

# AUDIT AND GOVERNANCE COMMITTEE



Report subject	<b>Risk Management - Corporate Risk Register Update</b>
Meeting date	24 July 2025
Status	Public Report
Executive summary	<p>This report updates councillors on the position of the council's Corporate Risk Register. The main updates are as follows:</p> <ul style="list-style-type: none"> <li>• All Corporate Risks were reviewed during the quarter;</li> <li>• The net scoring of risk CR16 - We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities, has reduced from 6 to 4 recognising the work underway to manage this risk;</li> <li>• Corporate risks CR21 - Impact of global events causing pressure on BCP Council &amp; increase in service requirements and CR24 - We may fail to adequately address concerns around community safety, have been transferred to a new risk lead;</li> <li>• Corporate Risk CR24 - We may fail to adequately address concerns around community safety will be widened to include Failure to comply with the Prevent Duty;</li> <li>• Corporate Risk CR19 - We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT), will be removed from the Corporate Risk Register during the next quarter.</li> </ul> <p>Material updates for this quarter are outlined in section 11.</p>
Recommendations	<p><b>It is RECOMMENDED that:</b></p> <p><b>Members of the Audit and Governance Committee note the update provided in this report relating to corporate risks.</b></p>
Reason for recommendations	To provide assurance that corporate risks are being managed effectively and continue the development of the council's arrangements for Risk Management and enhance its governance framework.

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Wards	Council-wide
Classification	For Update and Information

## Background

1. Risk can be broadly defined as the possibility that an action, issue or activity (including inaction) will lead to a loss or an undesirable outcome. It follows that Risk Management is about the identification, assessment and prioritisation of risks followed by co-ordinated control of the probability and impact of that risk.
2. In accordance with the Financial Regulations and the Risk Management Policy, the Audit and Governance Committee are specifically responsible for ensuring appropriate and effective risk management processes. In practice, this means that the committee members must assure themselves that the council's Risk Management framework is appropriate and operating effectively. The council's Corporate Risk Register is an important element of this framework and is reviewed and updated on a quarterly basis.
3. In line with the decision-making framework in place for BCP Council it was agreed that effective from day one BCP Council would, as an interim measure, adopt the legacy Bournemouth Risk Management framework. The scoring matrix in this framework was adjusted to reflect the increased remit of the new authority.
4. In addition to the quarterly reviews, in immediate practical terms, the Corporate Management Board (CMB) continues to monitor risks and ensure appropriate and proportionate mitigating actions continue and evolve as risks change.

## Corporate Risk Review

5. Members will recall from the previous updates that the Corporate Risk Register was established at the commencement of BCP Council. It has been routinely reviewed on a quarterly basis.
6. In order to provide the committee with insight in terms of the approach to risk management, a summary of the process followed is shown at Appendix 1.
7. To assist in the understanding of prioritisation of risk, the council's risk matrix and definitions is shown at Appendix 2.
8. At Appendix 3 a dashboard is included with summarised information.
9. To assist the committee with the context of the Corporate Risks, at Appendix 5 is a diagram which outlines the risk hierarchy in place in the organisation.

10. Each risk is given a unique identifying number so where risks have been removed from the register the numbers will no longer run sequentially. To assist the committee a table of the full risks is shown at the beginning of Appendix 4. This is ranked according to the net risk score from the highest to the lowest.

### **Changes in Risk During Quarter 1 – 2025/2026**

11. During the quarter, the risks have been reviewed and in addition to the updates to each risk, the material updates to the register are as follows:
- a) Note that the net score for CR16 - We may fail to secure or manage partnerships, miss out on associated funding and be unable to deliver services for communities, has reduced from 6 to 4 recognising the work underway to manage this risk.
  - b) The risk CR15 – We may fail to have in place suitable talent attraction, retention and succession planning, staff wellbeing and support was updated in May 2025 in accordance with the quarter update timetable. On 30 June 2025 both recognised trade unions confirmed that their members had voted to accept the offer. The risk has been further updated to reflect this new position. The update is based on the assumed approval by the Council which will be considered on 22 July 2025. A further update to this risk will be provided following this Council meeting.
  - c) Corporate risks CR21 - Impact of global events causing pressure on BCP Council & increase in service requirements and CR24 - We may fail to adequately address concerns around community safety, were previously lead by Jillian Kay, Corporate Director for Wellbeing. These risks have now been transferred to Kelly Deane, Director of Housing and Public Protection.
  - d) During the quarter CMB considered a request from the Communities Manager for consideration to be given to the previously nominated Failure to Comply with the Prevent Duty risk being escalated to the Corporate Risk Register. CMB considered this request and agreed that during the next quarter, risk CR24 - We may fail to adequately address concerns around community safety will be widened to include this duty.
  - e) As part of the consideration of risk by CMB, risk CR19 - We may fail to determine planning applications within statutory timescales, or within agreed extensions of time (EOT), will be removed from the Corporate Risk Register during the next quarter to be managed going forward at Director level. This will continue with the oversight of the Chief Operations Officer, the risk sitting within his Directorate.
  - f) Whilst noting the above in relation to risk CR19, a new risk is currently being developed relating to the position of the Local Plan. The updated risk in this respect will be included in the next update report to this committee.
  - g) On 29 May 2025 Grant Thornton presented 'The Audit Plan for Bournemouth, Christchurch and Poole Council'. Within this Plan, the External Auditors identified a number of significant risks. These are summarised as follows:
    - Management override of controls
    - The revenue cycle includes fraudulent transactions
    - The expenditure cycle includes fraudulent transactions
    - Valuation of land and buildings including council dwellings
    - Valuation of investment properties
    - Valuation of the Pension Fund net liability
    - IFRS16 implementation

The s151 Officer is understood to be reviewing these risks and will provide an update as necessary to the relevant Corporate Risks as part of the usual review process.

