



REPORT TO:	AUDIT AND GOVERNANCE COMMITTEE
DATE:	19 TH JUNE 2024
SUBJECT:	Q4 RISK REPORT 2023/24
PURPOSE:	TO PROVIDE AN UPDATE ON RISK MANAGEMENT
KEY DECISION:	NO
PORTFOLIO HOLDER:	COUNCILLOR KEMP, PORTFOLIO HOLDER FOR FINANCE
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 as at the end of March 2024.

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 4 position for risk management as at the end of March 2024.

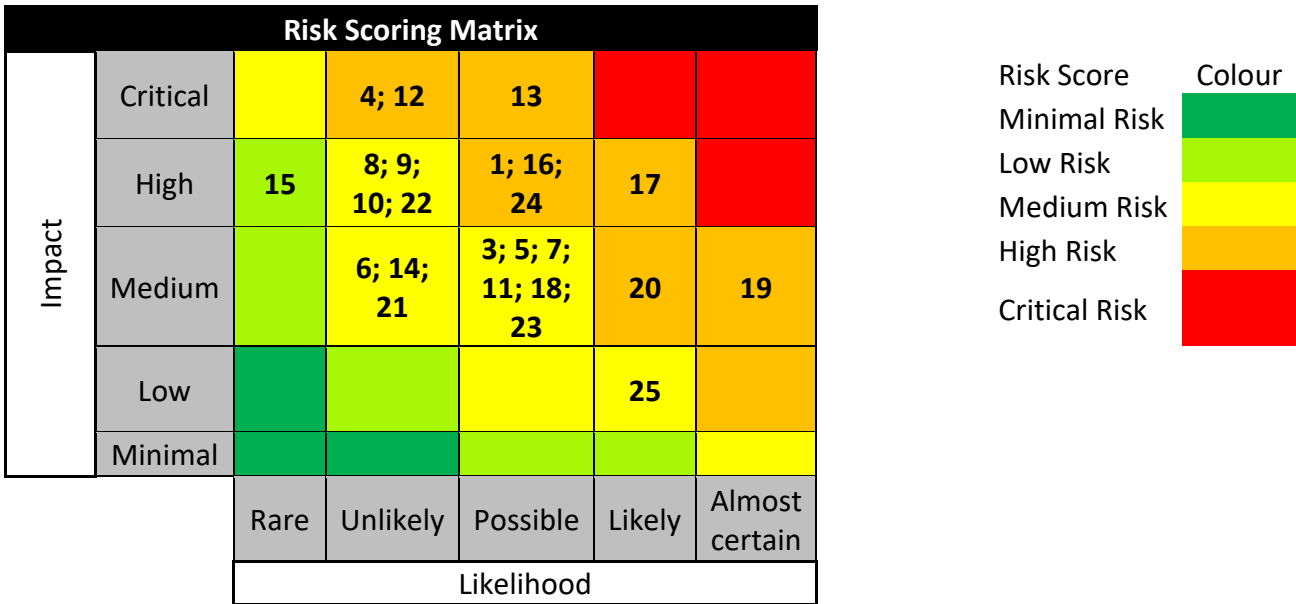
2. STRATEGIC RISK REGISTER

2.1. The strategic risk register has been reviewed for Q4, as at the end of March 2024.

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.

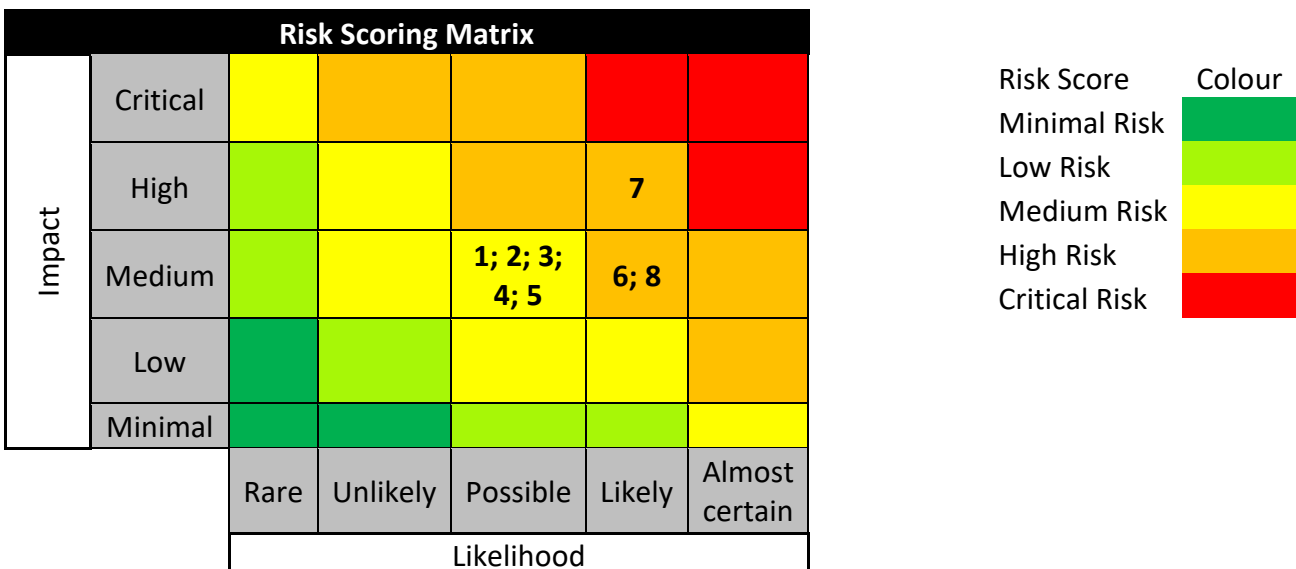
Risk	Risk score
ELDC01: Budget	High (12)
Change in Q4: Review of score from 15 to 12 – reduced impact from critical to high.	
ELDC03: Local economy	Medium (9)
ELDC04: Lincshire flood defence	High (10)
ELDC05: Business continuity	High (9)
Change in Q4: Review of score from 15 to 9 – reduced impact from critical to medium.	
ELDC06: Health and Safety	Medium (6)
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	High (15)
Change in Q4: Review of score from 20 to 15 – reduced impact from high to medium.	
ELDC20: Capacity	High (12)
ELDC21: External Communication	Medium (6)
ELDC22: Retention of staff	Medium (8)
ELDC23: Third Party Service Delivery	Medium (9)

