

Audit and Governance Committee

12 January 2026

Risk Management Update For Review and Consultation

Cabinet Member:

Cllr N Ireland, Leader of the Council, Climate, Performance and Safeguarding

Local Councillor(s):

N/A

Senior Leadership Team:

S Ford, Corporate Director, Strategy, Performance and Sustainability

Report author and job title:

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Statutory Authority:

Although there is no statutory requirement for a risk management update, Dorset Council's Constitution and governance best practice set a clear expectation that the Audit and Governance Committee should receive and review regular updates on risk management and make recommendations on the adequacy of risk management arrangements.

Report status: Public (the exemption paragraph is N/A)

1. Executive summary

- 1.1 This report provides an update on Dorset Council's Strategic Risks for quarter 2 of 2025/26 (July-September 2025). It also highlights progress since the previous risk update presented to the Audit and Governance Committee on 13 October 2025 and sets out the next steps for strengthening the council's risk management framework in 2026.

Compliance

- 1.2 The council achieved 100% compliance with the risk register for quarter 2, with Strategic Risks (Appendix A) reported through our Strategic Performance and Risk Framework.

Work completed since the last committee meeting

- 1.3 Following further work with directorates, the council's Strategic Risks are now drafted in a clear, accessible and consistent format (see Appendix A). This is to ensure that risk management remains transparent and easy to understand.
- 1.4 In October 2025, Dorset Council published its Enterprise Risk Management Framework, bringing together risk management practices into a single organisational standard. Work is now underway to embed this framework across the council, ensuring that decisions take account of risk and support our strategic objectives. Supporting this effort is the new Risk Dashboard, a tool designed for internal use and accessible to the Audit and Governance Committee, providing greater insight and enabling a more thematic approach to risk management reporting.

Work Planned for 2026

- 1.5 Looking ahead, from April 2026, risk reporting will adopt a thematic approach, enabling analysis through multiple lenses such as Principal Risks, organisational objectives, and emerging trends, as well as potential anomalies in Dorset Council's risk environment.
- 1.6 To build organisational capability, a Risk Management and Performance Learning Pathway is being developed in collaboration with the Learning and Development team.
- 1.7 The risk scoring matrix is under review to strengthen impact and likelihood scales, incorporating automation for improved usability, data quality and insights.
- 1.8 Work is also progressing to align South-West Audit Partnership (SWAP) audits with the council's risk management framework, ensuring a risk-based response consistent with organisational appetite.
- 1.9 These developments reflect Dorset Council's commitment to strengthening its risk management framework through improved tools, clearer articulation, and a forward-looking approach that embeds risk appetite and thematic reporting. Collectively, these initiatives will enhance governance, support informed decision-making, and ensure resilience in delivering organisational objectives.

2. Recommendation(s)

- 2.1 That the committee:
 - **Note** the Quarter 2 risk data and identify any areas for future committee focus or where deeper assurance may be required.

- **Note** the actions undertaken since the last risk management update on 13 October 2025.
- **Agree** to a more dynamic approach to risk management reporting to committee, incorporating thematic analysis and highlighting anomalies within the risk environment, starting April 2026.
- **Note** the work planned for delivery in 2026 to strengthen Dorset Council's risk management framework.

3. Reason for the recommendation(s)

- 3.1 To ensure that the council's risk management approach enables informed, risk-based decision-making while remaining proportionate and aligned with organisational objectives and key deliverables.

4. The report

- 4.1 Quarter 2 has achieved another cycle of 100% Risk Register compliance with all Strategic Risks having been reviewed to ensure their articulation is clear and accurately scored, relevant and proportionate to the organisation's needs. Appendix A provides a summary of these Strategic Risks based on their revised articulations.
- 4.3 Following the Audit and Governance Committee meeting on 13 October 2025, Dorset Council's Enterprise Risk Management Framework was published, consolidating previously separate risk management information into a single organisational standard. In November, internal communications were issued to help familiarise officers with the framework and promote a consistent approach to risk management. This unified approach supports Dorset Council's strategic objectives and enhances service delivery for our communities. Dorset Council's Risk Management Framework is available [here](#).
- 4.4 The new risk dashboard is now fully operational, with all directorate data successfully migrated to the platform. As agreed at October's committee, a dashboard demonstration was provided to Audit and Governance Committee members. While the dashboard is an internal tool, the insights it provides will help shape public reports and guide approaches to managing organisational risks.
- 4.5 With the dashboard's enhanced functionality, it is possible to present risk management information through multiple perspectives, such as Principal Risks, specific council plan priorities as well as identifying potential anomalies within the risk environment and risks by exception. This approach will also allow

