

# **AUDIT AND GOVERNANCE COMMITTEE**

## **1 DECEMBER 2023**

### **RISK MANAGEMENT**

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#### **Recommendation**

- 1. The Committee is requested to review the contents of the report, including the latest corporate risk report identifying corporate risks and mitigating activity.**

#### **Background**

- The aim of this report is to update the Audit and Governance Committee with the latest corporate risk report, highlighting corporate risks and current and proposed controls.

#### **Current Corporate Risk Report**

- A risk management report continues to be developed using Power BI, the first version of which can be found here [WCC Risk Report CORPORATE](#)
- An extract of the report is contained in the appendix, showing the corporate overview, and exception reporting for the corporate risks flagged as red, and those flagged as amber and deteriorating, for Q3 2023/24.
- The risk register consists of 124 identified risks, with 26 designated as corporate level risks (risks for which the impact is over multiple or all directorates or the required control requires input from multiple or all directorates).
- Of the 26 corporate risks, eight are categorised as “Service Failure (Statutory or otherwise)”, eight are categorised as “Harm / Duty of Care”, four are categorised as “Financial Impact”, four are categorised as “Reputational including scandal or corruption”, two are categorised as “Breach of law / legislation”.
- Of the 26 corporate risks Economy and Infrastructure Directorate (E&I) and the Chief Executive Unit (CEU) own eight risks each, Commercial and Change Directorate (COaCH) owns four, People Directorate and WCF each own three.
- Risks are scored as the product of risk impact, from 1 to 5, and risk likelihood, from 1 to 5. A guide to risk impact and risk likelihood scoring is shown in figures 1 and 2. The highest possible risk score is therefore 25. Any risk with a score of more than 20 is deemed to be red (out of tolerance), whilst any risk with a score between 10 and 16 is amber.

**Figure 1 - Risk Impact Scoring Guide**

	1	2	3	4	5
Service	Minor adjustments required to deliver service	Service continues (with BC arrangements)	Service requires support to continue	Significant impact on ability to deliver service	Total inability to deliver service
Harm	Insignificant	Minor Injury	Moderate injury (hospital)	Serious injury	Death / LLTI
Finance	£100	£1,000	£10,000	100,000	£1,000,000
Reputation	Minor awareness	Social media stories	Local media coverage	Regional	National / global
Law	Reprimand	Small Fine	Significant fine or punishment	Judicial review	Criminal conviction

**Figure 2 - Risk Likelihood Scoring Guide**

	1	2	3	4	5
How often	Every 5 years	Every year	Every month / few months	Every week	Everyday
How soon	Within 5 years	In the next year	In the next month / few months	In the next week	Sometime today

9. Nine of the corporate risks are flagged as red, with a current risk score (impact x likelihood) of more than 20. Of the 14 corporate risks that are rated amber (score between 10 and 20), one is deteriorating. Detailed information about these ten risks is included in the appendix as an exception report.

## Contact Points

### Specific Contact Points for this report

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## **Supporting Information**

- Appendix – Corporate Risk Report Q3 2023/24

## **Background Papers**

In the opinion of the proper officer, there are no background papers relating to the subject matter of this report.