Risk	Risk score
ELDC24: Internal Communications	High (12)
ELDC25: Net Zero Target	Medium (8)
Change in Q4: Review of score from 9 to 8 – increased likelihood from possible to likely; reduced impact from medium to low	



2.3. The strategic risks to the partnership have also been reviewed for Q4, as at the end of March 2024. The partnership risks and scores are set out below, with details in Appendix A.

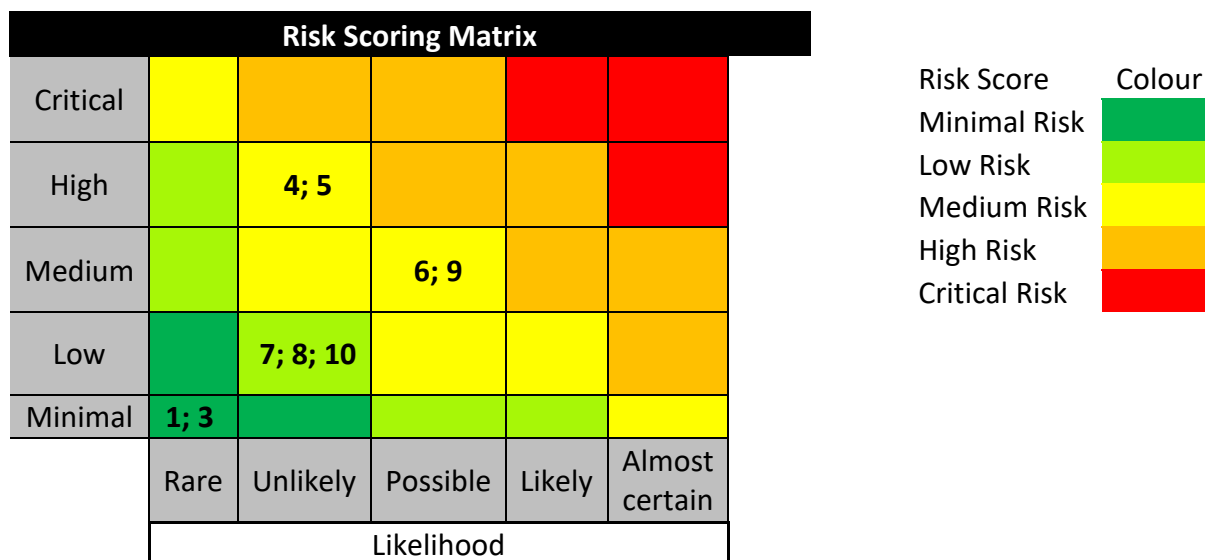
Risk	Risk score
SELCP-01: Vision	Medium (9)
SELCP-02: Trust	Medium (9)
SELCP-03: Sovereignty	Medium (9)
SELCP-04: Takeover	Medium (9)
SELCP-05: Culture	Medium (9)
SELCP-06: LGR	High (12)
SELCP-07: Funding	High (16)
SELCP-08: Staffing	High (12)



2.4. The high operational risks have been reviewed in Q4: property services budget; Skegness Waterway; Ash tree dieback disease; sand; Fairfield depot; recruitment and retention in waste services; zoo licensing; information governance (change to the LGSCO code of complaints). Mitigation and monitoring is in place.

2.5. Fraud risks have also been identified and reviewed in Q4. Again, mitigation and monitoring are in place, with more follow-up work planned in 2024/25.

Risk	Risk score
1: Asset - Equipment	Minimal (1)
3: Assets – Land and Property	Minimal (1)
4: Procurement – Contracts	Medium (8)
5: Procurement – Contract Payments	Medium (8)
6: Council Tax – Credit Refund and Income Fraud	Medium (9)
7: Council Tax Fraud	Low (4)
8: Council Tax Support Scheme	Low (4)
9: National Non-Domestic Rate (NDR) Fraud	Medium (9)
10: Housing Benefit Fraud	Low (4)



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	Q4 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

Name of body	Date
Executive Board	5 th June 2024

REPORT APPROVAL

Report author:	Suzanne Rolfe, Group Manager - Insights & Transformation suzanne.rolfe@boston.gov.uk
Signed off by:	John Medler, Assistant Director – Governance and Monitoring Officer John.medler@e-lindsey.gov.uk
Approved for publication:	Councillor Kemp, Portfolio Holder for Finance