flexibility for the committee to request themes or areas of focus for discussion and deeper assurance.

4.6 The coming year presents an opportunity to improve Dorset Council's risk management framework, supporting the level of risk appetite set by Cabinet and the Senior Leadership Team. The Risk Management & Reporting Officer, supported by the Policy, Intelligence and Performance service, will focus on the following areas:

- Engagement with the Learning and Development team to create a Risk Management & Performance Learning Pathway. This will enable the organisation to adopt, at all levels, the principles outlined in the Enterprise Risk Management Framework, including building familiarity with risk appetite.
- A review of Dorset Council's Risk Scoring Matrix, focusing on the impact and likelihood scales. This review will provide more granular detail on the factors that determine impact and likelihood scores, enabling deeper analysis and better-informed control strategies. It will also embed the Council's risk appetite into the scoring process to guide responses to risk ratings. Engagement with subject matter experts across the organisation is in progress to ensure the revised matrix is robust, future-ready, and incorporates appropriate levels of automation to enhance usability and improve the quality of risk data, pinpointing potential anomalies. The Audit and Governance Committee will be kept updated and actively engaged as this work progresses.
- Alignment of audit work completed by SWAP with our risk management framework. This alignment will provide a risk-based approach to managing and responding to SWAP audits, including adopting a response strategy consistent with Dorset Council's risk appetite. This will help the committee to identify which open actions present the highest residual risk exposure to the authority.
- The technical details of this process are currently being finalised through transitional arrangements with SWAP, as the Policy, Intelligence and Performance service prepares to take on reporting responsibilities for SWAP audits to the committee.
- Further details will be shared in the April risk management update to committee, but as an initial step, the service has mapped audit titles to a single "lead" Principal risk. We recognise that some audits will relate to multiple Principal risks. To address this, the next stage of analysis will tag each individual audit action to a Principal risk, enabling review of residual

risk exposure both by audit and Principal risk. This work is ongoing, but an initial summary table is provided to demonstrate our approach and commitment to transparency.

Principal risks	Aligned Audit Titles	Number of outstanding actions (P1, 2 and 3)
Commercial	4631 - Implementation of investigation action plan	33
Data and information management	4601 – Data Maturity	10
	4630 – ICT Assurance Mapping	2
Finance	2737 – Brokerage Service	1
	3883 – Contract & Expenditure Compliance with Council Constitution & Scheme of Delegation	2
	4012 – Maintained Schools Financial Management – Schools Testing	2
	4180 – Subject Access Requests	2
Legal	4436 – Disclosure and Barring Service	3
	4443 – Application of Fixed Penalty Notices in School Absence	3
	4448 – Elective Home Education	6
	4462 – Extended Role of Virtual School and MOU	1
Operations	4012 – Maintained Schools Financial Management – Schools Testing	2
	4445 – Family Hubs Programme Phase 1	2
People	Non-opinion Audits	N/A
Project / programme	Non-opinion Audits	N/A
Property	Non-opinion Audits	N/A
Reputation	4438 – Home Transport Appeals	2
Security	4261 – ICT Change Management	2

Principal risks	Aligned Audit Titles	Number of outstanding actions (P1, 2 and 3)
	4630 – ICT Assurance Mapping	2
Technology	Covered under other Principal Risks	N/A

4.7 The next risk report to the committee will be presenting quarter 3 risk data on 27 April 2026.

5. Alternative options considered

5.1 None

6. Legal considerations

6.1 There are no direct legal implications arising from this report. However, unmanaged risks could compromise Dorset Council's ability to meet its statutory obligations.

