

**26 SEPTEMBER 2022**

**Risk Management Update**

**Ward(s):** All

**Portfolios:** All

**Purpose:** For Information

**1. Aim**

This purpose of this report is to update Audit Committee with regards to recent risk management activity, and the update of the Strategic Risk Register.

**2. Summary**

- 2.1 Recent risk management activity has been carried out to refresh the SRR and ensure it contains current risks facing the council.
- 2.2 Internal Audit, together with officers from finance and insurance & loss control services worked with Executive Directors and Directors from across the council to update the risks, controls and assurances in place.
- 2.3 CMT reviewed the SRR at their meeting on 15<sup>th</sup> September 2022. One additional risk in relation to Climate Change has been included in the SRR and the controls have been updated.  
Following an earlier request by CMT that the impact of inflation, 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 May 2022 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:

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	↔
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. <b>Score increased.</b>	12	9	↑
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	R&T	Risk and controls	16	16	↔

	the legal obligations and duties of the UK General Data Protection Regulations, the Data Protection Act 2018 and relevant legislative requirements		reviewed and updated			
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	New risk	8	n/a	New

4.3 With the exception of Risk 4a, there have been no changes to the overall risk scores since the last review in December 2021. The updated risks are attached at **Appendix A**.

4.4 CMT previously requested that the impact of inflation, the associated risk to Walsall residents and the impact on council services be considered as a potential new risk. Directorates were asked to review their risks in relation to the cost of living for quarter 1 reporting. Limited information was provided, likely to be as a result of the uncertainty around impact at that point. Forecast impact has however been identified as part of corporate financial performance reporting for 2022/23 and for budget setting 2023/24+. Director risk registers are also due for review in September and emphasis will be placed on the cost of living as a potential new risk in this update.

4.5 Additionally, Strategic Risk 7 has been updated to include cost of living impact – this risk being *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*.

4.6 Audit Committee are asked to note that fraud awareness workshops have commenced with high risk services to undertake fraud risk assessments to identify potential risks and current controls. This will then lead to the incorporation, as appropriate, of any individual fraud related risks into DRR's, alongside identification of any further specific fraud awareness / fraud training that may be useful, and also allow for review for any potential escalation to the SRR. The initial piece of work is due for completion by November 2022.

#### Strategic Risk Management Strategy Review

4.7 During August 2022, a review of the Strategic Risk Management Strategy has been undertaken. As well as a desktop review of key risk management documentation, interviews took place with Executive Directors, Directors, the Head of Finance and Assurance and the Chair of the Audit Committee to assess the awareness of responsibilities with regard to the strategy. At the time of this report, the review is coming to an end and the findings will be reported to the Directors Group, along with any suggested amendments to the Strategy.

4.8 Work is continuing on populating the assurance map, and any suggested amendments arising from the review will be considered in the next update.

## **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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### **Sponsoring Director**

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**September 2022**