



CORPORATE GOVERNANCE COMMITTEE – 27 JANUARY 2023

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

RISK MANAGEMENT UPDATE

Purpose of the Report

1. One of the roles of the Corporate Governance Committee is to ensure that the Council has effective risk management arrangements in place. This report assists the Committee in fulfilling that role by providing a regular overview of key risk areas and the measures being taken to address them. This is to enable the Committee to review or challenge progress, as necessary, as well as highlight risks that may need to be given further consideration. This report covers:
 - The Corporate Risk Register (CRR) – summary of risks
 - Risk Management Policy Statement and Strategy
 - Insurance Policy

Corporate Risk Register (CRR)

2. Within the County Council's Constitution, Article 9.03 'Role and Function of the Corporate Governance Committee' states that the Committee shall have responsibility for the promotion and maintenance within the Authority of high standards in relation to the operation of the Council's Code of Corporate Governance with an emphasis on ensuring that an adequate risk management framework and associated control environment is in place.
3. The Council maintains Departmental Risk Registers and a Corporate Risk Register (CRR). These registers contain the most significant risks which the Council is managing, and which are 'owned' by Directors and Assistant Directors.
4. The CRR is designed to capture strategic risk that applies either corporately or to specific departments, which by its nature usually has a longer time span. The CRR is a working document and therefore assurance can be provided that, through timetabled review, high/red risks will be added to the CRR as necessary. Equally, as further mitigation actions come to fruition and current controls are embedded, the risk scores will be reassessed, and this will result in some risks being removed from the CRR and managed within the relevant departmental risk register.

5. The current risks on the CRR (last presented to the Committee on 21 November 2022), risks which have been removed in the last two years, and a brief reminder of risk scoring are shown in Appendix A attached to this report. The impact and likelihood are shown below each current risk score. Movements since the CRR was last presented are detailed below: -

Risk added

7.7 - Children and Family Services

If current demand for EHC Needs Assessment and updating of EHCPs after annual review exceeds available capacity of staff within SEND Services (particularly educational psychology and SEN Officer), then this leaves the Council vulnerable to complaints of mal administration with regards to statutory timescales. The situation is worsened by a lack of specialist placements which means that children with complex needs may not be placed in a timely way and hence may not receive the support to which they are entitled through their EHC Plan.

Presentation

6. In accordance with the Committee's request at its meeting on 21 November 2022 a presentation will be provided as part of this item on Corporate Risk 7.6 (If Adults & Communities fail to provide robust evidence of good practice for the CQC inspectors, then this will result in a poor inspection outcome and incur reputational risk alongside extra resources and possible external governance to undertake any actions required to make the improvements necessary to fulfil statutory requirements).

Risk Management Policy Statement and Strategy

7. The Council's Risk Management Policy Statement and Strategy has been reviewed and minor revisions were made. It will be submitted as an appendix to the report on the Medium-Term Financial Strategy to the Cabinet on 10 February and full County Council at the Budget Meeting on 22 February.
8. Within its Terms of Reference, this Committee has a responsibility to monitor the arrangements for the identification monitoring and management of strategic and operational risk within the Council. Therefore, the recommendation to Cabinet is to approve the Risk Management Policy Statement and Strategy subject to consideration by the Corporate Governance Committee with delegation to the Director of Corporate Resources to amend it if necessary. A copy of the revised Policy and Strategy is attached as Appendix B to this report.

Insurance Policy

9. The Insurance Policy has also been reviewed and revised and will be submitted as an appendix to the report on the Medium-Term Financial Strategy to the Cabinet on 10 February and full County Council at the Budget Meeting on 22 February. The Policy (attached as Appendix C to this report) explains that the Council is currently involved in three exercises:

- i. A re-procurement of broker services;
- ii. A 'Total Cost of Risk review' of the Council's insurance programme, covers, claims and costs and self-insured retention limits, with a view to making recommendations covering the next 5 to 10 years;
- iii. An actuarial review of earmarked funds to meet future liabilities and the level of annual contributions to the funds. This might lead to a movement in reserves and a reduction in contributions.

10. The outcomes of the exercises will be reported to the Committee at a future meeting.

Recommendations

11. It is recommended that the Committee:

- a) Approves the current status of the strategic risks facing the County Council;
- b) Makes recommendations on any areas which might benefit from further examination;
- c) Notes the updates regarding: -
 - i. The Risk Management Policy Statement and Strategy
 - ii. The Insurance Policy

Resources Implications

None.

Equality Implications

None.

Human Rights Implications

None.

Circulation under the Local Issues Alert Procedure

None.

Background Papers

Report of the Director of Corporate Resources – 'Risk Management Update' – Corporate Governance Committee, 3 June 2021, 23 July 2021, 5 November 2021, 28 January 2022, 13 May 2022, 30 September 2022 and 21 November 2022.

<http://politics.leics.gov.uk/ieListMeetings.aspx?CommitteeId=434>

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Appendices

Appendix A - Corporate Risk Register Update (January 2023)

Appendix B - Risk Management Policy Statement and Strategy

Appendix C - Insurance Policy