this report.

8 DATA PROTECTION IMPLICATIONS

8.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no service, policy or organisational changes being proposed.

9 EQUALITY IMPACT ASSESSMENT

9.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

10 COMMUNITY SAFETY IMPLICATIONS

10.1 There are no community safety implications.

11 HEALTH AND WELLBEING IMPLICATIONS

11.1 There are no health and wellbeing implications.

12 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

12.1 The Committee's role is to monitor the effective development and operation of risk management and corporate governance. The Risk Register sets out the strategic risks facing the Council and demonstrates how they are being managed and an approach to risk management below the Strategic Risk Register.

13 BACKGROUND PAPERS

13.1 There are no additional background papers.

14 APPENDICES

14.1 Appendix A: Risk Dashboard

14.2 Appendix B: Strategic Risk Register

14.3 Appendix C: Draft Internal Audit Report

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577