

# **Audit and Governance Committee**

## **15 April 2024**

### **Risk Management Update**

#### **For Review and Consultation**

**Portfolio Holder:** Cllr S Flower, Leader of the Council

**Executive Director:** A Dunn, Executive Director, Corporate Development

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**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 Council's commitment. The focus of this report is to provide an overview of the highest-level risks identified within the service risk registers.

**Recommendation:** The 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 [PowerBI dashboard](#) 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 previous meetings, an action plan has been developed to respond to recommendations from the Southwest 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 The previous Audit and Governance Committee Risk Management Update, presented on the 15 January 2024 showed the overall level of risks overdue at 59%, on the 27 December 2023. As of the 19 March 2024 this stands at 10% overdue following renewed efforts by colleagues in Business Intelligence and Performance in prompting and coaching Risk

Owners as well as the support of the Risk Management & Reporting Officer.

## **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. Natural Environment, Climate & Ecology 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: N/A

Residual Risk: N/A

This is a report detailing the Risks faced by Dorset Council and therefore does not have a rating to consider relating to a decision. Appendix A provides an update on those Extreme 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 Papers**

None.

10. **Report Sign Off**

11.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)

APPENDIX A

# **Audit and Governance Committee**

**15 April 2024**



Risk Management Exception - Quarterly Update Report

**Extreme Risks**

As at 19 March 2024

<b>Impact</b>	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
<b>Likelihood</b>						

### Assessing Likelihood

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

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

## Assessing Impact

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

<b>Impact</b>	<b>Catastrophic</b> Score 5	Multiple deaths of employees or those in the Council's care; Inability to 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
	<b>Major</b> Score 4	Suspicious death in Council's care; Major disruption to Council's critical 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
	<b>Moderate</b> Score 3	Serious Injury to employees or those in the Council's care; Disruption to 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
	<b>Slight</b> Score 2	Minor Injury to employees or those in the Council's care; Manageable disruption to services; Disciplinary action against employee; Financial loss £100k-£1m
	<b>Limited</b> Score 1	Day-to-day operational problems; Financial loss less than £100k

## OVERALL RISK SUMMARY – As at 19 March 2024

		Likelihood					10% Overdue Review
		Very unlikely	Unlikely	Possible	Likely	Certain	
Impact	Catastrophic	1	6	6	3	0	
	Major	5	48	23	22	0	
	Moderate	13	55	89	15	1	
	Slight	3	81	18	8	1	
	Limited	1	1	0	1	0	

## People Directorate for Adults and Housing

Impact	Likelihood					5% Overdue Review
	Very unlikely	Unlikely	Possible	Likely	Certain	
Catastrophic	0	0	0	0	0	
Major	0	0	3	3	0	
Moderate	2	9	12	2	0	
Slight	1	8	0	3	0	
Limited	0	0	0	0	0	

**Adults and Housing Extreme Risks - None**

## People Directorate for Children's Services

Impact	Likelihood					4% Overdue Review
	Very unlikely	Unlikely	Possible	Likely	Certain	
Catastrophic	0	1	0	1	0	
Major	0	3	5	1	0	
Moderate	0	2	3	1	0	
Slight	0	4	2	2	0	
Limited	0	1	0	0	0	

**Children's Services Extreme Risks:**

[Risk 272 - Failure to stabilise the budget for the High Needs Block](#)

## Corporate Development

		Likelihood					<b>8%</b> Overdue Review
		Very unlikely	Unlikely	Possible	Likely	Certain	
Impact	Catastrophic	1	1	0	2	0	
	Major	2	20	8	4	0	
	Moderate	2	18	38	8	0	
	Slight	1	45	9	1	0	
	Limited	1	0	0	0	0	

### Corporate Development Extreme Risks:

[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

		Likelihood					<b>14%</b> Overdue Review
		Very unlikely	Unlikely	Possible	Likely	Certain	
Impact	Catastrophic	0	4	6	0	0	
	Major	3	25	7	14	0	
	Moderate	9	26	34	3	0	
	Slight	1	23	7	2	1	
	Limited	0	0	0	1	0	

**Place Extreme Risks - None**

## Public Health

		Likelihood				
		Very unlikely	Unlikely	Possible	Likely	Certain
Impact	Catastrophic	0	0	0	0	0
	Major	0	0	0	0	0
	Moderate	0	0	2	1	1
	Slight	0	1	0	0	0
	Limited	0	0	0	0	0

**(Blank)**

Overdue Review

**Public Health Extreme Risks - None**