

## REPORT TO AUDIT AND RISK ASSURANCE COMMITTEE

17 September 2020

<b>Subject:</b>	Covid-19 Risk Register and Strategic Risk Register Update
<b>Director:</b>	Chief Executive- David Stevens Deputy s151 Officer – Rebecca Maher
<b>Contribution towards Vision 2030:</b>	
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### DECISION RECOMMENDATIONS

**That Audit and Risk Assurance Committee:**

1. Review and comment upon the accompanying report which sets out the impact that Covid 19 is having on the key risks faced by the council

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## 1 PURPOSE OF THE REPORT

- 1.1 To update members of the Committee on the new emerging risks faced by the council in light of Covid 19, together with the impact on existing risks, the assessment of these risks and the arrangements in place to manage these. The reporting of these risks will contribute to providing assurance that good governance, internal control and risk management arrangements inform decision making throughout the emergency and reset and recovery period.

## 2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 Effective risk management is a key element of good corporate governance, as noted in the council's [Code of Corporate Governance](#), and is essential to the overall performance of the council in meeting its vision 2030. Good risk management will ensure that resources are used efficiently and effectively in the delivery of the Sandwell vision and that assets and resources are protected against risk in the most efficient way.

## 3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The council is no different to any organisation and will always face risks in achieving its vision and objectives. Sound risk management can be seen as the clear identification and management of such risks to a level that is acceptable and within the council's appetite for risk.
- 3.2 The Covid 19 global pandemic has had a profound impact on all risks faced by the council, with some risks impacted to a greater extent than other risks. The impact of the council's response to Covid 19 resulted in a significant change to the council services being delivered and the way in which daily operations have been undertaken. This unprecedented environment has resulted in operational decisions being taken and implemented at speed, in accordance with information available at the time and in response to central government (including Public Health England) directives and guidelines at the time, which may have changed as better intelligence has been made available.
- 3.3 In addition to the impact on existing risks, the pandemic has also resulted in a number of new significant risks that have emerged affecting the local economy, our businesses, our residents, as well as those affecting council services. These emerging risks are being identified on a continual basis as the global and national picture of the pandemic unfolds and the implications become better understood.

- 3.4 The council has been responding to the emergency whilst at the same time continuing service delivery where possible, particularly ensuring that the provision of its statutory functions is effectively discharged. It becomes even more important therefore that the council continues to ensure appropriate governance, risk management and internal control arrangements are in place and that risks are identified and managed.
- 3.5 The purpose of this report is to highlight to the Committee the risk profile as it currently stands, the steps that have been taken by the council to date to mitigate these risks, and to help inform ongoing risk based decision making in respect of the future activity of the council, the reset and recovery plan and the further measures that may be required to manage these risks.

## **4 THE CURRENT POSITION**

- 4.1 The report shows the risks currently identified and the risk profile. The risk register is a live document and reflects the council position at the time of preparing this report. Given the constantly evolving nature of the pandemic and central government directives and decisions, the risks require ongoing review to ensure they remain appropriate and are correctly assessed in order to aid informed decision making and resource allocation.
- 4.2 The report is compiled as follows:
- A summary of the key risks that have emerged as a result of Covid 19 is set out at Appendix A, which sets out the status of the risks as at August 2020. Mitigations taken to date are also noted.
  - A summary of the council's pre-existing/ pre Covid 19 strategic risk register including the impact of the global pandemic on these risks, is attached at Appendix B
  - The strategic risks are reviewed on an on-going basis and can be influenced by both external and internal factors and as such, may fluctuate over time.

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The review and update of each strategic risk, has been discussed with the risk owners and reported to the Leadership Team.

## **6 ALTERNATIVE OPTIONS**

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- 6.1 Whilst this report does not require a decision and therefore, alternative options do not need to be considered, when measures are being considered for the mitigation of each of the strategic risks, this takes into account any alternative options available.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The authority's Corporate Risk Management Strategy (CRMS) requires close identification and alignment of risks to budget planning processes. In this way, the identification and management of its key risks informs the authority's allocation of resources.
- 7.2 Due to the nature of this unforeseen emergency, the identification and management of risks will not necessarily align to the budget planning already undertaken for 2020/21 and onwards. The authority's budget planning process is now being reviewed to ensure that limited resources are appropriately allocated in light of the reset and recovery plan for Sandwell and any new emerging priorities.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 8.1 The purpose of risk management is to assist in the achievement of the Sandwell vision and the authority's statutory responsibilities.
- 8.2 There are numerous standards applicable to the management of risk within the local authority sector. Included amongst these is guidance from CIPFA/Solace, the British Standards Institute (BSI) and a set of joint standards published by the Institute of Risk Management (IRM), Alarm (The public sector risk management association) and AIRMIC (Association of Risk Managers in Industry and Commerce). Evidence that robust management of the authority's strategic risks is being undertaken demonstrates compliance with these standards.
- 8.3 The reporting of these risks will contribute to providing assurance that good governance, internal control and risk management arrangements inform decision making throughout the emergency and recovery period.

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment. However, when measures and decisions are being considered for the mitigation of each of the strategic risks, this will take into account any equalities impact and whether an equalities impact assessment is required. For example, in terms of the

Covid 19 risks in respect of health, wellbeing and life, particular attention is being given to engagement with Black, Asian and Minority Ethnic (BAME) members of our community who have experienced a significantly greater impact of COVID-19, to ensure the mitigating strategies adopted are robust and appropriate in managing this element of the risk.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

10.1 As a decision is not being sought in this report, it is not necessary to undertake a Data Protection Impact Assessment.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

11.1 There are no crime and disorder risks arising from this report.

## **12 SUSTAINABILITY OF PROPOSALS**

12.1 There are no direct sustainability issues arising from this report.

## **13 HEALTH AND WELLBEING IMPLICATIONS**

13.1 There are no direct health and wellbeing implications from this report.

## **14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 There is no direct impact on any council managed property or land from this report.

## **15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 The purpose of the report is to update the Audit and Risk Assurance Committee with the Covid 19 risks and the council's pre Covid 19 strategic risks as summarised in Appendices A and B respectively.

## **16 BACKGROUND PAPERS**

16.1 None.

## **APPENDICES:**

Appendix A – Covid 19 strategic risk register summary as at August 2020  
Appendix B – Strategic risk register summary as at August 2020

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**Chief Executive**

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**Deputy s151 Officer**

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