

East Herts Council Report

Audit and Governance Committee

Date of meeting: 28 March 2023

Report by: Executive Member for Corporate Services

Report title: Monitoring of 2022/23 quarter three corporate risk register

Appendixes:

Appendix 1 – Summary of corporate risks quarter three

Ward(s) affected: All

Summary – The report provides updates on our 13 corporate risks for quarter three and details of how East Herts will manage these risks moving forward.

RECOMMENDATIONS FOR Audit and Governance Committee:

A) The 2022/23 quarter three corporate risk register be reviewed, and officers advised of any further action that could be taken to manage risk.

B) The risks monitored at present are retained for the remainder of 2022/23 and that no new risks have currently been identified.

C) There are no changes to the methodology of risk management proposed for the 2023/24 period

2.0 Background

2.1 Leadership Team reviews the content of the corporate risk register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee. In preparation for the next financial year, a separate report is normally produced which recommends of any changes to the 13 corporate risks set and this is set out in quarter four reports.

2.2 Following a change in management of administering risk updates and writing reports, it was agreed that corporate risks are managed directly on our performance management system Pentana, which is also used to manage our corporate actions, thus allowing a more holistic approach to performance and risk management.

2.3 This enables users to be able to see real time updates on each risk and contributes towards our digital by design aim by allowing members to self-serve. Members can log in at any point to [Pentana](#) to assess our risk register (please consult a member of Democratic Services for login details).

3.0 Risk register results for quarter three

3.1 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed 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.)

3.2 A summary of risk scores and business risks are shown in the matrix and table below. Risks in the red are those actively managed.

3.3 Details of how we score the risk score can be found underneath these tables. Please see appendix 1 for a comprehensive breakdown of each risk.

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

Risk	Title	Risk Score
1	Financial resources	A4
2	Corporate governance and external political environment	B3
3	Performance, resilience, and security of IT systems	A4
4	Staff capacity and skills to deliver services	B3
5	Poor performance or failure of key partner or contractor	C4
6	Judicial review and or major legal challenge	B3
7	District Plan	A2
8	Climate change	A4
9	Child / vulnerable adult protection	A1
10	Equalities	B2
11	Internal control	B2
12	Outbreak of disease in humans	A4
13	Business Continuity Plan / Emergency Plan	A1

Likelihood	Score	Description	Likelihood of occurrence	Probability of occurrence
	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

Impact	Score	Description	Financial	Reputation	Service / operation
	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

3.4 There are changes to the quarter two matrix position amongst three risks; -

3.5 Risk three (Performance, resilience and security of IT systems)

The risk level has risen from A2 to A1. The matrix score has increased due to a Cabinet Office review of the shared ICT service raising issues with our current network and system which will require major investment and resource to update

3.6 Risk four (Staff capacity and skills to deliver services)

The risk level has risen from B3 to B2. There continues to be issues in filling of certain roles within the organisation that are of national shortage. Several roles have been identified as having no natural succession plan and steps are being taken to address this but leave the Council vulnerable.

3.7 Risk seven (Judicial Review and or major legal challenge)

The risk level has risen from C3 to B3. This is in response to the progress of some of our key capital projects such as Old River Lane, Hertford Theatre and Hartham Leisure Centre. Any Judicial Review at this stage of development is likely to have far more wide reaching impact on the organisation than prior to construction

Community Safety

No

Data Protection

None specific but the topic features within the corporate risk register.

Equalities

None specific but the topic features within the corporate risk register.

Environmental Sustainability

None specific but climate change features within the corporate 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 corporate risk register.

Specific Wards

No

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