

# Crawley Borough Council

## Report to the Audit Committee

21 June 2023

### Risk Management Update

Report of the Head of Governance, People & Performance – **LDS/203**

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#### 1. Purpose

- 1.1. The Committee is asked to review the action taken by the Corporate Management Team and staff to mitigate Strategic Risks.

#### 2. Recommendations

- a) The Committee is requested to consider the contents of this report and confirm it is satisfied with risk management arrangements.
- b) Review the Strategic Risk register (Appendix A) and determine whether there are any matters that it wishes to draw to the attention of the Chief Executive or to Cabinet.

#### 3. Reasons for the Recommendations

- 3.1. The Committee has a responsibility to ensure that action has been taken by relevant Managers on risk-based issues identified by Internal Audit.

#### 4. Background

- 4.1. The Corporate Management team regularly review the Strategic Risks of the Council and look at the mitigations of those risks. The updated risks are presented to the Audit Committee at its meetings. The internal audit service (SIAP) will give an annual report and opinion on the organisation's framework of governance, risk management and contra based on the audit work conducted in the year. The Audit Plan looks at these Strategic risks.
- 4.2. The focus of effective risk management is the identification and management of risks and opportunities. It increases the probability of success, reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process which runs throughout the Council's strategies and service delivery.
- 4.3. This enables the Audit Committee to meet its responsibilities to provide the Council with independent assurance of the adequacy of the risk management framework and associated control environment.

## **5. Risk Management Arrangements**

- 5.1. The Council's approach to risk management is set out in its [Risk Management Strategy](#). The objectives of a risk management strategy are to:
- Integrate risk management into the culture of the Council by engendering a positive attitude and understanding to risk throughout service areas
  - Manage risk in accordance with best practice
  - Prevent injury, damage and financial loss to those connected with the Council's delivery of services.
- 5.2. Heads of Service are currently preparing and reviewing operational risks by Division. These will be regularly shared with Portfolio Holders at briefings from the start of the new municipal year.

## **6. Strategic Risk Register**

- 6.1. A strategic risk is defined as an event or action that will affect an organisation's overall ability to achieve its corporate objectives and execute strategies successfully. By their nature, strategic risks are generally not service or objective specific; they are areas of risk that cut across service and objective boundaries.
- 6.2. The Strategic Risk Register (Appendix A) is reviewed by the Corporate Management Team, and it includes a summary of the current analysis of residual risk as well as detail on each Strategic Risk. One of the key risks is the New Town Hall.
- 6.3. Now that the project is in its final stages, the risk register for the New Town Hall has been thoroughly reviewed and refreshed by the project board, this was presented at the March Audit Committee. Risks are beginning to be closed out and this will continue over the coming months as this stage of the project comes to an end. Another update on the risk register will be presented at the September Audit Committee.
- 6.4. Appendix A shows the remaining Strategic Risks. A new risk regarding Digital Accessibility has been added as we are required to reach minimum level AA of the Web Content Accessibility Guidelines. This is about ensuring all our digital channels are accessible to everyone. Testing was undertaken in March 2022 by the Cabinet Office's Central Digital and Data Office and we were subject to improvement notices. They are likely to reinspect in the future. This has been escalated from an operational level due to both legal requirements and reputational risk if we are found to exclude people by providing inaccessible content.
- 6.5. The risk tolerance of the Council is the threshold above which the level of risk is not acceptable and requires further action to reduce the risk. The level has been agreed by the Corporate Management Team to be any risk with a residual score of 15 or above (red risks). This is set out in the Risk Management Strategy. Risks around the provision of affordable housing, cost of living, homelessness, migration, water neutrality and climate change emergency are exceeding this score. In these cases, there are external factors that are affecting the score, these scores are being constantly reviewed and updates will be provided to future Audit Committees.
- 6.6. A recommendation from the last Audit Committee was to make the layout of the risk register more user friendly. Changes have been made for this update. Each risk has an identification number and the residual scores have been included to make them more identifiable.

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