7. Financial implications

7.1 There are no direct financial implications arising from this report. However, unmanaged risks could threaten Dorset Council's financial stability. In addition, implementing risk controls may have budgetary impacts, which would be progressed through the appropriate governance in accordance with the Scheme of Delegation and the Council's Constitution.

8. Natural environment, climate & ecology implications

8.1 There are no specific implications for the natural environment, climate, or ecology arising from this report; however, the Corporate Risk Register does identify several risks within this category.

9. Well-being and health implications

9.1. There are no specific health or well-being implications arising from this report; however, the Corporate Risk Register does identify several risks within this category.

10. Other implications

10.1. None

11. Risk implications

11.1 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 report outlines Dorset Council's Risk Management Framework, along with its Strategic Risks. As the report is for information only, it does not require a risk decision rating. The appendix provides an update on the current Strategic Risks.

1. 12. Equalities

- 12.1 There are no specific equality implications arising from this report; however, the Corporate Risk Register does identify several risks within this category

13. Appendices

- 13.1 Appendix A – Strategic Risks (Quarter 2 2025-2026)

14. Background papers

- [Audit and Governance Committee Risk Management Update 13 October 2025](#)
- [Risk Management Framework - Dorset Council](#)

15. Report sign-off

- 15.1 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

12 January 2026



Strategic Risks

Quarter 2 2025-2026

Strategic Risks According to Impact and Likelihood Scores:

The table illustrates the spread of all Strategic Risks (identified by their ID's).

All Strategic Risks are reported to SLT and relevant Scrutiny Committees. Strategic Risks that are aligned with Council Plan priorities will be reported via the Council Plan performance monitoring dashboards when published later this year.

Impact	Catastrophic			194	91, 200	
	Major		39, 167	82, 106, 158, 164, 233, 245, 294, 313, 314	92, 127, 235	22
	Moderate		151, 169, 195, 231, 265, 285	29, 89, 90, 140, 153, 161, 197, 242, 244	145, 146	
	Slight	81		199		
	Limited	182	179	196		
		Very Unlikely	Unlikely	Possible	Likely	Almost Certain
		Likelihood				

Adults and Housing

ID	Adults and Housing Risk	Strategic Priority	Principal Risk(s)	Risk Rating
140	Due to high levels of adult safeguarding referrals, Dorset Council may fail to keep adults safe who have care and support needs, leading to potential harm or abuse	Communities for all	Legal, Operations, Reputation	Medium
145	The impact on the Adult Social Care Service user budget of funding for people who previously funded their own care in residential/nursing care settings and now require funding by the local authority.	Communities for all	Finance, Operations	High
146	Due to the demand on hospital bed stock, patients with higher complexity needs may be delayed hospital admission, leading to increased demand for Council run services	Communities for all	Operations, Reputation	High
151	As a result of capacity in the voluntary and community sector, Dorset council may not be able to provide sufficient care and support to residents, leading to a failure to deliver communities for all	Communities for all	Commercial, Operations, Reputation	Medium
153	Impact of rises in 25/26 Employers NI & NMW on the social care market, increase risk of service failure and / or contract handback. May limit new capacity available to meet incoming (and increasing) demand.	Key organisational deliverable, Communities for all	Commercial, Operations, Reputation	Medium

ID	Adults and Housing Risk	Strategic Priority	Principal Risk(s)	Risk Rating
158	The supply of homes and temporary accommodation is insufficient to meet demand	Provide high quality and affordable housing	Commercial, Operations, Project / programme, Property, Reputation	High
161	Poor quality private rented sector housing may lead to increased social, health and economic pressure on households and therefore higher demand for Council services	Provide high quality and affordable housing	Project / programme, Property, Reputation	Medium
164	Due to corporate, market and partnership conditions, the home-in on housing programme may not achieve the housing strategy objectives, leading residents being unable to access affordable, suitable, secure homes	Provide high quality and affordable housing	Finance, Operations, Reputation	High
167	Due to the abolition of NHS England, commissioning arrangements for local health services may be disrupted, leading to service delivery and financial sustainability consequences for social care	Communities for all	Commercial, Finance, Operations	Medium

