

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 25th September 2024

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 2024/25 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 current risk scores and notes have been updated by CMT for quarter 1 reporting. This report does not refer to the incidents at the Holiday Inn as this took place during quarter 2 and will be reflected in the next corporate risk report.

The 2024/25 corporate risk profile can be seen in Appendix 2. A key to the likelihood and impact matrix scoring has been included to provide some context.

No issues of note have been raised by the risk champions to include in the corporate risk register. Work continues by Heads of Service to review their operational risks and update Pentana for 2024/25. Assistant Directors are scheduling in quarterly meetings with their Heads of Service and Risk Owners to review operational risks and report presentations to ensure a consistent approach across all service areas.

The corporate risk register has been reviewed and updated by CMT for 2024/25 taking into consideration the Internal Audit recommendations and Benchmarking report.

The main changes to the 2024/25 Corporate Risk Register are detailed below:

- Risks 4 (Lack of resources, capacity & right skills in place) & 5 (Organisational Resilience) have been merged for 2024/25 and the causes, consequences, risks, and notes have all been amalgamated into risk 5 titled “Organisational Resilience”.
- A new risk has been created (Risk 4), “Inability to meet social housing targets and deliver affordable housing”. This risk is still under review and will be updated further with target matrix scores and additional control measures for quarter 2 reporting.
- Updates on the risk controls in place for the new Procurement Act 23 have been included in Risk 1.
- All notes and Risk Control measures have been reviewed and updated.
- CMT considered the risks suggested in the Benchmarking report and have updated the report accordingly now clearly referencing the Future High Street & Gungate Projects, Cyber Attacks and Housing Risks.

Update on Internal Audit Risk Management Recommendations

Internal Audit completed a review of risk management at Tamworth Borough Council as part of the 2023/24 Internal Audit Plan endorsed by the Audit Committee.

Update on recommendations:

- Risk management training should be provided to the Audit and Governance Committee to ensure it has the appropriate skills to effectively undertake its role for overseeing and monitoring risks.
Risk management training was provided by Zurich Municipal to Members on Wednesday 14th August 2024 the presentation can be viewed in Appendix 3.
- Further training should be provided to staff, outlining the roles and responsibilities for risk management, and providing support on how to effectively document controls.
During 2023/24 training and workshop sessions with Zurich Municipal were provided to Risk Champions, Heads of Service and Risk Owners. Training needs will be kept under review and further training will be organised if required. During 2024/25 HR have been contacted to ascertain if any officers had recorded Risk Management as a training need, there were none identified. Assistant Directors will continue to discuss any ongoing training needs with Heads of Service & Risk Owners when meeting with them on a quarterly basis and raise with the Operations Accountant so bespoke training can be arranged to meet individual service area’s needs going forwards.
- Each Head of Service should present the local risk register to the Assistant Director responsible for the area quarterly to oversee the implementation of the control measures.
An email was circulated on the 6th of August reminding AD Direct Reports of the new requirements for Operational Risk Recording & Reporting. It is

recommended that each service area provides an update to CMT on their progress with this work during quarter 2.

The current risk landscape and the five risks most likely to present a material crisis as per the World Economic Forum Global Risks Report reported in the 2023/24 quarter 4 Risk Report remain unchanged:

1. Extreme Weather
2. AI-generated misinformation & disinformation
3. Societal and or political polarisation
4. Cost-of-living crisis.
5. Cyberattacks

These risks are considered in the corporate risk report and will continue to be monitored throughout the year.

Options Considered

None.

Resource Implications

If training needs are identified external support may be required at a cost to the council, the insurance risk fund can be utilised to fund a small amount of training however if not sufficient additional resources may be required.

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.

Equalities Implications

None.

Environment and Sustainability Implications (including climate change)

None

BACKGROUND INFORMATION

The Authority is committed to embedding the culture of Risk Management as detailed in the Councils Risk Management Strategy.

Risk Management objectives for Tamworth Borough Council are reviewed on a continual basis and reported to CMT and Audit and Governance committee on a quarterly basis. These objectives are designed:

- To safeguard the public, members and employees,

- To protect the Authority's Reputation, Physical Assets and Services it provides by minimising losses and associated insurance costs.
- To manage risks in accordance with best practice and ensure risk management is integrated into the culture of the Authority and all those connected with it.
- To identify and take advantage of available opportunities to improve service delivery and/or the Authority's financial position.
- To ensure the Authority delivers its commitments to stakeholders and to demonstrate transparency, accountability and equity in its efforts to do so.
- To anticipate and respond positively to changing social, environmental and legislative requirements; and
- To identify and manage partnership risks.

The Audit & Governance Committee will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Borough. They will also assess performance against the aims and objectives.

The council attach great significance to Risk Management, and it is essential that the Protocol is known and understood by all staff within the Authority. It will form part of the induction training and performance reviews for all staff and members and will be monitored as part of the performance review process utilising the corporate performance system

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Qtr.1 Corporate Risk Register

Appendix 2 Qtr.1 Risk Profile

Appendix 3 Qtr.1 Members Training Presentation