

Report to:

AUDIT COMMITTEE

Relevant Officer:

Tracy Greenhalgh, Head of Audit and Risk

Meeting

2 March 2023

STRATEGIC RISK REGISTER 2023/24

1.0 Purpose of the report:

1.1 To present the Council's revised Strategic Risk Register to the Audit Committee. The Strategic Risk Register was last approved by the Audit Committee in March 2022 and this revised version has been subject to a review and amended accordingly.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Strategic Risk Register for 2023/24.

3.0 Reasons for recommendation(s):

3.1 To ensure that strategic risks are effectively managed.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 The Strategic Risk Register is a key component of the Council's Risk Management Framework.

5.0 Council priority:

5.1 The Strategic Risk Register covers all Council priorities.

6.0 Background information

6.1 The Strategic Risk Register is reviewed and updated on an annual basis (see Section 13 of this report for details of the consultation undertaken). It receives annual approval from the Audit Committee. Risk Owners are required to attend Audit Committee on a periodic basis to provide an update in terms of how each risk is being managed.

The strategic risk management process at the Council has evolved over the years with significant changes introduced in 2022/23 including:

- The introduction of risk categories allowing for better theming of sub-risks rather than services being spread over many risks as on the previous version of the risk register.

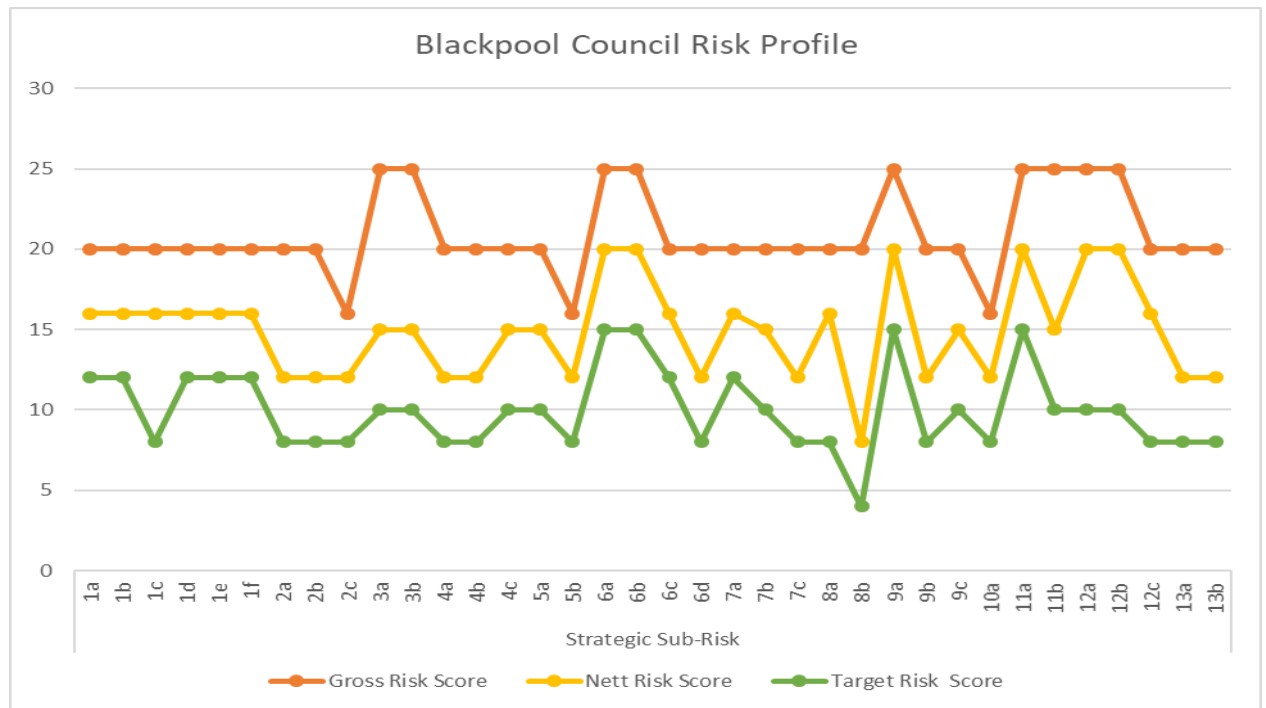
- Complete review of risks to ensure that these focused on strategic issues rather than straying into operational risk management.

All identified risks are subject to being scored, and the risk matrix which is used to facilitate these discussions is as follows:

LIKELIHOOD (PROBABILITY)	IMPACT	IMPACT	IMPACT	IMPACT	IMPACT
HIGH LEVEL OF CERTAINTY (5) The event is expected to occur in most circumstances	5	10	15	20	25
LIKELY (4) The event will probably occur in most circumstances	4	8	12	16	20
POSSIBLE (3) The event is fairly likely to occur	3	6	9	12	15
RARE (2) The event could occur at some time	2	4	6	8	10
UNLIKELY (1) The event may occur only in exceptional circumstances	1	2	3	4	5
IMPACT FINANCIAL	IN SIGNIFICANT (1)	MINOR (2)	MODERATE (3)	MAJOR (4)	CATASTROPHE (5)
IMPACT PERSONAL	NO INJURY (1)	MINOR INJURY (2)	5+ DAYS (3)	INCAPACITY (4)	DEATH (5)

Target risk scores provide a means by which to measure the level of mitigation that the Council needs to take in order to reduce the risk to an acceptable level. These have been introduced for 2023/24 and are included in the revised risk register.

