

Strategic Risk Management Update

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Lead Member: TBC

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 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.
- 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. Issues for consideration / recommendations

- 2.1. The current strategic risks to Somerset County Council are reported in **Appendix A**
- 2.2. Changes since the last strategic risk report in July 2022 summarised in section 3.2
- 2.3. Recording of the recent Risk Management Awareness Training for members.

3. Background

- 3.1. Strategic risk management is a solution that helps organisations understand the full range of risks in a logical and consistent way. Strategic risks are those key risks that if they were to occur would influence the Council's ability to successfully deliver its outcomes & objectives.
- 3.2. The Council uses JCAD Core to record the strategic and business as usual (BAU) risks. As JCAD Core is an internet-based system, it is available 24/7 365 days a year. The strategic risk report is current at the time of being produced, so there will be instances where the downloaded report will not reflect the live information available from JCAD.

The table below is the summary of the changes to the current risk score

since the last report to Audit Committee in July 2022. These changes were reported to SLT on 1st November

Strategic Risk Summary	Current Score L x I	Changes since July 2022	Number of live actions
ORG0057: Sustainable MTFP	5x5(25) ■	None	1
SCC Outcome 5: Meeting the challenges for the people of Somerset through innovation, courage & improvement			
ORG0053: Organisational Resilience	4x5(20) ■	None	10
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ORG0060: ASC fail to meet statutory obligations	4x4(16) ■ ↓	Likelihood (L) reduced from V. Likely to Likely	4
SCC Outcome 4: Improved health & wellbeing & more people living healthy & independent lives for longer.			
ORG0056: Potential for supplier disruption	4x4(16) ■	None	2
SCC Outcome 1: A County infrastructure that drives recovery			
ORG0061: Future impacts of Climate Change	4x4(16) ■	None	9
SCC Outcome 5: Meeting the challenges for the people of Somerset through innovation, courage & improvement.			
ORG0009: Safeguarding Children	3x5(15) ■	None	1
SCC Outcome 3: Fairer life chances and opportunity for all.			
ORG0059: LGR in Somerset	2x5(10) ■ ↑	Increase in Impact (I) from Major to Critical	1
SCC Outcome 5: Meeting the challenges for the people of Somerset through innovation, courage & improvement.			

3.3. On the 27th of October as part of the Members induction training, a risk management awareness session was held, the session was attended

by 12 Councillors. The session was recorded and is available from the following link [Risk Management Members Training 27 October 2022](#).

- 3.4.** Risk Management training is available to individual or groups upon request, contact pam.pursley@somerset.gov.uk to arrange a date & time.

4. Consultations undertaken

- 4.1.** SLT received a strategic risk update at their meeting on 1st November 2022

5. Implications

- 5.1.** How successful we are in dealing with the risks we face can also have a major impact on the achievement of our business outcomes and the delivery of services.

There are no financial implications arising from this report, but if the risk management process is not consistent in the run up to and after vesting day, the new authority will be open to additional risks with potential for additional costs.

5.2. Implications for new unitary council

If the risk management process is not consistent in the run up to and after vesting day, the new authority will be open to additional risks with potential for additional costs.

6. Background papers

- 6.1.** Strategic Risk report compiled from JCAD Core