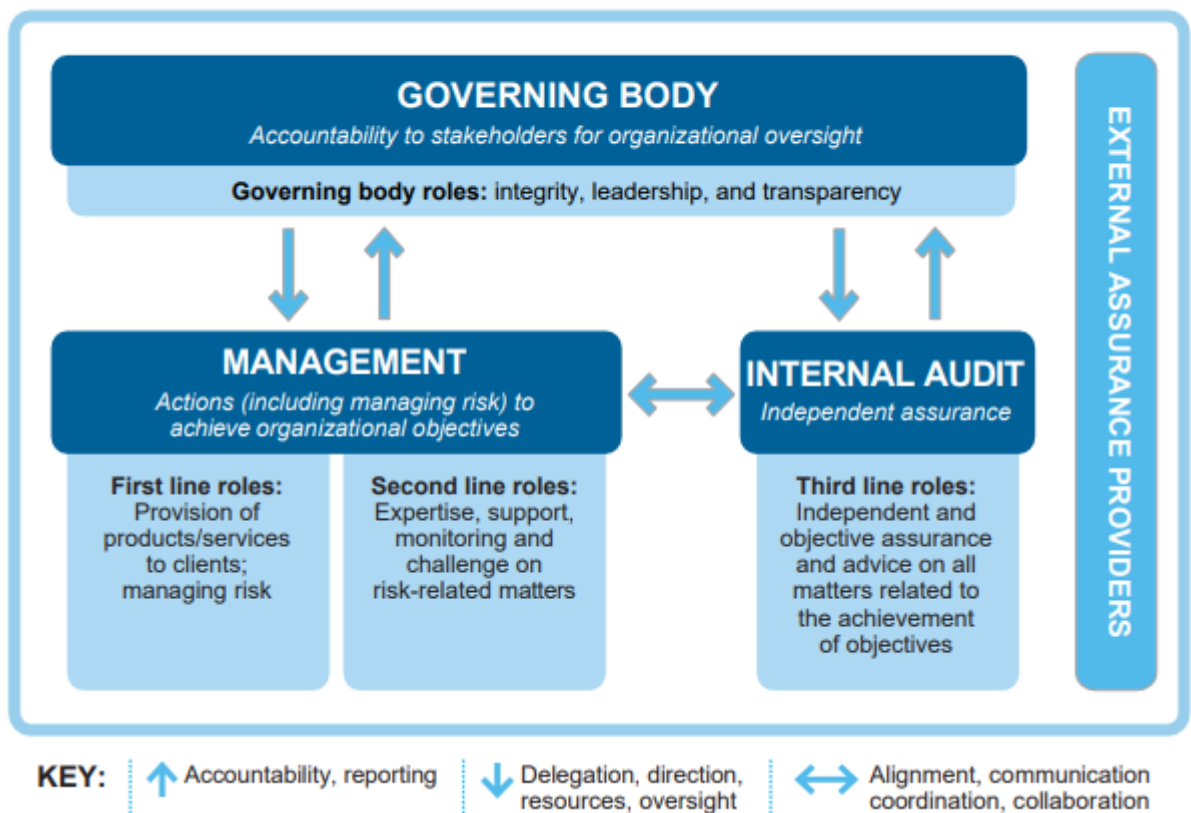


<b>Report to:</b>	<b>Audit Panel</b>
<b>Date:</b>	Tuesday, 25 June 2024
<b>Reporting Officer:</b>	Carol McDonnell – Head of Assurance
<b>Subject:</b>	<b>STRATEGIC RISK MANAGEMENT UPDATE (QUARTER FOUR)</b>
<b>Report Summary:</b>	To present the Council’s strategic risk management update (quarter four).
<b>Recommendations:</b>	That the report is approved.
<b>Corporate Plan:</b>	The strategic risk register sets out the risks of not achieving the corporate plan by directly linking the corporate plan to strategic risks; together with the mitigations in place to manage those risks.
<b>Policy Implications:</b>	The Council’s systems for managing risks are set out in the Risk Management Policy & Strategy. Effective risk management supports the achievement of the Council objectives and demonstrates a commitment to high standard or corporate governance.
<b>Financial Implications: (Authorised by the statutory Section 151 Officer &amp; Chief Finance Officer)</b>	There are no direct financial implications arising from this report. The report is to present the Councils strategic risk management update.
<b>Legal Implications: (Authorised by the Borough Solicitor)</b>	The relevant legislation is set out in the body of the report. In addition to which, effective risk management is required to ensure that the Council mitigates against potential legal challenge which may have significant financial and reputational impacts upon the Council.
<b>Risk Management:</b>	Failure to effectively manage risk comprised the Council’s ability to meet its strategic objectives.
<b>Background Information:</b>	The background papers can be obtained from the author of the report, Carol McDonnell, Head of Assurance: Telephone: 0161 342 3231 e-mail: <a href="mailto:Carol.McDonnell@tameside.gov.uk">Carol.McDonnell@tameside.gov.uk</a>

