

**READING BOROUGH COUNCIL
DIRECTOR OF FINANCE**

TO:	AUDIT & GOVERNANCE COMMITTEE		
DATE:	30 September 2021		
TITLE:	STRATEGIC RISK REGISTER Q2		
LEAD COUNCILLOR:	COUNCILLOR RUTH MCEWAN	PORTFOLIO:	CORPORATE AND CONSUMER SERVICES
SERVICE:	AUDIT & INVESTIGATIONS	WARDS:	N/A
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1. PURPOSE OF REPORT / THE PROPOSAL

- 1.1 This report outlines the Q2 2021/2022 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee a minimum of six monthly or quarterly in the case of any risks where the position has worsened or for residual red risks where the Audit & Governance Committee shows a particular interest. It was last presented to the Committee in April 2021.
- 1.2 The following documents are appended:
Appendix 1 - the Council's Corporate (Strategic) Risk Register Q2

2. RECOMMENDED ACTION

- 2.1 The committee are requested to consider the Council's strategic risks as at the end of Q2.

3. KEY ISSUES

- 3.1 The Strategic Risk register has undergone a full review for 2021/2022 by the Corporate Management Team (CMT). The new risks for 2021/2022 are inequality and climate change with other risks having been present in a similar form in previous risk registers.
 - 3.2 Risk management is a key part of corporate governance. Good risk management will help identify and deal with key Strategic risks facing the Council in the pursuit of its goals and is a key part of good management, not simply a compliance exercise. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving the Council's outcomes.
 - 3.3 The Strategic Risk Register has been developed to provide a concise, focused and high-level overview of Strategic risks that can be easily communicated to all staff, councilors and stakeholders (e.g. Council's Insurers). It should, however, always be supplemented by the more detailed directorate/service/project risk registers.
- 2.1 Although guidance is provided in relation to the scoring of risks, with a view to providing as much consistency as possible, it still remains very much a subjective process. The primary aim of the Strategic Risk Register is to identify those key vulnerabilities that CMT consider need to be closely monitored in the forthcoming months and, in some instances, years ahead. In many cases this will be because the risk is relatively new and, whilst being effectively managed, the associated control framework is yet to be fully defined and embedded. In such circumstances it follows that not only will the potential impact be large, but the risk of likelihood of occurrence could also be increased. Furthermore, it is possible that the likelihood can be influenced by events outside of the Council's control e.g. COVID-19, the economic climate and its impact on financial planning, or severe weather etc.
 - 2.2 In order to focus senior management and Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to the risk appetite level. Where risks have been rated as green for 2 or more consecutive quarters they are removed from the Register. These can be re-instated should the risk rise again.

4. CONTRIBUTION TO STRATEGIC AIMS

- 4.1 Regular review of the Strategic Risk Register is an integral part of effective risk management arrangements and corporate governance. Identifying risk appetite enables the Council to clarify the extent of risk mitigation required in order to achieve its strategic aims.

5. COMMUNITY ENGAGEMENT AND INFORMATION

- 5.1 N/A

6. LEGAL IMPLICATIONS

- 6.1 There are no specific legal implications arising from the recommendations in this report"

7. FINANCIAL IMPLICATIONS

- 7.1 N/A

8. BACKGROUND PAPERS

- 8.1 Appendix 1 - the Council's Corporate (Strategic) Risk Register.