

East Herts Council Report

Audit and Governance Committee

Date of meeting: 31 May 2023

Report by: Executive Member for Financial Sustainability

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

Appendixes:

Appendix 1 – Summary of corporate risks quarter four

Ward(s) affected: All

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

RECOMMENDATIONS FOR Audit and Governance Committee:

A) The 2022/23 quarter four 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 2023/24

1.0 Background

1.1 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. Towards the end of Quarter 4, 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. At this stage, no new risks have been identified.

1.2 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.

1.3 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).

2.0 Risk register results for quarter four

2.1 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.)

2.2 Details of our 13 corporate risks can be shown in the table below. A summary of risk scores is shown in the matrix below. Risks in the red are those actively managed.

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

Table 1 (above) - corporate risks /quarter four risk scores

Matrix 1 (below) - summary of our corporate risk scores

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

2.3 Details of how we score the risk score can be found below.

Please see appendix 1 for a comprehensive breakdown of each risk.

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

Table 2: Methodology of corporate risk scoring

2.4 There are no changes to the quarter four matrix position across the 13 risks although there has been updated commentary on four corporate risks-

- **Risk three** - Performance, resilience, and security of IT systems

- **Risk four** - Staff capacity and skills to deliver services
 - **Risk six** - Judicial Review and or major legal challenge
 - **Risk seven** – District Plan
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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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