Based on the Strategic Risk Register 2023/24 the following Risk Curve illustrates the level of gross and net risk being carried by the Council mapped against the target risk score:



In addition, a risk appetite has been introduced for 2023/24 with a definition attached to each of the risk categories in the strategic risk register. The risk appetite definitions have been adopted from the Governments Orange Book for the Management of Risk – Principles and Concepts. The definitions are as follows:

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximizing opportunities and potential higher benefit even if those activities carry a very high residual risk.

During 2022/23 the Audit Committee carried out deep-dive reviews of the following risk categories:

- People;
- Reputational;
- Security;
- Strategy;
- Legal;
- Commercial; and
- Finance.

The proposed timetable for Audit Committee ‘deep dives’ of these risks are as follows:

Month	Risk Category	Sub- Risks	Chief Officer(s)
June	Technology	a. Cyber Threats. b. Non-compliance with data protection legislation. c. Inability to undertake business critical activity due to software failures.	a) Director of Resources b) Director of Governance and Partnerships / Director of Resources / Chief Executive c) Director of Resources
July	Operations	a. Failure of Children’s Social Care.	a) Director of Children’s Services

		b. Failure of Adult Social Care.	b) Director of Adult Services
September	Property	a. Property failure due to poor maintenance or lack of inspection regime. b. Failure to meet statutory obligations as a significant housing landlord across the town.	a) Director of Resources b) Director of Strategy (Assistant Chief Executive)
October	Project / Programme	a. The Council fails to reduce carbon emissions across its operations and the town. b. 12b) Climate breakdown causes an increase in sea levels and severe adverse weather events. c. Failure to modernise transport network.	a) Director of Strategy (Assistant Chief Executive) b) Director of Strategy (Assistant Chief Executive) / Director of Community and Environmental Services c) Director of Communication and Regeneration
December	Information	a. Residents unable to access / influence information about Council Services.	a) Director of Communication and Regeneration / Director of Strategy (Assistant Chief Executive) / Director of Resources
January	Governance	a. Non-compliance with the Council's decision making process. b. Failure of wholly owned companies. c. Failure of key strategic partnerships.	a) Director of Governance and Partnerships / Director of Resources b) Director of Governance and Partnerships c) Director of Governance and Partnerships
March	All	a) Revised strategic risk register for 2024/25 to be presented.	d) Head of Audit and Risk

6.2 Does the information submitted include any exempt information?

No

7.0 List of Appendices:

7.1 Appendix 5(a) – Strategic Risk Register 2023/24

8.0 Financial considerations:

8.1 Where possible, risks will be managed within current budgets. Where it is not feasible to do so, this will be escalated to the Corporate Risk Management Group and the Corporate Leadership Team where a decision will be made to accept the risk or identify additional funding to implement the required controls.

9.0 Legal considerations:

9.1 The Council needs to ensure that it effectively manages its risks to avoid the potential of legal challenge or prosecution.

10.0 Risk management considerations:

10.1 The Strategic Risk Register is a key component of the Council’s overall Risk Management Framework.

11.0 Equalities considerations:

11.1 Equality features on the risk register.

12.0 Sustainability, climate change and environmental considerations:

12.1 Climate change and sustainability feature on the risk register.

13.0 Internal/external consultation undertaken:

13.1 The Strategic Risk Register has been prepared in consultation with the Corporate Risk Management Group and Directorate Management Teams. The timetable of the consultation undertaken was as follows:

Date	Consultation
29 th November 2022	Corporate Risk Management Group
9 th January 2023	Adult Services Consultation Meeting
11 th January 2023	Communication and Regeneration Consultation Meeting
13 th January 2023	Resources Consultation Meeting
17 th January 2023	Children’s Services Consultation Meeting
17 th January 2023	Shared Emergency Planning Service Meeting
18 th January 2023	Strategy, Performance and Commissioning Consultation Meeting
18 th January 2023	HR and Workforce Development Consultation Meeting
19 th January 2023	Governance and Partnerships Consultation Meeting
23 rd January 2023	Community and Environmental Consultation Meeting
23 rd January 2023	Public Health Consultation Meeting
25 th January 2023	Meeting with Chief Executive
31 st January 2023	E-mail to Chair and Vice Chair of Audit Committee.
1 st February 2023	Meeting with Section 151 Officer
14 th February 2023	CLT for approval
2 nd March 2023	Audit Committee for approval

14.0 Background papers:

14.1 Risk Management Framework 2021-25