

| | |
|----------------------------|---|
| Council/Committee: | Audit and Risk Assurance Committee |
| Report Title | Strategic Risk Register Update |
| Date of Meeting | 16 February 2026 |
| Report Author | Narinder Phagura Audit Business Partner Peter Farrow Head of Audit |
| Lead Officer | Alex Thompson Executive Director of Finance and Transformation |
| Wards Affected | All (All Wards); |
| Appendices (if any) | 1. Strategic Risk Register |

1. Executive Summary

1.1 This report updates the Committee on the profile of the key strategic risks currently faced by the Council and how they are being mitigated.

2. Recommendations

2.1 The Committee is recommended to:

- note and comment on the latest strategic risk register.

3. Proposals – Reasons for the recommendations

3.1 To inform the Committee of the Council's strategic risks.

4 Alternative Options Considered

4.1 The purpose of the report is to inform the Audit and Risk Assurance Committee of the latest strategic risk register. As such, there is no alternative option.

5 Context and Key Issues

5.1 Effective risk management is a key element of good corporate governance, as noted in the Council's Code of Corporate Governance, and is essential to the

overall performance of the Council in meeting its corporate plan objectives. Good risk management will ensure that resources are used efficiently and effectively, and that assets and resources are protected against risk in the most efficient way.

- 5.2 The role of the Audit and Risk Assurance Committee is to help provide assurance to the Council that it has a system of governance, risk management and internal control in place and that the adequacy and effectiveness of these arrangements continue to inform decision making.
- 5.3 This report updates the Committee on the profile of the key strategic risks currently faced by the Council since they were last reported.
- 5.4 The strategic risk register is a live document and reflects the Council's risk profile as at December 2025. The risks undergo ongoing review to ensure they remain appropriate and are assessed in order to aid informed decision making and resource allocation.
- 5.5 The strategic risk register does not include all of the risks faced by the Council. Other risks are captured within directorate, programme and project risk registers in line with the Council's risk management framework.
- 5.6 The review and assessment of each strategic risk has been discussed with the risk owners and shared with the Strategic Leadership Team.
- 5.7 An update on the current risks, including the measures in place to mitigate them are included within Appendix 1.
- 5.8 A summary of the current risk profile is shown below:

| Risk | Current risk score |
|---|-----------------------|
| Changes in the Integrated Care Board and Impact on Adult Social Care and the Council (New Risk) | Red |
| Medium Term Financial Strategy <ul style="list-style-type: none"> • 2025/26 • 2026/27 • 2027/28 onwards | Green Amber Red |
| Budget Monitoring and Management 2025/26: <ul style="list-style-type: none"> • General Fund • HRA | Amber Red |
| SEND Placements and Transport: <ul style="list-style-type: none"> • Travel (reduced from amber) • Placements | Green Red |
| Business Continuity Management | Amber |

| | |
|--|-------|
| Compliance with DPA/GDPR | Amber |
| Cyber Security | Amber |
| Climate Change | Amber |
| Borough Archives | Amber |
| Housing Improvement | Amber |
| Building Community Cohesion | Amber |
| Pandemic | Amber |
| Children's Social Care (reduced from amber) | Green |
| Regeneration Fund Programmes | Green |
| Equalities (reduced from amber) | Green |
| Workforce Recruitment | Green |
| Electoral Arrangements (reduced from amber) | Green |
| Sandwell Local Plan | Green |
| Organisational Culture | Green |
| Homelessness and Temporary Accommodation (reduced from amber) | Green |
| Continuous Improvement | Green |

6. Financial Implications

6.1 The impact of risks materialising can affect the Council's MTFS and overall financial stability of the Council. To mitigate this impact, the Council holds financial reserves. The Council's Reserves Strategy identifies the General and Earmarked Reserves balances held and the purpose of those reserves. As part of the annual financial planning cycle for 2026/27, the Reserves Strategy has been updated and Earmarked Reserve balances have been reviewed in conjunction with the Strategic Risk Register. Where strategic risks have an identifiable financial consequence, the Reserves Strategy articulates how this is to be managed.

7. Legal and Governance Implications

7.1 There are a number of standards applicable to the management of risk within the local authority sector. Included amongst these is guidance from CIPFA/Solace, the British Standards Institute (BSI) and a set of joint standards published by the Institute of Risk Management (IRM), Alarm (The

public sector risk management association) and AIRMIC (Association of Risk Managers in Industry and Commerce).

8. Risks

8.1 The report is an update of the key risks facing the Council.

9. Equality and Diversity Implications (including the public sector equality duty)

9.1 It was not necessary to undertake an Equality Impact Assessment

10. Background Documents

10.1 None.

11. How does this deliver the objectives of the Strategic Themes?

11.1 This report will support the delivery of the following Strategic Themes:-

- Growing up in Sandwell
- Living in Sandwell
- Healthy in Sandwell
- Thriving Economy in Sandwell
- One Council One Team Approach.

The report details the key strategic risks that need to be managed to ensure that they do not negatively impact on the delivery of the Council Plan.