

Public Report with Exempt Appendices
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 13 January 2026

Report Title

Finance and Customer Services Directorate Risk Register

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger, (Strategic Director of Finance and Customer Services)

Report Author(s)

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Ward(s) Affected

All

Report Summary

Directorate risk registers are received annually by the Audit Committee.

This report provides an update to the Audit Committee in relation to the current position of the Finance and Customer Services Directorate Risk Register and Risk Management activity within the Directorate.

Recommendations

The Audit Committee is asked to note the progress and current position in relation to risk management activity in the Finance and Customer Services Directorate.

List of Appendices Included

Appendix 1 – Finance and Customer Services Directorate Risk Register.

Background Papers

Finance and Customer Services Risk Register to the Audit Committee in January 2025.

Corporate Strategic Risk Register report to the Audit Committee in July 2025.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

Yes, the appendix.

An exemption is sought for the covering report and Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains information that refers to the affairs of third parties.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because failure to do so may result in disclosure of information about the financial or business affairs of Council suppliers and partners.

Finance and Customer Services Directorate Risk Register Update

1. Background

- 1.1 The Finance and Customer Services Risk Register was last presented to the Audit Committee in January 2025.
- 1.2 This Risk Register is for all Directorate activities.
- 1.3 The current Finance and Customer Services Directorate Risk Register has seventeen entries (Appendix 1).
- 1.4 Due to the nature of the work of the Finance and Customer Services Directorate some significant Directorate risks also feature on the Council's Strategic risk register, these are referenced below:
 - **FCS1 & SLT16 Directorates failing to deliver services within budget.**
Risk detail: Directorates failing to deliver services within budget. Finance Settlements from Government being inadequate to meet service costs and demand increases. Economic factors impacting negatively on business rates and council tax income.
 - **FCS19 & SLT27 Operational Property Estate**
Risk detail: The Council's maintenance programme needs to be designed to ensure that the estate is operational and there needs to be sufficient resources to deal with issues arising and maintain the agreed average 20% per annum which ensures that the Council has a 5-year rolling programme of condition surveys in place. The stock condition programme surveys are delivered in accordance with agreed policy and procedure.

2. Key Issues

- 2.1 There are five services within the Finance and Customer Services Directorate:
 - Financial Services
 - Customer, Information and Digital Services
 - Legal Services
 - Internal Audit
 - Property and Facilities Services
- 2.2 Risks are discussed and reviewed at the Directorate Leadership Team (DLT), by individual members of DLT and, where necessary, risks are escalated to the next strategic level for inclusion on the risk register.
- 2.3 As part of the programme to embed risk management into the culture of the Council, all M3 managers from the Finance and Customer Services Directorate are required to attend the mandatory "Risk Management Training for Managers" workshops. New managers are invited to attend workshops as soon as possible after commencement in role. All staff are also required to complete a mandatory risk management e learning module.

2.5 The Finance and Customer Services Risk Register being presented to Audit Committee uses the Council's detailed risk template, which includes both existing controls and actions, as well as further mitigations. The register also includes both the current score with existing measures and the target score.

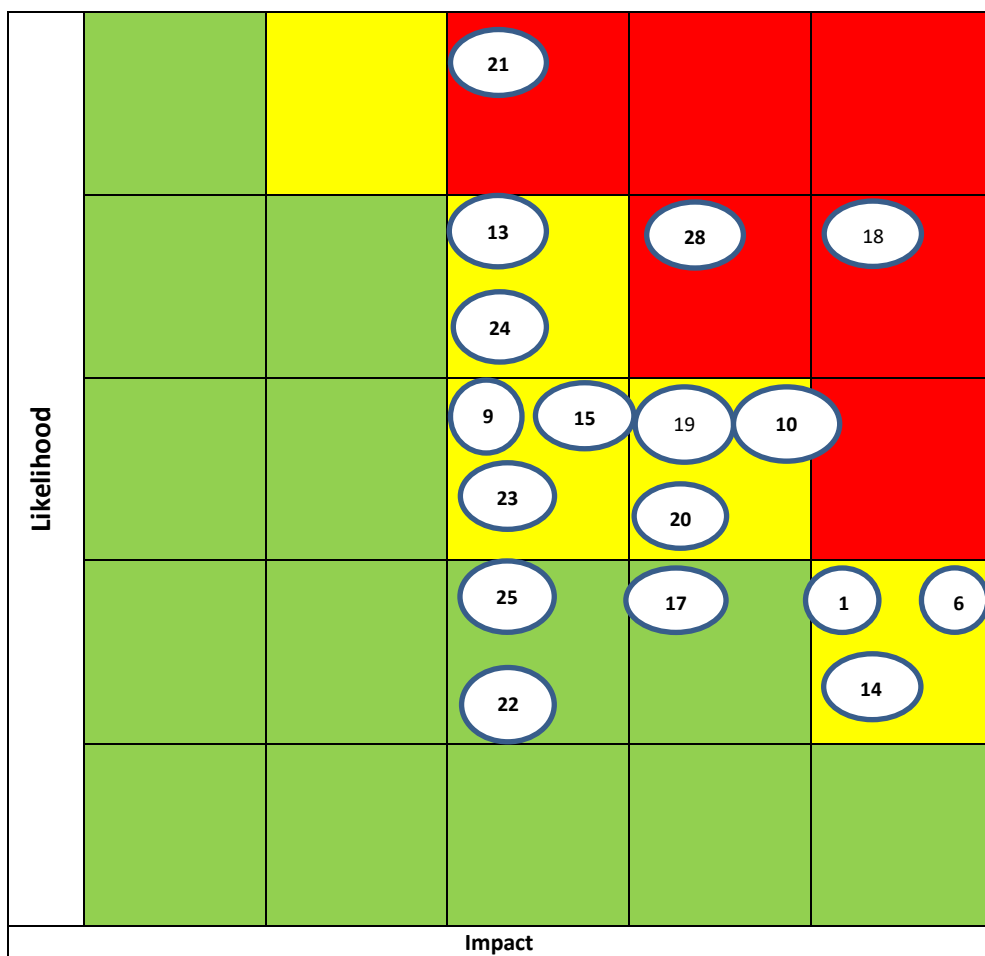
2.6 Four risk items have been removed since the last report to Audit Committee in January 2025.