## 1. INTRODUCTION

- 1.1 The Local Government (Accounts and Audit) Regulations requires local authorities to have arrangements in place for the management of risk. The purpose of risk management is to effectively manage potential opportunities and threats to the Council achieving its objectives. Part of the remit of the Audit Panel is to 'monitor the effective development and operation of risk management'.
- 1.2 Current best practice integrates the disciplines of risk management and internal audit into a model of assurance. This model is intended to give assurance to those 'charged with governance' that the Council's major / significant risks are being effectively managed as well as providing early 'red flags' where attention is needed. The Institute of Internal Audit's '3 lines' model best demonstrates this below:

### The IIA's Three Lines Model



- 1.3 At the last meeting of the Audit Panel (1 August 2023), the Panel were advised that the '3 lines' had been introduced as part of a number of enhancements to the Council's risk management arrangements as part of the Council's wider embedding of the assurance model.

## 2. EMBEDDING ASSURANCE

- 2.1 Following the approval of the new Risk Management Policy & Strategy in November 2023, the Council is now on a journey of embedding the new risk management process.
- 2.2 Progress against the action plan reported to the Audit Panel in 2023 is detailed in the table below:

Improvement Required	Action / Responsibility / Timescale	Quarter Four Update
Directorate risk registers are not routinely in place.	Quarterly directorate risk registers (including escalating and re-escalating) risks from the strategic risk register will be put in place. Risk, Insurance and Information Governance Manager September 2023	Directorate risk registers are not always provided by each Directorate. This process has been discussed with Risk Champions in quarter one 2024/25 and agreement reached on the submission of directorate risk registers each quarter to inform the Audit Panel update.
There is no strategic risk management group or risk champions to promote and embed risk management across the organisation.	Each director will be asked to propose a champion from their directorate and a risk management group will be convened to meet quarterly. Risk, Insurance and Information Governance Manager September 2023	Risk Champions from each Directorate are now in place. Meetings were scheduled to take place each quarter, however this did not happen in quarter four. The Risk Champions have met in quarter one 2024/25 and future meetings are scheduled for the remainder of the year.
Risk management arrangements for project and programmes require review.	Usually, Prince2 principles include a sounds basis for risk management at this level. It is proposed that those responsible for major programmes / projects are included within the risk management group above. Risk, Insurance and Information Governance Manager September 2023	The Head of Transformation and Improvement is one of the Risk Champions.
The risk policy / procedure needs to be updated to reflect changes and a programme of training is required.	The risk policy / procedure will be reviewed to accommodate the proposed changes and an appropriate programme of training put in place. The approach to risk appetite is to be developed. Risk, Insurance and Information Governance Manager December 2023	The refreshed Risk Management Policy & Strategy was presented to Audit Panel in November 2023.

2.3 Work will take place during 2024/25 to further embed the new process.

### 3. STRATEGIC RISK REGISTER

3.1 The strategic risk register has been updated for Quarter Four and is detailed at **Appendix 1**. Changes made are highlighted in [blue text](#).

3.2 The strategic risk scores are summarised in the risk heat map below:

			IMPACT				
			Negligible	Minor	Medium	Major	Major Disaster
			1	2	3	4	5
LIKELIHOOD	Almost Certain	5					
	Very Likely	4			8	2, 3, 4, 5	1
	Likely	3				7	6
	Unlikely	2				9, 10, 11, 12	
	Very Low	1					

3.3 The following summarises the current strategic risks:

- |                                |                                   |
|--------------------------------|-----------------------------------|
| 1. Financial Resilience        | 7. Health & Social Care Reform    |
| 2. Capacity                    | 8. Inability to Drive Growth      |
| 3. Safeguarding                | 9. Key Supplier / Partner Failure |
| 4. Performance and Improvement | 10. Housing Supply                |
| 5. Cyber Security              | 11. Resilience                    |
| 6. Wider Socio Economy         | 12. Climate Change                |

3.4 The following emerging risks are identified in the strategic risk register:

- Equal pay claims
- Academisation
- Digitalisation and Artificial Intelligence (AI)

#### 4. RECOMMENDATIONS

4.1 As set out at the front of the report.