

AUDIT AND GOVERNANCE COMMITTEE

Thursday 8th February 2024

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 2023/24 financial year.

Recommendations

- **That the Committee endorses the Corporate Risk Register.**
- **That the Committee review and approve the revised Corporate Risk Strategy/Policy.**

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 current risk scores and notes have been updated by CMT for quarter 3 reporting.

There has been no change to the overall corporate risk profile since quarter 2 (see **Appendix 2** Risk Matrix Summary).

The operational risk champions did not have any issues of note to bring to CMT or include in the corporate risk register for quarter 3. The risk champions are reviewing their departments' operational risks, and the current reporting process following feedback from Zurich workshops.

Members were invited to attend a Risk Management Awareness workshop provided by Zurich Municipal on 4th December 2023. The course was attended by 12 Councillors and covered the following areas:

- ❖ Understanding the importance and relevance of Risk Management in achieving the Council's goals
- ❖ Tamworth Risk Management principles and the Risk Management process
- ❖ What are the key risks for Tamworth?
- ❖ Risk Appetite
- ❖ The role of Members in supporting effective Risk Management
- ❖ Challenges and benefits and Risk Management

Zurich Municipal have also completed an independent review of Tamworth Borough Council's Risk Management Strategy & Policy (**Appendix 3**). The areas highlighted in yellow are new additions or updates to the existing document which have been reviewed and approved by CMT but now require consideration and sign off from Audit & Governance Committee as per the approval's hierarchy.

A two page "Policy on a Page" has been produced as a quick reference point to support officers with risk management responsibilities (Appendix 4). It summarises the 4 Step Risk Management Process:

1. Risk Identification.
2. Risk Analysis
3. Risk Treatment
4. Review & Monitor

This document will be uploaded on to Infozone and circulated to all departments to support with the ongoing work on reviewing Operational Risks.

The current manifesting risks listed below for 2023/24 remain unchanged:

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

These risks will continue to be monitored and the impact they have on supply and costs to the Council. 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. 3

Appendix 2 Risk Matrix Summary

Appendix 3 Risk Management Strategy/Policy

Appendix 4 Policy on a page

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