	Audit Committee	Wednesday, 22 June 2022	Matter for Information

Report Title: Strategic Risk Update (2022/23)

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

Purpose of Report:	To present the Operational and Strategic Risk Registers for information.
Report Summary:	In accordance with the requirements of the Council's Opportunity and Risk Management Policy, this report presents the Operational and Strategic Registers for the Committee's consideration, which are updated on a regular basis through discussions with a new internal Risk Management Group and members of the Corporate Management and Senior Leadership Teams.
Recommendation(s):	**That the report and Operational and Strategic Risk Registers (as set out at Appendices 1 and 2) be considered.**
Senior Leadership, Head of Service, Manager, Officer and Other Contact(s):	Tracy Bingham (Strategic Director / Section 151 Officer) tracy.bingham@oadby-wigston.gov.uk Comie Campbell (Head of Finance / Deputy Section 151 Officer) (0116) 257 2713 comie.campbell@oadby-wigston.gov.uk
Corporate Objectives:	Providing Excellent Services (CO3)
Vision and Values:	"A Stronger Borough Together" (Vision) Accountability (V1)

Report Implications:-

Legal:	There are no implications arising from this report.
Financial:	There are no implications directly arising from this report.
Corporate Risk Management:	Decreasing Financial Resources / Increasing Financial Pressures (CR1) Reputation Damage (CR4) Regulatory Governance (CR6)
Equalities and Equalities Assessment (EA):	There are no implications directly arising from this report.
Human Rights:	There are no implications directly arising from this report.
Health and Safety:	There are no implications directly arising from this report.

Statutory Officers' Comments:-

Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.

Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	None.
Appendices:	**1.** Strategic Risk Register Q3 2021/22 **2.** Operational Risk Register Q3 2021/22

1. Background

1.1 At its July 2021 meeting, the Audit Committee approved the Council's Opportunity Risk Management Policy and received, for the first time, the Operational and Strategic Risk Registers for consideration. These Registers have been updated on a regular basis since then by CW Audit Services, who were contracted to support the Council in managing risk, in discussion with members of the Corporate Management Team and the Senior Leadership Team.

1.2 In April 2022, the Strategic Director and Section 151 Officer agreed with the Senior Leadership Team that management of risk would be brought back in house, making an ongoing annual revenue saving. As part of the new approach, a new staff 'Risk Management Group' has been established. The role of this cross-organisational group is to review corporate risk on a quarterly basis, with proposed changes presented up to SLT for approval. It is intended to maximise the efficacy of the risk management approach and enhance organisational scrutiny and engagement. It also presents an opportunity to broaden the experience and corporate awareness of Senior Leadership Team managers and staff involved, with each representative tasked with providing general scrutiny and acting as lead for their wider service area.

1.3 The Risk Management Group launched in May and the most recent update of the Strategic Risk Register was presented to the Senior Leadership Team.

1.4 The Operational Risk Registers were reviewed by service areas and Heads of Service and their respective teams. Going forward, only the Strategic Risk Register is to be presented to the Audit Committee in line with existing policy.

1.5 This paper presents a summary of the profile of risks contained within the Registers and highlights key movements in scores from the position reported in July 2021

2. Strategic Risk Register

2.1 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.

2.2 A number of changes were made by the Risk Management Group which were subsequently ratified or updated by the Senior Leadership Team. The changes are detailed in the final column of the risk register, but in summary are:

2.2.1 All risks updated where necessary so that an individual risk owner identified

2.2.2 CR1 (financial resources) – reference made too cost of living crises and additional action to undertake a risk assessment

2.2.3 CR2 (supplier failure) – inherent risk score increased given current economic conditions. New management action for capturing contract management in service plans.

2.2.4   CR3 (partners) – no other changes.

2.2.5   CR4 (demographic engagement) - Risk amended to capture digital exclusion as a result of cost of living crises, risk scoring amended.

2.2.6   CR5 (political dynamics) - Risk reduced down.

2.2.7   CR6 (reputational damage) – Alignment with Corporate Peer Review Action Plan around implementing a standardised approach to appraisal and affordability assessments for projects.

2.2.8   CR7 (asset utilisation) – no other changes.

2.2.9   CR8 (regulatory governance) – no other changes.

2.2.10 CR9 (failure to respond) – updated actions around business continuity refresh of plans and training.

2.2.11 CR10 (Change/Transformation) - Extended developing a people strategy action to include more around resilience to transfer understanding of roles and responsibilities when staff are absent/leave the organisation.

2.2.12 CR11 (Economy/Regeneration) – Updated existing controls with work completed and further management actions/controls updated in line with Corporate Peer Review Action Plan and work ongoing with UK Shared Prosperity Fund and Levelling UP bid.

2.2.13 CR12 (Fraud) – Further management actions updated around training and bribery risk assessment.

2.2.14 CR13 (Cyber Security) – Further management actions updated around business continuity, cyber threat training and an internal awareness raising exercise and action to ensure secure email access appropriate.

2.2.15 CR14 (COVID-19) – Risk scoring reduced given current position

2.2.16 CR15 (lone working) - Updated existing controls to ref DBS checks.

2.3   The Strategic Risk Register can be found in Appendix 1.

3.   Operational Risk Register

3.1   The Council's Operational Risk Registers are reviewed on a quarterly basis by the Corporate Management Team and their Heads of Service. In line with the Risk Management Policy, all risks with a residual score of 10 or above will be escalated to the Senior Leadership Team for review and consideration in respect of whether they should be added to the Strategic Risk Register.

3.2   The Operational Risk Register details 33 risks in total. The In the majority of cases, risks are being managed down to target levels, indicating that controls in place are operating effectively.

3.3   In line with the existing Risk Management Policy, only the Strategic Risk Register will be presented to the Audit Committee moving forwards. However, Members will always retain the ability to request to have sight of any service area or project specific risk register.

3.4   The Operational Risk Register can be found in Appendix 2.