

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 12 APRIL 2023
title: STRATEGIC RISK REGISTER
submitted by: DIRECTOR OF RESOURCES
principal author: INTERNAL AUDIT MANAGER

1 PURPOSE

- 1.1 To provide the Accounts and Audit Committee with details of the recently revised Strategic Risk Register.

2 BACKGROUND

- 2.1 The Council has recognised that risk management is a process that helps ensure the successful delivery of the Corporate Strategy and strategic aims. A programme of improvement was introduced that revised the Risk Management Policy, provided refresher training to risk owners to reflect current risk management practices and the migration to Pentana; to help facilitate the process and ensure risk management is embedded throughout the organisation.
- 2.2 As per the Accounts & Audit Committee terms of reference, the role of members is to '*oversee and then monitor the development and implementation of a comprehensive approach to Risk Management*'. To this end, officers have revised the Strategic Risk Register to ensure that risks and subsequent actions are identified, monitored and reported effectively, and to a level determined as acceptable by the Corporate Management Team (CMT).
- 2.3 The current Strategic Risk Register contains 16 open risks as at March 2023 (as outlined in Annex A). These are risks affecting the delivery of the Corporate Strategy rather than those encountered in the everyday work of managers and staff.
- 2.4 As at 31 March 2023, the Council's top strategic risks (*and relevant residual risk score*) are:
- **Risk Ref 1** - Data loss, disruption and/ or damage to reputation due to a cyber attack (*residual risk score: 12*).
 - **Risk Ref 9** - High staff turnover, loss of knowledge and skills resulting in reduced resilience (*residual risk score:12*).
 - **Risk Ref 10** – Failure to deliver the Council's Climate Change Strategy to reduce carbon emissions; adversely affecting the natural environment (*residual risk score:12*).
 - **Risk Ref 12** – Failure to deliver new Local Plan (*residual risk score:12*).
 - **Risk Ref 13** – Failure to meet requirements of the Equalities legislation (*residual risk score:12*).
- 2.5 Risk management is the process of identifying risks, evaluating their likelihood and potential impact and determining the most effective methods of controlling them or responding to them. The Strategic Risk Register is a dynamic document, readily accessible to all staff with risk management roles. It contains risks associated with delivering the council's medium to long term goals and objectives of the Council; as outlined in the Corporate Strategy.

2.6 There are two components to the risk assessment; likelihood and impact. Both of which are scored in line with matrix outlined in the Council's Risk Management Policy. For each scenario, the two risk scores have been calculated and documented:

- **Inherent Risk:** An assessment of the likelihood and impact of the risk scenario occurring if no controls were in place regarding the activity. This score serves as a baseline measurement of the severity of the specific risk facing the Council due to a particular threat.
- **Inherent Risk Description:** The risk description if no controls were in place regarding the activity.
- **Residual Risk:** To offset the inherent risk identified, the Council applies controls to reduce it. Residual risk is the perception of the current situation. It is an assessment of the likelihood and impact of the risk identified at that time, with the current mitigating controls in place after evaluating the adequacy and effectiveness of the existing controls or measures identified. These controls already exist and are operating to control or mitigate the risk identified.
- **Target Score:** This is the level of risk that is aimed for when taking into account the risk actions that have been identified. If this is the same as the residual risk score, no further action is required and the risk can be accepted. Further actions and monitoring will be identified to reduce the risk to the target score.

2.7 As part of future reporting arrangements, any changes/ movement in the register will be detailed within this report. Risk management activity will be reported bi-annually to the relevant service committees and to this committee in April and September of each year.

3 GOVERNANCE ISSUES

3.1 All officer and members have an individual responsibility for the management of risk. The Risk Management Policy outlined these responsibilities, including Council and Committee duties. Each risk has not only been assigned individual risk owners, but also an appropriate service committee who can challenge decisions made by officers. These committees would then provide assurance to the Accounts & Audit Committee over the management of risks and priorities.

4 CONCLUSION

4.1 The Committee is asked to:

- Discuss and review the Strategic Risk Register as of March 2023; and
- Note the risk management activity that has occurred during the period.