| Risk No | Business objective | Risk Detail | Change since last report |
|----------------|---|---|---------------------------------|
| FCS16 | Maintaining a balanced budget and securing financial resilience of the Council so that core Council services can be delivered and the needs of residents met. | Ongoing rise in household living costs /inflation with consequent impact on disposable income and financial security of Rotherham Residents and Businesses. | <i>Risk deleted</i> |
| FCS26 | To maintain a safe and operational Property Estate. | Risk to the structural failure of the roofing elements of buildings through the identification of Reinforced Autoclaved Aerated Concrete, (RAAC) within the initial construction. | <i>Risk deleted</i> |
| FCS27 | Meeting the Governments statutory School Food Standards across all Council School Catering Contracts. | The Council does not meet the legal requirement for School Food Standards due to a lack of training and knowledge, increased costs of food products and/or availability through the supply chain. | <i>Risk deleted</i> |
| FCS29 | Ensure all catering units have effective processes to manage food -hygiene for all customers. | Poor food hygiene standards and safety. | <i>Risk deleted</i> |

2.7. Risk FCS17 – '*To maintain service operations and business continuity*' was removed from the Council's Strategic risk register in July 2025.

2.8 The "heat map" on the next page for the Finance and Customer Services Risk Register is based on the current scores in December 2025:

Current Risk Heat Map at December 2025



2.9 The table below shows the risk movement since the last report in January 2025:

| Number | Risk | Dec 24 | Dec 25 | Risk Movement (FCS Jan 24, Estates March 24, Facilities March 24 compared to Jan 25) ↓ = Risk level reduced, or risk removed ↑ = Risk level increased or new risk → = Risk level static |
|-------------|--|--------|--------|---|
| FCS1 (SLT1) | Directorates failing to deliver services within budget due to rising demand, complexity or control. Failure to delivery Budget savings programmes. | 10 | 10 | → |
| FCS6 | Failure to protect children due to understaffing of the Children and Legal Team. Key risk elements include inability to recruit and retain permanent staff with the required professional expertise, also availability and retention of Locums, the increasing demand for this work and its increasing complexity. | 10 | 10 | → |
| FCS9 | Lack of planning and effective engagement with external auditors could lead to | 3 | 9 | ↑ |

| | | | | |
|--------|---|----|-----|---------|
| | deadlines not being achieved. Challenges from closing the 2024/25 accounts with the audit only finishing in November 2025 may impact deliverability of accounts 2025/26. | | | |
| FCS10 | Business Rates & Council Tax increases along with external pressures such as inflation, energy that are impacting the cost of living may impact collection rates. Major businesses that fall into financial difficulty can significantly shift the Council's NNDR collection position. | 9 | 12 | ↑ |
| FCS13 | Failure to effectively plan for procurement activity including contract renewals/expiry and produce 18 month (minimum) 3-5 years preferred procurement pipeline recommended as best practice by Cabinet Office. | 12 | 12 | → |
| FCS14 | Significant service and business disruption from cyber-attack and/or data loss/breach and consequential financial penalty. | 10 | 10 | → |
| FCS15 | Failure to comply with relevant information management and information security compliance legislation. This includes a failure to provide timely and appropriate responses to requests for information via FOI and Subject Access Requests. | 9 | 9 | → |
| FCS16 | Ongoing rise in household living costs /inflation with consequent impact on disposable income and financial security of Rotherham Residents and Businesses. | 10 | N/A | Deleted |
| FCS17 | Impact on business continuity following the closure of the PSTN in January 2027. | 10 | 8 | ↓ |
| FCS18 | Availability of land for burial. | 20 | 20 | →. |
| FCS19 | The Council's maintenance programme needs to be designed to ensure that the estate is operational and there needs to be sufficient resources to deal with issues arising and maintain the agreed average 20% per annum which ensures that the Council has a 5-year rolling programme of condition surveys in place. The stock condition programme surveys are delivered in accordance with agreed policy and procedure. | 20 | 12 | ↓ |
| FCS20 | By not having a planned scheme of works, identified through surveys, buildings could fall into a state of disrepair impacting on the ability for pupils to be educated. Budgets will not be prioritised, leading to high cost of future repair and a reactive approach to works. | 20 | 12 | ↓ |
| FCS21 | Failure to fund and deliver the heat decarbonisation plan that has been produced for 40 core operational buildings with an estimated £14.3m investment required to achieve the NZ30 target. If additional smaller sites are included this is projected to cost £21m. | 15 | 15 | → |
| FCS 22 | The Council does not have in place the proper and required elements to ensure the safety of our buildings and ensure compliance with the relevant fire safety regulations. | 9 | 6 | ↓ |

