

# East Herts Council Report

## **Audit and Governance Committee**

**Date of meeting:** 29 September 2022

**Report by:** Executive Member for Corporate Services

**Report title:** Strategic Risk Register – Monitoring 2022/23 quarter one

**Ward(s) affected:** All

**Summary** – The report provides details the changes to the Strategic Risk Register for quarter one.

### **RECOMMENDATIONS FOR** Audit and Governance Committee:

- a) The 2022/23 quarter one Strategic Risk Register be reviewed and officers advised of any further action that could be taken to manage risk.**

#### **1.0 Proposal(s)**

1.1 This report details the controls introduced during quarter one.

#### **2.0 Background**

2.1 Leadership Team reviews the content of the Strategic Risk Register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee.

### **3.0 Reason(s)**

3.1 The Strategic Risk Register details significant business risks; essentially those that could prevent the council meeting its objectives.

3.2 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed in order to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Heads of Service but these are often delegated. (Heads of Service are responsible for keeping all risks under review and taking action to reduce the impact of the risk on the council.)

3.3 A summary of business risks and the risk tolerance line is shown in the matrix below. Risks in the red area of the grid are those actively managed by Leadership Team in accordance with the Risk Management Strategy.

<b>Impact</b>	<b>A</b>	7, 9, 13	10	3	1, 8, 12
	<b>B</b>		4, 11	2	
	<b>C</b>			6	5
	<b>D</b>				
		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
	<b>Likelihood</b>				

	Description	Likelihood of occurrence	Probability of occurrence
<b>Likelihood</b>	4 High	Monthly	The event is expected to occur or occurs regularly
	3 Medium	Annually	The event will probably occur
	2 Low	1 in 5 years	The event may occur
	1 Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances

	Description	Financial	Reputation	Service / operation
<b>Impact</b>	A Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long term disruption to services
	B Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

1	Financial resources
2	Corporate governance and external political environment
3	Performance, resilience and security of IT systems
4	Staff capacity and skills to deliver services
5	Poor performance or failure of key partner or contractor
6	Judicial review and or major legal challenge
7	District Plan
8	Climate change
9	Child / vulnerable adult protection
10	Equalities
11	Internal control
12	Outbreak of disease in humans
13	Business Continuity Plan / Emergency Plan

## 4.0 Options

4.1 No new strategic risks have been identified in quarter four and no risks have become obsolete.

4.2 All existing risks have been reviewed and updated as necessary and Leadership Team has not proposed any changes to scores.

4.3 The council's most significant risks at present remain:

4.3.1 The current financial climate and the impact on the council's medium and long term financial planning.

4.3.2 Although the initial difficulties caused by the pandemic continue to recede, supply chains and the labour market have been affected (and following Brexit and now the cost of living crisis) and costs have increased. There is further demand on services as residents and businesses experience further difficulties.

4.3.3 Climate change and the need to reduce the council's carbon footprint.

4.3.4 Performance, resilience and security of IT systems and the increased threat of cyber-attacks.

## **5.0 Risks**

5.1 This report details the top business risks facing the council.

## **6.0 Implications/Consultations**

6.1 Leadership Team reviewed on 30 August 2022. The Executive Member for Corporate Services has also been consulted.

### **Community Safety**

No

### **Data Protection**

None specific but the topic features within the Strategic Risk Register.

### **Equalities**

None specific but the topic features within the Strategic Risk Register.

### **Environmental Sustainability**

None specific but climate change features within the Strategic Risk Register.

### **Financial**

None specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated and the annual audit plan is risk based.

### **Health and Safety**

None specific but risk management processes can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

### **Human Resources**

No

## **Human Rights**

No

## **Legal**

None specific but legal matters feature within the Strategic Risk Register.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

7.1 Please see the Strategic Risk Register with changes tracked at Appendix 1.

## **Contact Member**

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