

# Annual Corporate Risk Management Report

Date: 27<sup>th</sup> July 2022

Report of: Director of Resources

Report to: Executive Board

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## What is this report about?

### Including how it contributes to the city's and council's ambitions

- Our Best City Ambition, introduced earlier in 2022, aims to tackle poverty and inequality and improve quality of life for everyone who calls Leeds home. Central to this, focus is placed on improving outcomes across the Three Pillars of Health and Wellbeing, Inclusive Growth and Zero-Carbon. Linked to the Ambition are a series of shared values and behaviours covering aspects such as ethical behaviour and the staff code of conduct. A corporate risk is something that, if it occurred, could impact on our Best City Ambition and its outcomes. It is therefore essential that we understand, manage and communicate the range of risks that could threaten the city and the vital services provided by the council, so that we're better placed to prevent them from happening and to reduce the impact now and in the longer-term on communities, individuals, services, organisations and infrastructure.
- This annual report updates the Executive Board on the most significant risks currently on the council's corporate risk register with summary assurances describing the key controls in place to manage the risks and further actions planned, signposting to where more detailed information can be found.
- Risk is present in everything we do to improve outcomes and deliver services. Local authorities, our communities and partners experience a wide range of significant risks including: cyber-attacks, adverse weather conditions and safeguarding incidents. More recently, pressures from inflation, the increased cost of living and challenges relating to the recruitment and retention of staff have impacted on the council's risk profile and will continue to do so in the immediate future.
- A positive risk management culture features throughout our activities, operations, partnerships, programmes and projects, with judgement based on an understanding of the risk and the level of exposure that is acceptable. Managing risk is the responsibility of everyone, is at the heart of the council's culture and values and has to be reflected in the behaviours of staff and elected members.
- Appendix 1 provides summary risk assurances for the most significant risks facing the council; those rated as 'very high', or the 'standing' risks – the ones that we will always face. The assurances for the following risks contain an overview of the risk, the main controls and actions to treat the risk and a signpost to further sources of information:

Major cyber incident	Care market sustainability
Escalating poverty	Safeguarding children
Safeguarding adults	Major flooding
City and council resilience	Climate change
Financial management	Health and safety
Information management	

## Recommendations

- a) Executive Board is asked to note the annual risk management report and the assurances given on the most significant corporate risks in line with the council's Risk Management Policy and Strategy and the Board's overarching responsibility for their management.

## Why is the proposal being put forward?

- 1 The annual report seen in Appendix 1 updates the Executive Board on the most significant risks currently on the corporate risk register (their descriptions, risk ratings and the accountable director and portfolio member risk owners) with summary assurances describing the key controls in place to manage the risks and any further actions planned, signposting to where more detailed information can be found.
- 2 The report will provide a key source of evidence on the authority's risk management arrangements contributing to the Annual Governance Statement to be considered later this year by the Corporate Governance and Audit Committee.

## What impact will this proposal have?

### Wards affected:

Have ward members been consulted?  Yes  No

- 3 The risk information contained in the appendix is provided for Executive Board's information.
- 4 This is an assurance report with no decision required, so it is not necessary to conduct an equality impact assessment.

## What consultation and engagement has taken place?

- 5 This is an information report and as such does not need to be consulted on with the public. However, summary information on the corporate risks is published on the council's website.
- 6 The template for Committee and Executive Board reports for decision making require authors to detail the risk management aspects as part of the mandatory 'What are the key risks and how are they being managed?' section. This ensures that Elected Members are sighted of key risks when making decisions.
- 7 The corporate risk assurances at Appendix 1 have been subject to consultation with lead officers, the Corporate Leadership Team and portfolio members. The arrangements in place to manage the council's risks are embedded and therefore subject to consultation and engagement on an ongoing basis. Consultation is undertaken as part of risk management best practice, and in line with the roles and responsibilities set out in the Risk Management Policy and Strategy.

## **What are the resource implications?**

- 8 All council risks are managed proportionately, factoring in the value for money and use of resources. Should any of the corporate risks included in this report arise, there would be significant resource implications for the council.
- 9 Effective risk management arrangements help to avoid costly mistakes from being made and minimising their impact if they happen.

## **What are the legal implications?**

- 10 The council's risk management arrangements support the authority's compliance with the statutory requirement under the Accounts & Audit Regulations 2015. Through this, Regulation 6 requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with proper practices. The system of internal control, including arrangements for the management of risk, assists the council in effectively exercising its functions.

## **What are the key risks and how are they being managed?**

- 11 This report supports the council's Risk Management Policy and Strategy in providing assurances on the management of the authority's most significant risks. The appendix provides details of the key strategic risks facing the council, provides details of how they are being managed along with any further actions required to treat them.

## **Does this proposal support the council's three Key Pillars?**

Inclusive Growth       Health and Wellbeing       Zero-Carbon

- 12 Should any of the corporate risks arise, then this would impact on the achievement of the Pillars. Strong risk management arrangements are essential to minimise the risks of failing to achieve the ambition and outcomes.

## **Options, timescales and measuring success**

### **a) What other options were considered?**

- 13 Options considered for this report ranged from reporting a basic summary of the corporate risk register (risk title, owner and rating) to a full report containing the detailed risk profiles of every corporate risk. This report took a proportionate view and included both a map of the corporate risks and summary risk assurances for the risks that are 'standing' or rated as being very high. Should members require additional details of the corporate risks, these can be made available on request.

### **b) How will success be measured?**

- 14 The success of corporate risk management can be measured through the application of the Corporate Risk Management Policy and Strategy.

### **c) What is the timetable for implementation?**

- 15 The report is for information, so there is no timetable for implementing the recommendations as risk management is a business-as-usual activity within the council.

Should any Executive Board members require refresher risk management training, this can be arranged as soon as possible.

## **Appendices**

16 Appendix 1: Annual Corporate Risk Management Report 2022

## **Background papers**

17 None