



Report of the Head of Communications & Marketing

Audit Committee – 10 November 2020

Mid-Year 2020-21 Overview of Risk

Purpose:	To provide Audit Committee with an overview of the status of risk in the Council during the first half of 2020/21.
Report Author:	Richard Rowlands
Finance Officer:	Paul Roach
Legal Officer:	Debbie Smith
Access to Services Officer:	Rhian Millar
For Information	

1. Introduction

- 1.1 Corporate risk management, monitoring and reporting was suspended in March whilst officers were otherwise engaged or impacted following the lockdown in response to the COVID-19 pandemic.
- 1.2 Although the pandemic is still in progress, risk management was recovered in July and monthly monitoring and reporting recommenced in August.
- 1.3 This report provides an overview of the status of risk during the first six months of 2020/21 and looks ahead to the third quarter. Quarterly monitoring reports to Audit Committee will recommence for the third quarter when a full three months information will be available following recovery.
- 1.4 A copy of the Corporate Risks (22/10/20) is attached at Appendix A; an exception report is attached at Appendix B. Directorate Risks are attached at Appendix C.

2. COVID-19 Suspension of Risk Monitoring and Reporting

- 2.1 Prior to the lockdown, officers responsible for managing risks had been asked to ensure that risks were being reviewed each month, to work to improve the quality of risk information and controls and to update the risks transferred from the old to the new risk register application by 31st March 2020.
- 2.2 Risk monitoring and reporting was suspended before the end of March as a result of the COVID-19 pandemic and whilst responsible officers (for managing risks) were otherwise engaged or impacted by the lockdown; although the risk register remained open where officers retained capacity to manage their risks.
- 2.3 Following a report to Corporate Management Team in June 2020 on the recovery of Risk Management following COVID-19, all officers with responsibility for managing risks were asked to identify any new risks and review and update their residual risks and control measures in the Risk Register by 31st July 2020 for the impact and ongoing uncertainty of COVID-19 and in line with previous requests following the transfer of risks from the old to the new Risk Register.

3. Risk Recovery - Compliance

- 3.1 The percentage of risks being recorded as having been reviewed (RAG status updated each month) had fallen in March to 46% from 53% in February and again to 14% in April and May as a result of the impact from the COVID-19 lockdown; but increased during the recovery period to 31% in June and again to 63% as at 31st July.
- 3.2 All Corporate Risks were also reviewed and updated at Corporate Management Team in July as part of the annual review to account for the impact of COVID-19.
- 3.3 Monthly risk reporting to Corporate Management Team recommenced in August with a particular focus on recovering compliance. A list of all risks that had not been reviewed as at August and September was presented to CMT as part of the monthly risk reports. This saw the percentage of risks being recorded as having been reviewed improve further each month and increase from 63% in July to 72.5% in August to 86% in September; the latest data available at the time of writing shows that this improvement has continued with 93.3% of risks being recorded as having been reviewed as at 31st October.

4. Risk Recovery – Quality Control

- 4.1 The report to CMT in July reporting on the recovery of risk in June also identified a number of other areas where the quality of information included the risk register could be improved.

- 4.2 As at July, all risks had an identified Responsible Officer and Updater; 67.2% had the same officer entered as both Responsible Officer & Updater. 65.7% had the Control Measure open containing the historical data imported from the old Risk Register. 11.9% of risks did not have an open Control Measure to manage the risk.
- 4.3 The report made a number of proposals to address these issues over the coming months whilst prioritising compliance in reviewing and updating risks. Targeted and specific guidance on each of these matters was and has been issued to Responsible Officers every month since July, which has resulted in an improvement as at 31st October.
- 4.4 The following shows the improvements that have been made since July: 68.7% of risks now have a different officer identified as Responsible Officer and Updater compared to 32.8% in July; 48.8% of risks have the Control Measure open containing the historical data imported from the old Risk Register compared to 65.7% in July (although 12.7% of risks now do not have an open Control Measure to manage the risk compared to 11.9% in July). Just over 13% of risks are not described using an IF and THEN statement, which is an improvement compared to nearly 22% in July.
- 4.5 A list of risks where these matters still need to be addressed to continue to improve the quality of risk information has been presented to CMT; any outstanding are now included as a regular item in monthly reports alongside any risks that have not been updated during the month.

5. Risk Register Application Development

- 5.1 Work by ICT on developing the reporting functionality of the new Risk Register commenced within the limited available capacity on 1st April during the lockdown. The aim is to initially develop a small number of generic reports that will assist with the management of risk and help provide assurance that risks are being managed properly by responsible officers; it will also provide the basis for future development of the reporting functionality.
- 5.2 At the same time, Internal Audit undertook a review of the new risk register application, its roll-out and implementation gave it a 'substantial' level of assurance. Recommendations for further improvement included Responsible Officers continuing to review and update their risks each month with periodic checks being undertaken by Directors and Heads of Service. The report also recommended that ICT continue to produce the new suite of reports for the new risk application and that this work is completed by the end of the financial year.

6. Equality and Engagement Implications

- 6.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 6.2 There are no direct equality implications with this report.

7. Legal Implications

- 7.1 There are no legal implications.

8. Financial Implications

- 8.1 There are no financial implications.

For Information

Background papers: None

Appendices:

Appendix A – Corporate Risks (22/10/20)

Appendix B – Exception Report Corporate Risks

Appendix C – Directorate Risks (22/10/20)