

# Audit and Risk Committee

## 27 November 2023

<b>Report title</b>	Strategic Risk Register	
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<b>Originating service</b>	Audit	
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<b>Report to be/has been considered by</b>	Not applicable	

### Recommendations for noting:

The Audit and Risk Committee is asked to note:

1. The latest summary of the Council's Strategic Risk Register, as under Appendix 1.
2. The Council's Risk Management Framework, as under Appendix 2.
3. The update on the Employee Recruitment and Retention which was called in by the Audit and Risk Committee on 25 September 2023, as under Appendix 3.

## **1.0 Purpose**

- 1.1 To keep members of the Audit and Risk Committee aware of the key strategic risks faced by the Council and how it can gain assurance that these risks are being mitigated. It also provides an update to the committee in respect of the called in risk for employee recruitment and retention.

## **2.0 Background and progress**

- 2.1 The Council is no different to any organisation and will always face risks in achieving its objectives and priorities. Sound risk management can be seen as the clear identification and management of such risks to an acceptable level.
- 2.2 The Cabinet remain the owners of the strategic risk register, with the Audit and Risk Committee maintaining oversight of, and providing an independent level of assurance on the adequacy of the risk management processes that underpin it. The latest strategic risk register was presented to Cabinet on 15 November 2023 as part of the Performance and Budget Monitoring Report for 2023-2024.
- 2.3 The strategic risk register was last presented to the Committee in July 2023. Since that time the risk register has been reviewed in conjunction with risk owners and reviewed by the Council's Strategic Executive Board (SEB). This has resulted in the following updates and changes:
- There have been 17 new risks added to the register which include nationally publicised risks such as equal pay, reinforced autoclaved aerated concrete (RAAC), and housing standards (damp and mould).
  - A detailed scoring breakdown of the current and target risk scores (likelihood and impact scores) has now been included in the register.
  - A rationale has now been provided to explain how the accepted target score has been determined.
  - The previous medium term financial savings (MTFS) risk which is now risk 29 on the new register (previously risk 11) has now been split into two risks to reflect the uncertainty around funding made available to the Council and its own financial management of the resources available to the Council.
  - The number of red risks has increased from two to 10 risks.
  - The safeguarding adults risk (risk one, which was previously risk three) has increased from an amber risk to a red risk due to the pressures on the service caused by an increase in adult safeguarding referrals and the ability to recruit additional resources.
  - The information governance risk (risk 18, which was previously risk 10) has increased from an amber risk to a red risk due to the volatile cyber environment and evolving threats in this arena.
  - A new summary sheet has been provided at the front of the register to give a high level view of risks, per portfolio holder. This also provides details of the scoring criteria used to determine the risks.

- 2.4 Although the number of risks has increased from 15 risks to 32 risks this should not be viewed negatively. Having a detailed risk register shows the Council are a mature and transparent organisation in terms of the way it manages their risks. Having an effective risk management process in place demonstrates strong governance. By identifying new and emerging risks on the horizon the Council can ensure that early mitigations can be put in place to manage risks effectively.
- 2.5 Whilst the strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the Council's corporate priorities. Other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.
- 2.6 A summary of the strategic risk register is included at Appendix 1 of this report which sets out the status of the risks as at November 2023. These risks are reviewed on an on-going basis and can be influenced by both external and internal factors and as such, may fluctuate over time.
- 2.7 A copy of the Council's current Risk Management Framework is included at Appendix 2 of this report. This sets out the process of how the Council manages its risks.
- 2.8 At its September 2023 meeting, the Committee requested further information regarding the Employee Recruitment and Retention strategic risk. The risk owner has provided the following further information on this and will also be attending the meeting to discuss the risks in more detail. Please see Appendix 3 for this separate report.
- 2.9 The strategic risk register will be updated as required and presented at approximately quarterly intervals to the Committee. The strategic risk register does not include all the risks that the Council faces. It represents the most significant risks that could potentially impact on the achievement of the corporate priorities. As stated above, other risks are captured within directorate, programme, project or partnership risk registers in line with the Council's corporate risk management framework.

### **3.0 Financial implications**

- 3.1 There are no financial implications associated with the recommendations in this report however, the identification and management of risks is essential to the proper management of the Council's resources. Financial implications may arise from the implementation of strategies employed to mitigate individual risks and these will be evaluated and reported separately where appropriate.

[CN/16112023/A]

### **4.0 Legal implications**

- 4.1 Although there may be some legal implications arising from the implementation of the strategies employed to mitigate individual risks, there are no direct legal implications arising from this report.

[TC/16112023/B]

## **5.0 Equalities implications**

- 5.1 There will be equalities implications arising from the implementation of a number of the strategies employed to mitigate individual risks. These equalities implications will be addressed, where appropriate, through the various mechanisms taken to manage each risk.

## **6.0 All other implications**

- 6.1 Although there may be implications arising from the implementation of the strategies employed to mitigate individual risks, there are no direct implications arising from this report.

## **7.0 Schedule of background papers**

Strategic Risk Register Update – Audit & Risk Committee 24 July 2023

## **8.0 Appendices**

- 8.1 Appendix 1 – Strategic Risk Register  
8.2 Appendix 2 – City of Wolverhampton Council Risk Framework  
8.3 Appendix 3 – Update Report of Employee Recruitment and Retention Risk