Meeting:	Audit & Governance Committee
Meeting date:	22nd July 2026
Report of:	Debbie Mitchell, Director of Finance (S151 Officer)
Portfolio of:	Councillor Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality and Inclusion

Audit and Governance Committee Report:
Monitor 1 2026/27 – Key Corporate Risks

Subject of Report

1. The purpose of this paper is to present Audit & Governance Committee with an update on the key corporate risks (KCRs) for City of York Council (CYC), which is included at Annex A.

Policy Basis

2. The effective consideration and management of risk within all the council's business processes helps support the administration's key commitments and priorities as outlined in the Council Plan 2023-2027.

Recommendation and Reasons

3. Audit and Governance Committee are asked to:

   a) consider and comment on the key corporate risks included at Annex A, summarised at Annex B;

   b) note and provide feedback on the in-depth review of KCR 5 Safeguarding at Annex C;

   c) provide feedback on any further information that they wish to see on future committee agendas;

Reason:

To provide assurance that the authority is effectively understanding and managing its key risks.

Background

4. The role of Audit & Governance Committee in relation to risk management is to receive;

    - assurance with regards to the governance of risk, including leadership, integration of risk management into the wider governance arrangements of the council including CMT ownership and accountability
    - the up-to-date key corporate risk profile including the effectiveness of risk management actions; and
    - monitoring the effectiveness of risk management arrangements in supporting the development and embedding of good practice across the organisation

5. Risks are usually identified in three ways at the Council;

    - A risk identification workshop to initiate and/or develop and refresh a risk register. The risks are continually reviewed through directorate management teams (DMT) sessions.
    - Risks are raised or escalated on an ad-hoc basis by any employee
    - Risks are identified at DMT quarterly risk meetings

6. Due to the diversity of services provided by the council, the risks faced by the authority are many and varied. The Council is unable to manage all risks at a corporate management team (CMT) level. Best practice is to focus on the significant risks to the council's objectives these are known as the key corporate risks (KCRs).

7. The corporate risk register is held digitally in 'Magique'. The non KCR risks are specific to council directorates and consist of both strategic and operational risk. Operational risks are those which affect day to day operations and underpin the directorate risk register. All

operational risk owners are required review their risks on a regular basis and inform the risk management service of any changes.

8. In addition to the current KCRs, in line with the RM policy, risks identified by any of the Directorates can be escalated to Council Management Team (CMT) for consideration as to whether they should be included as a KCR. KCRs are reported and discussed quarterly with CMT and Portfolio Holders. KCR's can also be reduced to directorate level risk as part of this process.

Key Corporate Risk (KCR) update

9. There are currently 11 KCRs which are included at Annex A in further detail, alongside progress in managing the risks.

10. Annex B provides a one-page summary of all the KCR's and their current gross and net risk ratings.

11. In summary the key risks to the Council are:

- KCR1 – Financial Pressures: The Council's increasing collaboration with partnership organisations and ongoing government funding cuts will continue to have an impact on Council services
- KCR2 – Governance: Failure to ensure key governance frameworks are fit for purpose.
- KCR3 – Effective and Strong Partnership: Failure to ensure governance and monitoring frameworks of partnership arrangements are fit for purpose to effectively deliver outcomes.
- KCR4 – Changing Demographics: Inability to meet statutory deadlines due to changes in demographics
- KCR5 – Safeguarding: A vulnerable child or adult with care and support needs is not protected from harm
- KCR6 – Health and Wellbeing: Failure to protect the health of the local population from preventable health threats.
- KCR7 – Capital Programme: Failure to deliver the Capital Programme, which includes high profile projects
- KCR8 – Communities: Failure to ensure we have resilient, cohesive, communities who are empowered and able to shape and deliver services.

- KCR9 – Workforce Capacity: Reduction in workforce/ capacity may lead to a risk in service delivery.
- KCR10 – External market conditions: Failure to deliver commissioned services due to external market conditions.
- KCR11 – Major Incidents: Failure to respond appropriately to major incidents. This includes regular incidents such as Flood and a Major fire to national and international incidents such as Pandemic, Climate change, Supply chain failure.

12. Risks are scored at gross and net levels. The gross score assumes controls are in place such as minimum staffing levels or minimum statutory requirements. The net score will consider any additional measures which are in place such as training or reporting. The risk scoring matrix is included at Annex D for reference.

13. The following matrix categorises the KCRs according to their net risk evaluation. To highlight changes in each during the last quarter, the number of risks as at the previous monitor are shown in brackets.

