

Blaby District Council

Audit & Corporate Governance Committee

Date of Meeting 12 February 2024
Title of Report Risk Management Quarter 3 2023/24
Report Author Finance Group Manager

1. What is this report about?

- 1.1 The report provides Audit and Corporate Governance Committee with an update in relation to the Council's Corporate Risk Register up to 31st December 2023.

2. Recommendation(s)

- 2.1 That the latest information in respect of the Council's major corporate risks is accepted.

3. Reason for Decision(s) Recommended

- 3.1 The overview of the Council's risk management processes is a key responsibility of the Audit and Corporate Governance Committee.

4. Matters to consider

4.1 Background

The management of risk is a critical success factor in terms of an organisation achieving its objectives. The Audit and Corporate Governance Committee, supported by Internal Audit, has the role of evaluating the effectiveness of the Council's risk management procedures, and commenting upon areas of improvement as appropriate.

Risks are assessed for their impact on the Council's business, and the likelihood that those risks might arise. Scores for impact and likelihood are combined using a "5x5" matrix to arrive at a rating of high, medium, or low.

| Risk Score | Matrix Category |
|------------|-----------------|
| 16-25 | High |
| 9-15 | Medium |
| 1-8 | Low |

Further information is contained within the Risk Management Strategy which was presented to this Committee in July 2023.

4.2 Corporate Risk Register

The Corporate Risk Register captures the most significant current risks that have a potential impact on the Council's strategic aims and objectives. Updates on the latest corporate risks are presented to Audit and Corporate Governance Committee every quarter.

Corporate Risks are monitored by the Corporate Risk Group which comprises the Chief Executive, the Executive Directors, the Finance Group Manager, and the Council Tax Income and Debt Manager. The Corporate Risk Group met on 13th December 2023 to review and update the Corporate Risk Register, ensuring that it properly reflects the current corporate risks and that actions are in place to mitigate those risks. A copy of the Corporate Risk Register is included at Appendix A, and this sets out each risk, an assessment of the degree of risk to the Council, and any control measures that are in place to mitigate the likelihood and impact of the risk occurring.

The following table summarises the number of corporate risks before any control measures are put in place (i.e., uncontrolled risks).

| All Corporate Risks – Uncontrolled Rating Summary | | | |
|--|-------|-------|-------|
| Red | Amber | Green | Total |
| 15 | 10 | 1 | 26 |

The corporate risks, once control measures have been put in place, i.e., controlled risks, are as follows:

| All Corporate Risks – Controlled Rating Summary | | | |
|--|-------|-------|-------|
| Red | Amber | Green | Total |
| 6 | 10 | 10 | 26 |

Since the last quarterly report to Audit and Corporate Governance Committee on 10th October 2023, 1 risk has been added to the register, which means that there are now 26 corporate risks recognised.

The following risk has been added to the Corporate Risk Register:

| Risk Description | | Uncontrolled Risk Rating | Controlled Risk Rating |
|--------------------------------|--|--------------------------|------------------------|
| R138: LICTP Partnership | Risk Likelihood | Almost Certain (5) | Almost Certain (5) |
| | Risk Impact | Major Impact (4) | Major Impact (4) |
| | Status | 20 | 20 |
| Control Measures | <ul style="list-style-type: none"> Maintain good working relationship with partners Options appraisal being undertaken to explore the future direction of the ICT service. | | |

Following the Council meeting on October 25th 2023 an options appraisal is being carried out to assess the future direction of the Council's ICT service. Risks associated with the ICT service will be updated more fully following the outcome of the appraisal and resulting decisions made.

Overall, 15 high risks to the Council's business have been identified before any form of mitigation has been put in place. However, once control measures are considered, 9 of these are reduced to medium or low risk.

The latest review undertaken by the Corporate Risk Group has led to 1 risk score being increased and 1 risk score being decreased.

Increased risk:

R021 – the Council's ambition to meet the 2030 net zero carbon reduction target has a detrimental impact on our financial position.

Increased from low to medium to reflect the additional cost attributable to moving our fleet from Hydrogenated Vegetable Oil (HVO) to electric.

Reduced risk:

R126 – impact of industrial action on services and residents. Reduced from a medium risk to a low risk since we have now passed the deadline in December 2023 before which further industrial action arising from the July ballot could be called.

4.3 Service and Project Risk Registers

Service risks are those which are more related to operational and service delivery matters. They are maintained on a separate risk register and are subject to quarterly monitoring by Service Managers to ensure that they remain up to date and have not become obsolete. Group Managers will provide an overview of the service risks on a quarterly basis, but service risks will not be reported to Audit and Corporate Governance Committee other than in exceptional circumstances.

Project risks are managed through the Council's project management framework, with risk registers maintained for corporate projects and high-profile service projects. These are monitored through individual project teams and by the Senior Leadership Team sitting as Programme Board.

5. What will it cost and are there opportunities for savings?

- 5.1 There are no direct financial implications arising from this report. However, financial implications may arise because of inadequate risk management, but with robust procedures in place they are minimised or removed.

6.1

| Current Risk | Actions to reduce the risks |
|---|---|
| If risks are not monitored, then the Council may not be aware of possible events arising. | Audit and Corporate Governance Committee receive regular reports on risk and advise Cabinet Executive as appropriate. |
| If risks are not effectively managed through mitigation, risks identified cannot be minimised and may have a significant impact on the Council. | Mitigating control measures are in place and monitored through Audit and Corporate Governance Committee, Corporate Risk Group and by Senior Leadership Team/Group Managers. |

7. Other options considered

7.1 None. It is a requirement of the Risk Management Strategy that regular reports are brought to Audit and Corporate Governance Committee.

8. Other significant issues

8.1 In preparing this report, the author has considered issues related to Human Rights, Legal Matters, Human Resources, Equalities, Public Health Inequalities, and Climate Local and there are no areas of concern.

9. Appendix

9.1 Appendix A – Corporate Risk Register

10. Background paper(s)

Risk Management Strategy 2023 – 2026.

11. Report author's contact details

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