# Audit and Governance Committee 25 September 2023 Risk Management Update

## For Review and Consultation

Portfolio Holder: Cllr S Flower, Leader of the Council

**Executive Director:** J Mair, Corporate Director, Legal & Democratic

Report Author: Marc Eyre

Title: Service Manager for Assurance

Tel: 01305 224358

Email: <u>marc.eyre@dorsetcouncil.gov.uk</u>

Report Status: Public

**Brief Summary:** The continual development and promotion of risk management will ensure that Dorset Council remains well placed to demonstrate that objective and informed decisions are taken. The Senior Leadership Team own strategic risk management, with an agreed risk management framework and appetite statement both of which set out the Councils commitment. The focus of this report is to provide an overview of the highest level risks identified within the service risk registers.

**Recommendation**: That Audit and Governance Committee note the key risks identified in the risk registers, with escalation to Scrutiny Committees where appropriate.

**Reason for Recommendation**: To ensure that the Council's risk management methodologies remain current, proportionate, and effective in enabling risk informed decisions to be made.

#### 1. Report

- 1.1 A <u>PowerBl dashboard</u> has been developed by colleagues within the Business and Intelligence team that helps to present improved graphical focus and accessible information surrounding risk management across directorates and teams.
- 1.2 There are ten strategic risk themes informed by operational service level risks owned by Heads of Service and Service Managers.

Current Risk Themes				
Communities	Political & Leadership			
Compliance	Safeguarding			
Digital & Technology	Service Delivery			
Finance	Transformation			
Health, Safety & Wellbeing	Workforce			

- 1.3 Councillors can view the full schedule of risks by theme from this link.
- 1.4 Both the People and Health Scrutiny Committee and Place and Resources Scrutiny Committee consider the detail of individual risks. The role of Audit and Governance Committee is to satisfy itself over the adequacy of the risk management framework.
- 1.5 As reported at the October 2022 Committee meeting, an action plan has been developed to respond to recommendations from the South West Audit Partnership review of the Council's risk management arrangements. This report recognised that the Council has developed and refined a functional system of risk management between officers and elected members, and that stakeholders cited the support provided positively. However, it was recognised that further work was necessary to embed risk management across services, which presented resourcing challenges.
- 1.6 A recruitment process has recently been concluded for a Risk Management and Reporting Officer, who will be working within the Business Intelligence and Performance team. Once they have commenced duties at the beginning of October 2023 work can commence

on the key actions identified within the SWAP report will commence, after a period of role familiarisation. This includes:

- A review of the Council's risk appetite;
- Reviewing and rolling out further training for risk owners;
- Enabling a process of peer challenge of risk scoring;
- Ensuring a consistent process of review and challenge across all Directorates.
- 1.7 With the absence of a dedicated risk management resource since June, it is noted that there is a higher proportion of risks that have not been reviewed within the last quarter. The responsibility for update rests with individual risk owners rather than the risk function, but this demonstrates the need for regular prompts and challenge. A key change to note however is that four of the property related risks previously showing as "Extreme" and discussed at previous meetings have now been downgraded to reflect positive improvements in the risk profile.

### 2. Financial Implications

No budget implications specifically, although unmanaged risks may pose a threat to the Council's financial stability. Identified risk improvement measures may also have direct budget implications, each of which need to be subject to a cost/benefit analysis prior to implementation.

#### 3. Climate Implications

None specifically, however the risk register itself identifies several climate related risks.

#### 4. Well-being and Health Implications

Health, safety, and wellbeing is identified as one of our corporate risk themes.

#### 5. Other Implications

None

#### 6. Risk Assessment

Having considered the risks associated with this decision; the level of risk has been identified as:

Current Risk: HIGH

Residual Risk: HIGH

The risk level is identified as High as Appendix A provides an update on those High-level risks which are currently identified within the Council's risk register.

## 7. Equalities Impact Assessment

None specifically, however the risk register itself identifies several equality related risks.

### 8. Appendices

Appendix A - Summary of Extreme Risks

## 9. Background Paper

None

## **APPENDIX A**

# Audit and Governance Committee

# 25 September 2023



Risk Management Exception - Quarterly Update Report

**Extreme Risks** 

14 September 2023

Impact	Catastrophic	5	10	15	20	25
	Major	4	8	12	16	20
	Moderate	3	6	9	12	15
	Slight	2	4	6	8	10
	Limited	1	2	3	4	5
		Very Unlikely	Unlikely	Possible	Likely	Certain
	Likelihood					

## **Assessing Likelihood**

In assessing likelihood, the following 1 to 5 scoring system is to be followed:

Likelihood	<b>Certain</b> Score 5	Reasonable to expect that the event WILL happen, recur, possibly or frequently
	Likely	Event is MORE THAN LIKELY to occur.
	Score 4	Will Probably happen, recur, but is not a persisting issue.
	Possible	LITTLE LIKELIHOOD of event occurring.
	Score 3	It might happen or recur occasionally.
	Unlikely	Event NOT EXPECTED.
	Score 2	Do not expect it to happen or recur, but it is possible that it might do so.
	Very Unlikely	EXCEPTIONAL event.
	Score 1	This will probably never happen or recur.

