

South Lakeland District Council
Audit Committee
28 July 2022
Risk Management Update

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|-----------------------|---|
| Portfolio: | Councillor Jonathan Brook - Leader of the Council |
| Report from: | Dan Hudson – Strategy Lead Specialist |
| Report Author: | John Davies – Case Management Support Services |
| Wards: | (All Wards); |
| Forward Plan: | Not applicable |

1.0 Expected Outcome

It is expected that Audit Committee will be updated with the Strategic Risk Register, including the continuous and active management of the risks. This report is provided in line with Audit Committee Work Programme.

2.0 Recommendation

2.1 It is recommended that Audit Committee note the Strategic Risk Register in appendix 1 of this report

3.0 Background and Proposals

- 3.1 Risk Management is a vital organisational control and is a key part of the Council's governance arrangements. The Council has a continuous focus on risk management in terms of prioritisation of activity towards service delivery and also responses to the Covid-19 Pandemic.
- 3.2 The Strategic Risk Register contains all those risks above and below the line of risk tolerance.
- 3.3 Risk Owners attend Audit Committee to support discussion and queries on the risks and their mitigations.
- 3.4 All risks above the line of tolerance have mitigations listed. These mitigations are designed to reduce the risks in terms of likelihood or impact or both.
- 3.5 The aim of mitigations is to reduce a risk from the current position on the risk matrix to the target position.
- 3.6 A risk should reach its target position by the target date. For a risk to be managed on schedule the mitigations must be implemented by their due dates. Not completing mitigations on time places a risk in exception.
- 3.7 Risks are highlighted with exception status as part of quarterly performance reporting arrangements. A risk is only removed from the register (archived) if there is no longer any risk. Please see the Risk Register at appendix 1.
- 3.8 Audit Committee of 23 April 2015, Item AUD/55 required sight of the full register to satisfy the committee that strategic risks are being managed.

3.9 The most recent review during Quarter 1 2022/23 shows that 7 of 18 risks (39%) are positioned above appetite. This is a change from Q4 2021/22 where 4 of 15 risks (27%) were positioned above appetite. The increase in both the total number of risks and those above appetite is due to the identification of three new risks – each of which is positioned above appetite: ‘SLDC - Organisational Carbon Reduction Target’ and ‘SLDC - Whole District Carbon Reduction Target’ and ‘Cost of Living Impacts on communities, Council operations and resources’. Risks above appetite are reviewed at least on a quarterly basis.

4.0 Consultation

4.1 The Strategic Risk Register is reviewed by Corporate Management Team each quarter as part of quarterly performance monitoring and reporting arrangements and the review informs this report.

5.0 Alternative Options

5.1 No alternative options – the Audit Committee requires that risk management arrangements are effective.

6.0 Links to Council Priorities

6.1 Risk management arrangements underpin the achievement of all priorities.

7.0 Implications

Financial, Resources and Procurement

7.1 There are no financial or resource implications in updating Audit Committee on recent risk activity. However, many of the risks identified relate to financial issues and are considered as part of the Council’s Medium Term Financial Plan, budget preparation and monitoring process.

Human Resources

7.2 There are no human resource implications in updating Audit Committee on risk activity.

Legal

7.3 There are no legal implications in updating Audit Committee on recent risk activity.

Health, Social, Economic and Environmental

7.4 Have you completed a Health, Social, Economic and Environmental Impact Assessment? No

7.5 If you have not completed an Impact Assessment, please explain your reasons: Risk management arrangements underpin Health, Social, Economic and Environmental objectives. Therefore there is no requirement to carry out a Health, Social, Economic and Environmental Assessment.

7.6 Summary of health, social, economic and environmental impacts: None

Equality and Diversity

7.7 Have you completed an Equality Impact Analysis? No

7.8 If you have not completed an Impact Assessment, please explain your reasons: Risk management underpins equality and diversity objectives and therefore there is no requirement to carry out an Equality Impact Assessment.

7.9 Summary of equality and diversity impacts: None

Risk

| Risk | Consequence | Controls required |
|--|---|---|
| That actions to mitigate the strategic risks are not met | The risks are not reduced or increase and impact on the Council's delivery against budgets/services | Risk mitigations are monitored as part of quarterly performance monitoring arrangements and appropriate action taken to reduce risks. |
| That risks are not captured or kept under review | Risks are not up to date or monitored leading to impact on service delivery | Risks are reviewed each quarter by Corporate Management Team as part of quarterly performance reporting arrangements. |

Contact Officers

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Appendices Attached to this Report

| Appendix No. | Name of Appendix |
|--------------|--|
| 1 | Strategic Risks Register Quarter 1 2022/23 |

Background Documents Available

| Name of Background document | Where it is available |
|--|--|
| Previous Audit Committee Risk Management Update reports | Previous Audit Committee reports on SLDC Website |
| Previous Cabinet Council Plan Performance Monitoring reports with Strategic Risks Register | Previous Cabinet reports on SLDC Website |

Tracking Information

| Signed off by | Date sent | Date Signed off |
|---------------------|-----------|-----------------|
| Legal Services | 04/07/22 | 14/07/22 |
| Section 151 Officer | 04/07/22 | 14/07/22 |
| Monitoring Officer | 04/07/22 | 14/07/22 |
| CMT | 14/07/22 | 14/07/22 |

| Circulated to | Date sent |
|---------------------------------|-----------|
| Lead Specialist | 04/07/22 |
| Human Resources Lead Specialist | 04/07/22 |
| Communications Team | 04/07/22 |
| Leader | N/A |
| Committee Chairman | N/A |
| Portfolio Holder | N/A |
| Ward Councillor(s) | N/A |

| Circulated to | Date sent |
|----------------------|------------------|
| Committee | 28/07/22 |
| Executive (Cabinet) | N/A |
| Council | N/A |