



# Audit Committee



www.dacorum.gov.uk

<b>Report for:</b>	Audit Committee
<b>Title of report:</b>	Strategic Risk Register Q3 2023-24
<b>Date:</b>	20 <sup>th</sup> March 2024
<b>Report on behalf of:</b>	Councillor Michela Capozzi, Portfolio Holder for Corporate and Commercial Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	
<b>Appendices:</b>	Appendix A- Strategic Risk Register Update Q3 2023-24 Appendix B- Risk scoring methodology
<b>Background papers:</b>	Audit Committee November 2023 Agenda item 6 Strategic Risk Register Update Q1 and Q2 2023-24
<b>Glossary of acronyms and any other abbreviations used in this report and appendices:</b>	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

Fiona Jump, Head of Financial Services



Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)

<b>Corporate Priorities</b>	Ensuring efficient, effective and modern service delivery
<b>Wards affected</b>	All

<b>Purpose of the report:</b>	1. To provide committee with an update against the risks identified in the Council’s Strategic Risk Register as at Q3 2023-24.
<b>Recommendation to the decision maker:</b>	1. To provide comments and feedback on the report for consideration by Cabinet when they review the Q3 2023-24 update on the Strategic Risk Register.
<b>Period for post policy/project review:</b>	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:

<b>Risk</b>	<b>Risk Owner</b>
<b>Failure to ensure compliance with statutory and legislative requirements.</b>	Chief Executive
<b>Failure to work with Strategic Partners to deliver Corporate priorities</b>	Chief Executive
<b>The Council is subject to a successful cyber- attack and/ or data breach.</b>	Strategic Director (People and Transformation)
<b>We are unable to deliver effective services to residents due to an inability to retain and recruit sufficient competent and skilled resources.</b>	Strategic Director (People and Transformation)
<b>We do not plan in or deliver action early enough to ensure achievement of the CEE statement.</b>	Strategic Director (People and Transformation)
<b>Inability to manage and deliver safe and good quality affordable homes</b>	Strategic Director (Housing and Property)
<b>Weakening of the Council’s Financial Resilience.</b>	Strategic Director (Corporate and Commercial Services) / Chief Finance Officer
<b>Failure to Deliver Place Shaping and Regeneration ambitions.</b>	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 Q3 2023-24

Appendix A provides a detailed update on the Council’s strategic risks as at Q3 2023-24.

Between Q2 2023-24 and Q3 2023-24, there has been movement in the current risk score for the following strategic risk:

**Weakening of the Council's Financial Resilience-** the risk score at Q3 2023-24 has been reduced to 4 (previously score of 6 at Q2 2023-24). This reflects progress on mitigation activities against this risk including approval of a balanced budget for 2024-25.

Risk scores against all other strategic risks are unchanged from Q2 2023-24.

### **3 Risk scoring and current risk status**

Appendix B 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.

### **4 Financial and value for money implications:**

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

### **5 Legal Implications**

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

### **6 Risk implications:**

Contained in the body of the report.

### **7 Equalities, Community Impact and Human Rights**

None arising directly from the report.

### **8 Sustainability implications (including climate change, health and wellbeing, community safety)**

None arising directly from the report.

### **9 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

None arising directly from the report.

## **10 Conclusion**

This report provides an update on the Council's Strategic Register as at Q3 2023-24.

-