

Meeting: Audit Committee

Date: 27 March 2024

Wards Affected: None

Report Title: Risk Management Update

Is the decision a key decision? No

When does the decision need to be implemented? N/A

Cabinet Member Contact Details: Councillor Jackie Thomas, Cabinet Member for Tourism, Culture & Events and Corporate Services, jackie.thomas@torbay.gov.uk

Supporting Officer Contact Details: Eve Bates, Performance & Risk Manager, eve.bates@torbay.gov.uk

1. Introduction

- 1.1 This report is provided to members to update them on the council's current risk position and make them aware of any notable information with regards to the council's overall risk management arrangements. It is the final risk report that will be presented to Audit Committee for financial year 2023/24.
- 1.2 The council has made very good progress in embedding its new risk management processes and implementing the actions as detailed in the Risk Management Improvement Plan.
- 1.3 During November and December 2023 Devon Audit Partnership (DAP) carried out an internal audit of the Council's risk management. The outcome was pleasing considering the improvement journey that has taken place in a short period of time (two years). DAP were "reasonably assured" with the Council's documentation, processes and arrangements. A Phase 2 Risk Management Improvement Plan is being drafted to embed the auditors' recommendations and continue the good work that has been achieved to date.
- 1.4 Staff use the SPAR.net software to record, update and review the council's strategic, corporate and service risks. Programme and contract risks are held on separate registers.
- 1.5 A 5 x 5 risk matrix is used to score the risks, meaning the maximum score a risk could be is 25. All risks that have a mitigated risk score of 16 or above (therefore considered to be high or very high risk for the council) are detailed in the supporting appendices of this report – Appendix A shows the Council's strategic risks which are scoring 16 or above and Appendix B shows the Council's corporate risks which are scoring 16 or above.

- 1.6 The council’s Risk Management Policy includes a description of the roles and responsibilities in relation to risk management. In respect of Cabinet and Audit Committee, the Policy says:
“The Cabinet members and members of Audit Committee are to ensure the council has risk management processes in place and these are carried out proportionately and effectively. They will review and challenge the information supplied on the risk reports.”

In practical terms it is expected that Cabinet members would have oversight of the risks which are relevant to their areas and approve the risk policy, with Audit Committee focusing on overall processes and effectiveness of the council’s risk management.

2. Risk Overview

- 2.1 The council currently has eight Strategic Risks and 62 Corporate Risks appearing on its risk registers.
- 2.2 The eight Strategic Risks all have **unmitigated** scores of 16 or above. As at the time of drafting this report, two have **mitigated** scores of 16 and above.
- 2.3 38 of the 62 Corporate Risks have **unmitigated** scores of 16 or above. 13 risks have **mitigated** scores of 16 and above.
- 2.4 Risks that have scores of 16 or above highlight that there is a probability that it is likely/almost certain that should the risk occur, it would have a major or critical impact on the business. Below are the risk matrixes for the council’s strategic and corporate risk registers. They show the number of risks that appear for each score.

Risk Matrix - Mitigated Strategic Risks as at 14 March 2024

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	0	2	0	0
4 - Major	0	0	2	1	1
3 - Moderate	0	0	1	1	0
2 - Minor	0	0	0	0	0
1 - Insignificant	0	0	0	0	0
Total Risks = 8					

Risk Matrix - Mitigated Corporate Risks as at 14 March 2024

	1 - Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost certain
5 - Critical	0	3	10	6	1
4 - Major	0	7	8	5	1
3 - Moderate	0	4	10	5	1
2 - Minor	0	0	0	0	0
1 - Insignificant	1	0	0	0	0
Total Risks = 62					

Strategic Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
ST05	Failure to supply sufficient housing for Torbay’s needs	20
ST09	Failure to adapt to a changing climate	16

Corporate Risks (mitigated 16 or above)

Code	Risk Title	Last Mitigated Score
CP17	Placement sufficiency	25
CP04	Large scale cyber attack	20
CP05	Failure to comply with Health & Safety legislation	16
CP06	Failure for our wholly owned companies to comply with H&S, fire, environmental legislation.	16
CP14	Delivery of SEND	20
CP15	Failure to stabilise the budget for the Higher Needs block	20
CP18	Demand on services outstrips resource and budget	20
CP19	Recruitment and retention of Social Workers	20
CP46	Effective Housing delivery	20
CP47	Effective delivery of Economic Growth Strategy	16
CP50	Failure to meet Development Management national and local performance targets	20
CP52	Failure to effectively maintain the council's assets & estate	16
CP56	Failure to meet Care Act 2014 section five (one)	16

3. Risk Reviews

- 3.1 At the time of writing this report, all risks appearing on the council's strategic and corporate risk registers have been reviewed (updated) in accordance with the timescales set out in our risk framework.

4. Emerging Risks

- 4.1 Directors are embedding risk conversations throughout our informal governance structures (i.e. meetings of Directors, Senior Leadership Team, and directorate management teams and appropriate one-to-ones). Since the last report, the below emerging risks have been highlighted and risk forms completed. These risks have been discussed at Directors Overview Meeting (DOM) on 26 March 2024. On approval of any amendments at that meeting they will shortly appear on the council's corporate risk register.

- Devolution
- Deprivation of liberties
- TorVista transfer

5. Revised Risks

- 5.1 The Director of Public Health proposed some changes to the council's strategic risk form ST06 Pandemic which were discussed at a meeting of the Directors on 26 March 2024. The amended risk form has been included with this report as Appendix C for members information.
- 5.2 The Director of Children's Services has made a change to the inherent risk score for CP19 Recruitment and retention of social workers. The unmitigated score of 16 has been lifted to 20 following 8 months of reviews where the Director has reported difficulties in recruiting and retaining social workers. As this is a national and local issue that is likely to be ongoing, it was decided to lift the unmitigated probability to 5 Almost Certain when previously it has been 4 Likely.

6. Wholly Owned Companies

- 6.1 The Director of Finance has requested that once a year the risk reports to Audit Committee are to include an update on the risk position for each of our wholly owned companies. This was included in the risk report presented to members at their meeting held on 13 December 2023.
- 6.2 It was agreed that an update on the position of Torbay Education Company would be provided in the next risk report. In this regard the committee are advised that a wider sufficiency assessment is taking place as to alternative provision in Torbay. This will then inform decisions as to how we can best utilise the Medical Tuition Service.
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5. Recommendation(s) / Proposed Decision

- (i) That Audit Committee note the report and comment on any concerns relating to the risks in Appendices A or B.

Kate Spencer
Head of Policy, Performance and Community Engagement

Appendices

- Appendix A: Torbay Council's Strategic Risks Report (risks scoring 16 and above)
Appendix B: Torbay Council's Corporate Risks Report (risks scoring 16 and above)
Appendix C: Revised risk form – Pandemic

Background Documents

Report clearance:	This report has been reviewed and approved by:	Date:
Chief Executive	Anne-Marie Bond	8/3/2024
Monitoring Officer	Amanda Barlow	
Director Of Finance Officer	Malcolm Coe	
Director Of Corporate Services	Matthew Fairclough-Kay	14/3/2024