

# AUDIT COMMITTEE

## Strategic Risk Management

30 July 2025

### Report of Chief Executive

#### PURPOSE OF REPORT

To provide the Committee with an update on the authority's progress in updating the Strategic Risk Register.

This report is public, with appendix B being exempt by virtue of paragraph 3 of Schedule 12A the Local Government Act 1972.

#### RECOMMENDATIONS

- (1) The Audit Committee note the Strategic Risk Register, as shown as appendix A (public report) and appendix B (restricted report).

#### 1 Change from 4 x 4 to 5 x 5 impact vs likelihood matrix

- 1.0 Following the recommendations of some consultancy work we commissioned on risk management, the impact vs likelihood matrix has been changed from a 4 x 4 to a 5 x 5. This will:

- Bring us into line with best practice
- Allow greater differentiation of risk severity

- 1.1 As part of the above change, a new risk rating colour has been introduced. Risk scoring is now as follows:

Impact	Catastrophic 5	5 Low	10 Moderate	15 High	20 High	25 High
	Major 4	4 Low	8 Moderate	12 Moderate	16 High	20 High
	Moderate 3	3 Very Low	6 Low	9 Moderate	12 Moderate	15 High
	Minor 2	2 Very Low	4 Low	6 Low	8 Moderate	10 Moderate
	Insignificant 1	1 Very low	2 Very Low	3 Very Low	4 Low	5 Low
		Remote 1	Unlikely 2	Possible 3	Highly Likely 4	Almost Certain 5
		Likelihood				

- 1.2 All strategic risks will be reviewed quarterly, with the exception of those which are red rated, which will be reviewed monthly.
- 1.3 The scoring on all strategic risks has been reworked so that they all score on the newly introduced 5 x 5 matrix for this report.
- 1.4 The changes have resulted in their being no red (high) risks, with 7 amber risks across the restricted and unrestricted risk registers. Under the 4 x 4 matrix there would have been 3 red risks open.

## **2 Report**

2.0 Quarterly Strategic Risk Report as updated by Leadership Team to be seen by Audit Committee to be noted.

2.1 There are currently 25 Strategic Risks open on the register.

2.2 The attached appendices show the changes to the council's Strategic Risk Register made during the reporting period 13<sup>th</sup> May to 17<sup>th</sup> July 2025. Changes are highlighted using red text, excluding the new scoring, as all risks scored have been reworked following the introduction of the 5 x 5 matrix. A summary of the main changes is as follows:

- Risk reviews have been run against all 25 Strategic Risks.
- Action plan due dates have been updated for risks SR04, SR05, SR06, SR09 SR14, SR20, SR24 and SR28.
- Action plan descriptions have been updated or added for risks SR04, SR06, SR09, SR14, SR24 and SR28.
- Control measure details have been updated or added for risks SR03, SR07, SR16, SR20, SR24 and SR29.
- Under the new risk matrix and scoring, all of the council's Strategic Risks are within the risk appetite. It is worth noting that the risk appetite levels are due to be reviewed later this year, following the changes to the matrix and some other changes in the risk management policy.
- Risk SR26 which related to increasing costs of temporary accommodation for the homeless has been closed as a strategic risk, following significant progress in reduction of B&B costs. The risk will continue to be monitored at an operational (service) level.

<b>CONCLUSION OF IMPACT ASSESSMENT</b> <b>(including Health &amp; Safety, Equality &amp; Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):</b>
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No direct impact arising from this report, which provides an updated copy of the authority's Strategic Risk Register.
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<b>LEGAL IMPLICATIONS</b>
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No direct legal implications arising from this report.

#### **FINANCIAL IMPLICATIONS**

No direct financial implications arising from this report.

#### **OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces**

No direct resource implications arising from this report.

#### **SECTION 151 OFFICER'S COMMENTS**

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources, including responsibility for Internal Audit.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no further comments.

#### **BACKGROUND PAPERS**

N/A

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