

# **East Herts Council Report**

## **Audit and Governance Committee**

**Date of meeting:** 29 November 2023

**Report by:** Executive Member for Financial Sustainability

**Report title:** Monitoring of 2023/24 quarter two corporate risk register – new reporting format

**Ward(s) affected:** All

**Summary** – This report provides the new format of the corporate risk register which has been reviewed by Leadership Team. There are now less risks which are more clearly defined and focuses on the actions to control and mitigate the risks rather than more descriptive of the situation.

**RECOMMENDATIONS FOR** Audit and Governance Committee:

- A) The 2023/24 quarter two corporate risk register be reviewed, and officers advised of any suggested improvements to the format of the risk register.**
  
- B) The Committee notes the risk register and actions being taken to control and mitigate risk.**

## **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 four, 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. Due to the changes in the council’s political make-up and comments from the Committee, a review has been undertaken of the risks and the reporting format

1.2 The format attached at Appendix A is a work in progress and is not yet complete due to workload issues for Heads of Service. Leadership Team intend to have the quarter 3 report as a complete package but felt it essential the Committee look at and comment on the approach adopted. The new format concentrates on key risks and is very focused on control and mitigation actions and is significantly less wordy than the previous format and therefore clearer on progress on actions.

## 2.0 Risk register results for quarter one

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.)

		Likelihood			
		1	2	3	4
Impact	A				
	B			2	1, 6
	C		3, 7, 8	4	
	D		5		

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 The risk scores now reflect control and mitigation measures rather than the raw score shown previously so will appear lower because of control measures.

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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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