

Audit Committee
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Division and Local Member:

1. Summary / link to the County Plan

- 1.1.** The management of risk has a direct link to the Council's Plan, the Medium-Term Financial Plan, forms an integral part of the Annual Governance Statement (AGS) and is a major component of the External Auditor's Value for Money Audit. Risk management is an essential component of good corporate governance.
- 1.2.** The Account and Audit Regulations 2015 require the Council to have in place effective arrangements for the management of risk. These arrangements are reviewed annually and reported as part of the Annual Governance Statement (AGS).

2. Risks for consideration

- 2.1.** The Strategic Risk Report (**Appendix A**) for Somerset Council contains 17 risks.
 - 7 are new strategic risks.
 - 6 are continuing strategic risks of the former Somerset County Council
 - 4 are emerging risks.A summary slide pack sent to all members of CLT is included as **Appendix B**.
- 2.2. Strategic Risks carried over from Somerset County Council.** There are 6 strategic risks that continue to pose a risk to the new councils' objectives and are therefore retained on the register.
- 2.3. New strategic risks.** Work with Executive & Service Directors has identified 7 new strategic risks, they cover additional financial risk, fraud, recruitment & retention of staff and the Adults Transformation programme. There is ongoing work to complete these risk records.

- 2.4. Emerging strategic risks.** Three strategic risks are still in the process of being assessed by the relevant Executive & Service Directors
- ORG0064 – Housing
 - ORG0067 – Coastal prevention & waterborne risks
 - ORG0072 – Equalities Compliance
 - ORG0073 – Unauthorised Gypsy & Travellers encampments

A full risk assessment process is being completed for each before they are formerly adopted onto the strategic register.

2.5. Risk Management Workplan June 2023 to March 2024

Appendix C outlines the workplan for risk management over the next 9 months. The plan focuses on additional processes and development work needed to embed risk management principals into the new Council.

3. Background

- 3.1.** Following the creation of the new council there was a need to consider the existing strategic risks and the additional strategic risks. The former district councils had provided us with their strategic risk registers, these were considered in our discussions with Executive Directors. The emerging risks have been identified since Vesting Day.

4. Consultations undertaken

- 4.1.** Meetings have taken place with individual Executive & Service Directors
- 4.2.** Strategic risk report was sent to CLT members by email for comment

5. Implications

- 5.1.** The Strategic Risk Register supports the development and review of the Council's Plan. The Strategic Risk Register covers risks relating to Somerset Council, failure to identify and manage strategic risks may result in non-delivery of services, failed performance and wasted resources.