

## AUDIT COMMITTEE UPDATE JANUARY 2024

### **AGENDA ITEM 7 – 11<sup>th</sup> September 2023 - Risk Management Framework**

The Risk Manager would like to submit the attached updated Strategic Risk Register, **Appendix A**, tab 1 is the register, tab 2 scoring matrix and tab 3 the Financial and Reputational assessments and supporting Impact and Likelihood template recently signed off by the Corporate Leadership Team (CLT) **Appendix B**, tab 1 is the Impact and likelihood detail. Please also find supporting Strategic Risk Register commentary below.

#### **Current Position**

- All Inherent and residual risk Impacts and Likelihoods agreed with key contacts.
- Financial impact bands should the risk materialise, agreed with key contacts.
- Reputational impacts should the risk materialise, assessed by Amanda Rose to ensure consistency.
- Attached formally signed off Strategic Risk Register (SRR)

#### **Risk Changes agreed:**

#### **SR – Ofsted inspections – Alison Bennett, Gary Jones, and Chris Baird**

- Residual risk has increased from Amber to Red and is now in line with Inherent Risk.

#### **Rationale:**

- The outcome of the inspection is going to be very different to what it was the last time in 2018. The service at this time, will need more resources in place to manage high quality services and the outcome of the inspection may result in us losing some resources ie: staff, which will weaken the control environment overall.

#### **SR - CQC Assurance (Inspection) Adults – D McQuade**

Both Inherent and residual risk have moved to Red from Amber, as the Impact and likelihood combined score is 16 in line with their BAU directorate template. Risk is considered stable at present.

#### **SR - Emergency Resilience – Council Response – Rob Hill**

- Residual risk likelihood reduced from 4 to 3 so reducing RAG from Red to Amber.

#### **Rationale:**

- Emergency Plan written with a draft version on the intranet, which allows staff to understand what to do in an emergency.
- Profile raised with CLT.
- Paper to be submitted to CLT detailing future improvements, by the end of January.
- BCP updated in all but 2 areas, with discussion ongoing for these to be completed also.

#### **SR - Health & Safety - S Lewis**

- Residual risk likelihood reduced from 4 to 3 so reducing RAG from Red to Amber.

#### **Rationale:**

- H&S Policy written and to be communicated very soon.
- New Head of H&S recruitment progressing well with s/o expected shortly.
- These improvements allow PCC to demonstrate a much stronger defensive position if challenged by the H&S executive now.

#### **SR - The Council is a victim of Cyber Crime, & Technological Change – J Patmore**

- Key contact believes owner should change to CLT from CB, has everyone has responsibility for Cyber Security.

#### **SR - Procurement, contracting & contract management – R McCarthy**

- Risk to be moved to BAU risk register as residual risk is Green.

### SR - Waste Disposal/Pollution – C Palmer

- Risk to be moved to BAU risk register as residual risk is Green.

### SR - Capital & Information Assets – S Lewis Jill Evans

- Risk to be moved to BAU risk register as residual risk is Green.

### Future activity

- Risk Management Policy and Strategy document, to be completed and signed off internally and then submitted to the Audit Committee.
- Ongoing review and update of the Strategic Risk Register.

### Emerging Risks:

#### **Hilton Hotel Loan:**

The council agreed a loan of £15m to support the development of a Hilton hotel at Fletton Quays - a key part of the project to regenerate this area of the city. In October the council appointed administrators in relation to the developer of the hotel. This course of action was taken to ensure the hotel can be completed and to safeguard the council's investment.

The administrators have taken control of the building and are determining the optimal strategy for the sale of the building.

Our focus remains on seeing the hotel completed as soon as possible, providing a fantastic high-quality hotel and rooftop bar and at the same time protecting the council's investment. Hilton remains committed to opening a hotel at this site.

However, matters arising since October means that this will be added to our Strategic Risk Register going forward, but prudent to log as an emerging risk now.

#### **SERCO Integration:**

A contract with Serco (known as the PSSP) to provide services on the council's behalf will be ending in April 2024, after agreement was reached between the two organisations.

The council has been reviewing its contracts and partnerships over the past two years to ensure the arrangements continue to meet the needs of the council and are providing best value for residents. This was a key part of the council's Improvement Plan and as it strives to achieve financial sustainability.

In recent months the council has been in discussion with Serco about the services they provide on our behalf. After a period of negotiation, agreement has been reached and the current contract will end in April 2024.

At this time all services will return to the council, along with staff under TUPE - Transfer of Undertakings (Protection of Employment) arrangements.

Although detailed plans and operational oversight are in place to ensure this is a smooth transfer which does not affect service delivery, it is prudent to log it as an emerging risk.