

Report to Audit and Risk Assurance Committee

18 November 2021

Subject:	Strategic Risk Register Update Report
Director:	Director of Finance Simone Hines
Contact Officer:	Audit Services Business Partner Narinder Phagura Narinder_Phagura@sandwell.gov.uk

1 Recommendations







1.1 To note and comment on the strategic risks.

2 Reasons for Recommendations

- 2.1 Effective risk management is a key element of good corporate governance, as noted in the council's [Code of Corporate Governance](#), and is essential to the overall performance of the council in meeting its corporate plan objectives. Good risk management will ensure that resources are used efficiently and effectively, and that assets and resources are protected against risk in the most efficient way.
- 2.2 The role of the ARAC is to provide assurance to the Council that it has a system of governance, risk management and internal control in place and that the adequacy and effectiveness of these arrangements continue to inform decision making throughout the emergency and recovery period.



3 How does this deliver objectives of the Corporate Plan?

		The report details the key strategic risks that need to be managed to ensure that they do not negatively impact on the delivery of the Corporate Plan objectives.
		
		

4 Context and Key Issues

- 4.1 This report updates the Committee on the profile of the key risks currently faced by the Council since they were last reported in July 2021.
- 4.2 The risk register is a live document and reflects the Council's risk profile at the time of preparing this report in November 2021. The risks undergo ongoing review to ensure they remain appropriate and are correctly assessed in order to aid informed decision making and resource allocation.
- 4.3 The Strategic risk register does not include all of the risks faced by the Council. Other risks are captured within directorate, programme and project risk registers in line with the Council's risk management framework.
- 4.4 The review and assessment of each strategic risk, has been discussed with the risk owners and discussed with the Leadership Team and Cabinet Members. A summary of the strategic risk register is included at appendix A. The following changes are noted since the last update to the Committee:
- Risk 4- Children's social care- the assessment of this risk has reduced to 12 (red). The reduction is due to the improvements in staffing levels. There are a number of Social Workers and Advanced Practitioners that have commenced employment or will be starting over the coming weeks. There is also a permanent senior leadership team in place in the operational area of the Trust. In addition to this, a recent review by Ofsted of the Council's



fostering service found all areas to be rated as “Good”, demonstrating a positive direction of travel.

- Risk 53- Oracle Fusion (previously referenced as Business Management System) – the target date for this risk has been updated from October 2021 due to delays in the project implementation.
- Risk 56- Towns Fund Programme- the assessment of this risk has increased from 9 (amber) to 12 (red) as a result of delays in the production of business cases and the full establishment of the programme management office (due to programme manager sickness absence). Remedial actions are being implemented including, the transfer of a senior Regeneration Officer to manage the programme; an external recruitment process is underway and additional resources have been allocated to the production of some of the business cases.

4.5 In addition to the above, a number of new risks have been identified for inclusion in the risk register as follows:

- Risk 27b – In year budget monitoring and management has been included in the register, which considers the arrangements in place to ensure the Council operates within the resources available and allocated in its budget and that planned savings and efficiencies are being delivered and achieved.
- Risk 61- Partner/ Contractor delivery of services. This risk considers the arrangements in place to ensure effective contract management arrangements are in place, in particular within the Council’s key contracts, to ensure compliance with the contract terms, good quality service delivery and to provide assurance on value for money.

4.6 A detailed update on each of these risks, including the measures in place to mitigate them is included within Appendix A.



5 Alternative Options

- 5.1 Whilst this report does not require a decision and therefore, alternative options do not need to be considered, when measures are being considered for the mitigation of each of the strategic risks, this takes into account any alternative options available.

6 Implications

Resources:	The authority's budget planning process is being reviewed to take account, as far as is practicable, the future impact of the pandemic to ensure that limited resources are appropriately allocated in light of the pandemic, to the reset and recovery plan for Sandwell and any new emerging priorities.
Legal and Governance:	There are numerous standards applicable to the management of risk within the local authority sector. Included amongst these is guidance from CIPFA/Solace, the British Standards Institute (BSI) and a set of joint standards published by the Institute of Risk Management (IRM), Alarm (The public sector risk management association) and AIRMIC (Association of Risk Managers in Industry and Commerce). Evidence that robust management of the authority's strategic risks is being undertaken demonstrates compliance with these standards. The management of COVID related risks will also take into account central government directives and regulatory guidance to ensure these are complied with.
Risk:	The report itself is an update of the key risks facing the Council.
Equality:	As a decision is not being sought in this report, it is not necessary to undertake an Equality Impact Assessment. However, when measures and decisions are being considered for the mitigation of risks, risk owners must take into account any equalities impact and whether an equalities impact assessment is required.



	The Council recognises that its workforce is instrumental in assisting the organisation in managing the strategic risks noted within this report (as set out in Appendix A) and thereby delivering the Council's priorities. As such, the Council must ensure that equalities implications and how they affect the workforce as well as the wider community are considered and underpin all decisions and risk mitigating actions.
Health and Wellbeing:	The management of risk takes into account where appropriate, the implications on health and wellbeing of our communities.
Social Value	The actions and decisions that are being considered for the mitigation of the strategic risks, will take into account the meeting of the Council's social value commitments.

7. Appendices

Appendix A – Strategic risk register summary as at November 2021

8. Background Papers

None

