

# Audit and Governance Committee

23 January 2024



**Reading**  
Borough Council  
*Working better with you*

<b>Title</b>	Strategic Risk Register - January 2024
<b>Purpose of the report</b>	To note the report for information
<b>Report status</b>	Public report
<b>Report author</b> (name & job title)	Robin Pringle, Corporate Health, Safety and Risk Management Lead
<b>Lead Councillor</b> (name & title)	Councillor Liz Terry
<b>Corporate priority</b>	Our Foundations
<b>Recommendations</b>	Audit and Governance Committee are asked to consider the Councils Strategic Risk Register as of January 2024 (Appendix 1)

## 1. Executive Summary

- 1.1 This report outlines the January 2024 update of the Strategic Risk Register. The Register is presented to the Council's Audit & Governance Committee, quarterly. The previous report was presented to the Council's Audit and Governance Committee in September 2023.
- 1.2 The following document is appended:  
Appendix 1 - the Council's Strategic (Corporate) Risk Register

## 2. Policy Context

- 2.1 The Risk Management Policy and Procedure was presented to Audit & Governance Committee in July 2022 and was signed off by Policy Committee in September 2022. The Policy was updated internally in October 2023, and it is available on the Intranet.
- 2.2 Risk management is a key part of corporate governance. Good risk management will help identify and deal with key strategic risks facing the Council in the pursuit of its goals and is a key part of good management, not simply a compliance exercise. Risk management and internal controls are important and integral parts of a performance management system and are crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving the Council's outcomes.
- 2.3 RBC are operating a comprehensive risk management system, to provide greater governance and reassurances to our insurers and Members.  
This is achieved by improving:
  - The policy commitments and roles and responsibilities,
  - Defining a clear operating procedure,
  - The frequency of risk reporting, and
  - Working closely with our insurers and risk consultants to embed the new system.
- 2.4 The Corporate Management Team (CMT) and Directorate Management Teams (DMT's) are required to continually review their existing risks, determine if they are still relevant and fit for purpose and determine whether there are new risks that need incorporating into

the Risk Registers. DMT's are also asked to determine if any risks should be escalated to the Strategic Risk Register.

All individual risk cards are updated on the SharePoint site.

- 2.5 The Strategic Risk Register provides a concise, focused, high-level overview of strategic risks that can be easily communicated to all staff, councilors, and stakeholders (e.g., Council's Insurers). It should always be supplemented by directorate, service and project risk registers.

### **3 The Proposal**

- 3.1 The Strategic Risk Register covers the actions completed by the Council between September - December 2023 and the future risk ratings for the Council for January – March 2024. Timing of reports to Audit & Governance Committee means the report is produced slightly before the end of the quarter.

- 3.2 The Strategic Risk Register was reviewed by the Corporate Management Team (CMT) on the 19<sup>th</sup> December 2023.

- 3.3 The Strategic Risk Register (Appendix 1) for agreement, consists of the same 11 risks as previous. They are:

1. Risk of loss from cyber-attack.
2. Brighter Future for Children (BFfC) - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand.
3. Unable to deliver a balanced budget because of cost-of-living increases, demand pressures and achieving income targets.
4. Failure to deliver zero carbon commitments (Climate mitigation).
5. Failure to safeguard vulnerable adults and children.
6. Failure to retain and recruit staff.
7. Companies Risk – That the council fails to have in place appropriate oversight and scrutiny of its companies.
8. Failure to implement the Tackling Inequality Strategy within the Borough.
9. Failure to adapt to the impacts of climate change (Climate adaption)
10. Information Governance - Failure to protect personal data.
11. Failure to respond to a major incident health hazard or manage a significant outbreak of communicable disease.

- 3.4 **Proposed risks for escalation, from Brighter Futures for Children (BFfC) and Directorate registers, to the Strategic Register**

- **BFfC**
  - No risks to escalate
- **Directorate of Resources**
  - No risks to escalate
- **Directorate of Adult Care and Health Services**
  - No risks to escalate
- **Directorate of Economic Growth and Neighbourhood Services**
  - No risks to escalate

- 3.5 **Proposed risks for de-escalation from the Strategic Risk Register to BFfC or Directorate registers**

- **BFfC**
  - No risks for de-escalation
- **Directorate of Resources**
  - No risks for de-escalation
- **Directorate of Adult Care and Health Services**
  - No risks for de-escalation
- **Directorate of Economic Growth and Neighbourhood Services**
  - No risks for de-escalation

