



<b>REPORT TO:</b>	AUDIT AND GOVERNANCE COMMITTEE
<b>DATE:</b>	27 <sup>TH</sup> MARCH 2024
<b>SUBJECT:</b>	RISK MANAGEMENT REPORT
<b>PURPOSE:</b>	TO PROVIDE AN UPDATE ON RISK MANAGEMENT
<b>KEY DECISION:</b>	NO
<b>PORTFOLIO HOLDER:</b>	COUNCILLOR FRY, PORTFOLIO HOLDER FOR FINANCE
<b>REPORT OF:</b>	JOHN MEDLER, ASSISTANT DIRECTOR – GOVERNANCE
<b>REPORT AUTHOR:</b>	SUZANNE ROLFE, GROUP MANAGER - INSIGHTS & TRANSFORMATION
<b>WARD(S) AFFECTED:</b>	ALL
<b>EXEMPT REPORT?</b>	NO

#### **SUMMARY**

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

#### **RECOMMENDATIONS**

That the Committee considers and notes the report and comments on the draft Risk Management Framework.

#### **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. BACKGROUND

1.1. The Council's Constitution details that the Audit and Governance Committee is responsible for overseeing the Council's risk management arrangements. Under its Terms of Reference the Committee is required to:

- consider the adequacy and effectiveness of the Council's risk management arrangements;
- seek assurances that appropriate action is being taken on risk-related issues identified by auditors and inspectors;
- assess whether the Council's assurance statements, including the Annual Governance Statement, properly reflect the risk environment and any actions required to improve it

1.2. To support the Committee in discharging its responsibilities, this report sets out the Quarter 3 position for risk management as at the end of December 2023.

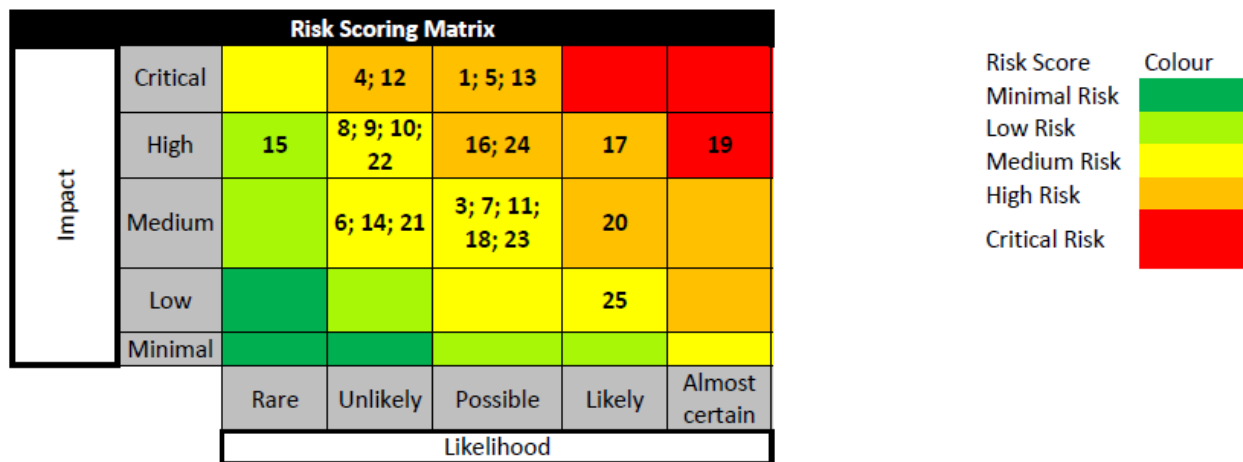
## 2. STRATEGIC RISK REGISTER

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.

