

LONDON BOROUGH OF CROYDON

REPORT:	AUDIT & GOVERNANCE COMMITTEE	
DATE OF DECISION	19 September 2024	
REPORT TITLE:	Corporate Risk Management: Part A Risk Report	
CORPORATE DIRECTOR / DIRECTOR:	Jane West Corporate Director Resources	
LEAD OFFICER:	Malcolm Davies, Head of Anti Fraud, Risk & Insurance, Email: malcolm.davies@croydon.gov.uk	
LEAD MEMBER:	Councillor Jason Cummings, Cabinet Member for Finance	
KEY DECISION? [Insert Ref. Number if a Key Decision] <i>Guidance: A Key Decision reference number will be allocated upon submission of a forward plan entry to Democratic Services.</i>	No	
CONTAINS EXEMPT INFORMATION? <i>(* See guidance)</i>	No	(Exempt risk register entries reported under complementary Part B Report)
WARDS AFFECTED:	All	

1 SUMMARY OF REPORT

- 1.1 As part of the Audit & Governance Committee's role, the Committee's terms of reference include monitoring the Council's risk management arrangements and providing independent assurance as to their adequacy. This report contains details of all of the open Part A risks. A complementary Part B report contains details of risks with exempt information.

2 RECOMMENDATIONS

For the reasons set out in the report and its appendices the Audit & Governance Committee are recommended:

- 2.1** To note the contents of the corporate risk register as at September 2024 as set out in Appendix 1 Risk Summary Report and Appendix 2 Risk Detail Report.
- 2.2** To agree which risk(s) will be called in for a risk 'deep dive' at following meetings of the committee.

3 REASONS FOR RECOMMENDATIONS

- 3.1** This report and accompanying appendix documents presents a dashboard summary report of the complete risk register together with a corresponding detail report of all risks on the corporate risk register as at September 2024. These are recommended to the committee to assist the Audit & Governance Committee in its role of overseeing the risk management framework and enable it to provide assurance that significant corporate risks are identified and mitigated by the Council.
- 3.2** A complete overview of the corporate risk register will enable Members to determine which risks to call in for a risk 'deep dive' rather than being limited to risks which are recorded as red rated at any one point.

4 BACKGROUND AND DETAILS

- 4.1** The registers present a dashboard summary of the complete risk register together with a detailed report of all current corporate risks.
- 4.2** Enhanced risk reporting. Members of the committee have previously requested an additional dashboard summary style report illustrating the movement of risks as well as being able to have an overview of all corporate risks rather than just risks being reported as 'red' (current/residual rating) at a particular point in time. In response to this request a complete summary style report and detail reports are presented at Appendices 1 & 2 respectively.
- 4.3** The entries on the report laid out at Appendix 1 give the risk 'headline', risk owner and risk reference and then the rating of the risk over the last 4 quarters to highlight the time spent at a particular rating (for example red) and also the direction of travel. In addition, the future (target) risk rating is presented taking into account the future control measures/risk improvements planned by the risk owner over the next 12 months.
- 4.4** Appendix 2 presents the corresponding detailed risk register report for all risks recorded on the corporate risk system.
- 4.5** Further enhancements/developments planned for the risk management framework are detailed below together with those workstreams already delivered.

JC Applications Development the company that support the council's risk management system are working with the Head of Anti- Fraud, Risk & Insurance to consider ways in which the *CORE* risk management system can be developed to support the enhancement of the Council's risk management framework over the next 12 months, with the dashboard summary report and detail report of all corporate risks being the start of that process.

This work has been concentrating on 11 areas:

