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

Report Author: Chris Swain

Job Title: Risk Management & Reporting Officer

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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 Councils 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 <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 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

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

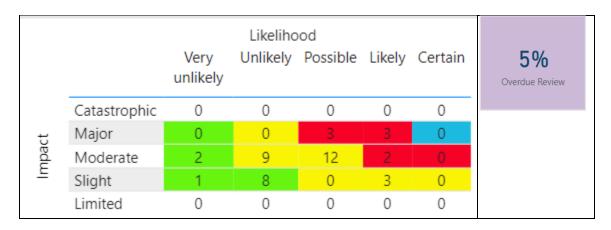
Assessing ImpactIn assessing Impact, the following 1 to 5 scoring system is to be followed:

Central Government; Front page news story in National Prefinancial loss over £10m Major Suspicious death in Council's care; Major disruption to Council's care; Major disruption of Senior Office 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 one critical Council Service for more than 48h 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 disruption to services; Disciplinary action againemployee; Financial loss £100k-£1m				browning i to 3 scoring system is to be followed.
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'			_	Manageable disruption to services; Disciplinary action against
				Day-to-day operational problems; Financial loss less than £100k

OVERALL RISK SUMMARY – As at 19 March 2024

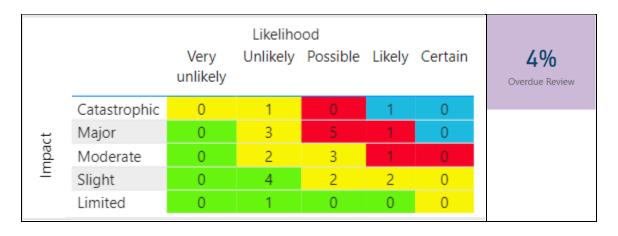
	Likelihood Very Unlikely Possible Likely Certain unlikely						10% Overdue Review	
	Catastrophic	1	6	6	3	0		
t	Major	5	48	23	22	0		
Impact	Moderate	13	55	89	15	1		
=	Slight	3	81	18	8	1		
	Limited	1	1	0	1	0		

People Directorate for **Adults and Housing**



Adults and Housing Extreme Risks - None

People Directorate for **Children's Services**



Children's Services Extreme Risks:

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

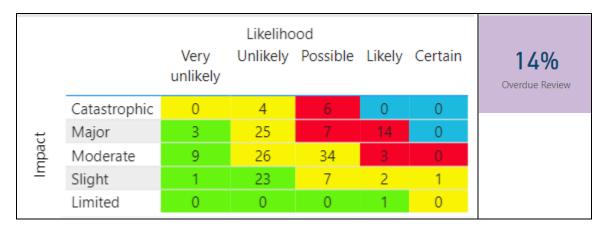
Corporate Development

	Likelihood Very Unlikely Possible Likely Certain unlikely						
	Catastrophic	1	1	0	2	0	
ct	Major	2	20	8	4	0	
Impact	Moderate	2	18	38	8	0	
드	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



Place Extreme Risks - None

Public Health

		Very unlikely	Likeliho Unlikely	ood Possible	Likely	Certain	(Blank) Overdue Review
	Catastrophic	0	0	0	0	0	
ct	Major	0	0	0	0	0	
Impact	Moderate	0	0	2	1	1	
드	Slight	0	1	0	0	0	
	Limited	0	0	0	0	0	

Public Health Extreme Risks - None