

NORTH LINCOLNSHIRE COUNCIL

AUDIT COMMITTEE

STRATEGIC RISK REGISTER

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report provides the Audit Committee with the newly formed Strategic Risk Register (SRR) as of 8 January 2024.

2. BACKGROUND INFORMATION

- 2.1 As previously reported at the July 2023 meeting a horizon scanning workshop, facilitated by the council's liability insurers Zurich Municipal, was held that included a cross section of managers. This resulted in the following strategic risks being identified and adopted:

- Economic disruption through the loss of key business in the area (Economic)
- Inability to strategically plan long term investments and growth due to increasing costs (Economic)
- Employee retention and attraction to critical service areas where there are key person dependencies and or a legal duty or care (Social)
- Increasing health inequalities due to socio economic conditions resulting in additional pressure on front line council staff (Social)
- Lack of investment into organisation transformation resulting in insufficient systems and processes, increasing the risk of data loss or cyber attacks (Technological)
- Lack of a cohesive strategy and required resources to achieve carbon neutral targets and the wider sustainability agenda (Environmental)

- 2.2 The above risks have been firmed up with some minor changes being made to the titles in some cases (Appendix 1 refers). One of the previous risks 'Failure to achieve long-term financial sustainability' has remained and subsequently reviewed. The SRR was agreed by the Corporate Assurance and Risk Board on 18 December 2023. The residual score for each of the risks are listed below:

- Failure to achieve long-term financial sustainability – 12 (high)
- Increasing Health Equalities due to socio-economic conditions resulting in additional pressure on front line services – 12 (high)

- Economic disruption through the loss of key businesses within the local economy – 9 (medium)
- Employee Retention and Recruitment into critical service areas where there are key person dependencies or a legal duty of care - 9 (medium)
- Failure to achieve net zero, nature recovery and wider sustainability targets – 6 (medium)
- Inability to strategically plan long-term investments and growth – 6 (medium)
- Lack of investment into organisation transformation resulting in insufficient systems and processes, increasing the risk of data loss or cyber attacks – 8 (medium)

2.3 Once the risks have been agreed work will commence on re-stating the council's risk appetite. Risk Appetite is defined as being the organisation's willingness to accept risk in pursuit of its business objectives. It also forms part of the overall framework around which decisions on are made.

3. **OPTIONS FOR CONSIDERATION**

3.1 The Committee should consider whether the SRR reflects the council's strategic risks.

4. **ANALYSIS OF OPTIONS**

4.1 The report is designed to provide this Committee with the assurance required to fulfil its role effectively.

5. **FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)**

5.1 There are no direct financial implications arising from this report. However, each of the risks identified could have a potential financial impact if not addressed.

6. **OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)**

6.1 Financial, service, personal safety and reputational issues are all considered when evaluating strategic risks.

7. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

7.1 Due to the nature of the report an Integrated Impact Assessment is not required.

8. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

8.1 There are no conflicts of interests to declare.

9. **RECOMMENDATIONS**

9.1 That the Audit Committee considers and approves the council's SRR attached at Appendix 1.

DIRECTOR: OUTCOMES

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Background Papers used in the preparation of this report

Risk and Opportunity Protocol 2020