

## **Risk Management Update**

Executive Member(s): Cllr Liz Leyshon

Local Member(s) and Division: All

Lead Officer: Jason Vaughan, Director of Resources and Corporate Services

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## **Summary / Background**

1. To update Members of the Audit Committee on the current Strategic Risks of the Council and the work that is ongoing to develop the risk management function for the Council.

## **Recommendations**

2. The Executive / Lead Member / Officer agrees
  - a. To note the current strategic risks for Somerset Council and where that risk sits against the Council's 4 priorities.
  - b. To note the ongoing work to continue to develop the risk management function of the Council.

## **Reasons for recommendations**

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).

## **Other options considered**

4. No other options were considered

## **Links to Council Plan and Medium-Term Financial Plan**

5. 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.

## **Financial and Risk Implications**

6. The risk implications are set out in the report.

## **Legal Implications**

7. There are no Legal implications.

## **HR Implications**

8. There are no HR implications.

## **Other Implications:**

## **Equalities Implications**

9. There are no Equality implications in this report.

## **Community Safety Implications**

10. There are no community safety implications in this report.

## **Climate Change and Sustainability Implications**

11. There are no climate change or sustainability implications in this report.

## **Health and Safety Implications**

12. There are no health and safety implications in this report.

## **Health and Wellbeing Implications**

13. There are no health and wellbeing implications in this report.

## Social Value

14. There are no social value implications in this report.

### Scrutiny comments / recommendations:

15. Scrutiny has not considered this report.

## Background

16. Somerset Council currently hold 15 strategic risks as of 11<sup>th</sup> September 2023. Appendix One sets out 2 different approaches:

1. By using a matrix approach to show where the Council's risk sits in respect of current risk score
2. By the Council's 4 priorities to demonstrate where the strategic risks sits in respect of the priorities, together with, in brackets, the current risk score for each risk

17. Since the last report to Committee in June, there have been 2 new risks added to the register as follows:

ORG0064	General Housing – failure to maintain delivery of affordable housing through third parties (RPs) and direct council delivery
ORG0075	LCN – Failure to deliver the key commitment of the business case, to deliver LCN's

18. For the information of the committee, there is also an overview of the service levels risks of the council, including where high/very high risk sits. There are a total of 149 risks as of 11<sup>th</sup> September.

19. In respect of ongoing work that is being undertaken to develop the risk management function of the Council, slide 7 in Appendix One, sets out the current work going on. Highlights include:

1. Upgrade of the JCAD risk management system, with the new system in place by October 2023
2. Development of the Risk Appetite for Somerset Council

## Background Papers

20. The strategic risk register for Somerset Council.

### **Appendices**

- Appendix One – Risk Management Update