Children's Services

ID	Children's Services Risk	Strategic Priority	Principal Risk(s)	Risk Rating
169	Difficulty recruiting or retaining qualified staff, may lead to service gaps, weakened safeguarding, and failure to meet children's needs early, increasing the likelihood of poor outcomes for children and families	Communities for all, Key organisational deliverable	Finance, Legal, Operations, People, Reputation	Medium
179	Due to low engagement in education, employment or training, care leavers may develop social and/or economic isolation, leading to poorer life outcomes and increased demand for local services	Communities for all	Finance, Operations, Reputation	Low
182	As a result of a lack in financial or strategic commitment, the Early Help Partnership may fail, resulting in the increased demand for statutory services including child protection and the number of children in care	Communities for all	Finance, Operations, Reputation	Low
194	Instability in the High Needs Block budget may create an increased deficit in the Dedicated Schools Grant (DSG) resulting in a deficit in Dorset Councils financial position.	Key organisational deliverable	Finance, Legal, Reputation	High
195	Due to demand for service provision, Education, Health and Care Plans may not be delivered within statutory timescales, leading to a failure to deliver children's educational needs and an increase in SEND tribunals	Communities for all	Legal, Operations, Reputation	Medium
196	Due to the transition of some schools to Academy Trusts, Dorset Council may face challenges in influencing KS2	Communities for all	Operations, Reputation	Low

ID	Children's Services Risk	Strategic Priority	Principal Risk(s)	Risk Rating
	attainment, potentially resulting in a limited ability to improve results beyond the national average			
197	Due to the removal of the ability for Early Years (EY) settings to charge 'top ups' for early education funded places, there may be insufficient early education places available	Communities for all	Operations, Reputation	Medium

Corporate Development

ID	Corporate Risk	Strategic Priority	Principal Risk(s)	Risk Rating
81	As a result of slower economic growth, Dorset Council may see a stagnation in revenue streams, creating budget pressures that impact the Council's ability to fund services	Grow our economy	Finance, Reputation	Low
82	Due to a breach in the oversight and control framework, contract and expenditure approvals may breach constitutional requirements, resulting in overspends and financial mismanagement	Key organisational deliverable	Commercial, Finance, Legal, Reputation, Security	High
89	Due to local government funding arrangements, Dorset Council may have to reduce its workforce in lieu of transformation, leading to insufficient resource to deliver services	Key organisational deliverable	Finance, Operations, People	Medium

ID	Corporate Risk	Strategic Priority	Principal Risk(s)	Risk Rating
90	As a result of the impact of change due to transformation, Dorset Council may be unable to retain necessary staff and maintain employee wellbeing, leading to a skills gap and reduced organisational resilience	Key organisational deliverable	Operations, People	Medium
91	As a result of a successful cyber-attack, Dorset Council's IT systems may be compromised, leading to a loss of service or data	Key organisational deliverable	Data and information management, Finance, Legal, Operations, Security	Very High
92	Because of a disruption such as a power failure, Dorset Council's ICT recovery may be delayed, leading to operational disruption	Key organisational deliverable	Data and information management, Finance, Legal, Operations, Reputation, Security, Technology	High
106	Due to the effects of climate change and extreme weather events, Dorset Council may be unable to adapt its services and infrastructure leading to reduced resilience in service delivery to residents and in our communities	Respond to the climate and nature crisis	Finance, Legal, Property, Reputation	High
127	Due to inadequate levels of resourcing, the organisations transformation work may not achieve its objectives, leading to incomplete benefits to service delivery, customer experience and cost savings	Key organisational deliverable	Finance, Operations, People, Project / programme, Reputation	High