12. Whilst it may be noted that many of the risk scores have not changed, this is not reflective of management action or inaction. Risks will continue to be influenced by a number of factors including national impacts and operational environment changes. During each quarter risk owners routinely review the allocated scores along with further discussion by CMB.
13. During this quarter in addition to the review of individual risks, the connectivity of risks continues to be considered in relation to the Corporate Risk Register. CMB will continue to be mindful of the accumulation of risk. New risk causes, such as inflation, may impact across several risks and in turn compound the overall risk position for the council in a negative way.
14. Full details of the updates for this quarter can be found in Appendix 4.

### **Director Level Risk Review**

15. As part of this quarter's considerations, Corporate Directors reviewed the risk registers within their directorates to identify whether any risks currently considered at Director level should be escalated to the Corporate Risk level. The position was then discussed by CMB as a group to confirm the decisions.
16. As a result of these discussions the following was noted and agreed:
  - a) Corporate Directors will continue to review all risks rated High within their directorates. This currently equates to 46% of the total Director level risks.
  - b) The above review will include the consideration of whether any risks or commonality of risk need to be escalated or added to the Corporate Risk Register.

### **Key Assurance Risk Review**

17. As part of the overall risk framework and to ensure risks are considered at all levels, CMB also considered those risks identified as part of the key assurance risk framework. This included the following risk registers:
  - Health and Safety and Fire Safety Board
  - Resilience Governance Board
  - Information Governance Board
18. CMB reviewed these risks and considered whether either individual risks or a board level risk needed to be included on the Corporate Risk Register. No risks were escalated from these registers during the quarter.

### **Dynamic Risk Review Process**

19. Recognising the rapidly changing environment and the increasingly complex interaction between some of the corporate risks, a standard agenda item has been added to CMB to add a further layer to the risk review process.
20. This process allows for more dynamic consideration of the immediate responses required to some of the corporate risks, which will help the Corporate Risk Register to be considered, managed and communicated through the organisation.
21. The consideration of the risks in this way will also inform the regular quarterly reviews that continue to take place in a more timely manner, by flagging changes in risk profile ahead of the regular reviews with risk owners, which will continue to take place.

22. Discussions are in progress to incorporate Corporate Risks within a performance report that will routinely be presented to Cabinet. A further update on the position with this will be provided to this committee once the process for risk engagement with Cabinet is agreed.
23. In support of the continuing development of the risk framework, the Corporate Strategy Delivery Board continues to complete review risks as part of the standard agenda.

### **Risk Management Process and Development**

24. The process of developing a new Risk Management Policy for the council continues. The policy draws upon best practice as set out in standards such as the Orange Book, ISO 31000, CIPFA and ALARM (Association of Local Authority Risk Managers).
25. Progress on the development of this policy has been delayed but this will be a priority during the next quarter with discussions to finalise the position on risk appetite being completed allowing the policy to return to this committee for noting at the next meeting.

### **Service Development**

26. In addition to the reviews of corporate risks, the Risk Management team continues to be engaged in the refresh of director level risk registers. This includes engaging with services to understand their current risk arrangements, how these can be improved to deliver a proactive and dynamic Risk Management environment and how the Risk Management team can support them in this to deliver a consistent and embedded approach to Risk Management throughout the council.
27. As part of the role of the team, continuous “horizon scanning” is undertaken to identify issues that may give rise to risk for the council. When matters are identified, these are raised with the relevant Corporate Director/Director for review and consideration of any necessary action. Examples during this quarter include:
  - Routinely reviewing the outcomes of partial assurance internal audit reports to raise risk issues with the relevant service risk champion to ensure, if appropriate, they are suitably reflected and captured in the directorate risk register.
  - Circulating information from a risk management perspective on various topics.
  - Sharing training opportunities on areas of risk.
28. The new Risk App is now in use with Director Level Risk Registers being updated directly on the system.
29. The team has been working to support the new Director of Public Health and Communities in the development of their risk register.
30. The suite of dashboards and reports have been identified and will now be considered by ICT in terms of the further development phase.

**Summary of financial implications**

31. Financial implications relevant to risks are detailed within the relevant risk registers.

**Summary of legal implications**

32. There are no direct legal implications from this report.

**Summary of human resources implications**

33. There are no direct human resources implications from this report.

**Summary of sustainability impact**

34. There are no direct sustainability implications from this report.

**Summary of public health implications**

35. There are no direct Public Health implications from this report.

**Summary of equality implications**

36. There are no direct equality implications from this report.

**Summary of risk assessment**

37. The risk management implications are set out within the content of this report.

**Background papers**

Risk Management – Corporate Risk Register Update Report to the Audit and Governance Committee on 20 March 2025.

**Appendices**

Appendix 1 - Summary of Risk Management Process

Appendix 2 - BCP Council's Risk Matrix and Definitions

Appendix 3 - Risk Dashboard

Appendix 4 - Full Risk Details Including Summary

Appendix 5 - Risk Hierarchy