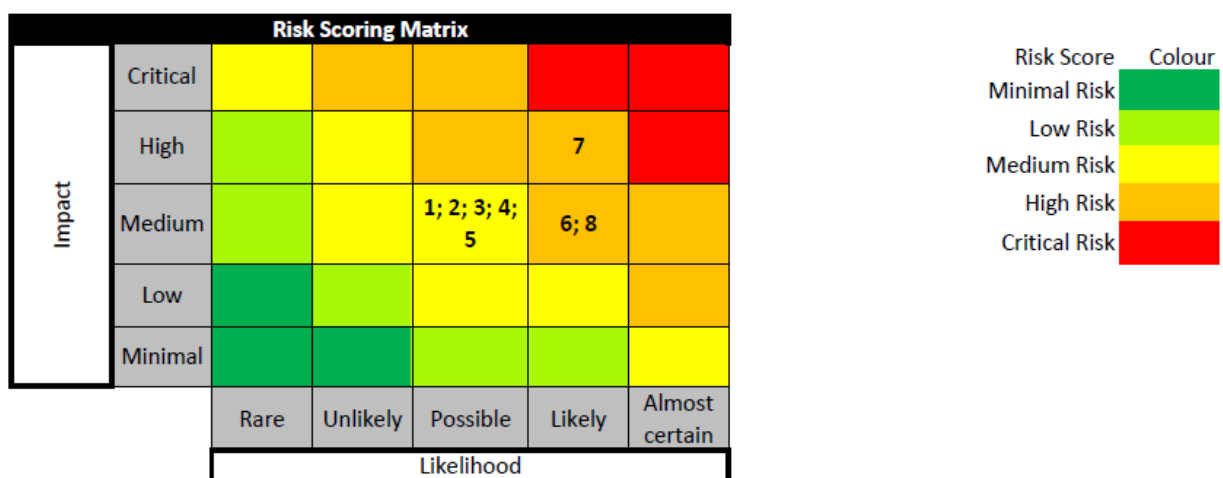
Risk	Risk score
ELDC01: Budget	High (15)
ELDC03: Local economy	Medium (9)
ELDC04: Lincshire flood defence	High (10)
Change in Q3: Request to review risk score. This has been reviewed by the AD Planning. The Strategic Flood Risk Assessment (SFRA) is currently being updated. The outcome of that will provide a more up-to-date and accurate picture to enable us to review the risk score. This is due for completion early in 2024 so we will be able to review the risk score in Q1/2.	
ELDC05: Business continuity	High (15)
No change to risk score in Q3. Narrative reviewed and updated by risk owner.	
ELDC06: Health and Safety	Medium (6)
No change to risk score in Q3. Narrative reviewed and updated by risk owner.	
ELDC07: Local Plan	Medium (9)
ELDC08: Safeguarding	Medium (8)
ELDC09: Information	Medium (8)
ELDC10: Treasury and capital	Medium (8)
ELDC11: Service delivery	Medium (9)
ELDC12: Technology Infrastructure failure	High (10)
ELDC13: Cyber Incident	High (15)
ELDC14: Capital Programme	Medium (6)
ELDC15: General Fund Assets	Low (4)
ELDC16: Economic Hardship	High (12)
ELDC17: Implementation of the Environment Act 2021	High (16)
ELDC18: Introduction of Extended Producer Responsibility	Medium (9)
ELDC19: Identification and Suitability of future Depot Accommodation	Critical (20)
ELDC20: Capacity	High (12)
ELDC21: External Communication	Medium (5)

Risk	Risk score
ELDC22: Retention of staff	Medium (8)
ELDC23: Third Party Service Delivery	Medium (9)
ELDC24: Internal Communications	High (12)
ELDC25: Net Zero Target	Medium (8)
Change in Q3: New risk	



2.3. The strategic risks to the partnership have also been reviewed for Q3, as at the end of December 2023. The partnership risks and scores are set out below, with full details in Appendix A.

Risk	Risk score
SELCP-01: Vision	Medium (9)
SELCP-02: Trust	Medium (9)
SELCP-03: Sovereignty	Medium (9)
SELCP-04: Takeover	Medium (9)
SELCP-05: Culture	Medium (9)
SELCP-06: LGR	High (12)
SELCP-07: Funding	High (16)
SELCP-08: Staffing	High (12)



2.4. The revised Risk Management Framework has been agreed by all three Councils within the Partnership.

- 2.5. 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.
- 2.6. 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.
- 2.7. 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. They enable the Council to pro-actively manage its risks taking into account the agreed risk appetite level.

### **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 reviewing 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**

None

**APPENDICES**

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

APPENDIX A

Q3 strategic risks

**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**

**Name of body**

**Date**

Executive Board

14<sup>th</sup> February 2024

<b>REPORT APPROVAL</b>	
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