



## AUDIT & SCRUTINY COMMITTEE

11 July 2023

<b>REPORT TITLE:</b>	Risk Management Update
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director

### REPORT SUMMARY

This report updates the Audit & Scrutiny Committee on the status of the Council's 2023/24 Strategic Risk Register.

The number of very high risks has reduced to one since the last report to the committee, the one remaining relates to Cyber Threat. The risk that has reduced slightly relates to the General Fund Budget.

There is one new risk this quarter regarding the partnership between Brentwood Borough Council and Rochford District Council.

### RECOMMENDATIONS

That the Committee notes the report.

## SUPPORTING INFORMATION

### 1.0 REASONS FOR RECOMMENDATIONS

1.1 Effective risk management arrangements help enable the Council to achieve its corporate priorities. Risk management is the process by which officers assess the likelihood and impact of differing risks and take proportionate action/make decisions to reduce the likelihood of the risk occurring, as well as to reduce the adverse impact if it occurs. Members are asked to review and note the strategic risks and accompanying risk register.

### 2.0 OTHER OPTIONS CONSIDERED

2.1 None.

### 3.0 BACKGROUND INFORMATION

3.1 A risk management report and register is considered quarterly by the Corporate Leadership Team, to ensure that strategic risks are updated to reflect ongoing changes to the internal and external environment. In addition to this, the Risk & Insurance Manager liaises with service heads on an ongoing basis to maintain active management of risks, including strategic, operational, contract and project risks.

3.2 Appendix A sets out the strategic risks, each of which is the responsibility of a risk owner. Each risk is scored (out of five) for both likelihood and impact, with a combined score arrived at by multiplying one by the other. Guidance on scoring is set out in the risk ranking table in Appendix B.

3.3 Each quarterly risk report will highlight and explain the very high risks, any changes to risk scores and any new risks or risks that have been removed from the strategic risk register. Even if a risk is not included in the strategic risk register, it does not mean that it is not being managed – only that it does not require the intervention of CLT to help manage it. The last report to Audit & Scrutiny Committee was on 7 March 2023.

3.4 Very high risks

- Risk 13 (Cyber Threat). A recent extensive cyber audit provided moderate assurance. An action plan has now been put in place to address and reduce the risk.

3.5 Change to risk scores

- Risk 7 (General Fund Budget). This risk has been reduced slightly as the draft 2022/23 accounts show a small underspend and protection of working balances. The Medium Term Financial Strategy currently shows a balanced budget position.

3.6 New/removed risks

- Risk 15 (Partnership between Brentwood Borough Council & Rochford does not deliver the benefits originally envisaged). Measures in place to mitigate this risk include a governance structure that facilitates review through Check and Challenge meetings, ensuring delivery through the Project Team and provides oversight through the Programme Board. All Directors and Service Managers have embedded roles within the programme, with clear objectives.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 None arising specifically from this report, but some risks include financial risks and some control measures identified in the risk register could have financial implications.

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#### **5.0 LEGAL IMPLICATIONS**

5.1 Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

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## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 None.

## **7.0 RELEVANT RISKS**

7.1 The report itself is in relation to strategic risks.

## **8.0 ENGAGEMENT/CONSULTATION**

8.1 None.

## **9.0 EQUALITY IMPLICATIONS**

9.1 None.

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## **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 Economic implications are contained within the report and identified in risk registers.

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### **APPENDICES**

Appendix A: Strategic Risk Register

Appendix B: Risk ranking table

### **BACKGROUND PAPERS**

Insurance and Risk Management Strategy

