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| Report to | Governance & Audit Committee |
| Date of meeting | November 20 th 2024 |
| Lead Member / Officer | Helen Vaughan-Evans – Head of Corporate Support: Performance, Digital & Assets / Cllr Julie Matthews, Lead Member for Corporate Strategy, Policy and Equalities |
| Report author | Heidi Barton-Price, Strategic Planning and Performance Officer |
| Title | Corporate Risk Review, September 2024 |

1. What is the report about?

1.1 An update on the September 2024 review of the Corporate Risk Register and the Council's Risk Appetite Statement. Please see the following appendices:

- Appendix 1 – Summary
- Appendix 2 – Full details of Corporate Risks updated as at September 2024
- Appendix 3 – Risk Appetite Statement
- Appendix 4 – New Risk 53

2. What is the reason for making this report?

2.1 This report asks the Governance & Audit Committee to review the risks facing the council including the recommendation to add a new risk to the Corporate Risk Register (appendix 4).

2.2 This report asks the Governance & Audit Committee to review the Council's Risk Appetite Statement (appendix 3) as part of this review ([last reviewed April 2024](#))

taking into account CET's recommendations (See 4.9 below)

- 2.3 We are also informing the Governance & Audit Committee of our amended Risk Appetite Statement regarding project financing: Reflecting the present financial environment, it would be appropriate to now amend the council's 'cautious' risk appetite in relation to project financing to 'open'.

3 What are the Recommendations?

- 3.1 That the Governance & Audit Committee considers the suggested amendments to the Corporate Risk Register as at September 2024 (appendix 2), and discusses any further amendments that may be required, including new risks - noting and feeding back in particular to the new risk [risk number 53 - Appendix 4].
- 3.2 That the Governance & Audit Committee considers the status and risk appetite (appendix 3) of each risk, the appropriateness of risk owners and the effectiveness of risk controls.
- 3.3 That the Governance & Audit Committee provides any initial feedback as to the council's present Risk Appetite Statement, having taken into account CET's feedback in paragraph 4.9 below and the recommendation to move to a "open" risk appetite for financial projects.

4 Report details

- 4.1 The Corporate Risk Register is developed and owned by SLT alongside Cabinet. It is reviewed twice yearly by Cabinet at Cabinet Briefing. Following the February and September reviews, the revised register is then presented to Performance Scrutiny Committee and Governance & Audit Committee. A summary of reviews is shared for information only at these committees at their January and July meetings.
- 4.2 The Council's Risk Appetite Statement has been applied during the reviews by the risk owners, and our risk exposure (based on the score) is analysed within the Corporate Risk Register (appendix 2).

- 4.3 The council currently has 13 Corporate Risks on the Register. Summaries of the review for this period are provided at the start of each risk in appendix 2. No risks have been de-escalated during this review. A new risk is proposed to be added to the Register. The addition of the new risk (risk 53, see appendix 4) would bring the Corporate Risk Register to 14 risks.
- 4.4 Please see appendix 4 for the draft of the new Risk as follows: The risk that Transformational Programmes and Major Project benefits are not fully realised.
- 4.5 The Lead Member, Councillor Diane King has replaced Councillor Gill German for Risks 01, 21, 34 and 50.
- 4.6 Whilst all risks have been reviewed, the residual risk scores remain unchanged for all 13 Corporate Risks.

Risk Appetite Statement

- 4.7 Seven risks 01, 21, 34, 45, 50, 51 and 52 (54%) are currently inconsistent with the council's Risk Appetite Statement (appendix 3). However, this is to be expected as the register contains the council's most serious risks.
- 4.8 It is now timely for us to review the council's Risk Appetite Statement (appendix 3), which was last revised in April 2024. The statement should reflect our appetite now reflecting on the key external factors (Political, Economic, Sociological, Technological, Legal and Environmental) that influence an organisation along with internal dynamics and demands. An initial discussion was sought at Budget and Transformation Board in July 2024 and CET in October 2024 (see 2.3 above) to provide feedback as to the appropriateness of the present Risk Appetite Statement.
- 4.9 Discussions at Budget and Transformation Board and CET drew particular attention to our current cautious risk appetite in relation to financial projects. It is proposed to move this risk appetite to "open" to provide a more appropriate framework to support the transformation being asked of the organisation to achieve financial sustainability and creative responses to requirements of our residents.

5 How does the decision contribute to the Corporate Priorities?

- 5.1 The purpose of the Corporate Risk Register is to identify the potential future events that may have a detrimental impact on the council's ability to deliver its objectives, including its corporate priorities. The identified controls and actions are, therefore, crucial to the delivery of the Corporate Plan 2022 to 2027.

6 What will it cost and how will it affect other services?

- 6.1 The cost of developing, monitoring and reviewing the Corporate Risk Register is absorbed within existing budgets.

7 What are the main conclusions of the Well-being Impact Assessment?

- 7.1 Corporate Risk Register documents identify risks and mitigating actions. The process of developing and reviewing the document itself does not impact adversely on any of the well-being goals. However, any new process, strategy or policy arising as a result of a mitigating action may require a well-being impact assessment.

8 What consultations have been carried out with Scrutiny and others?

- 8.1 The Budget and Transformation Board reviewed the Corporate Risk Appetite statement in July 2024 in light of the transformation programme and ideas coming to the fore to save the organisation money. Subsequently the request from Cabinet and CET is for the Risk Appetite Statement for financial projects to move from cautious as it is currently to open.
- 8.2 Prior to SLT, CET Risk Owners were requested to review their risks via email and discussed by CET on October 21st 2024.
- 8.3 Cabinet at Cabinet Briefing supported the updated register on November 4th 2024.
- 8.4 The updated register is now being presented for scrutiny to Governance & Audit Committee (November 20th) and Performance Scrutiny (November 28th).

9 Chief Finance Officer Statement

9.1 There are no financial implications arising from developing, monitoring and reviewing the Corporate Risk Register.

10 What risks are there and is there anything we can do to reduce them?

10.1 There are no risks associated with the review of our risk register.

10.2 Failure to review our risk appetite statement may lead to greater risk being inappropriately taken on by the council, or conversely to risk opportunities being missed.

11 Power to make the decision

11.1 Local Government Act 2000.

11.2 The Council's Constitution outlines the roles and responsibilities of senior officers and stipulates that clear procedures and processes must be in place to manage risk effectively.