

Committee: **Governance and Audit Committee**
 Date of meeting: **22nd November 2023**
 Report Subject: **Corporate Risk Register Q2 2023 / 2024**
 Portfolio Holder: **Cllr S Thomas – Leader of the Council and Cabinet Member Corporate Overview and Performance**
 Report Submitted by: **Rhian Hayden – Chief Officer Resources**

| Reporting Pathway | | | | | | | | |
|-----------------------------|---------------------------|--------------------------|----------------------------|-------------------------------|--------------------|---------|---------|----------------------|
| Directorate Management Team | Corporate Leadership Team | Portfolio Holder / Chair | Governance Audit Committee | Democratic Services Committee | Scrutiny Committee | Cabinet | Council | Other (please state) |
| | 27.10.23 | 11.11.23 | 22.11.23 | | | | | |

1. **Purpose of the Report**
 - 1.1 To invite the Governance and Audit Committee to undertake their assurance role by noting the progress made in the management and monitoring of the Council's most significant risks at the end of Quarter 2.

2. **Scope and Background**
 - 2.1 Risk management is the systematic process of understanding, evaluating and addressing risks to maximise the chances of objectives being achieved and ensuring organisations, individuals and communities are sustainable. It is a key component of the Council's overall governance arrangements.
 - 2.2 Essentially, effective risk management requires an informed understanding of relevant risks, an assessment of their relative priority and a rigorous approach to monitoring and controlling them.
 - 2.3 The Council's Risk Management Strategy and Risk Management Handbook details the Council's approach to risk management and its appetite for managing risk.
 - 2.4 The Corporate Risk Register (CRR) allows the Council to focus on managing and mitigating the most significant corporate risks that could impact on the council and / or community.
 - 2.5 The Corporate Risk Register is updated by risk updaters and risk owners and reviewed by Corporate Leadership Team on a quarterly basis. The last review at CLT took place on 27th October 2023 and considered the progress as at the end of Quarter 2 (July – September 2023).
 - 2.6 The Governance and Audit Committee's Terms of Reference sets out their responsibility:
 - Provide independent assurance of the adequacy of the risk management framework and the associated control environment.
 - Consider the effectiveness of the Council's risk management arrangements and the control environment.

- 2.7 The CRR is now presented at Appendix A. This will provide members of the committee with an overview of the current strategic risks facing the Council and is intended to provide assurance that the Council is adequately managing its significant risks. Appendix B contains corporate risk register definitions and guidance for information.
- 2.8 At the end of Quarter 2 there were 12 risks reported on the Corporate Risk Register. 6 of these risks are scored as Critical after controls have been applied and 6 as High. There were no risks escalated to the Corporate Risk Register in Quarter 2 however there was one risk which was noted to CLT from the Education Directorate Risk Register for awareness which was the risk in respect of concerns that a greater number of schools may be placed in an Estyn category as a result of the impact of the continued Action Short of Strike (ASOS). This risk is currently being monitored via the Education Directorate Risk Register.

A summary of the Corporate Risk Register as at Quarter 2 is presented below.

| Risk Reference | Risk Description | Residual Risk Score at the end of Q2 |
|----------------|---|--------------------------------------|
| CRR1 | Failure to deliver and sustain the changes required to ensure that vital services are prioritised within the financial constraints faced by the Council. | Critical |
| CRR2 | Failure to ensure that the Councils ICT arrangements provide assurance in terms of operational functionality and data security and enable the required digital transformational change. | High |
| CRR4 | Safeguarding - Failure to ensure adequate safeguarding arrangements are in place for vulnerable people in Blaenau Gwent | High |
| CRR5 | There is a risk that the Council's Business Continuity processes are not robust enough to enable the provision of critical services in an emergency. | High |
| CRR14 | Failure to improve staff attendance rates within the Council will lead to an unacceptable impact on the ability of the Council to deliver services effectively and financially. | Critical |
| CRR19 | If the Council does not manage its information assets in accordance with requirements set down within legislation, then it may be faced with financial penalties | High |

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|-----------|---|----------|
| | and possible sanctions that hinder service delivery. | |
| CRR21 | The Financial resilience of the Council could be at risk if the Council does not ensure that financial planning and management decisions support long term stability and sustainability. | Critical |
| CRR22 | Failure to deliver the Council's priorities within the agreed annual budget resulting in the increased use of emergency finance measures and the drawdown of reserves. | Critical |
| CRR25 | The 2 schools in an Estyn category and currently in receipt of Council Intervention fail to make appropriate progress against the Statutory Warning Notice to Improve and their Post Inspection Action Plans. | High |
| CRR28 | Failure to maintain appropriately skilled, adequate staffing resources will lead to an unacceptable impact on the ability of the Council to deliver services effectively. | High |
| CRR30 (a) | Impact of cost of living (inflationary) increase driven by a number of crosscutting forces on our communities and staff have created significant challenges for those already in need. | Critical |
| CRR30 (b) | Impact of cost of living (inflationary) increases on businesses in Blaenau Gwent | Critical |

3. Recommendation

- 3.1 The Governance and Audit Committee is asked to consider the contents of this report to provide assurance that procedures are in place to monitor the management of significant risks.

4. Evidence of how this topic supports the achievement of the Corporate Plan / Statutory Responsibilities / Blaenau Gwent Well-being Plan

- 4.1 Effective Risk Management allows the Authority to deliver services in pursuance of its obligations.

5. Implications Against Each Option

5.1 *Impact on Budget (short and long term impact)*

- 5.1.1 There are no direct financial implications although it is widely recognised that effective risk management is an essential ingredient in achieving service improvement, efficiency and value for money.

5.2 ***Risk including Mitigating Actions***

5.2.1 Failure to ensure robust risk management arrangements are in place will result in the weakening of internal controls.

5.2.2 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved, financial loss and reputational damage.

5.3 ***Legal***

5.3.1 There are no direct legal implications arising from this report.

5.4 ***Human Resources***

There are no direct staffing implications arising from this report roles but individual roles and responsibilities are identified in the Risk Management Strategy.

5.5 ***Health and Safety***

There are no direct health and safety implications arising from this report.

6. ***Supporting Evidence***

6.1 ***Performance Information and Data***

Actions identified to manage risks should be included in the relevant business plans and this will be expedited by the Professional Lead for Risk and Insurance and the Corporate Performance Officer.

6.2 ***Expected outcome for the public***

6.2.1 Failure to identify the Council's significant risks could result in a myriad of potential consequences including failure to maximise the chances of objectives being achieved and financial loss which will inevitably affect how the Council provides services to the communities of Blaenau Gwent

6.3 ***Involvement (consultation, engagement, participation)***

6.3.1 Not applicable for this report

6.4 ***Thinking for the Long term (forward planning)***

6.4.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities

6.5 ***Preventative focus***

6.5.1 Identification & mitigation of risks ensures the Council can deliver its corporate priorities

6.6 ***Collaboration / partnership working***

6.6.1 Not applicable for this report

6.7 ***Integration (across service areas)***

6.7.1 Not applicable for this report

6.8 ***Decarbonisation and Reducing Carbon Emissions***

6.8.1 Not applicable for this report

6.9 ***Integrated Impact Assessment*** (

6.9.1 Not applicable for this report

7. **Monitoring Arrangements**

7.1 The Corporate Risk Register is reviewed and updated by CLT on a quarterly basis but more frequently if required and is part of the Joint Report which is reported to Scrutiny.

7.2 The Corporate Risk Register will be presented to Governance and Audit Committee on a quarterly basis.

Background Documents /Electronic Links

- *Appendix A*
- *Appendix B*