# Audit and Risk Assurance Committee

**21 September 2023**

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| **Subject:** | Strategic Risk Register Update Report |
| **Director:** | Interim S151 Officer<br>Brendan Arnold |
| **Contact Officer:** | Audit Services and Risk Management Manager<br>Peter Farrow<br>peter_farrow@sandwell.gov.uk |

## 1 Recommendations

1.1 To note and comment on the strategic risks prior to reporting to Cabinet.

## 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 Audit and Risk Assurance Committee is to help 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.

## 3    How does this deliver objectives of the Corporate Plan?

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| | Best start in life for children and young people |
| | People live well and age well |
| | Strong resilient communities |
| | Quality homes in thriving neighbourhoods |
| | A strong and inclusive economy |
| | A connected and accessible Sandwell |
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| | The report details the key strategic risks that need to be manged 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 strategic risks currently faced by the Council since they were last reported in March 2023.

4.2    The strategic risk register is a live document and reflects the Council's risk profile at the time of preparing this report in September 2023. The risks undergo ongoing review to ensure they remain appropriate and are 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 the Leadership Team. A summary of the strategic risk register is included at appendix A. The key following changes are noted since the last update of the register to the Committee:



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- Previous risk 6a on Emergency Planning, as the target risk score was achieved it has been de-escalated to the Borough Economy Directorate Risk Register and will be monitored through that route.
- Previous risk 63a on the establishment of a Local Authority Trading Company (LATC) for the Management of nine of the Council's Leisure Centres has been archived as Sandwell Leisure Trust will continue to deliver services until 2027. as red.
- Previous risk 50 on the Sandwell Aquatic Centre has been closed as the centre successfully opened in July 2023.
- A new risk (risk 71) has been introduced regarding Strategic Workforce Development for Adult Social Care Recruitment, Retention and Sickness Absence in order to reflect the challenging environment in this area.

4.5    The following associated risks are being subject to a wider review, while it is not envisaged that there will be any significant change in the risk scores an update will be presented to the November meeting of the Audit and Risk Assurance Committee:

- Medium Term Financial Plan and Resource Allocation
- Future Government Policies and Funding Sources
- Budget Monitoring and Management
- Oracle e-Business Suite
- Partner Organisations/Contractors Service Delivery
- Inflation

4.6    An update on the current risks, including the measures in place to mitigate them are included within Appendix A.

**5      Alternative Options**

5       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

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| **Resources:** | The authority's budget planning process incorporates financial and other resources required to manage the authority's risks and deliver the priorities within the corporate plan. |
| **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. |
| **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.<br>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. |



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| 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. |
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| **Climate Change** | 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 climate change commitments, and there is a current risk on the register relating to Climate Change. |

## 7.    Appendices

Appendix A – Strategic risk register summary as at September 2023

## 8.    Background Papers

None