

Report To:	AUDIT COMMITTEE
Date:	23RD NOVEMBER 2023
Heading:	CORPORATE RISK – QUARTER 2 POSITION 2023/2024
Executive Lead Member:	LEADER
Ward/s:	ALL
Key Decision:	NO
Subject to Call-In:	NO

Purpose of Report

For Audit Committee to review the Corporate Risk Register and the analysis of movement in risk and mitigating actions in respect of those risks.

Recommendation(s)

- **To note the current significant items on the Corporate Risk Register and to consider whether any further immediate actions are necessary to mitigate those risks.**

Reasons for Recommendation(s)

To prioritise and manage the mitigation of Risk in order that the Council can achieve its objectives.

Alternative Options Considered

None. In accordance with the Corporate Risk Strategy, it is the role of Audit Committee to monitor the Council's risk management and internal control arrangements, as part of the established quarterly monitoring and to recommend action where necessary.

Detailed Information

All organisations are required to consider potential risks which may impede the delivery of corporate objectives. Effective risk management processes strengthen the ability of the Council to react to all situations and protect its own interests and those of the District, ensuring essential service delivery,

through actively managing and mitigating risk effectively and innovatively. The management of risk forms an integral part of the Council's business. Effectively managing our risks means that we can maximise opportunities and minimise the costs and disruption to the Council which may possibly be caused by undesired events.

All strategic risk at corporate and service level is incorporated into the Pentana performance system to enable quarterly updates at the same time as updating performance, therefore enhancing the consideration of risk in the delivery of services. All levels of risk are discussed bi-annually in detail with each Assistant Director as a standing agenda item for Performance Boards, led by the Chief Executive and Assistant Director – Policy and Performance.

In summary, overall, the current corporate risk position indicates the positive management of risk to date in 2023/24: -

- A total of seven risks have been removed from the Corporate Risk Register in the last 12 months.
- Most (85%) of remaining corporate risks have been effectively managed without an increase in risk assessment rating in the last 12 months.
- Positively, 54% of corporate risks have been effectively managed and mitigated with a reduction in risk assessment rating in the last 12 months.

Corporate Risk Register

The Corporate Risk Register (position as at end October,2023) is appended to this report.

There is a continued review of our corporate risk in alignment with the Corporate Risk Strategy and Risk Appetite Framework, and as such, the following changes have been made to the Corporate Risk Register in the last 12-month period: -

- Business Rates – this risk has been moved to service level due to being assessed as a low-level risk.
- Introduction of Universal Credit - is now managed as business as usual and has remained a low risk for 12 months. This will therefore be monitored at operational level.
- Kirkby Leisure Centre – ability to complete project on time, within budget and within scope – due to the project phases now being complete, this risk has been removed.
- Discontinuation of the outsourced procurement unit (New 2022/23)– as a new agreement is now in place with Nottinghamshire County Council this has been removed from the corporate risk register.
- Legal Services, lack of staffing resources and disruption caused by exiting shared service – This risk has been removed from the corporate risk register. The structure continues to be kept under close review to particularly keep in mind the level of resources needed to assist with the delivery of the Towns Fund and any other successful grant bids such as Levelling Up and UK prosperity fund. This risk has been transferred to service level for ongoing monitoring.
- HR Shared Service cessation (New 2022/23) -- During 2022/23 the two HR related risks were removed as the decision to maintain the shared service negated the existence of the risks.

Analysis of risks - Risk Rating Summary

	2016/17 Qu4	2017/18 Qu4	2018/19 Qu4	2019/20 Qu4	2020/21 Qu4	2021/22 Qu4	2022/23 Qu 4	2023/24 Qu2
Significant	9	7	4	12	11	7	7	3
Medium	6	10	10	12	12	7	6	10
Low	2	3	6	4	10	2	0	0
Total	17	20	20	28	33	16	13	13

The total number of Corporate Risks had previously increased significantly throughout the pandemic (2019 – 2021); however, our level of corporate risk has reduced as we have come out of the pandemic.

Four new risks were added to the Corporate Risk Register in 2022/23, two relating to the HR shared service, one in relation to the Elections Act 2022 and one related to the cessation of the procurement service provided by Nottingham City Council. Three of these risks, as above, have now been removed from the Corporate Risk Register, and the risk relating to impact of the Elections Act has been reduced from significant to medium level.

