Report for: Audit Committee – 23 July 2026

Item number: 12

Title: Risk Management updated - Corporate Risk Register

Report authorised by : Taryn Eves, Corporate Director of Finance and Resources

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Ward(s) affected: N/A

Report for Key/ Non Key Decision: N/A

1. Describe the issue under consideration

1.1 The Audit Committee is responsible for providing assurance about the adequacy of the Council's Risk Management Framework and Policy and monitoring the effectiveness of systems for the management of risk across the Council and compliance with them as part of its Terms of Reference.

1.2 Under its terms of reference, the Committee is also required to note the Council's Corporate Risk Register and be satisfied appropriate mitigating actions are being completed in a timely manner.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 The Audit Committee is asked to note the Corporate Risk Register as at 30 April 2025, attached at Appendix A.

4. Reasons for decision

4.1 The Corporate Risk Management Policy and Strategy sets out the assurance framework of the Council; how risk management fits with other management and operational functions; and the roles and responsibilities of members and officers in the risk management process. The Audit Committee is responsible for reviewing and approving the Risk Management Policy as part of its Terms of Reference and the committee approved the Policy in October 2024. The Committee also receives regular updates on the Council's Corporate Risk Register and the accompanying guidance (attached at Appendix B).

5. Alternative options considered

5.1 Not applicable. The requirement to have a corporate risk management policy and strategy is recommended best practice and forms part of the overall assurance framework of the Council. Further, the identification of risks as part of a risk management process is considered essential as part of a good governance framework.

6. Background information

6.1 The Corporate Risk Management Policy and Strategy has been reviewed to incorporate changes to the Council's approach, to ensure it is fit for purpose for the future and meets current good practice requirements.

6.2 The full corporate risk register is attached at Appendix A. The Corporate Leadership Team last reviewed and discussed the risk register on 16 April 2026. In addition, the Leadership team welcomed a presentation from Zurich on the industry best practice in respect of risk management at its earlier meeting where the Corporate Leadership Team was engaging and the presentation led to a good discussion and deep dives into a number of corporate risks. Key points arising from that meeting are captured within the corporate risk register. The profile of the Council's residual risk is shown in the table below.

I M P A C

Catastrophic (5)			**6, 8, 16**	**2, 9, 12,15**	**1, 14, 10**
Severe (4)		**4, 17**(new)	**5, 11, 13**	**18**(new)	
Material (3)			**3**		
Minor (2)					
Negligible (1)					
	Rare (1)	Unlikely (2)	Possible (3)	Probable (4)	Almost Certain (5)

L I K E L I H O O D

6.3 The most significant "Red" risks and changes to the corporate risk register are as follows:

- **Risk 1 - Reduce the reliance on Exceptional Financial Support over the medium term changed from "Maintaining and strengthen financial viability/balance across MTFP including failure to deliver identified savings"** – this risk remains at the highest level and any failure to implement mitigating actions likely to result in the risk becoming an issue. The risk has been comprehensively updated, including for recent corporate actions requiring further checks over spend.
- **Risk 14 - The North London Heat and Power Project is a facility for the disposal/treatment of waste. NLWA are the statutory body for waste disposal and therefore technically the risk owner but operational and**

financial risks impact us and other boroughs in the NLWA jurisdiction and therefore it is a shared risk. This is a new financial risk to the corporate risk register recognised at the last CLT for inclusion on the corporate risk register. The risk concerns the significant projected overspend at the NLWA that may impact on the financial contributions required from the seven boroughs it serves from 2030.

- **Risk 10 – Building Control.** This is a risk added to the Corporate risk register in September 2025, and numerous mitigations explored and instigated. The Council's exposure has not improved. Recognising that staffing is an issue across the organisation, and the nature and number of other corporate risks, CLT directed the appropriate Directorate Leadership Team to manage this risk in future.

- **Risk 15 - The UK Emissions Trading Scheme (UK ETS) is one of the UK's decarbonisation policy instruments. The resulting government regulation of this policy will impact on the Council's statutory disposal point (Edmonton Energy from Waste (ERF) in terms of financial/operating set up may adversely affect cost of waste disposal.** This is linked to risk 14 highlighted above.

- **Risk 2 - Non-delivery of transformational change due to lack of corporate change functions**. Though the risk profile remains at the same level as previously reported, the delivery of planned savings remains extremely challenging. Internal audit reports and the work of the project management team has given a low level of assurance in this area.

- **Risk 9 - Failure to prepare for the impact associated with climate change, including air quality and pollution, extreme weather (e.g. flooding, heat).** This risk remains as previously reported.

- **Risk 12 - Unable to attract and retain scarce skills or those in high demand.** The Council does not have the appropriate skills, capacity and capabilities in place and/or recruited to deliver the Corporate Delivery Plan effectively. This risk remains unchanged and CLT agreed on further mitigations.

