

AUDIT AND GOVERNANCE COMMITTEE

Thursday 9th February 2023

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 2022/23 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 and raises issues of concern that may impact the Authority. 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 1**. The control measures contained have been developed to reflect the actions in the 3-year corporate plan. The revised Risk control measures will ensure the delivery of the strategic objectives, as detailed in the 2022-25 Corporate Plan, and minimise the risk of strategic drift. The corporate risk register has been updated by CMT and several notes and consequences have been revised and some consequences previously under "Modernisation and Commercial Agenda 2022" have been moved to sit under a more relevant corporate risk heading "Economic Growth and Sustainability 2022".

There has been a positive change to the risk profile since the quarter 2 report was presented as summarised in **Appendix 2**. Corporate Risk Heading 2 "Finance/Financial Stability 2022" current risk matrix score has reduced to 6 and is aligned to the agreed risk target score. Business rates reset, or a fair funding review has been ruled out meaning that the funding distribution will stay stable, and the Council will be able to retain its business rate growth for 2023/24 and 2024/25, however uncertainty continues and potentially the Council still faces losing this growth from 2025/26. The draft budgets for General Fund and Housing Revenue Account now show that over the 3-year period to 2025/26 balances will remain above the minimum approved level, compared to the previous forecast.

The operational risk champions group have met to discuss cross service risks and will report items of significance that could affect the strategic risks. The recent meeting of the group restated the issues previously reported relating to increased costs and supply shortages. As is the case with many organisations there also

continues to be pressures on the retention and recruitment of staff, although this varies between skill sets. These issues continue to be monitored, and mitigating measures adopted where possible.

The heightened risk of cyber-attacks remains due in part to the continuing conflict in Ukraine. The Technology and Information team continue to take steps to mitigate our exposure to these and any other Cyber threats.

Other issues raised were the threat of further strikes in the public sector including the Fire Service and Teachers, and potential power cuts all of which could have an impact on our service delivery. There is limited information on this at this time, but discussions are being held within the relevant teams and with the CCU to ensure we identify areas of concern and establish priorities should this become a reality.

It has been agreed that the Risk Champion Group membership will be strengthened, and all Head of Services will be invited and expected to attend, training will also be arranged with the support of Zurich for all heads of serves and risk owners. This will support Tamworth Borough Council's strategy for fully embedding effective risk management.

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 1 Corporate Risk Register Qtr. 3

Appendix 2 Corporate Risk Profile summary