

## Audit and Governance Committee 28<sup>th</sup> November 2022

<b>Report Title</b>	<b>Strategic Risk Register update</b>	
<b>Report Author</b>	<b>Rachel Ashley-Caunt, Chief Internal Auditor</b>	
<b>Contributors/Checkers/Approvers</b>		
<b>North MO</b>		
<b>North S151</b>	<b>Janice Gotts</b>	<b>18/11/22</b>
<b>Other Director/SME</b>		

### List of Appendices

#### **Appendix A: Strategic Risk Register**

#### **Appendix B: Risk scoring methodology**

### **1. Purpose of Report**

---

- 1.1 To provide the committee with a quarterly update on the Council's Strategic Risk Register entries.

### **2. Executive Summary**

---

- 2.1 The Council's Risk Management Strategy defines the Council's risk management approach and the practices required to make it work. The strategy includes quarterly updates on the Strategic Risk Register for the Audit & Governance Committee.
- 2.2 An updated register is provided for the Committee's consideration. The format has been further developed and reviewed with Corporate Leadership Team and the content has been subject to a full review by management.

### **3. Recommendations**

---

- 3.1 It is recommended that the Committee:

a) Note the risk management update.

- 3.2 Reason for Recommendations –

- For the Committee to exercise its duties and responsibilities within its Terms of Reference and provide independent assurance of the adequacy of the risk management framework and the associated control environment.

## 4. Report Background

---

- 4.1 The Strategic Risk Register details the strategic risks faced by the Council in relation to achieving its corporate priorities. The Register also notes the current mitigation action being taken to control these risks and reflects the current, residual risk score.
- 4.2 The content of the Strategic Risk Register entries has been reviewed and updated by Corporate Leadership Team and a copy is provided for the Committee's information, as Appendix A to this report. The amendments made to the risk entries since the last report to Audit and Governance Committee are summarised in Table 1.
- 4.3 It should be noted that whilst Internal Audit assist with the facilitation of risk management, CLT are responsible for defining all risk entries and scoring, and applying the Risk Management Strategy.

Table 1: Updates to Strategic Risk Register entries

Risk entry	Update
Risk 19 Pay and grading resources and expertise	<p>New risk entry</p> <p>Reflects the risk posed by resource constraints on the pay and grading project and potential implications for budgets and delivery against plans.</p> <p>Inherent risk assessed as 16 (4 for likelihood and 4 for impact) and residual risk assessed as 12 (4 for likelihood and 3 for impact).</p>
Risk 20 Cost/Service Need being in excess of budget and activity anticipated due to Cost of Living impact	<p>New risk entry</p> <p>Reflects the risks posed to Council services and service users by the current Cost of Living.</p> <p>Inherent risk assessed as 16 (4 for likelihood and 4 for impact) and residual risk assessed as 12 (3 for likelihood and 4 for impact).</p>
Risk 8 Inability to remain within budget (current year)	<p>Increased inherent and residual scores</p> <p>Inherent risk likelihood score increased from 3 to 4 and impact remains at 4 – thereby, increasing the inherent risk from 12 to 16.</p> <p>Current risk likelihood score increased from 3 to 4 and impact increased from 2 to 4 – thereby increasing the current risk from 6 to 16.</p> <p>This has moved this current risk score into the 'red' category, which is outside the Council's risk appetite.</p>

Risk entry	Update
Risk 7 Unsustainable finances (medium term)	Increased residual risk score Likelihood score increased from 2 to 3 and impact remains at 4 – thereby, increasing the residual score from 8 to 12.

4.4 To assist in informing the review of the risk register, a summary has also been provided in Appendix B to this report, in the form of a heat map, showing the current scores in relation to the risk framework.

4.5 A copy of the risk scoring methodology is provided as Appendix C to this report, for the Committee's information in reviewing the register. This is an extract from the Council's Risk Management Strategy.

## **5. Issues and Choices**

---

5.1 The report provides an update on the Strategic Risk Register. The Committee has the opportunity to review the entries and scoring within the register and obtain assurance that this suitably reflects the risk environment and the risk management process is effective.

## **6. Implications (including financial implications)**

---

### **6.1 Resources and Financial**

6.1.1 None specific to this report.

### **6.2 Legal**

6.2.1 None specific to this report.

### **6.3 Risk**

6.3.1 The maintenance of an effective risk management framework is crucial to managing risk effectively. The Strategic Risk Register is a key part of that framework. The report itself does not give rise to any specific risks for consideration.

### **6.4 Consultation**

6.4.1 None specific to this report.

### **6.5 Consideration by Scrutiny**

6.5.1 Not required on this occasion.

### **6.6 Climate Impact**

6.6.1 None specific to this report.

## 6.7 **Community Impact**

6.7.1 None specific to this report.

## 7. **Background Papers**

---

7.1 None.