



Audit Committee



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Report for:	Audit Committee
Title of report:	Strategic Risk Register Q1 and Q2 2023-24
Date:	22 nd November 2023
Report on behalf of:	Councillor Ron Tindall, Leader of the Council and Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	
Appendices:	Appendix A- Strategic Risk Register Update Q1 2023-24 Appendix B- Strategic Risk Register Update Q2 2023-24 Appendix C- Risk scoring methodology
Background papers:	Audit Committee July 2023 Agenda item 5 Strategic Risk Register Update Q4 2022-23
Glossary of acronyms and any other abbreviations used in this report and appendices:	CEE- Climate and Ecological Emergency CLT- Corporate Leadership Team DLUHC- Department for Levelling Up, Housing and Communities. HRA – Housing Revenue Account. The Council’s Housing Landlord function. HTIP- Housing Transformation and Improvement Programme. A review of operational practices within the Housing service. SLT- Strategic Leadership Team. VCS- Voluntary and Community Sector. VFM- Value for Money.

Report Author / Responsible Officer

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Corporate Priorities	Ensuring efficient, effective and modern service delivery
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Wards affected	All
Purpose of the report:	1. To provide committee with an update against the risks identified in the Council's Strategic Risk Register as at Q1 and Q2 2023-24.
Recommendation to the decision maker:	1. To provide comments and feedback on the report for consideration by Cabinet when they review the Q1 and Q2 2023-24 update on the Strategic Risk Register.
Period for post policy/project review:	An update on the Council's Strategic Risk Register is provided to Audit Committee and Cabinet on a quarterly basis.

1 Background

Robust risk management supports the delivery of the Council's corporate plan objectives. The Council has a legal obligation to ensure that it has sound risk management arrangements in place.

A review of the significant strategic risks impacting the delivery of the Council's six key corporate plan priorities was undertaken during 2022-23. This review involved Members, the Strategic Leadership Team (SLT), and Corporate Leadership Team (CLT) and the Council's internal auditors. A revised set of strategic risks were produced as follows, to be reported on from quarter 4, 2022-23:

Risk	Risk Owner
Failure to ensure compliance with statutory and legislative requirements.	Chief Executive
Failure to work with Strategic Partners to deliver Corporate priorities	Chief Executive
The Council is subject to a successful cyber- attack and/ or data breach.	Strategic Director (People and Transformation)
We are unable to deliver effective services to residents due to an inability to retain and recruit sufficient competent and skilled resources.	Strategic Director (People and Transformation)
We do not plan in or deliver action early enough to ensure achievement of the CEE statement.	Strategic Director (People and Transformation)
Inability to manage and deliver safe and good quality affordable homes	Strategic Director (Housing and Property)
Weakening of the Council's Financial Resilience.	Strategic Director (Corporate and Commercial Services) / Chief Finance Officer
Failure to Deliver Place Shaping and Regeneration ambitions.	Strategic Director (Place)

Each risk is owned by a member of the Council's Strategic Leadership Team. Each quarter, they will provide an assessment of the current likelihood and impact/ consequence associated with each risk, together with narrative context. This is explained further below.

2 Strategic Risk Register Update Q1 2023-24

Appendix A provides a detailed update on the Council's strategic risks as at Q1 2023-24.

Between Q4 2022-23 and Q1 2023-24, there has been movement in the current risk score for the following strategic risk:

Failure to Deliver Place Shaping and Regeneration ambitions- the risk score at Q1 2023-24 has been reduced to 6 (previously score of 9 at Q4 2022-23). This reflects progress on mitigation activities against this risk.

Risk scores against all other strategic risk are unchanged from Q4 2022-23.

3 Strategic Risk Register Update Q2 2023-24

Appendix B provides a detailed update on the Council's strategic risks as at Q2 2023-24.

Between Q1 2023-24 and Q2 2023-24, there has been movement in the current risk score for the following strategic risk:

Delivery of safe and good quality homes- the risk score at Q2 has increased to 8 (previously a score of 4 at Q1 2023-24). The consequence score against this risk has increased from 2 to 4 between Q1 and Q2. This reflects the greater statutory/ regulatory and reputational risk in this area arising from the requirements of the Social Housing Regulations Act and Building Safety Act. Relevant mitigating actions previously identified in relation to this risk have been completed.

4 Risk scoring and current risk status

Appendix C provides an explanation of the scoring system used by the Council to provide a numerical assessment of the status of each strategic risk.

The Council uses a 4x4 risk scoring matrix. The likelihood that a risk will occur is scored from 1 to 4 (1 being very unlikely, 4 being almost certain). Likewise, the impact/ consequence of a risk is also scored from 1 to 4, (1 being low impact, 4 being significant impact). Both scores are then multiplied together to give an overall score.

For example: likelihood (4) x impact (4) gives an overall risk score of 16.

An overall risk score of 1 indicates low likelihood/ impact of a risk; a score of 16 indicates high likelihood/ impact of a risk.

The Council provides an assessment of three different types of risk score:

- 1) Inherent risk score. This is the risk score if no controls to manage the risk impact or likelihood were in place. It is expected that the inherent score would be relatively high for all strategic risks.
- 2) Target risk score or risk appetite score. This is the risk score that this organisation is prepared to accept, to be achieved by the controls that the Council puts in place to manage the impact and likelihood of each risk.
- 3) Current risk score. This is the risk score that gives an assessment of the current position.

5 Financial and value for money implications:

Proper risk management arrangements support delivery of value for money and helps secure the Council's financial resources.

6 Legal Implications

The Council is required by law to make proper risk management arrangements.

7 Risk implications:

Contained in the body of the report.

8 Equalities, Community Impact and Human Rights

None arising directly from the report.

9 Sustainability implications (including climate change, health and wellbeing, community safety)

None arising directly from the report.

10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

None arising directly from the report.

11 Conclusion

This report provides an update on the Council's Strategic Register as at Q1 and Q2 2023-24.

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