Legal and Democratic

ID	Legal and Democratic Risk	Strategic Priority	Principal Risk(s)	Risk Rating
22	Due to a failure to effectively migrate and manage digital information, Dorset Council may be unable to access or trust its data, leading to disruptions in business operations and decision making	Key organisational deliverable	Data and information management, Operations, Reputation, Security, Technology	Very High
29	Emergency Planning - Lack of robust business continuity framework (policy and processes; testing and leadership) results in service failure	Key organisational deliverable	Data and information management, Legal, Operations, Reputation, Security, Technology	Medium
39	Information Compliance - Dorset Council may not be able to demonstrate evidence such as required training levels to support the NHS Digital Toolkit leading to a withdrawal of access to NHS data and systems	Key organisational deliverable	Data and information management, Security, Technology	Medium

Place

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
231	Due to extreme weather events driven by climate change, Dorset Council may not have the resources to adapt its land drainage and waste water assets, leading to	Respond to the climate and nature crisis	Finance, Legal, Operations, Project /	Medium

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
	increased, flooding, environmental and Public Health hazards		Programme, Reputation	
233	Due to a failure to adhere to existing protocols, Dorset Council may be unable to provide assurance around building safety, leading to harm to public health and potential penalties	Key organisational deliverable	Finance, Legal, Property, Reputation	High
235	Due to functional discontinuity in resource, systems and process, Dorset Council may not be able to demonstrate sustained best practice across the leased Estate Management Service, leading to financial and legal penalties	Key organisational deliverable	Finance, Legal, Property, Reputation	High
242	As a result of the ambition within the Council Plan, Dorset Council may have inadequate resources to deliver economic growth priorities, leading to missed investment and reduced productivity	Grow our economy	Commercial, Finance, Reputation	Medium
244	Due to a declining youth population and limited higher education opportunities, Dorset may be unable to build a skilled local workforce, leading to an increased skills gap and business relocation	Communities for all, Grow our economy,	Finance, Project / Programme, Reputation	Medium
245	As a result of sea level rise and extreme weather events driven by climate change, Dorset Council may not have the	Respond to the climate and nature crisis	Finance, Legal, Operations, Project /	High

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
	resources to adapt its coastal defences, leading to low lying areas of the county being uneconomical to defend		Programme, Property, Reputation	
265	Due to increased EV uptake and scale of LTP programmes, Dorset Council may not deliver sufficient charging and transport infrastructure, leading to reduced growth, public health, environmental deterioration, and limits on housing targets	Grow our economy, Provide high quality affordable housing, Respond to the climate and nature crisis	Finance, Reputation	Medium
285	Due to pressures on land management and usage, Dorset Council may not meet Council Plan nature positive targets, leading to a decline in biodiversity	Communities for all, Respond to the climate and nature crisis	Finance, Legal, Reputation	Medium
294	Due to contractor failure and volatility in the waste disposal market, Dorset Council may be unable to secure reliable disposal routes, resulting in use of less favourable options and increased costs	Respond to the climate and nature crisis, Key organisational deliverable	Commercial, Finance, Operations, Reputation	High
313	High nutrient loads in protected wetland catchments may face delayed mitigation due to complexities around securing cross-agency mitigation solutions, resulting in planning consent delays for housing and economic development	Grow our economy, Provide high quality affordable housing, Respond	Finance, Legal, Operations, Reputation	High

ID	Place Risk	Strategic Priority	Principal Risk(s)	Risk Rating
		to the climate and nature crisis		
314	Due to timescales for submitting the Local Plan, Dorset Council may not have sufficient evidence to deliver a legally compliant and sound plan, delaying the Council's ability to adopt a holistic, comprehensive plan, which achieves sustainable development	Communities for all, Grow our economy, Provide high quality affordable housing, Respond to the climate and nature crisis	Finance, Legal, Project / Programme, Reputation	High

Public Health and Prevention

ID	Public Health and Prevention Risk	Strategic Priority	Principal Risk(s)	Risk Rating
199	Major incident involving synthetic opiates leads to disruption of normal business for the Public Health team	Communities for all	Operations, Reputation	Medium
200	As a result of health service reform, Dorset Council may incur additional unprovisioned responsibilities, leading to increased resourcing and budgetary pressures	Communities for all, Key organisational deliverable	Commercial, Finance, Operations, Reputation	Very High