Strategic Risk Report for Somerset Council

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Summary / Background

1. Audit committee are a key component of the Councils governance framework. The purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The committee's role is to ensure that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

2. The management of risk has a direct link to the Council's Business 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.

3. 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).

Recommendation

4. The Audit Committee notes the report and appendices.

Strategic Risks

5.   The strategic risk register records those risks that have a potential impact on the successful delivery of the Council's priorities. This report, as per **Appendix 1**, shows the current 18 strategic risks, the proactive controls and reactive actions that work to mitigate the risk, the current risk score and the last update commentary from the Risk Owner and the reactive action owner.

5.1   **Strategic Risks Removed:** Strategic Risks **ORG0076** The required LGR staff savings not achievable against expectation, and **ORG0077** The risk that new structures are not affordable, were both closed by the Service Director, Workforce. Both risks will be re-assessed taking into consideration the work off the Transformation programme.

5.2   **Current Score Increase:** Strategic risk **ORG0062** – Health & Safety Management, saw an increase from 16(4x4) to 25(5x5) because of staffing issues that left the service operating at below the optimum staffing level. A recruitment process took place in December 2023 resulting in the recruitment of 3 staff. The proposed service restructure is under review by Alyn Jones, Executive Director, Strategy, Workforce & Localities.

5.3   **Control Measures updates:** Under strategic risk **ORG0061** – Delivery of Climate Emergency, there are 4 reactive actions which are in the process of being reviewed by the Service Director, unfortunately the updates were not available in time for the production of this report.

Risk Overview Report

6.   **Appendix 2** shows a set of summary slides that highlight the various changes to the recorded strategic risks. Slide 6 of the slide pack shows which of the strategic risks has a potential impact on the Council priorities. A strategic risk may impact on one or more of the priorities, but we have identified the main priority for this report.

Background Papers
   •   Risk information contained in JCAD Core

Appendices

- Appendix 1 – Strategic Risk Review & Control Measure Report
- Appendix 2 – Strategic Risk Overview Report