Those risks which remain significant are: -

- Ability to meet statutory obligation process timescales (e.g. gas servicing). There has been no change to the assessment of this risk over the last 3 years since raising to corporate level. Following our servicing partner going into Administration the completion of the PH&SC/S remains challenging and we are currently managing the delivery of this process internally. We are still encountering numerous difficult to access properties who are reluctant to provide access to their home for these essential services to be completed.
- Ability to comply with the regulatory regime set out by the Regulator of Social Housing - assessment of this risk remains significant with increasing assessment of likelihood. The Housing Performance and Insight Officer is now in place. Work continues to be undertaken across the Operations Directorate (Housing) to ensure we meet the requirements of the Regulator of Social Housing and prepare for forthcoming inspections. An action plan is also in place.
- Workforce planning –inability to recruit and/or retain filled position to critical posts. This remains a significant risk due to ongoing challenges with recruitment and retention within an increasingly competitive market, reduced candidate pool, and lifestyle changes. The Council has now engaged LGA support to undertake an assessment of the Councils workforce planning capability against the LGA Workforce Planning Maturity Matrix. This will be conducted through a series of workshops which have now commenced.

Other risks

Project related risks- continued to be managed by both internal and external project managers and where the risk is close to or exceeding the tolerances acceptable then these are referred to the project sponsors for input. A risk register is required for each project and the project management framework is to be used as guidance for the management of all projects.

Fraud Risks – An Anti-Fraud and Corruption Project Group has been set up and is chaired by the Corporate Resources Director (S151 Officer) and has a selection of stakeholders from across the Council including a representative from the Central Midlands Audit Partnership (CMAP). The group has been set up to monitor and report on fraud related risks. The group meets every 3 months.

Programme Risks - The risks related to programmes are managed by each programme board that has been established. A separate Towns Fund risk register has been established and the Programme Risk Register will be reviewed by the Discover Ashfield Board.

Service Level Risks – These are managed by each individual Assistant Director/Service Manager and where there are tolerances expected to be exceeded beyond the levels set out in the Risk

Appetite Framework then these are to be referred for discussion with the relevant Executive Director who will then decide if these need to be included in the Corporate Risk Register. It may be that additional measures can be implemented to manage the risk and reduce the likelihood and impact.

Implications

Corporate Plan:

Effective risk management will enable the delivery of corporate and service level priorities, particularly ensuring our people, structures, systems, processes and practices are ‘fit for purpose’ and remove barriers to improvement and growth.

Legal:

No direct legal implications in respect of the recommendations in the report. Governance risks are outlined in the report and in the Corporate Risk Register. [RLD 10/11/2023]

Finance: [PH 13/11/2023].

Budget Area	Implication
General Fund – Revenue Budget	No direct financial implications arising from this report. There may be resource implications to the improvement or mitigation of risk. Financial risks are incorporated into the Corporate Risk Register.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	
Housing Revenue Account – Capital Programme	

Risk:

Risk	Mitigation
Lack of an effective risk management framework could result in the organisation having a poor understanding of the major obstacles or blockages that could potentially impact upon its ability to maximise the delivery of its objectives and provision of services to customers.	<ul style="list-style-type: none"> • Make risk management part of normal business and therefore incorporate within all decision-making processes, including key project delivery. • Integrate risk management into the culture of the Council and cascade awareness through all levels of leadership and beyond. • Ensure the organisation has a clear understanding of its risk maturity level and is taking steps towards improving this to a desired level.

Human Resources:

There is a need to ensure that Assistant Directors are clear with regards to the Corporate Risk Strategy and the requirement to follow the consistent processes contained therein. Risk Management training is a priority and online refresher training has been designed and is currently being scheduled for Members and Officers.

Environmental/Sustainability

No direct implications

Equalities:

No direct implications

Other Implications:

Not applicable

Reason(s) for Urgency

Not applicable

Reason(s) for Exemption

Not applicable

Background Papers

Detailed Corporate Risk Register – Quarter 2 2023/24

Report Author and Contact Officer

Jo Froggatt
ASSISTANT DIRECTOR – POLICY AND PERFORMANCE
joanne.froggatt@ashfield.gov.uk
01623 457328

Sponsoring Director

Craig Bonar
EXECUTIVE DIRECTOR TRANSFORMATION
craig.bonar@ashfield.gov.uk
01623 457203