



REPORT TO:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	18 TH MARCH 2024
SUBJECT:	RISK MANAGEMENT REPORT
PURPOSE:	TO PROVIDE AN UPDATE ON RISK MANAGEMENT
KEY DECISION:	NO
PORTFOLIO HOLDER:	COUNCILLOR DORRIAN, LEADER OF THE COUNCIL
REPORT OF:	JOHN MEDLER, ASSISTANT DIRECTOR – GOVERNANCE
REPORT AUTHOR:	SUZANNE ROLFE, GROUP MANAGER - INSIGHTS & TRANSFORMATION
WARD(S) AFFECTED:	ALL
EXEMPT REPORT?	NO

SUMMARY

This report provides an overview of risk management in the authority.

RECOMMENDATIONS

That the Committee considers and notes the report.

REASONS FOR RECOMMENDATIONS

The Audit and Governance Committee is responsible for overseeing the effectiveness of the Council's risk management arrangements.

OTHER OPTIONS CONSIDERED

N/A

1. RISK MANAGEMENT

- 1.1 The Audit & Governance Committee is responsible for monitoring the effective development and operation of risk management in the Council according to its terms of reference.
- 1.2 A shared approach to risk management has been agreed across the Partnership with common formatting but not content. The revised Risk Management Framework has been agreed by all three Councils.
- 1.3 Individual strategic and operational risk registers are in place for each of the Councils to reflect individual circumstances, locality and reporting. Strategic risks are high level, relating to corporate priorities. Operational risks are service specific. In addition, a risk register of strategic risks to the Partnership has been developed and is set out below.
- 1.4 A quarterly corporate governance clinic is held with Assistant Directors to review risks.

2. STRATEGIC RISK REGISTER

- 2.1 The strategic risk register has been reviewed for Q3, as at the end of December 2023.
- 2.2 A summary of the risks, scores and changes since the last report are set out in the table below, with full details in Appendix A.

Risk	Risk score	Changes in Q3	Direction of travel
Economic hardship	High (12)	Reference to the UK Poverty Report added to impact/consequences as requested by A&G to support the scoring of this risk	↔
Health	Medium (9)	Reference to GP waiting lists added as requested by A&G	↔
Local economy	Medium (9)	Reference to Boston Market added as requested by A&G	↔
Sustainability	Medium (6)	Risk Owner has advised deleting this risk as it duplicates new risk BBC22; agreed by SLT	Deleted
Budget	High (15)	No change to risk score	↔
Civil contingency risks	Medium (8)	No change to risk score	↔
Infrastructure risks	Medium (8)	No change to risk score	↔
Capital Programme	Medium (6)	No change to risk score	↔
General Fund Assets	Low (4)	No change to risk score	↔
Cyber Incident	High (15)	No change to risk score	↔
Technology infrastructure failure	High (10)	No change to risk score	↔
Implementation of the Environment Act 2021	High (16)	No change to risk score	↔
Introduction of Extended Producer Responsibility	Medium (9)	No change to risk score	↔

Risk	Risk score	Changes in Q3	Direction of travel
Identification and Suitability of future Depot Accommodation	High (15)	Risk score reviewed by SLT- this was showing the same score as East Lindsey in error. The correct score for Boston is now shown and is high rather than critical. Future options are being investigated.	Corrected
Waste Collection Round Pressures	Medium (9)	No change to risk score	↔
Capacity	High (12)	No change to risk score	↔
Third Party Service Delivery	Medium (9)	No change to risk score	↔
External Communication	Medium (6)	No change to risk score	↔
Retention of staff	Medium (8)	No change to risk score	↔
Service Delivery	Medium (9)	No change to risk score	↔
Internal Communications	High (12)	No change to risk score	↔
Net Zero target	Medium (8)	New risk	New

2.3 A summary of the strategic risks to the partnership, scores and changes since the last report are set out in the table below, with full details in Appendix A.

Risk	Risk score	Changes in Q3	Direction of travel
Vision	Medium (9)	No change to risk score	↔
Trust	Medium (9)	No change to risk score	↔
Sovereignty	Medium (9)	No change to risk score	↔
Takeover	Medium (9)	No change to risk score	↔
Culture	Medium (9)	No change to risk score	↔
LGR	High (12)	No change to risk score	↔
Funding	High (16)	No change to risk score	↔
Staffing	High (12)	No change to risk score	↔

2.4 Risk workshops are being held in February and March for Deputy Chief Executives (DCXs) and their Assistant Directors (ADs) to thoroughly review all strategic, operational, partnership and fraud risks for Q4 reporting as at the end of March 2024.

2.5 The workshops will review the risks against the priorities in the sub-regional strategy and will focus on improving the wording of the risks, in particular ensuring that actions are specific and have timescales attached. There will also be the opportunity to look at the pros and cons of whether or not inherent risk should be included in the reporting, a question raised during the recent internal audit.

2.6 In addition, Internal Audit have undertaken counter-fraud risk mapping in three key areas – Procurement, Assets and Revenues and Benefits. The results will feed in to the Q4 workshops and reporting as at the end of March 2024. This will also shape counter-fraud work planning and identify areas where proactive work should be carried out as a priority.

3. CONCLUSION

- 3.1 The risk management arrangements are designed to provide the Council with a clearer and fuller understanding of the key risks facing the organisation and how these are being managed. Strategic and operational risks continue to be managed in accordance with the Risk Management Framework.

EXPECTED BENEFITS TO THE PARTNERSHIP

The Strategic Risk Register has been reviewed and updated to reflect the strategic risks faced by the organisation. Aligning the format and reporting process for risks across the three sovereign councils will ensure that risk management continues to be efficient and effective across the Partnership. The additional risk register for Partnership risks will ensure that these are monitored and managed appropriately where there is synergy across the three councils.

IMPLICATIONS

SOUTH AND EAST LINCOLNSHIRE COUNCIL'S PARTNERSHIP

We are currently identifying strategic risks which are common across the Partnership. This will streamline the monitoring and management of shared partnership-wide risks where there is synergy across all.

We are also working on identifying risks to the Partnership itself, which will be monitored and reported in addition to the Council-specific and partnership-wide registers.

CORPORATE PRIORITIES

Effective risk management arrangements support all of the corporate priorities

STAFFING

None

CONSTITUTIONAL AND LEGAL IMPLICATIONS

None

DATA PROTECTION

None

FINANCIAL

None

RISK MANAGEMENT

Whole report

STAKEHOLDER / CONSULTATION / TIMESCALES

No consultation undertaken

REPUTATION

None

CONTRACTS

None

CRIME AND DISORDER

None

EQUALITY AND DIVERSITY/ HUMAN RIGHTS/ SAFEGUARDING

None

HEALTH AND WELL BEING

None

CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None

ACRONYMS

- AD: Assistant Director
- DCX: Deputy Chief Executive
- SLT: Senior Leadership Team

APPENDICES

Appendices are listed below and attached to the back of the report: -

APPENDIX A	Q3 strategic risks
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BACKGROUND PAPERS

No background papers as defined in Section 100D of the Local Government Act 1972 were used in the production of this report.

CHRONOLOGICAL HISTORY OF THIS REPORT

A report on this item has not been previously considered by a Council body

REPORT APPROVAL

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Approved for publication:	Councillor Dorrian, Leader of the Council
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