

2 March 2023

Strategic Risk Register

Ward(s): All

Portfolios: All

Purpose: For Information

1. Aim

The purpose of this report is to provide Audit Committee with the updated Strategic Risk Register (SRR).

2. Summary

2.1 Recent risk management activity has been carried out to refresh the SRR and ensure it contains the most current risks facing the council.

2.2 Finance worked with Executive Directors and Directors from across the council to update the risks, controls and assurances in place.

2.3 Directors Group reviewed the Directorate Risk Registers (DRR's) and SRR in February 2023 and their feedback and changes have been reflected in this report.

2.4 CMT reviewed the SRR at their meeting on 23rd February 2023 after despatch of this report, and therefore a verbal update will be provided to Audit Committee on their feedback.

2.4 Following an earlier request by Audit Committee that the impact of inflation and cost of living, the associated risk to Walsall residents and the impact on council services be considered, certain risks have been updated to reflect this.

3. Recommendations

3.1 That Audit Committee note and comment on the updated Strategic Risk Register (SRR), set out at Appendix A.

4. Report detail - Know

4.1 This report seeks to provide an updated SRR including the controls associated with the risks.

Updated Strategic Risk Register

4.2 Strategic risks are reviewed on a six monthly basis, and as at February 2023 all strategic risks have had their existing controls and future actions reviewed, with a summary of the updates to the risks set out in the table below. All risks have had their existing controls and future actions reviewed and updated where necessary. There have been no changes to the overall risk scores since the last review in May 2022. The updated risks are attached at **Appendix A**.

- 4.3 At the Directors' Group (DG) meeting on 6th and 20th February 2023, Directorate Risk Registers (DRR) and the SRR were reviewed following update by risk leads. Directors Group were further asked to advise:
- any areas of common themes within DRR'S and advise if any should be escalated for discussion at CMT to the SRR;
 - and confirm that the SRR (and DRR) adequately reflects the risks in respect of COL;
 - what support DG may need going forward on risks management and ensuring we manage our risks appropriately and collectively.
- 4.4 Further to requests from CMT and Audit Committee, leads were asked to review all risks in relation to the cost of living (COL) impact and amend them as appropriate. Audit Committee also requested that consideration be given to creating a new strategic risk for COL. EE&C created a new COL directorate risk within their register, whilst other Directorates incorporated any changes into their existing risks. DG considered that the COL should be incorporated as appropriate into existing strategic risks, rather than a new strategic risk being created.
- 4.5 DG reviewed and determined that there were no common themes within the DRR's to escalate for consideration for inclusion into the SRR at that point.
- 4.6 CMT met on 23 February to review the SRR. As this was after despatch of this report to Audit Committee, a verbal update will be provided to the Committee on any changes arising from the CMT meeting.
- 4.7 During 2022/23, a review of the Strategic Risk Management Strategy (RMS) has been undertaken and Audit Committee and DG were recently consulted on the outcome and findings of the review. The RMS is now under review and will be amended to incorporate feedback from the review. One area for further consideration is that or risk appetite and to determine if one should be set at DRR/SRR level. The timing of this may also wish to be considered in light of the current senior interim arrangements in place. As part of the discussion on the RMS review, DG felt that there was merit to arranging a risk workshop session for DG and risk leads / champions to more thoroughly review and embed the interrelationship between the RMS, DRR's and SRR. A proposal will be put to DG on this.

| Risk | Risk Description | Lead Directorate | Outcome | Updated "current" score | Previous "current" score | Trend |
|------|--|------------------|---|-------------------------|--------------------------|-------|
| 1 | Threats to the Economic Growth of Walsall are not identified and mitigated, together with opportunities for sustainable growth being missed | EE&C | Risk and controls reviewed and updated. | 16 | 16 | ↔ |
| 2 | The Proud Programme does not achieve the outcomes and benefits required to ensure that available resources are directed to deliver the greatest outcomes for the community | R&T | Risk and controls reviewed and updated. | 12 | 12 | ↔ |

| Risk | Risk Description | Lead Directorate | Outcome | Updated "current" score | Previous "current" score | Trend |
|------|--|------------------|---|-------------------------|--------------------------|-------|
| 3 | Partnership relationships with other sectors and our major suppliers fail to deliver on shared objectives and therefore outcomes for the community | ASC | Risk and controls reviewed and updated. | 12 | 12 | ↔ |
| 4a | The Council is unable to maintain statutory service standards to support the most vulnerable in society | CS | Risk and controls reviewed and updated. | 12 | 12 | ↔ |
| 4b | Adult Social Care risk of being unable to maintain service standards to support the most vulnerable in society is ongoing | ASC | Risk and controls reviewed and updated | 16 | 16 | ↔ |
| 5 | External Changes in Political and/or legislative environment including ongoing impact of Covid-19 | R&T | Risk and controls reviewed and updated | 6 | 6 | ↔ |
| 6 | There is a lack of community cohesion and resilience placing increased pressure on public sector resources | EE&C | Risk and controls reviewed and updated | 8 | 8 | ↔ |
| 7 | Financial Resilience of the council is impacted by the failure to achieve the savings required or manage demand pressures to enable a balanced budget and Medium-Term Financial Plan to be delivered | R&T | Risk and controls reviewed and updated | 16 | 16 | ↔ |
| 8 | Risk of Cyber Security attacks | R&T | Risk and controls reviewed and updated | 15 | 15 | ↔ |
| 9 | Threats in relation to failing to comply with the legal obligations and duties of the UK General Data Protection Regulations, the Data Protection Act 2018 and relevant legislative requirements | R&T | Risk and controls reviewed and updated | 16 | 16 | ↔ |
| 10 | Failure to deliver key services in the event of significant business interruption, including services delivered by contractors and partners | EE&C | Risk and controls reviewed and updated | 12 | 12 | ↔ |
| 11 | Climate Change - Failure to achieve climate change objectives | EE&C | Risk and controls reviewed and updated | 8 | 8 | ↔ |

5. Financial Information

- 5.1 There are no direct financial implications arising from this report, however effective risk management and reporting of risks supports and contributes to the delivery of good financial management.

6. Reducing Inequalities

- 6.1 Effective governance arrangements ensure a focus on delivering of Corporate Plan objectives, a key driver of which is reducing inequalities.

7. Decide

- 7.1 Audit Committee are asked to consider the updates made to the Strategic Risk Register and may wish to comment.

8. Respond

- 8.1 Audit Committee is required to ensure that it receives reports on risk management on a regular basis and takes appropriate action to ensure that strategic business risks are being actively managed. This report enables Audit Committee to exercise its responsibilities in respect of risk management by reviewing the current SRR; calling in key business risks for review; and seeking assurance that risk management is thoroughly embedded within the organisation.

9. Review

- 9.1 The Risk Management Strategy sets out the formal review and reporting points for risks throughout the year and these will continue to be followed, with feedback on the actions set out within this report incorporated into those updates.

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