

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 27th September 2023

REPORT OF THE ASSISTANT DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Purpose

To report on the Risk Management process and progress for Quarter 1 of the 2023/24 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 reviewed and updated by CMT for 2023/24 following the independent appraisal and feedback received from the Directorate and CMT risk workshops hosted by Zurich Municipal during June and July 2023.

The main changes to the 2023/24 Corporate Risk Register are detailed below:

- 2022/23 corporate risks 2 and 5 (Modernisation and commercial agenda and Economic Growth and Sustainability) have been merged and renamed "Inability to deliver economic growth, sustainability and prosperity in the Borough." This now sits as risk number 8.
- Governance remains but sits as risk 2.
- 2022/23 corporate risk 4 Community Focus has been replaced with 'Promoting Community Resilience and Cohesive Communities'
- Organisation Resilience remains but sits as risk 5.

Four new Corporate Risk headings have been identified for 2023/24:

1. Promoting community resilience and cohesive communities (risk number 3).
2. Lack of resources, capacity, and right skills in place (risk number 4).
3. Failure to meet climate change ambitions/ meet net zero targets and plan for major weather impacts and force majeure (risk number 6).
4. Information and Data Management (risk number 7).

Causes, consequences, risk scores and control measures have been updated for all existing risks for 2023/24 as well as the new risks identified.

The operational risk champions group did not meet during quarter 1, instead they attended Directorate Risk Management workshops hosted by Zurich Municipal to discuss their current Operational Risks and have them appraised. The feedback from these workshops has been documented and sent to each Assistant Director, Head of Service and Risk Owner so they can review and update their department's operational risks accordingly. During the workshops some teams identified that they could benefit from additional support to develop their operational risk registers, there is still time available with Zurich which can be utilised for this.

There are no changes to the current manifesting risks for 2023/24 as follows:

- Energy supply Crisis
- Cost of Living Crisis
- Rising Inflation
- Food supply crisis
- Cyberattacks on critical infrastructure.

These risks will continue to have an upward pressure on supply and costs. At the same time as rising supply costs there is also the potential for a fall in income as the disposable income of the public reduces due to the pressures on households. This has the potential to affect collection rates for Council Tax and Housing rents, it is also possible that income to attractions and events will reduce. The situation will continue to be monitored through the monthly budget monitoring process.

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. 1

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