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES

AA6-23/RP/AC
12 APRIL 2023

			Inherent Risk Score			Residual Risk Score							
Risk #	Risk Theme	Inherent Risk Description (prior to controls in place)	Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating	Target Score	Target date	Responsible Officer	Responsible Director	Service Committee
<i>Ambition 1</i>	<i>To ensure a well-managed Council providing efficient services based on identified customer needs.</i>												
SRR001	Cyber	Data loss, disruption and/ or damage to reputation due to a cyber-attack.	4	5	20	3	4	12	8	30/06/2023	Head of Financial Services	Director of Resources	Policy & Finance
SRR002	Financial	Inability to set an affordable and sustainable budget over the short to medium-term resulting in the issuing of a S114 Notice.	3	5	15	2	3	6	6	31/03/2023	Head of Financial Services	Director of Resources	Policy & Finance
SRR003	Fraud	Heightened levels of fraud, including cyber fraud, due to pressures in the current economic climate.	2	4	8	1	3	3	3	30/06/2023	Head of Financial Services	Director of Resources	Accounts & Audit
SRR004	Safeguarding	Failure of the Council to embed appropriate safeguarding arrangements.	3	5	15	2	5	10	5	31/12/2023	Head of Cultural & Leisure Services	Director of Community Services	Community Services
SRR005	Discretionary service provision	Reduced funding resulting in inability to deliver discretionary services.	3	5	15	2	3	6	6	31/12/2023	Head of Financial Services	Director of Resources	All
SRR006	Business Continuity	The Council is unable to ensure the resilience of key operations and business activities due to a lack of robust business continuity plans.	4	5	20	3	3	9	6	31/03/2024	Head of Environmental Health	Chief Executive	Policy & Finance
SRR007	Health & Safety	Death or lifechanging injury due to a lack of robust health and safety processes.	4	5	20	3	3	9	6	31/03/2024	Head of Environmental Health	Chief Executive	Policy & Finance
SRR009	Workforce	High staff turnover, loss of knowledge and skills resulting in reduced resilience.	4	4	16	4	3	12	9	31/03/2024	Head of HR	Director of Resources	Personnel
SRR013	Equality & Diversity	Failure to meet requirements of the Equalities legislation.	4	4	16	3	4	12	6	31/03/2024	Head of Legal & Democratic Services	Chief Executive	All
SRR016	Policies	Failure to identify and embed legislative requirements due to lack of/ outdated policies and procedures.	4	4	16	3	3	9	6	31/03/2023	Head of Human Resources	Director of Resources	Policy & Finance
<i>Ambition 2 & 5</i>	<i>To sustain a strong and prosperous Ribble Valley.</i>												
SRR015	Partnership working	Partnership working opportunities are not taken advantage of to improve the borough infrastructure.	4	4	16	3	3	9	6	31/03/2024	Head of Strategic Planning and Housing	Director of Economic Development & Planning	Economic Development

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			Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating					
SRR011	<i>Delivery of Local Plan</i>	Failure to deliver the Local Plan leading to harm to the borough's environment, heritage assets and communities and missed opportunities for economic and housing growth.	3	4	12	2	3	6	4	30/06/2023	Head of Strategic Planning and Housing	Director of Economic Development & Planning	Planning & Development
SRR012	<i>Delivery of new Local Plan</i>	Failure to deliver new Local Plan.	5	4	20	4	3	12	9	31/12/2023	Head of Strategic Planning and Housing	Director of Economic Development & Planning	Planning & Development
<i>Ambition 3</i>	<i>To help make people's lives safer and healthier</i>												
SRR014	<i>Engagement</i>	Service/ local economy provision does not match community requirements or expectations.	4	4	16	3	3	9	6	31/12/2023	Head of Strategic Planning and Housing	Director of Economic Development & Planning	Economic Development
<i>Ambition 4</i>	<i>To protect and enhance the existing environmental quality of our area.</i>												
SRR008	<i>Emergency Planning</i>	Failure to plan and/ or respond to emergency events when they occur.	4	5	20	3	3	9	6	31/03/2024	Head of Environmental Health	Chief Executive	Policy & Finance
SRR010	<i>Climate Change</i>	Failure to deliver the Council's Climate Change Strategy to reduce carbon emissions; adversely affecting the natural environment.	4	4	16	4	3	12	9	31/03/2024	Head of HR	Chief Executive	Policy & Finance