



<b>Audit Committee</b>	<b>Wednesday, 25 January 2023</b>	<b>Matter for Information</b>
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**Report Title:** **Strategic Risk Update (2022/23)**

**Report Author(s):** **Tracy Bingham (Strategic Director – Section 151 Officer)**

<b>Purpose of Report:</b>	To present the Strategic Risk Register to Committee for information.
<b>Report Summary:</b>	In accordance with the requirements of the Council’s Opportunity and Risk Management Policy, this report presents the Strategic Risk Register for the Committee’s consideration. The register is updated on a regular basis through discussions with the internal Risk Management Group and members of the Senior Leadership Team.
<b>Recommendation(s):</b>	<b>That the report and Strategic Risk Register (as set out at Appendix 1) be considered.</b>
<b>Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):</b>	<p>Tracy Bingham (Strategic Director / Section 151 Officer) (0116) 257 2845 <a href="mailto:tracy.bingham@oadby-wigston.gov.uk">tracy.bingham@oadby-wigston.gov.uk</a></p> <p>Bev Bull (Head of Finance / Deputy Section 151 Officer) (0116) 257 2608 <a href="mailto:bev.bull@oadby-wigston.gov.uk">bev.bull@oadby-wigston.gov.uk</a></p> <p>Rashpal Sohal (Finance Manager) (0116) 257 2705 <a href="mailto:Rashpal.Sohal@Oadby-Wigston.gov.uk">Rashpal.Sohal@Oadby-Wigston.gov.uk</a></p>
<b>Corporate Objectives:</b>	<p>Building, Protecting and Empowering Communities (CO1)</p> <p>Growing the Borough Economically (CO2)</p> <p>Providing Excellent Services (CO3)</p>
<b>Vision and Values:</b>	<p>“A Stronger Borough Together” (Vision)</p> <p>Accountability (V1)</p>
<b>Report Implications:-</b>	
Legal:	There are no implications arising from this report.
Financial:	There are no implications arising from this report.
Corporate Risk Management:	<p>Decreasing Financial Resources / Increasing Financial Pressures (CR1)</p> <p>Key Supplier / Partnership Failure (CR2)</p> <p>Political Dynamics (CR3)</p> <p>Reputation Damage (CR4)</p>

	Effective Utilisation of Assets / Buildings (CR5) Regulatory Governance (CR6) Failure to Respond to a Significant Incident (CR7) Organisational / Transformational Change (CR8) Economy / Regeneration (CR9) Increased Fraud (CR10) Cyber Threat / Security (CR11)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report.
Human Rights:	There are no implications arising from this report.
Health and Safety:	There are no implications arising from this report.
<b>Statutory Officers' Comments:-</b>	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
<b>Consultees:</b>	<ul style="list-style-type: none"> <li>• Risk Management Group</li> <li>• Senior Leadership Team</li> </ul>
<b>Background Papers:</b>	None.
<b>Appendices:</b>	Appendix 1 Strategic Risk Register

## 1. Background

- 1.1 In line with the Opportunity and Risk Management Policy which was approved by the Audit Committee at its meeting in July 2021 and the revised policy due for approval on this meeting agenda, this report presents the Strategic Risk Register at Appendix 1.
- 1.2 The 'Risk Management Group' has met and reviewed and updated the risk register which has then been reviewed and approved by the Senior Leadership Team (SLT).
- 1.3 Operational risks continue to be monitored and managed by the organisation, with the Operational Risk Registers managed within service areas, with Heads of Service maintaining ultimate responsibility.
- 1.4 This paper presents a summary of the profile of risks contained within the register and highlights key movements in scores from the position reported in June 2022.

## 2. External Auditor Recommendation in respect of Risk Management

2.1 In their annual auditors report for 2020/21 and 2021/22, the Council's external auditors, Grant Thornton, acknowledged that risk management arrangements had been reviewed and improved recently.

2.2 Building on this, the auditors made one recommendation in relation to risk, which is as follows:

*Improve the format of the Strategic Risk Register by identifying each risk against a primary corporate objective, summarise the sources of assurance and include a graphical representation the direction of travel of the mitigated risk score.*

2.3 These changes have been agreed by management and the recommendations implemented as part of the risk review.

### **3. Strategic Risk Register**

3.1 The Strategic Risk Register contains a total of 15 risks and there have been no additional risks added or any removed since the last Audit Committee update.

3.2 Several changes have been made which are detailed in the 'Review Commentary' column of the Risk Register. The Corporate Objective for all risks has been updated to reflect the relevant objective. This is in line with a recommendation made by the external auditor, who acknowledged that the previous version of the register listed all objectives for each risk.

3.3 Similarly, and in line with the recommendation of the external auditor, each risk now has a graphical representation of the "Direction of Travel of mitigated risk score".

3.4 Other individual changes are set out below:

- CR1 (financial resources) – existing controls updated to reflect current position.
- CR3 (working with partners) – existing controls updated.
- CR4 (demographic engagement) – Action on Customer Experience Strategy updated to reflect acknowledgement that further work to reach hard to reach groups will be needed post approval of the strategy.
- CR5 (political dynamics) – Risk scoring increased. New action recorded to capture officer training requirement.
- CR7 (asset utilisation) – Existing control updated in respect of Sustainability Programme and work progressing in this area under the Asset Management theme/project.
- CR9 (failure to respond) – Updated with existing controls following completion of previous register actions.
- CR10 (Change/Transformation) – Update to target date for approval and implementation of People Strategy. Some changes made to risk scoring to correct a previous error (no change to risk profile/direction of travel).

- CR11 (Economy/Regeneration) – Updated existing controls.
- CR12 (Increased Fraud) – Target date for implementation updated to reflect timetable and officer capacity. Some changes made to risk scoring to correct a previous error (no change to risk profile/direction of travel)
- CR13 (Cyber Threat/Security) – Existing control updated.