

READING BOROUGH COUNCIL
REPORT BY (DIRECTOR OF FINANCE)

TO:	AUDIT & GOVERNANCE COMMITTEE		
DATE:	12th April 2022		
TITLE:	Strategic Risk Register Q4		
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SERVICE:	AUDIT & INVESTIGATIONS / CORPORATE HEALTH & SAFETY	WARDS:	N/A
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the Q4 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 September 2021.
- 1.2 The Strategic Risk Register contains ten risks. At the end of quarter 4 two are rated red, six amber and two green. (Appendix 1)
- 1.3 The residual risk score has improved (reduced) for three risks this quarter: SR1 budget (Residual Score Q3, 12 to Q4, 8), SR 8 Covid (8 to 4) and SR 10 ICT (6 to 2). The overall ratings remain the same of amber for SR1 and green for SR 8 & 10. (Appendix 1)
- 1.3 Appendix 1 - the Council's Corporate (Strategic) Risk Register Q4.

2. RECOMMENDED ACTION

- 2.1 The committee are requested to note the Council's strategic risks, and the actions to mitigate the risks, as at the end of Q4.

3. POLICY CONTEXT

- 3.1 The Councils Corporate Risk Management Policy sets out the Council's risk management process and the steps the Council will take in identifying and managing risk within its activities.

4. THE PROPOSAL

Current Position

- 4.1 The Strategic Risk register underwent a full review for 2021/2022 by the Corporate Management Team (CMT). SR5 Inequality - reducing levels of inequality and SR6 climate change were added as new risks in 2021/2022. A further review will take place early in Q1 on the new financial year.
- 4.2 SRR8 Emergencies - Protecting the public from Covid-19 and impact of significant additional waves of infection, needs to be revised to cover a broader protection of infectious disease rather than just Covid.
- 4.3 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.
- 4.4 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. It should, however, always be supplemented by the more detailed directorate/service/project risk registers.
- 4.5 Although guidance is provided in relation to the scoring of risks, with a view to providing as much consistency as possible, it still remains 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.

- 4.6 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.

5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 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. Each risk is linked to a Corporate Plan theme (Appendix 1).

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 There are no specific environmental and climate implications arising from the decision. SR6 Climate Risk is the failure to adapt to the impacts of climate change and deliver zero carbon commitments with negative impacts for residents and businesses and for council services, infrastructure & reputation. The appendix details the mitigations and actions to reduce this risk.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 The consultation duty is not applicable to the Strategic Risk Register

8. EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment (EIA) is not relevant to this report.

9. LEGAL IMPLICATIONS

- 9.1 There are no specific legal implications arising from the recommendations in this report.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no specific financial implications arising from the recommendations in this report. SRR1 relates to achieving budget savings, controlling costs and achieving income targets. The report outlines the current actions and mitigations to address this risk.

11. BACKGROUND PAPERS

- 11.1 None