

AUDIT AND GOVERNANCE COMMITTEE

Wednesday 5th February 2025

REPORT OF THE INTERIM EXECUTIVE DIRECTOR FINANCE

RISK MANAGEMENT QUARTERLY UPDATE

Purpose

To report on the Risk Management process and progress for Quarter 3 of the 2024/25 financial year.

Recommendations

- **That the Committee endorses the Corporate Risk Register and receives assurance on actions taking place to manage the Council's most significant strategic risks.**

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 December 2024 to review and update the Corporate Risk Register for quarter 3, the main points to note are:

- New risk control measures have been added to Risk 3 "Promoting Community Resilience and Cohesive Communities 2024/25", these have been highlighted in yellow.
- RCM3c 2024-25 "Quality open spaces" has been removed from the Corporate Risk Register as this will be managed via the relevant department's operational risk reporting.
- Additional notes have been added to Risk 6 "Failure to meet climate change ambitions/meet net zero targets and plan for major weather impacts" regarding the Council's actions to mitigate flood risks.
- A brief note has been added to Risk 8 "Inability to deliver economic growth, sustainability and prosperity in the Borough" regarding Ankerside and the

potential risks taking over the Shopping Centre poses to the Council, along with details of who the Council is working with to mitigate these risks.

- All other relevant notes have been reviewed and updates provided on the Financial Resilience Stability Plan, Asset Management Strategy, Local Plan, Housing Strategy, Business Continuity Planning, People and Organisation Strategy and the Climate Adaption Plan.
- Updates have been provided on the Future High Street and Gungate Projects.
- The risk control measure progress bar percentages have been updated for quarter 3.

Risks are assessed based on their likelihood of occurrence and their potential impact, each of these are rated on a 1 to 4 scale. The risk scoring scale is detailed on page 4 of Appendix 1. The current risk scores have been updated by CMT for quarter 3 reporting, and the risk profile has changed. The Council's high risks have increased to 40% which were previously reported at 30%. The increase in the risk profile is due to Risk 4.2 "Inability to meet social housing targets, deliver affordable housing and meet the requirements of the social housing regulations" having a revised score of 12 in quarter 3. During quarter 2 this risk was recorded as an 8. The reason for the increase in risk score is resources, the support put in place for this project is only temporary (Appendix 2).

No issues of note have been raised by the Risk Champions Group during quarter 3 to include in the Corporate Risk Register. At the next Heads of Service meeting, audit recommendations on Operational Risk Reporting will be revisited to assess the progress made across service areas. It has also been suggested that the Risk Champions meetings should be incorporated into the Heads of Service meetings every quarter for efficiency and effectiveness due to a higher level of attendance at these meetings. This will be confirmed in quarter 4. Work continues by Heads of Service to review their operational risks and update Pentana for 2024/25 for a consistent approach.

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 purpose of risk management is to effectively manage potential opportunities and threats to the Council achieving its objectives. 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

Emma Dyer, Operations Accountant, ext. 239

LIST OF BACKGROUND PAPERS

None

APPENDICES

Appendix 1 Corporate Risk Register Qtr.3

Appendix 2 Risk Profile Qtr.3

Appendix 3 ESHIA Risk Report Qtr.3

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