

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 13th November 2024

REPORT OF THE ASSISTANT DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Purpose

To report on the Risk Management process and progress for Quarter 2 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.

CMT held a meeting on 16th September 2024 to review and update the corporate risk register for quarter 2, the following changes have been actioned:

- Risk 4 has been renamed "Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations." and split into two sub risks to differentiate between social housing and affordable housing risks.
- A new risk has been added to the corporate risk register (Risk 9) Cyber Security, this is one of the top 5 risks most likely to present a material crisis as per the World Economic Forum Global Risks Report. This will now be monitored as its own risk outside of Information and Data Management.
- Risk control measures have been added or reassigned to all risks, with the exception of risk 1. These changes have been highlighted in yellow in **Appendix 1**.
- All notes have been reviewed and updated.

- The risk control measure status column has been replaced with a progress bar. This will be updated at least quarterly to reflect the stage of completion of the risk control measure.

The current risk scores have been updated by CMT for quarter 2 reporting. The corporate risk profile can be seen in **Appendix 2**. Due to the incidents at the Holiday Inn that took place during quarter 2, Risk 3's (Promoting community resilience and cohesive communities) current risk score has been increased from four to twelve, this and the new cyber security risk introduced in quarter 2 has increased the Council's high-risk profile from 12.5% to 30%.

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.

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 Council's 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.

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.2 Corporate Risk Register

Appendix 2 Qtr.2 Risk Profile

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