



Committee and Date

Audit Committee
6th February 2025

Item

Public



Strategic Risk Update

Responsible Officer:

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Cabinet Member (Portfolio Holder):

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 2024 bi-annual review, subsequent discussions and amendments.

2. Executive Summary

The management of strategic risks is a key process which underpins the successful achievement of our priorities, outcomes and Strategic Objectives as set out in The Shropshire Plan. Strategic risks are linked, where appropriate, with the Annual Governance Statement Targeted Outcomes.

The Council considers risks at an operational, project and strategic level and Audit Committee receives a regular report on Strategic Risks and assurance on the risk management process on a regular basis including an annual audit.

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 service area specific risks).

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

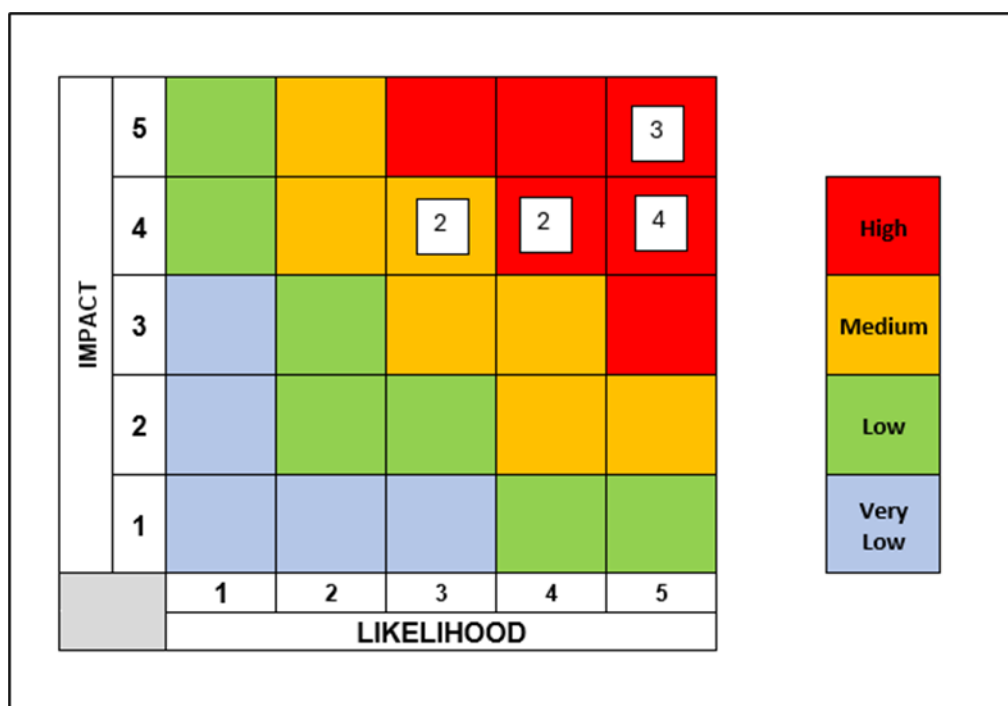
- 7.1. Our strategic risks are reviewed on a bi-annual basis ensuring that the level of risk exposure is monitored regularly in our rapidly changing environment.
- 7.2. The review was undertaken through virtual meetings with the nominated strategic risk leads, assurance providers and Executive Directors.
- 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 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:

STRATEGIC RISK LIST – December 2024 REVIEW

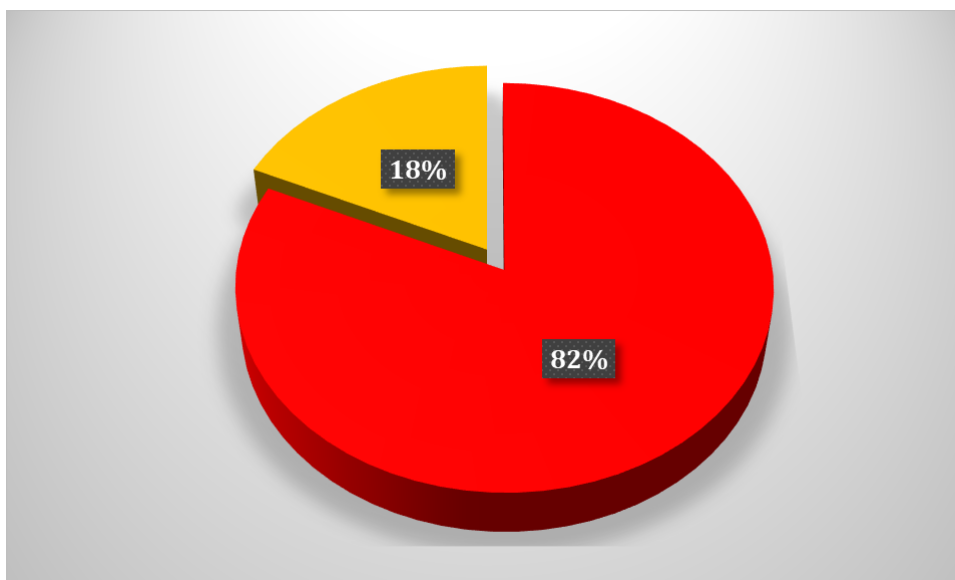
Risk	Risk Owner	L	I	Status	Travel	Y/E Target Score
Failure to protect from and manage the impact of a targeted cyber-attack on ICT Systems used by the Authority.	James Walton	5	5	25	=	25
Inability to contain overall committed expenditure within the current available resources within this financial year.	James Walton	5	5	25	↑	20

Inability to set a balanced budget for a given year within the MTFs.	James Walton	5	5	25	↑	16
Failure of Officers and Members to adhere to Governance arrangements.	James Walton	5	4	20	↑	16
Health & Wellbeing of The Workforce.	James Walton	5	4	20	=	16
Critical Skills shortage impacting on Recruitment, Retention & Succession Planning	James Walton	5	4	20	=	16
Impact of extreme pressures upon partners (social care, health, and criminal justice)	Rachel Robinson/ Tanya Miles	5	4	20	=	20
Responding and Adapting to Climate Change.	Andy Begley	4	4	16	=	16
Impact of increased waiting lists in relation to DoLs, OT and SI.	Tanya Miles	4	4	16	=	16
Economic Growth Strategy.	Andy Begley	3	4	12	=	6
Safeguarding children.	Tanya Miles	3	4	12	=	12

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



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 either high or medium risks.



- 7.8 The emerging risk political balance / change in administration has been considered during a meeting including the section 151 officer and monitoring officer. Conversations have also taken place with the CEO. Overall, it was decided that any implications should be held within Programme, Project and Operational risk registers as it did not, in itself, pose a strategic risk to the authority, in the same way that it also does not pose a strategic opportunity – it remains a known consideration for which the Council has appropriate systems, processes and mitigations in place.

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 continue to undertake a review of 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 2024.
- 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 2025 and a report will be provided to Audit Committee in September 2025.

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