Date: Thursday, 5 February 2026

Time: 10.00 am

Venue: The Council Chamber, The Guildhall, Frankwell Quay, Shrewsbury, SY3 8HQ

Contact: Michelle Dulson, Committee Officer
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# AUDIT & GOVERNANCE COMMITTEE

# TO FOLLOW REPORT (S)

**10** **Second line assurance: Strategic Risks Update** (Pages 1 - 6)

The report of the Strategy and Scrutiny Manager is to follow.
Contact: Tom Dodds (01743) 258518

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**Audit and Governance Committee**

**5 February 2026**

Item

Public

# Strategic Risk Update

| **Responsible Officer:** | Tom Dodds | | |
|---|---|---|---|
| email: | tom.dodds@shropshire.gov.uk | Tel: | 01743 258518 |
| **Cabinet Member** (Portfolio Holder): | Cllr Roger Evans | | |

## 1.    Synopsis

1.1 Audit and Governance Committee regularly review the Council's underlying risk exposure by considering the Council's Strategic Risks and can identify specific risks they want to look at in more detail. This report sets out the current strategic risk exposure following the subsequent discussions/ amendments.

## 2.    Executive Summary

2.1 The management of the strategic risks is a key process which underpins the successful achievement of our priorities and outcomes.  Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

## 3.    Recommendations

3.1 Members are asked to accept the position as set out in the report.

Page 1

# Report

## 4. Risk Assessment and Opportunities Appraisal

4.1 The authority has an Opportunity Risk Management Strategy which details the methodology to be followed when identifying and monitoring risks which affect the Council.

4.2 The risks identified can either be operational, project or strategic risks. This report refers to the strategic risks, i.e. those risks which affect the Council as a whole (not project or particular service area specific).

## 5. Financial Implications

5.1 If the strategic risks are not well managed, then this could lead to severe financial implications for the council.

5.2 There are two strategic risks specifically financial related, but all the strategic risks will have a financial implication for the whole authority to some degree.

## 6. Climate Change Appraisal

6.1 The importance of Climate Change is recognised within the council and as such it is listed as a strategic risk with a score of Likelihood 4, Impact 4 making it a high scoring risk.

## 7. Background

7.1 Our strategic risks are reviewed on a bi-annual basis ensuring that the level of risk exposure is monitored regularly in our rapidly changing environment.

7.2 The reviews are undertaken through virtual meetings with the nominated strategic risk leads, assurance providers and executive directors.

7.3 An annual workshop takes place with the Leadership Board to undertake a deep dive of our strategic risk exposure. The risks are assessed for ongoing relevancy, including whether they need to be redefined and whether new strategic risks need to be considered for inclusion.

7.4 The Strategic Risks are held within a SharePoint site where controlled access is available for everyone who has controls assigned to them and access is available to senior management. The risks are therefore able to be updated in real-time.

7.5 Following the reviews and the workshop, there are currently eight strategic risks on the risk register and one draft risk, these are each managed by specific Executive Directors. These are detailed below together with the direction of travel following the review:

Page 2

| Risk | Risk Owner | June 2024 Status L X I | Dec 2024 Status L X I | June 2025 Status L X I | December 2025 Status L X I | Travel |
|---|---|---|---|---|---|---|
| Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority. | James Walton | 5x5 25 | 5x5 25 | 5x5 25 | 5x5 25 | = |
| Inability to contain overall committed expenditure within the current available resources within this financial year. | James Walton | 3x5 15 | 5x5 25 | 5x5 25 | 5x5 25 | = |
| Inability to set a balanced budget for a given year within the MTFS. | James Walton | 4x4 16 | 5x5 25 | 5x5 25 | 5x5 25 | = |
| Failure of Officers and Members to adhere to Governance arrangements. | James Walton | 4x3 12 | 5x4 20 | 5x4 20 | 5x4 20 | = |
| Health & Wellbeing of The Workforce. | James Walton | 5x4 20 | 5x4 20 | 5x4 20 | 5x4 20 | = |
| Critical Skills shortage impacting on Recruitment, Retention & Succession Planning. | James Walton | 5x4 20 | 5x4 20 | 5x4 20 | 5x4 20 | = |
| Impact of extreme pressures upon partners (social care, health, and criminal justice) | Rachel Robinson/ Tanya Miles | 5x4 20 | 5x4 20 | 5x4 20 | 5x4 20 | = |
| Responding and Adapting to Climate Change within our Available Financial Resources. | Tanya Miles | 4x4 16 | 4x4 16 | 4x4 16 | 4x4 16 | = |
| Impact of increased waiting lists in relation to DoLs, OT and SI. | Tanya Miles | 4x4 16 | 4x4 16 | 4x4 16 | Archived | - |
| Safeguarding Children. | Tanya Miles | 3x4 12 | 3x4 12 | 3x4 12 | Archived | - |
| DRAFT - Failure to set clear strategic direction for the housing portfolio. | - | - | - | - | - | - |
| Economic Growth Strategy | - | 3x4 12 | 3x4 12 | Archived | - | - |

