

AUDIT AND GOVERNANCE COMMITTEE

Thursday, 10th February 2022

REPORT OF THE ASSISTANT DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Purpose

To report on the Risk Management process and progress for Quarter 3 of the 2021/22 financial year

Recommendations

- **That the Committee endorses the Corporate Risk Register.**

Executive Summary

One of the functions of the Audit & Governance Committee is to monitor the effectiveness of the Authority's Strategic risk management arrangements. This report includes the actions taken to manage those risks. Corporate risks are identified, managed and monitored by the Corporate Management Team (CMT) on a quarterly basis.

A copy of the current Corporate Risk Register is attached, as **Appendix A** There has been little change on the risk register for the last quarter apart from the decision not to engage with a peer review. This item will be removed from the register and re-instated when it is rescheduled. The risk control measure for Management of Assets - delivery Corporate Capital Strategy and Asset Management Strategy actions is highlighted as it is only partially completed due to delays caused by the pandemic.

The Operational risk champions group have met to discuss cross service risks and will report items of significance that could affect the strategic risks. From the recent meeting of the group the issue requiring a Social housing self-assessment was raised, this is of particular issue as it is driven in part by the current high profile problem with property cladding. The Council will commission a specialised social housing consultant, to undertake a comprehensive self-assessment of Tamworth Borough Council's compliance and this will inform the final self-assessment report and improvement action plan that will be presented to Council Cabinet members. This is an operational issue but has a direct impact on the corporate priority to meet housing needs through a variety of approaches and interventions.

A recent Aviva publication of the top 10 risks identified by a range of organisations with a comparison between 2020 and 2021 is attached as **Appendix B**. This is of interest as it provides a wider view of business Risk from a cross section of organisations. The report also provides external validation of our current strategic risks. A comparison between the Aviva top risks and our top risks show a high level of alignment with only our focus on community issues being different. It shows the

similarity with risks we have identified. This includes; the health risks and business interruptions experienced as organisations adapt, or add, processes to manage the pandemic risk, and the move out of the depressed business positions and into a more active environment raising risks of economic concerns and staff shortages. These latter risks have a potential to disrupt the recovery as the economy opens up again.

Locally the recovery and reset programme will be considering the risks faced and seek to minimise the negative effects and maximise any positive aspects.

Various national shortages over a range of goods and services continue and are areas for concern and consideration of these includes HGV drivers, energy supplies, construction materials, and the general shortages of skilled workers leading to increased staffing costs in many industries.

The latest information suggests that the supply of construction materials is improving but the latest estimate of increased energy costs are 43% for Electricity and 105% for Gas. These do not directly affect the provision of our services but are likely to have an upward pressure on cost levels as inflation increases, or lengthen project delivery timetables until the strain on the supply chains relax.

Options Considered

None.

Resource Implications

None.

Legal / Risk Implications

There are no direct legal implications from this report but failure to manage strategic risks could lead to issues in delivering strategic priorities.

SUSTAINABILITY IMPLICATIONS

None

BACKGROUND INFORMATION

None

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LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix A Corporate Risk Register

Appendix B Aviva Top Ten Risks