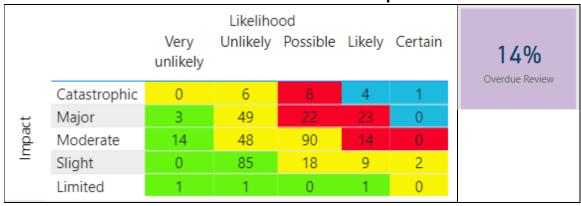
#### **Assessing Impact**

In assessing Impact, the following 1 to 5 scoring system is to be followed:

	Catastrophic	Multiple deaths of employees or those in the Council's care; Inability to
Impact	Score 5	function effectively, Council-wide; Will lead to resignation of Chief
		Executive and/or Leader; Corporate Manslaughter charges; Service
		delivery must be taken over by Central Government; Front page news
		story in National Press; Financial loss over £10m
	Major	Suspicious death in Council's care; Major disruption to Council's critical
	Score 4	services for more than 48hrs; Noticeable impact achieving strategic
		objectives; Will lead to resignation of Senior Officers and/or Cabinet
		Member; Adverse coverage in National press/Front page news locally;
		Financial loss £5m-£10m
	Moderate	Serious Injury to employees or those in the Council's care; Disruption to
	Score 3	one critical Council Service for more than 48hrs; Will lead to resignation
		of Head of Service/Project Manager; Adverse coverage in local press;
		Financial loss £1m-£5m
	Slight	Minor Injury to employees or those in the Council's care; Manageable
	Score 2	disruption to services; Disciplinary action against employee; Financial loss £100k-£1m
	Limited	Day-to-day operational problems; Financial loss less than £100k
	Score 1	

- The full Services Risk Register can be viewed from this link **HERE**
- And the PowerBI risk dashboard from **HERE**

## **OVERALL RISK SUMMARY – As at 14 September 2023**

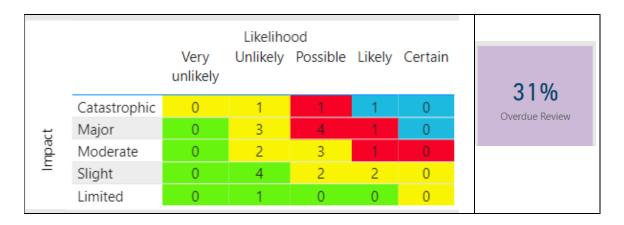


## **People Directorate for Adults and Housing**



Adults and Housing Extreme Risks - None

## **People Directorate for Children's Services**

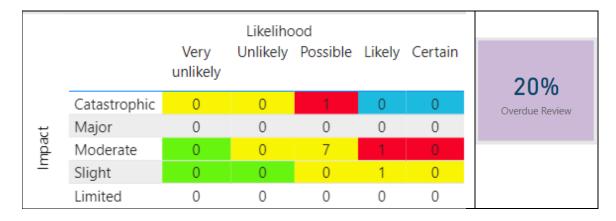


#### **Children's Services Extreme Risks**

#### **Schools & Learning**

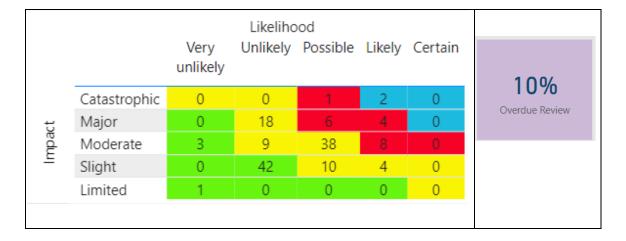
• Risk 272 - Failure to stabilise the budget for the High Needs Block

### **Public Health**



Public Health Extreme Risks - None

## **Corporate Services**

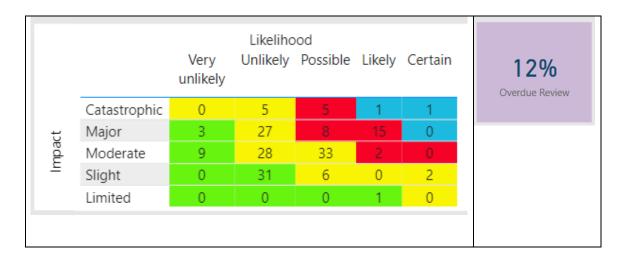


#### **Corporate Services Extreme Risks**

#### **ICT Operations**

- Risk 286 Loss of ICT service or data through a cyber-attack
- Risk 348 There is a business continuity risk from delayed ICT recovery after a disruption such as a power failure

## **Place Directorate**



#### **Place Extreme Risks**

#### **Assets & Regeneration**

• Risks 703 – Failure to identify and manage any Radon exposure across the Dorset Council property estate

#### Place Based Services – COMMERCIAL WASTE & STRATEGY

• Risk 381 - Cost of contracted services (HRCs operation, transportation) increases when retendered