

## **Report to Overview and Scrutiny Committee**

**Subject: Corporate Management Risk Scorecard Quarters 1 and 2**

**Date:** 18<sup>th</sup> January 2021

**Author:** Democratic Services Officer

### **PURPOSE OF THE REPORT**

To update members of the Overview and Scrutiny Committee on the current level of assurance that can be provided against each corporate risk as agreed at the last Committee.

#### **RECOMMENDATION**

##### **That the Overview and Scrutiny Committee:**

- Note the progress of actions identifies in the Corporate Risk register and any concerns identified by the Audit Committee.

## **1 Background**

1.1 It was agreed at the 9<sup>th</sup> March 2020 Overview and Scrutiny Committee it would receive quarterly updates on the Corporate Risk Scorecard and specifically those issues that are identified by the Audit Committee to be of concern.

1.2 The current Risk Management Strategy & Framework was last considered and approved by the Cabinet in October 2017. The purpose of the Strategy and Framework is to define how risks are managed by the Council. It provides guidance on the processes, procedures, roles and responsibilities for risk, and it sets out the context on how risks are to be managed. It defines the key role for the Audit Committee as providing independent assurance to the Council with regard to the effectiveness of the risk management framework and the associated control environment. This includes the monitoring of the framework and ensuring the implementation of all audit actions.

- 1.3 The Corporate Risk Register is a key enabler of the Strategy and Framework, and provides assurance on the key risks identified as corporate risks.
- 1.4 Existing risks identified within both the Council's corporate and operational service risk registers are subject to quarterly review by senior management and on an ongoing basis through the work of Internal Audit.
- 1.5 This approach has meant that some of the risks included within the corporate risk register have been set at a relatively high score with the expectation that as mitigation measures are properly recorded or actions taken, then these risks should start to improve over the coming months. This is not to say that all risks will return to 'green', as mitigation measures can only go so far, and some risks may always be inherently 'red' or 'amber' as the score reflects the potential impact on the Council and the likelihood of that event occurring.
- 1.6 The Corporate Risk Register and supporting comments as at the end of September 2020 are appended to this report, and this includes a summary of all control gaps currently identified on the Council's Corporate Risk Register.
- 1.7 Due to the required change to the timing of the Audit Committee meetings this financial year to accommodate the deferred reporting date for the Statement of Accounts to November as a result of Covid-19, this report now presents both quarters 1 and 2 monitoring of the Corporate Risk Scorecard together for consideration.
- 1.8 Members are fully aware of the risks arising from the national outbreak of the coronavirus, Covid-19. The impact, as at quarter 2, has been reflected in the risk register. The impact of Covid-19 has been reflected in a number of reports to Members including:
- Two Cabinet reports on 18 June 2020 detailing Gedling's response to the pandemic, proposing a Reset Strategy to include a review of the Gedling Plan to ensure that it remains fit for purpose and incorporates any new work streams arising from Covid-19 impacts;
  - Quarter 1 (August 2020) and quarter 2 (November 2020) Cabinet budget monitoring and performance reports; and
  - the draft Annual Governance Statement 2019/20 which was considered by the Audit Committee in July 2020, and the draft Annual Statement of Accounts, were both published on the Council's website. Final versions have now been approved by the Audit Committee in November following consideration of the external audit.

- 1.9 Members of the committee should note that all risks are unchanged from the last quarter with the exception of two areas, one that has been adversely affected by the Covid 19 pandemic and one that has improved its risk level. Additional information regarding these risks is attached at **Appendix 1.**

**1. FAILURE TO PREVENT BUDGET OVERHEATING ONCE THE BUDGET HAS BEEN SET**

Current Risk and Direction of Travel: RED D3 (High Likelihood, Serious Impact) – Deterioration from Green B1 (Low likelihood; Negligible Impact)

**2. FAILURE TO REACT TO AN ENVIRONMENTAL INCIDENT OR MALICIOUS ACT**

Current Risk and Direction of Travel: GREEN – Improvement from Amber B3 to (Serious Impact/Low Likelihood) to Green B2 (Minor Impact/Low Likelihood)

No issues of concern were identified by the Audit Committee held on the 24<sup>th</sup> November 2020.

**2 Financial Implications**

- 2.1 There are no financial implications arising out of this report.

**3 Legal Implications**

- 3.1 There are no legal implications arising out of this report.

**4 Equalities Implications**

- 4.1 There are no equalities implications arising out of this report

**5 Carbon Reduction/Environmental Sustainability Implications**

- 5.1 There are no carbon/environmental/sustainability implication arising out of this report.

**6 Appendices**

- 6.1 Appendix 1: Corporate Risk Register Monitoring – Quarter 1 & 2 2020.  
Risk Management Scoring Matrix