Impact					
Critical					
Major		1 (1)	4 (5)	1 (1)	
Moderate		1 (1)	3 (3)	1 (1)	
Minor					
Insignificant					
Likelihood	Remote	Unlikely	Possible	Probable	Highly Probable

14. By their very nature, the KCRs remain relatively static with any movement generally being in further actions that are undertaken which strengthen the control of the risk further or any change in the risk score. In summary, key points to note are as follows;

- New Risks- No new KCRs have been added since the last monitor.
- Increased Risks – No KCRs have increased their net risk score since the last monitor

- Reduced Risks – No KCRs have reduced their net risk score since the last monitor

Updates to KCR risks, actions and controls

15. KCR 1 – Financial Pressures

Completed Action: Responded to Fair Funding review consultation.

Updated Action: Development of Financial Strategy 2027/28.

New Control: Respond to Government consultation on funding.

KCR 2 – Governance

New Risk Detail: The Local Government Boundary Commission reviews the electoral and boundary arrangements of councils and City of York Council is under review. Final arrangements will not be known until later in the year.

Amended Risk Detail: Increased demands and workloads resulting from any or all the above with static resources and capacity.

Amended Implication: An adverse cyber event would likely result in significant disruption to key Council services, with short-, medium-, and long-term implications, and potentially significant financial implications.

New Implication: Insufficient time to make necessary changes will impact on our ability to deliver Local Elections in May 2027 leading to confusion for residents and reputational risk for the Council.

New Control: Monthly election planning meetings to include contingency arrangements.

Amended Control: ICT and ICT security policies and procedures such as electronic communication policy with review and refresh programme in place.

New Control: Increased scope of the PSN (Public Services Network) external and independent annual health check/scope across the council’s infrastructure, system and device estates.

New Control: Looking to secure Cyber Essentials accreditation as part of our wider security work programme to strengthen our security/posture.

New Control: Improving “layered” defence model. This means we use multiple safeguards so that if one fails, others are there to protect the council.

New Control: Cyber risks are understood, managed and addressed through a structured, risk-based framework and this includes learning lessons from “near misses” and previous incidents.

New Control: The sharing of information with other councils through the WARP and iNetwork security communities to get early warning of new threats.

New Control: All staff communication in relation to data protection and information governance to reinforce essential practice and reporting requirements.

New Action: Ongoing communication with all staff to reinforce key data protection messages.

New Action: Further work to be undertaken in relation to consistency of processes for external communications.

KCR 3 – Effective and Strong Partnerships

New Control: Newly appointed Chief Executive has scheduled time with all key partners.

Amended Control: Account management approach to monitoring key partnerships. CMT identified the 100 organisations who have the most potential to influence or affect organisational and city aims and priority outcomes for residents, and have established a partner programme to continue to engage them. Directors and Chief Executive lead on specific relationships with meeting scheduled arranged to meet partner requirements.

Amended Control: The Integrated Care System has a strategy in place that aligns with the Joint Health & Wellbeing Board . Changes to ICB is reviewing the York Place Board who oversee the delivery of this at a Place level. Financial pressure remains, with a joint Commissioning Group chaired by the Director of Public Health however the Council, ICS and the Acute Trust work together to reduce delays increase flow to reduce escalation beds and increase staffing.

Amended Control: Arrangements with the MCA inform priorities, with the Strategy and Partnerships team maintaining a central coordination role, and the approved “pipeline” and subsequent response (York’s Growth Ambitions) to Local Growth Plan confirming areas of focus. The MCA facilitate thematic sessions with different officer groups to help ensure MCA Committee decisions include thorough briefings.

Amended Control: The York Health and Care Partnership is chaired by Richard Webb, which supports an integrated decision-making approach across organisations

Amended Control: Sustainability Leaders Group and Head of Communications Groups meets quarterly (in person and online) to discuss opportunities and potential joint projects.

Amended Control: York Economic Partnership meets bi-annually to explore opportunities for the city, and continue discussions initiated at MCA Business Board.

KCR 6 – Health and Wellbeing

Amended Control: The Health Protection Committee will produce an annual health protection report for approval at an Elected member Decision Session.

KCR 7 – Capital Programme

Completed Action: Review of major capital projects governance to be undertaken, including development of a resource plan.

Updated Action: Development of Capital Strategy 2027/28.

New Control: Capital Programme assurance process.

16. As agreed at this committee in November 2024, a cycle of in-depth reviews will be carried out whereby one KCR is reviewed in detail, and the risk owner attends that meeting to assist with the conversation. This monitor (Monitor 1 2026/27) it is KCR 5 (Safeguarding) that is under review.

Consultation Analysis

17. Not applicable

Risks and Mitigations

18. In compliance with the council's Risk Management Strategy, there are no risks directly associated with the recommendations of this report. The activity resulting from this report will contribute to improving the council's internal control environment.

Contact details

For further information please contact the authors of this report.

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Background papers

None

Annexes

- Annex A: Key Corporate Risk Register
- Annex B: Summary of Key Corporate Risks
- Annex C: KCR 5 Safeguarding
- Annex D: Risk Scoring Matrix