Topic	Notes and Target
Reporting. Movement in Rating report for <i>all risks</i> on the register as a starting point (presented at appendix 1). Consideration to be given an inherent risk rating. Also consideration to be given to combined performance and risk reporting.	Movement in Rating/Summary report for <i>all risks</i> rolled out in July 2024. Inherent risk rating on all risks and reporting to be delivered by end of calendar year. Combined performance and risk reporting to be in place by the end of the financial year.
Risk Deep Dives. Not simply to be limited to current red risks but the ability of Audit & Governance Committee to call in <i>any</i> risk for a deep dive. To be informed by the Movement in Rating Report (Summary report) as above.	Delivered at July 2024 meeting of the committee. Consideration to be given to Corporate Directors presenting on their risk register.
Training and Induction. Consideration to be given to the induction process both for Officers and Members but in particular, practical support for risk owners focussing on future risk ratings and controls (improvements).	New induction/training video to be produced by end of calendar year signposting around council plus more RM training materials on RM intranet landing page.
Risk Culture. How this is developing with publication of the risk register as being a key step forward in the risk maturity journey of Croydon Council.	See above.
Risk Appetite. How the council can move towards a developed set of risk appetite statements potentially based on HM Treasury Orange Book standards	To be delivered by the summer of 2025 following the development by CMT, Cabinet & Exec Mayor
Risk Categorisation. To be used to inform the risk appetite work, for example does the Council have a greater risk appetite in relation to certain categories of risks?	As above, risk categorisation will support risk appetite statements.
Practical Guide to Risk Management (Framework). To be developed to reflect enhancements and improvements to the Framework.	The practical guide and supporting framework documents will be revised and reissued by the end of the calendar year to reflect the changes to the framework

Strategic Risks. Consideration/identification of the overarching risks affecting Croydon Council/the borough as a whole, allowing cross council focus on priority areas.	It is aimed to complete this exercise with CMT before the 30 Jan 2025 A&G Committee and for the basis of an additional report.
Strategic Objectives. All risks to be linked to an outcome in the Mayor's Business Plan (work now substantially completed).	This work has been completed and allows for risk reports to be run sorted by strategic objectives.
3-Tier Risk Assessments. Aspiration to move towards a 3-tier risk assessment showing Inherent, Residual and Future risk ratings would be a positive enhancement to the risk register if we have addressed quality and consistency of the existing risk entries.	It is aimed to complete this work and be able to present a report showing Inherent, Residual and Future risk ratings for 30 Jan 2025 A&G Committee and for the basis of an additional report.
Quality of Data. 'Last but not least', addressing the quality and consistency of the current data within the risk register, for example future risk ratings and controls, ie firm foundations before moving onto some of the improvements, developments and enhancements outlined above.	This is on going working and is also supported by the risk champion network in particular at the corporate director quarterly risk review sessions.

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 N/A

6 CONSULTATION

6.1 N/A

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 Getting our finances right and making the council financially sustainable.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1 Finance have been consulted and can confirm there are no additional financial considerations arising from this report.

8.1.2 The Council's financial reporting and medium-term financial strategy takes account of the risk management framework, to consider the potential financial implications of risks

8.1.3 Comments approved by Lesley Shields, Head of Finance for Assistant Chief Executive and Resources on behalf of the Director of Finance.

8.1.4 Revenue and Capital consequences of report recommendation

N/A

8.2 LEGAL IMPLICATIONS

8.2.1 The Audit and Governance Committee is required by its terms of reference to monitor the effective development and operation of the Council's risk management arrangements, to monitor progress in addressing risk-related issues reported to the Committee, and to provide independent assurance to the Council of the adequacy of the risk management framework and the internal control environment. Therefore, periodic updates on the corporate risk register are provided to assist Members with this responsibility.

8.2.2 Under regulation 3 of the Accounts and Audit Regulations 2015, the Council must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives, ensures that the financial and operational management of the Council is effective, and includes effective arrangements for the management of risk. The work of the Committee generally and its overview of the corporate risk register specifically, make a valuable contribution to the Council's internal control arrangements. The effective management of risk is necessary in order to achieve financial prudence, value for money and good governance.

8.2.3 Comments approved by Looqman Desai, Deputy Monitoring Officer.

8.3 HUMAN RESOURCES IMPLICATIONS

8.3.1 There are no Human Resources implications arising from this report, however, should any matters arise these will be managed through the Council's HR policies and procedures.

8.3.2 Approved by: Dean Shoesmith, Chief People Officer

8.4 EQUALITIES IMPLICATIONS

8.4.1 The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in Section 149 of the Equality Act 2010. The Council must, in the performance of its functions, have due regard to the need to:

- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

8.4.2 There are unlikely to be specific equalities implications arising from the Council reviewing it's corporate risk register.

8.4.3 Approved by Helen Reeves, Head of Strategy and Policy.

9. APPENDICES

9.1 Appendix 1 Corporate Risk Register Summary Report for Part A risks.

9.2 Appendix 2 Corporate Risk Register Detail Report for Part A risks.

9.3 Appendix 3 Risk Scoring Matrix

10. BACKGROUND DOCUMENTS

10.1 None

11. URGENCY

11.1 N/A