

AUDIT COMMITTEE – 8th November 2022

Report of the Head of Transformation, Strategy and Performance

Part A

ITEM 8 RISK MANAGEMENT (RISK REGISTER) UPDATE

Purpose of Report

The purpose of this report is to provide the Committee with details of the Strategic Risk Register produced for the period to 2022/23.

Recommendation

The Committee notes the report.

Reason

To ensure the Committee is kept informed of progress against the Strategic Risks. Noting that should they occur they would cause the Council to be unable to operate and/or provide key services leading to a significant effect on public wellbeing.

Policy Justification and Previous Decisions

The Strategic Risk Register was approved by Cabinet on the 10th February 2022.

Cabinet resolved that the Audit Committee monitor progress against those risks on the register by receiving and considering reports on a quarterly basis.

Implementation Timetable including Future Decisions

Reports will continue to be submitted to the Committee on a quarterly basis.

Report Implications

The following implications have been identified for this report.

Financial Implications

None

Risk Management

There are no specific risks associated with this decision.

Background Papers: Cabinet Report 10th February 2022 – Item 11
Audit Committee Report – 4th May 2022 – Item 8
Audit Committee Report – 15th February 2022 – Item 6
Audit Committee Report – 12th July 2022 – Item 9

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Part B

Background

1. In accordance with the work programme the Committee receives quarterly monitoring reports in respect of the Council's risk management arrangements. The reports provide a detailed commentary against the risks included in the Strategic Risk Register and identifies any changes to the risk rating and / updated treatments and controls.

Development of the Strategic Risk Register

2. In reading the risk registers attached in the appendices, it is important to understand that the 'Overall Score' shown in the first risk matrix is the risk that the Council would bear if **no** actions were taken to mitigate the risk – the inherent risk. In the vast majority of cases the Council is able to operate risk mitigation processes which result in the lower 'Net Risk Score' shown in the second risk matrix it is this latter score which represents the current assessment of strategic risks faced by the Council, this is the residual risk.
3. The registers continue to be monitored and reviewed by the Senior and Corporate Leadership Teams at the quarterly Risk Management Group (RMG) meetings, and are updated as required. The most recent meeting of the RMG was 21st September.
4. The following notable changes were made to the Strategic Risks at that meeting;

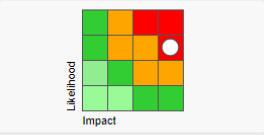
| Risk | | Section | Details |
|------|---------------------|---------------------------------|---|
| SR1 | Business Continuity | Planned Future Actions | Update Business Continuity Plans |
| SR3 | Financial Resources | Inherent and Residual Risk | Change from a score of 6 for inherent risk to 9 And change from score of 4 for residual risk to 6 To reflect the risks around reduced income from the Town Hall and Car Parks |
| SR4 | Staffing | Current Treatments and Controls | Added - Awaiting Local Government Pay Award |
| SR5 | Governance | Current Treatments and Controls | Added - External Audit process |
| | | Planned Future Actions | Roll out of the Modern.gov software – by October 2022 |
| SR6 | Partnerships | Planned Future Actions | Develop a Civic Partnership agreement with Loughborough University Develop a LLR Chief Executive's Group |

| Risk | | Section | Details |
|------|----------------|----------------------------|--|
| SR7 | Data Security | Inherent and Residual Risk | Change from a score of 12 for inherent risk to 9 And change from score of 6 for residual risk to 6 Direction of travel improved due to more robust treatments and controls |
| | | Planned Future Actions | Remove action relating to recruitment of Data Protection and Information Security Officer as post now filled |
| SR11 | Housing Demand | New action included | Inability to meet increased housing demand arising from inflationary pressures, and asylum and refugee dispersal, in the context of constrained supply of public and private rented sector housing resources, leading to increased homelessness and associated costs, services unable to meet demand, and consequential reputational damage. |

5. Alongside the above changes it is noted that a new risk has been added to the register, this is to reflect the demand on housing at a local level.
6. Attached at **Appendix A** is the updated Strategic Risk Register showing highlighted areas where the above changes are made.
7. Pentana Risk Management software has now been introduced to the Council and this is being used to manage the Strategic Risks going forward. The system provides an overview of all risks and can be drilled down to a greater level of detail as the user requires. The system also shows the direction of travel for risks and therefore provides an audit trail. A report from Pentana highlighting the audit trail regarding SR 3 and SR 7 is attached at **Appendix B**.

SR01 Risk that there is a lack of adequate Business Continuity and Recovery arrangements.-

Current Compare Description



Impact **4 Major**
Likelihood **3 Likely**
Score **12**

Assessment **I4L3 Major/Likely**
Date Assessed **28 Apr 2022**
Internal Controls Score **1 Ineffective**

Update

Risk Details Risk Tree History Internal Controls Related To More...

Owners

Administered By Corporate Risk Manager
Assigned To Corporate Risk Manager

Notes Notes from current assessment...

No Notes found.

Risk Attributes

Profile

- Potential Effect
- Inability to deliver key/critical services e.g benefits, refuse collection, homelessness applications, emergency repairs.
 - Reduction in access channels available to residents / customers i.e. contact centre, customer services, telephony

Appendices

- Appendix A - Strategic Risk Register 2022/23 – Version 6
- Appendix B – Pentana Report