- **Risk 18 (new) - Potential exposure of employees, contractors or members of the public to asbestos-containing materials (ACMs), leading to harm, regulatory enforcement action, service disruption and reputational damage. Six HSE Improvement Notices issued.** This is a new risk raised by the service in respect of the management of asbestos within Housing services, exposing the authority to Health and safety risks, reputational and financial risks.

6.4 The most significant "Amber" risks but should they occur, they could be catastrophic for the authority: -

- **Risk 6 - Serious Cyber Security Incident leading to all or multiple council systems shutdown and/or council unable to undertake business and/or significant ICO fine & reputational damage due to data breach, malware outbreak, phishing or ransomware attack.** The Impact is “5” and Likelihood is “3”. This risk remains unchanged since the last report and continues to be carefully monitored and further mitigations have been put in place.

- **Risk 8 - Adequate processes are not in place to safeguard vulnerable children and adults within the borough who were or should have been in receipt of services, either from the council or a partner agency.** The Impact is “5” and Likelihood is “3”. This risk remains unchanged since the last report.

- **Risk 15 - Election Risk.** This was an updated risk for CLT to consider and recognising the risks associated with the management of local election in May ‘26. CLT noted a project board has oversight of this risk and continues to offer mitigations. This risk has now passed and will be removed from the next iteration of the corporate risk register.

- **Risk 4 - Potential health and safety incident affecting employees or member of the public.** The Impact is “5” and Likelihood is “3” and is unchanged since the last report

- **Risk 3** - **Impact of significant external economic factors, affecting service delivery, the local economy, employment opportunities and cost of living for residents.** CLT considered this risk and updates from recent actions will be captured for the next iteration.

- **Risk 5 - Failure to meet Housing / Achieve full regulatory compliance for Council Housing Stock standards.** This risk has been reduced from “15” to “12” with a slight reduction in the likelihood assessment. CLT sought assurances to understand the reason for a reduction and be satisfied improvements had been made. CLT was made aware of the new regime for monitoring and reporting compliance and the feedback from regular meetings with the regulator.

6.5 The Corporate Leadership Team also received a presentation and noted risks and mitigations in respect of the war between the US/Israel and Iran. Five risk areas were considered: -

Social Cohesion & Community Safety - The consequence of the conflict for "Place” in the form of Community Tensions between diverse community groups and a material increase in the need for Community Liaison work;

The inflation shock and energy spike – unbudgeted cost pressures for energy costs across the Council estate and the impact of increased fuel costs for managing fleets in Housing and across Social Care in particular.

Cost of living - More widely, the impact of increased energy costs on residents and the impact on local economy, employment opportunities and cost of living for residents;

Cyber Resilience - Iran-linked threat actors have moved from targeting Middle Eastern municipalities to Western ones as part of a "retaliation" strategy; and

Pension Fund volatility – renewed political and public pressure to divest from any firms linked to the defence industry or specific states involved in the conflict, creating a tension between "Fiduciary Duty" and "Ethical Governance". The revaluation risks where extreme volatility in the 2026/27 financial year can trigger "funding gap" concerns in also a risk.

Contribution to the Corporate Delivery Plan and High level Strategic Outcomes?

7.1 The internal audit work makes a significant contribution to ensuring the adequacy and effectiveness of internal control throughout the Council, which covers all key priority areas.

7. Carbon and Climate Change

8.1 There are no direct Carbon implications arising from this report.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Legal and Governance, Equalities)

8.1 Finance and Procurement

Finance

There are no direct financial implications arising out of this report as the work associated with updating and monitoring the Council's corporate risk approach is included within service areas' revenue budgets.

The risks included in the corporate risk register could have significant financial implications for the Council if they were to materialise. Regular review and monitoring of existing and emerging risks helps to mitigate any potential financial implications.

Procurement

Strategic Procurement notes the contents of this report and will continue to support directorates in managing procurement and commercial risks identified within the Corporate Risk Register.

Strategic Procurement confirm there are no procurement-related matters arising from this report that would prevent the Audit Committee from approving this report.

8.2 **Director of Legal & Governance – Haydee Nunes De Souza, Head of Legal Services**

Approval of the Corporate Risk Management Policy is a matter for Audit Committee, whose terms of reference and statement of purpose provide –

The Committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance that those arrangements are effective.

The Committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

Accordingly, there are no legal reasons why Audit Committee should not approve the recommendations in this report.

8.3 Equality

The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not.

There are no direct equality implications arising out of this report.

9. Use of Appendices

Appendix A – Corporate Risk Register as at 30 April 2026
Appendix B – Risk Management Guidance

10. Background Information

None