



**Committee and Date**

Audit Committee

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Item

Public



# Strategic Risks Report

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<b>Cabinet Member (Portfolio Holder):</b>	Cllr. Gwilym Butler, Portfolio Holder Resources		

## 1. Synopsis

Audit Committee regularly review the Council’s underlying risk exposure by considering the Council’s Strategic Risks. This report sets out the current strategic risk exposure following the December 2023 bi-annual review and subsequent discussions/ amendments.

## 2. Executive Summary

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

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

# 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. This is available on the intranet.

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 review was undertaken through virtual meetings with the nominated strategic risk leads, assurance providers and Executive Directors.

7.3. An annual workshop also takes place with the Executive Management team to undertake a deep dive of the entire strategic risk exposure. The risks are assessed for ongoing relevancy, whether they need to be redefined or re-allocated and also 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 the Executive Management Team. The risks are therefore able to be updated in real-time.

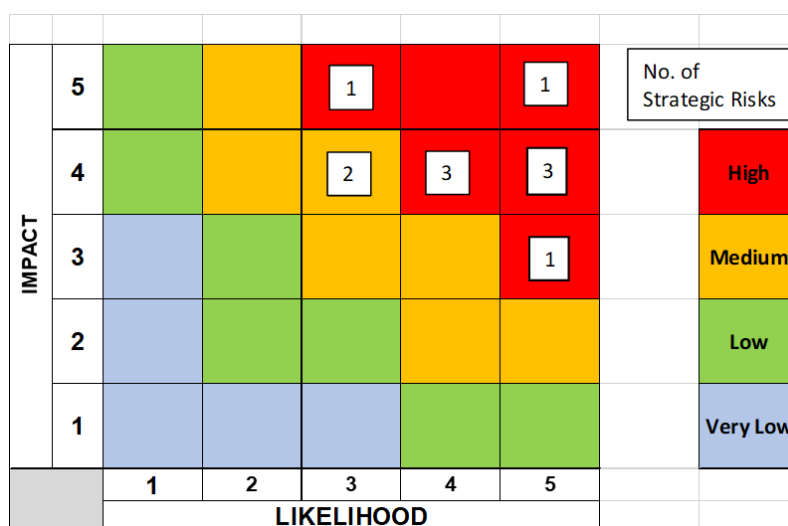
7.5. Following the bi-annual review and workshop, there are currently eleven strategic risks on the risk register, and these are each managed by specific Executive Directors. These are detailed below together with the direction of travel following the review:

Risk	Risk Owner	L	I	Status	Travel
Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.	James Walton	5	5	25	=
Failure to proactively manage and mitigate the health & wellbeing of Staff.	James Walton	5	4	20	=
Critical Skills shortage impacting on Recruitment, Retention & Succession Planning	James Walton	5	4	20	=
Impact of extreme pressures upon partners (social car, health, and criminal justice)	Rachel Robinson	5	4	20	New
Inability to set a balanced budget for a given year within the MTFS.	James Walton	4	4	16	Redefined
Responding and Adapting to Climate Change.	Mark Barrow	4	4	16	=

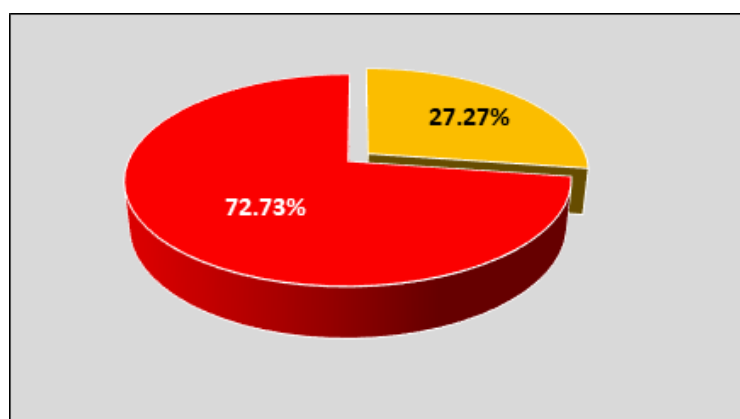
Impact of Increased Waiting Lists in relation to DoLs OT and SI.	Tanya Miles	4	4	16	New
Inability to contain overall committed expenditure within the current available resources within this financial year.	James Walton	3	5	15	Redefined
Failure to deliver the Economic Growth Strategy prevents the Council from meeting the corporate outcomes.	Mark Barrow	3	4	12	=
Failure of Officers and Members to adhere to Governance arrangements.	James Walton	4	3	12	=
Failure to safeguard vulnerable children.	Tanya Miles	3	4	12	Reinstated

7.6 During the detailed review some of the risk titles were redefined to more clearly articulate the actual risk and what we are mitigating.

7.7 Our current exposure plotted on our matrix looks as follows:



7.8 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 either high or medium risks.



## 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 The Executive Management Team have undertaken to review 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. The score and target score are considered, and future implications considered.

## 9 Conclusions

- 9.1 The report details the changes to the strategic risk profile following the review in December 2023.
- 9.2 Audit 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.
- 9.3 The next review of Strategic Risks takes place in June 2024 and a report will be provided to Audit Committee in September 2024.

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

Opportunity Risk Management Strategy

**Local Member:** N/A

**Appendices**

None