- 3.6 There are no new risks being introduced.
- 3.7 There are 5 red risk cards, with no change from the previous quarter.
- Cyber - Risk of loss from cyber attack
  - BfFC - Lack of local special educational needs and disabilities (SEND) placement provision to meet current and future levels of demand.
  - Failure to safeguard vulnerable adults and children.
  - Failure to deliver zero carbon commitments.
  - Unable to deliver a balanced budget because of cost-of-living increases, demand pressures and achieving income targets.
- 3.8 Guidance is provided in relation to the scoring of risks, to enable as much consistency as possible, it remains a subjective process. The primary aim of the Strategic Risk Register is to identify those key vulnerabilities that CMT consider need to be closely monitored in the forthcoming months and, in some instances, years ahead. In many cases this will be because the risk is relatively new and, whilst being effectively managed, the associated control framework is yet to be fully defined and embedded. In such circumstances it follows that not only will the potential impact be large, but the risk of likelihood of occurrence could also be increased.
- 3.9 In order to focus senior management and Member attention on areas of greatest risk, the Register should include only the key current risks that have not been mitigated down to the acceptable risk level. Where risks have been rated as green for 2 or more consecutive quarters they are removed from the Register. These can be re-instated should the risk increase again.
- 3.10 Audit and Governance Committee are advised that internal reporting has moved from a quarterly basis to a 'live' operational basis. Risk owners (Strategic and Directorate Risk Registers) will update their risk cards as and when things change, rather than on a quarterly basis. This will make the system more effective and influential during decision making. It will also enable risk owners to utilise their risk information for any reports being submitted.
- 3.11 Reporting to CMT will continue for all risks every three months prior to the Audit and Governance Committee. Reporting will be 'as at' due to the system being 'live'.  
Additionally, to support the management of high risks, the 'red' strategic risk cards will be reported monthly within the Corporate Management Performance Monitoring Reports to ensure that actions are being completed.
- 3.12 Audit and Governance Committee are requested to note that quantitative data is now being recorded within the 'Background Context' box, where information can be reported in this format. Moving forwards, this will allow the Council and Risk Owners to understand the impact of the control measures implemented.
- 3.13 It should also be noted that the risk information layout has also been updated to clearly separate 'existing controls in place' and ongoing 'specific actions'. Each action now records the target date, status, where the action is being monitored and frequency it is being monitored
- 3.14 Risk Management Training was delivered to Councillors on 2<sup>nd</sup> February 2023, 30<sup>th</sup> of March 2023 and 21<sup>st</sup> November 2023. All training sessions provided Members with the guidance on how to review and challenge reports when received (as part of good governance). The feedback to the training was very positive.
- 3.15 In order to support the embedding of risk management principles across the Council, 14 'Risk Management for Managers' training courses have been provided within the last 5 months with a further courses planned for 2024. These are be provided by Gallagher Bassett, the Councils Risk Consultant and the Senior Risk and Health and Safety Adviser. The feedback received has been positive.

## **4. Contribution to Strategic Aims**

- 4.1 Regular review of the Policy, and Strategic Risk Register, is an integral part of effective risk management arrangements and corporate governance. Each risk is linked to a Corporate Plan theme.
- 4.2 The Council's new Corporate Plan has established three themes for the years 2022/25. These themes are:
- Healthy Environment
  - Thriving Communities
  - Inclusive Economy
- 4.3 These themes are underpinned by "Our Foundations" explaining the ways we work at the Council:
- People first
  - Digital transformation
  - Building self-reliance
  - Getting the best value
  - Collaborating with others
- 4.4 Full details of the Council's Corporate Plan and the projects which will deliver these priorities are published on the [Council's website](#). These priorities and the Corporate Plan demonstrate how the Council meets its legal obligation to be efficient, effective and economical.

## **5 Environmental and Climate Implications**

- 5.1 There are no specific environmental and climate implications arising from the decision. The Strategic Risk Register includes two risks related to climate implications and the actions to mitigate these risks are included in Appendix One.

## **6 Community Engagement**

- 6.1 The consultation duty is not applicable to the Risk Management Policy & Procedure.

## **7 Equality Implications**

- 7.1 An Equality Impact Assessment (EIA) is not relevant to this report.

## **8 Other Relevant Considerations**

- 8.1 There are no other considerations relevant for this report.

## **9 Legal Implications**

- 9.1 There are no specific legal implications arising from the recommendations in this report.

## **10 Financial Implications**

- 10.1 There are no specific financial implications arising from the recommendations in this report.

## **11 Timetable for Implementation**

- 11.1 Each individual risk card identifies its own implementation timetable.

## **12 Background Papers**

- 12.1 There are no background papers.

## **Appendices**

1. Strategic Risk Register as at 10<sup>th</sup> January 2024