

RIBBLE VALLEY BOROUGH COUNCIL

REPORT TO ACCOUNTS AND AUDIT COMMITTEE

meeting date: 22 NOVEMBER 2023
title: STRATEGIC RISK REGISTER – BI-ANNUAL REVIEW
submitted by: DIRECTOR OF RESOURCES AND DEPUTY CHIEF EXECUTIVE
principal author: INTERNAL AUDIT MANAGER

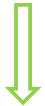




1 PURPOSE

- 1.1 To provide the Accounts and Audit Committee with details of the strategic risk management activity that has taken place between April and October 2023.

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 reviewed 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 October 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 October 2023, the Council’s highest strategic risks (*and relevant residual risk score*) continue to be:
- **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*).
- 2.5 The following activity has taken place during the period April to October 2023. For reference, Annex B details the risk matrix and scoring methodology as outlined in the Risk Management Policy:

Revised risk scores

Risk Ref	Risk Description	Update Position – October 2023	Movement
4	Failure of the Council to embed appropriate safeguarding arrangements.	The new Safeguarding Policy has been ratified and training will be provided to support the arrangements. As new staff are appointed, they will receive safeguarding training as part of their induction.	10 to 5 
5	Reduced funding resulting in inability to deliver discretionary services.	This risk has been re-assessed based on the risk covering the life of the Medium-Term Financial Strategy (MTFS) rather than current budget year, following receipt of the draft VFM recommendations from Grant Thornton.	6 to 9 
13	Failure to meet requirements of the Equalities legislation.	The Council has drafted the Equalities Strategy and is awaiting review and ratification. Once approved, the Strategy will be cascaded to all relevant parties and an action plan developed.	12 to 9 
14	Service/ local economy provision does not match community requirements or expectations.	The People's Survey has been completed and the findings reported to Members. These will be used to development of the Corporate Strategy and Climate Change Strategy. The Peoples' Panel has been established to support further public consultation to inform decision making.	9 to 8 
15	Partnership working opportunities are not taken advantage of to improve the borough infrastructure.	The Council continue to maximise use of s106 agreements to support the development of an improved local infrastructure, and work with other organisations to deliver the objectives. The Council are also utilising the UK Shared Prosperity Fund (UKSPF) and Rural England Prosperity Fund (REPF) to deliver improved infrastructure for the communities.	9 to 6 

New / Closed risks

- None.

3 GOVERNANCE ISSUES

3.1 All Officers 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 note the risk management activity that has occurred during the period.

INTERNAL AUDIT MANAGER

DIRECTOR OF RESOURCES AND
DEPUTY CHIEF EXECUTIVE

AA24-23/RP/AC
22 NOVEMBER 2023

STRATEGIC RISK REGISTER

ANNEX A

Risk Description			Inherent Risk Score			Original Residual Risk Score (APRIL 2023)			Current Residual Risk Score (OCTOBER 2023)			Change in Risk Score (since last review)					
Risk #	Risk Theme	Inherent Risk Description (prior to controls in place)	Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating	Likelihood	Impact	Risk Rating		Target Score	Original Target date	Responsible Officer	Responsible Director	Service Committee
Ambition 1	To ensure a well-managed Council providing efficient services based on identified customer needs.																
SRR001	Cyber	Data loss, disruption and/ or damage to reputation due to a cyber attack.	4	5	20	3	4	12	3	4	12	↔	8	31/03/2024	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.	3	5	15	2	3	6	2	3	6	↔	6	05/03/2024	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	1	3	3	↔	3	31/01/2024	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	2	5	5	↓	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	2	3	9	↑	6	05/03/2024	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	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	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	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	3	4	9	↓	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	4	4	16	3	3	9	3	3	9	↔	6	31/12/2024	Head of Human Resources	Director of Resources	Policy & Finance

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		policies and procedures.															
<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	2	3	6	↓	6	31/03/2024	Head of Strategic Planning and Housing	Director of Economic Development & Planning	Economic Development
SRR011	Delivery of Local Plan	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	2	3	6	↔	4	31/03/2024	Head of Strategic Planning and Housing	Director of Economic Development & Planning	Planning & Development
SRR012	Delivery of new Local Plan	Failure to deliver new Local Plan.	5	4	20	4	3	12	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	Engagement	Service/ local economy provision does not match community requirements or expectations.	4	4	16	3	3	9	2	4	8	↓	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	Emergency Planning	Failure to plan and/ or respond to emergency events when they occur.	4	5	20	3	3	9	3	3	9	↔	6	31/03/2024	Head of Environmental Health	Chief Executive	Policy & Finance
SRR010	Climate Change	Failure to deliver the Council's Climate Change Strategy to reduce carbon emissions; adversely affecting the natural environment.	4	4	16	4	3	12	4	3	12	↔	9	31/03/2024	Head of HR	Chief Executive	Policy & Finance

STRATEGIC RISK REGISTER

Annex B: Risk Matrix

A risk matrix is a key tool used to analyse the probability and impact of a risk. The Council uses a 5X5 risk matrix, with the score determined by multiplying the 'likelihood' score with the 'impact' score. Scoring risks allows them to be compared with other risks and enables risk owners to prioritise and allocate more resources to those risks posing the greatest threat to the organisation's objectives.

Once completed the risk profile will clearly illustrate the priority of each risk scenario. The categories available are green (low risk, residual score 1-6), amber (medium risk, residual score 8-12) or red (high risk, residual score 15-25). A target risk score is also identified. This is the level of risk we are aiming for when any actions identified are completed.

		IMPACT				
		Marginal (1)	Minor (2)	Moderate (3)	Major (4)	Critical (5)
LIKELIHOOD	Almost Certain (5)	5	10	15	20	25
	Likely (4)	4	8	12	16	20
	Possible (3)	3	6	9	12	15
	Unlikely (2)	2	4	6	8	10
	Very Unlikely (1)	1	2	3	4	5

Green risks sit within our level of risk tolerance, amber risks sit above our level of risk tolerance but remain within an acceptable level and red risks sit above our acceptable level. If the residual risk score is considered too high, actions are required to change the way we manage the likelihood or impact of the risk. There are four options:

Treat: Introduce additional suitable and proportionate controls or actions to reduce the likelihood or impact of the risk to an acceptable level or establish a contingency to be enacted if the risk materialises.

Tolerate: Take an informed decision to accept the consequence and likelihood of the risk accepting the existing level of risk identified, subject to regular monitoring arrangements by management. Actions may not be able to be implemented due to disproportionate cost compared to the benefit obtained, or it is out of the Council's control.

Terminate: An informed decision to not become involved in a risk situation, stop the activity that gives rise to the risk or carry out the activity in a different way to ensure that controls can be implemented.

Transfer: Pass the risk to a third party who shares or bears the impact if the risk materialises, through contracts, insurance or other means.