Audit and Governance Committee

27 April 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 Substainability

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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 the Audit and Governance Committee with the first thematic risk management update, following the committee's agreement in January 2026 to adopt a more dynamic and analytical approach to risk reporting. The thematic model is designed to strengthen the committee's ability to provide independent assurance on the adequacy and effectiveness of Dorset Council's risk management framework, and internal control environment.

1.2 For this first cycle, the committee expressed interest in undertaking deeper analysis of two strategic level risks aligned to the Data and Information Management and Security Principal Risks. These risks, Risk 22 (Digital Information Management) and Risk 91 (Cyber Security), have been identified as among the most significant in their potential impact on delivering Dorset

Council’s key organisational objectives. Both sit at the higher end of the risk profile, with clear implications for operational resilience, information integrity, and service continuity. Their associated risk appetites (Open for information management and Averse for security) provide an important framing for consideration of the **“Annual Information Governance Report”** and **“Protecting our council - cyber security risk management and future improvement plans”** papers presented to this same committee meeting.

1.3 The transition to thematic reporting represents an opportunity to offer richer insights and support more targeted committee assurance activity, enabling the committee to assess the adequacy of controls and make recommendations to strengthen the internal control environment where appropriate.

1.4 Progress continues across several key areas of improvement within the risk management framework. Work remains ongoing with directorate leads to review and strengthen the Risk Scoring Matrix, ensuring clearer definitions of impact and likelihood, improved granularity, and embedding of risk appetite into scoring. This work also aims to introduce appropriate automation to enhance usability and the quality of risk data. An update on progress will be presented to the committee in June 2026.

1.5 The Policy, Intelligence and Performance Service is advancing its programme of work to align Southwest Audit Partnership (SWAP) audit activity with the Council’s risk management framework. This alignment supports a more risk-based approach to managing audit recommendations, ensuring that outstanding actions can be viewed through the lens of residual exposure and organisational risk appetite. A detailed account of progress will be provided in the **“Audit actions update Report”** to this same committee meeting.

1.6 Quarter 3 has achieved 100% Risk Register compliance, maintaining strong organisational discipline in the review and maintenance of strategic risks. This supports continued transparency and consistency in how risks are articulated, assessed, and monitored.

1.7 The next risk management update, scheduled for 29 June 2026, will present Quarter 4 risk data, along with updates on the Risk Scoring Matrix and further thematic analysis of the risk environment.

2. Recommendation(s)

That the committee:

- **Note** their selected Strategic Risks and their associated risk appetites, as context for the committee’s consideration of the **“Annual Information Governance Report”** and **“Protecting our council - cyber security risk management and future improvement plans”** papers presented to this meeting of the committee.

- **Consider** the adequacy of current risk controls and the appropriateness of the stated risk appetite for each principal risk and make recommendations to strengthen the internal control environment where appropriate.
- **Agree** to receive an update on the progress of the review of Dorset Council's risk scoring matrix at the next risk management update on 29 June 2026
- **Note** the Quarter 3 risk data (Appendix A) and identify any areas for future committee focus or where deeper assurance may be required, ahead of the thematic review scheduled for 29 June 2026.

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 Following agreement by the committee on the 12 January 2026, April's Risk Management Update is the first to be presented under the newly adopted thematic approach. This approach has been designed to support the committee in fulfilling its constitutional responsibility to:

> *"Provide independent assurance to the council on the adequacy and effectiveness of the governance, risk management framework and internal control environment."*

4.2 Committee members have expressed an interest in undertaking deeper analysis of two strategic level risks relating to the council's Data and Information Management and Security principal risks. As strategic risks, these have been identified collaboratively with senior leaders as among the most significant to the organisation's ability to deliver its key objectives.

Last year, following close collaboration with the committee, the organisation adopted a risk appetite statement, as part of the Risk Management Framework. This framework sets an agreed risk appetite for each Principal Risk, providing important context for the committee's review of the selected risks.

4.3 A summary table of the committee's selected strategic risks, alongside the associated Principal Risk and the adopted risk appetite, is provided below. Further detail is provided in the accompanying **"Annual Information Governance Report"** and **"Protecting our council - cyber security risk management and future improvement plans"** papers. These papers give the committee the opportunity to assess the adequacy of current controls, consider whether the stated risk appetite remains appropriate, and recommend any improvements to the internal control environment.

ID	Risk Title	Principal Risk	Risk Appetite	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	Data and information management	**Open:** "Dorset Council accepts that openness and information sharing is needed for effective operations in a controlled environment"	High
91	As a result of a successful cyber-attack, Dorset Council's IT systems may be compromised leading to a loss of service of data	Security	**Averse:** "Dorset Council has no tolerance for security risks causing loss or damage to its property, assets, information or people with stringent control measures in place"	Very High

Development of the Risk Management Framework

4.4 We continue to apply ongoing review and refinement of the Risk Management Framework. As the Risk Appetite becomes further embedded within directorates, we are identifying areas where stated appetite may not yet fully align with organisational culture and practice. This engagement, alongside the thematic approach with the committee, enables us to "stress test" our framework in practice and refine where needed.

Building on the commitments set out at January's committee, work continues in collaboration with directorate leads, to review and strengthen Dorset Council's Risk Scoring Matrix. This review will enhance the clarity and granularity of impact and likelihood definitions, incorporate automation and align more closely with the organisations risk appetite to improve usability and data quality. A progress update will be provided in the next Risk Management Update scheduled for 29 June 2026.

4.5 The Policy, Intelligence and Performance Service continues to progress the alignment of SWAP audit findings with the Council's risk management framework. This work will support a more risk-based response to audit actions, consistent with organisational risk appetite. A detailed update will be provided as part of the **"Audit actions update Report"** being considered at this committee.

Risk Reporting

4.6 Quarter 3 has achieved another cycle of 100% Risk Register compliance, with all strategic risks reviewed and updated in accordance with the Enterprise Risk Management Framework.

Appendix A sets out the full summary of the strategic risk profile. This includes Risk ID 200 – Health Service Reform, which is being managed through a senior level, cross directorate group to ensure appropriate oversight and coordination as the risk continues to evolve.

The committee is invited to note this position and to identify any areas where it may wish to request further assurance, or propose topics for future focus, in advance of the thematic review scheduled for 29 June 2026.

4.7 The next Risk Management Update will present Quarter 4 risk data at the committee meeting on 29 June 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.

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 3 2025-2026)

14. Background papers

14.1 Audit and Governance Committee Risk Management Update 12 January 2026

14.2 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

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Strategic Risks

Quarter 3 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 are reported via the Council Plan performance monitoring dashboards.

Impact	Catastrophic			**194**	**91**	
	Major	**196**	**39, 167**	**82, 106, 158, 164, 245, 294, 313, 314**	**22, 92, 127**	**200**
	Moderate		**169, 195, 231, 265, 285**	**29, 89, 90, 140, 153, 161, 197, 233, 235, 242, 244**	**145, 146**	
	Slight	**81**	**151**	**199**		
	Limited	**182**	**179**			
		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	Low
153	Impact of rises in NLW 26/27	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	Date 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	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 wastewater 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	Medium
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	Medium
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, Operations, 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 un-provisioned responsibilities, leading to increased resourcing and budgetary pressures	Communities for all, Key organisational deliverable	Commercial, Finance, Operations, Reputation	Very High