Page 3

7.6. Our current exposure plotted on our matrix looks as follows:

| | | Likelihood score | | | | |
|---|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| **Impact score** | 5 | | | | | 3 |
| | 4 | | | | 1 | 4 |
| | 3 | | | | | |
| | 2 | | | | | |
| | 1 | | | | | |

7.7. Our overall current risk exposure following the latest review is demonstrated below. This shows that the strategic risk exposure above our tolerance level (i.e. high and medium risks) is currently 100% with all current strategic risks being high.
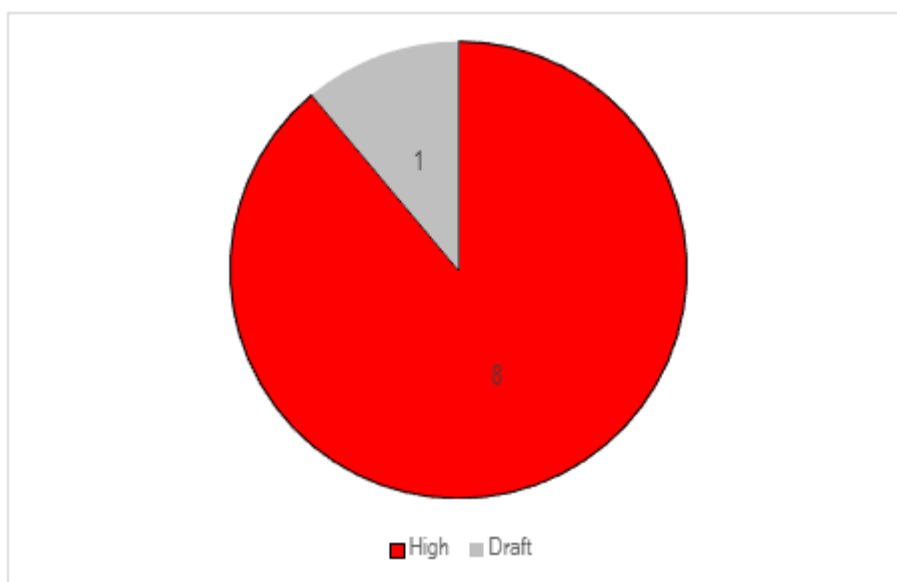


7.8. During the review of the 'Safeguarding Children' risk at Leadership Board, it was agreed that this risk is archived, due to it being appropriately managed through existing operational and partnership governance arrangements, rather than being a standalone risk at this current time.

7.9 During the review of the 'Impact of increased waiting lists in relation to Deprivation of Liberty Safeguards, Occupational Therapy and Sensory Impairment' risk at Leadership Board, the decision was to archive this risk. The rationale for this decision was that the risk is now managed operationally by service managers and no longer meets the threshold to be on the strategic risk register and managed by Leadership Board. Additionally, this is managed through the care and wellbeing continuous improvement plan and will continue to be reviewed should circumstances or inspection pressures change.

Page 4

7.10 The risk 'failure to set clear strategic direction for the housing portfolio' was agreed as a strategic risk at leadership board and is being built up, therefore it is still in draft format.

# 8. Additional Information

8.1 The strategic risk profiles which sit behind each strategic risk, incorporate in greater detail the risk description, the current controls and the outstanding actions which are in place.

8.2 Leadership Board have reviewed each strategic risk one by one on a cyclical basis at their regular meetings. A risk is considered and challenged at a high level to ensure it is still relevant and to monitor the controls proposed for mitigation. This includes the score, target score and future implications.

8.3 At the Leadership Board strategic risk workshop the accepted recommendations from the Corporate Peer Challenge and the developing draft improvement plan, horizon scanning and current risks were discussed. All risks will need to be looked at again in line with the new opportunity risk strategy which is planned to be reviewed and prepared for adoption in summer 2026.

# 9. Conclusions

9.1 The report details the strategic risk profile providing an up-to-date view since the most recent report to Audit and Governance Committee in September 2025.

9.2 The Strategic Risks will be reviewed to ensure that they align with the Improvement Plan and the new Corporate Plan. This will need to take place alongside the review of the Opportunity Risk Strategy into the summer 2026.

9.3 Audit and Governance Committee can at any time elect to have a more detailed examination of any of the strategic risks and can invite the risk owners to a committee meeting to discuss their risks.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:**

**Appendices** [Please list the titles of Appendices]

Page 6