| | | | | |
|-------|--|----|-----|---------|
| FCS23 | Potential risk to customers, staff, information and property by intruders accessing the council's buildings. | 12 | 9 | ↓ |
| FCS24 | Failure to maintain and comply with statutory and legislative compliance and approved codes of practice. | 12 | 12 | → |
| FCS25 | Budget overspends arising from increased costs of energy for the property estate. | 15 | 6 | ↓ |
| FCS26 | Risk to the structural failure of the roofing elements of buildings through the identification of Reinforced Autoclaved Aerated Concrete, (RAAC) within the initial construction. | 15 | N/A | Deleted |
| FCS27 | The Council does not meet the legal requirement for School Food Standards due to a lack of training and knowledge, increased costs of food products and/or availability through the supply chain. | 6 | N/A | Deleted |
| FCS28 | The cost of operating and providing services outweighs the income generated and the services becomes non-sustainable. Schools drop out of the current SLA's due to affordability of service and greater competitiveness in the marketplace. | 16 | 16 | → |
| FCS29 | Poor food hygiene standards and safety. | 8 | N/A | Deleted |

2.10 Three of the seventeen risks on the Finance and Customer Services Risk Register are currently assessed as being a high risk, marked as 'Red' on Appendix 1. These are:

- **FCS18 Burial space in cemeteries**

Risk detail: Availability of land for burial.

- **FCS21 Fund and deliver the heat decarbonisation plan.**

Risk detail: Failure to fund and deliver the heat decarbonisation plan that has been produced for 40 core operational buildings with an estimated £14.3m investment required to achieve the NZ30 target. If additional smaller sites are included this is projected to cost £21m.

- **FCS28 Services become financially untenable.**

Risk detail: The cost of operating and providing services outweighs the income generated and the services becomes non-sustainable.

Schools drop out of the current SLA's due to affordability of service and greater competitiveness in the marketplace.

2.11 Risk Register entries are closely linked to the Service Plans, Team Plans, Reports and Service meeting agendas across the directorate.

2.12 Progress against key actions to mitigate the above risks is monitored through management team meetings.

3 Options considered and recommended proposal.

- 3.1 The Audit Committee is asked to note the progress and current position in relation to risk management activity in the Finance and Customer Services Directorate and comment as required.

4 Consultation on proposal

- 4.1 The Corporate Strategic Risk Register is reviewed quarterly by the Strategic Leadership Team, and the Finance and Customer Services Risk Register is reviewed quarterly by the Directorate Leadership Team. A strategic Risk Champions Forum is also in place, and the Finance and Customer Services Directorate is actively represented at all meetings.

5 Timetable and Accountability for Implementing this Decision.

- 5.1 Not applicable.

6 Financial and Procurement Advice and Implications

- 6.1 There are no direct financial or procurement implications arising from this report. Financial implications linked to risk mitigations are closely scrutinised and monitored.

7 Legal Advice and Implications

- 7.1 There are no direct legal implications arising from the Finance and Customer Services Directorate Risk Register. Any actions taken by the Council in response to risks identified will consider any legal implications.

8 Human Resources Advice and Implications

- 8.1 There are no direct Human Resources implications arising from this report. However, the risks contained in the Finance and Customer Services Risk Register (Appendix 1).

9 Implications for Children and Young People and Vulnerable Adults

- 9.1 There are no direct implications arising from this report. Children and young people and vulnerable adult implications linked to risk mitigations are closely scrutinised and monitored.

10 Equalities and Human Rights Advice and Implications

- 10.1 There are no direct equality implications arising from this report.

11 Implications for CO2 Emissions and Climate Change

- 11.1 **FCS32** includes CO2 emissions and climate change implications from this report.

12 Implications for Partners

- 12.1 Actions relating to issues affecting partners are reflected in the risk register and closely scrutinised and monitored.

13 Risks and Mitigation

- 13.1 The Finance and Customer Services Risk Register (Appendix 1) details the directorate level risks and mitigations.

14 Accountable Officer(s)

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This report is published on the Council's website.