

Audit, Risk and Governance Committee

Meeting to be held on Monday, 17 October 2022

Electoral Division affected:
(All Divisions);

Corporate Risk and Opportunity Register - Quarter 2 Update 2022/23

(Appendices 'A' and 'B' refer)

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Brief Summary

This report provides an updated (Quarter 2 2022/23) Corporate Risk and Opportunity Register for the committee to consider and comment on. The register has been refreshed to reflect the council's current operating environment and is presented to this committee to provide a progress update and assurance that the current risk management arrangements are both robust and effective. The register is also reported quarterly to Cabinet as part of the Performance Report.

The Corporate Risk and Opportunity Register is attached at Appendix A. The risk entry for Cyber Security contains private and confidential information and is provided at Appendix B and included in Part II of the agenda.

Recommendation

The Audit, Risk and Governance Committee is asked to note the updated Corporate Risk and Opportunity Register.

Detail

In line with the council's Risk Management Framework, Directorate Senior Management Teams and the Executive Management Team review and update both service registers and the Corporate Risk and Opportunity Register, taking account of the current and predicted future internal and external environment in which the county council and its strategic partners operate. As a result, there have been several changes to the corporate register. These are set out below.

- The risk Reshaping the County Council has been removed and replaced by two new risks – one focussing on Financial Sustainability and the other on Our Improvement Journey. The risk on financial sustainability reflects the current operating environment and is now linked to delivering the corporate strategy and



the four corporate priorities. It incorporates several new causes such as rising inflation, increasing demand, impact of the adult social care funding reforms etc. and highlights the current funding gap and future financial uncertainty. It also incorporates the previous corporate risk on capital investment pressures (which has been removed). It has a risk score of 20 and a target risk score of 16 to reflect the fact that, at this point whilst we are aware of the issues, we are still in the process of developing a plan to mitigate the budget shortfall. This is reflected in the red RAG rating for the target risk confidence.

The new risk relating to Our Improvement Journey was previously part of the Reshaping the County Council risk and has been updated to include further commentary in relation to our approach to commercialisation.

The other two elements of the Reshaping the County Council risk – 'Improved partnership working' and 'a new county council' – were added to the register after the election of the new administration in May 2021. However, given the positive progress in both areas these risks have been removed.

- A new risk on Workforce Recruitment and Retention has been added. This focusses on the Human Resources aspects of the risk as well as incorporating the service issues and consequences, together with the mitigating actions being implemented. This has a risk score of 16 and a target score of 12. This acknowledges that whilst this is a major risk, we are proactively working to mitigate it in the short to medium term. However, given the breath of the risk across services it is RAG rated red.
- The risk Demand Impact on Community and Services has been renamed Demand for Services and the risk confidence level (RAG rating) has changed from amber to red. The risk has been updated to incorporate causes such as rising inflation, economic uncertainty and rising fuel costs etc.
- The target risk score for the school places risk has reduced from 12 to 8.
- The risk relating to ICT (Oracle/data/core systems) has been removed together with the risk relating to counter terrorism. These two risks will be managed at an operational level via the Resources Board.

Given the above, the Corporate Risk and Opportunity Register now has the following entries:

- Financial Sustainability (Corp 1)
- Workforce Recruitment and Retention (Corp 2)
- Demand for Services (Corp 3)
- Our Improvement Journey (Corp 4)
- Social Care Reform (Corp 5)
- School Places (Corp 6)
- Cyber Security (Corp 7)
- New Ways of Working (ASC/PH) (CO 1)
- Environmental Improvements (CO 2)
- Sub-Regional place Leadership and Governance (CO 3)



The updated register is set out at Appendices A and B.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Good governance enables an authority to pursue its vision effectively as well as underpinning that vision with sound arrangements for control and management of risk. An authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Failure to develop and maintain a Corporate Risk and Opportunity Register means the council would be negligent in its responsibilities for ensuring accountability and the proper conduct of public business.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Tel
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N/A

Reason for inclusion in Part II, if appropriate

Appendix B to this report is included in Part II of the agenda because it contains exempt information, as defined in Paragraph 7 of Part 1 of Schedule 12A to the Local Government Act, 1972:

- Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

