

East Herts Council Report

Audit and Governance Committee

Date of meeting: Tuesday 24 February 2026

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Strategic Risk register Quarter 3 Monitoring

Ward(s) affected: (All Wards);

Summary – This report provides the Committee with the corporate risk register for Quarter 3 of 2025/26 and sets out how East Herts manages these risks. It also includes an update on the recent internal audit report on the Council's risk management arrangements.

RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:

- a) The 2025/26 quarter three corporate risk register and actions being taken to control and mitigate risk be considered and noted.
- b) That the actions being taken following the recent internal audit report on the Council's risk management arrangements be noted.

1. Background

- 1.1. The Leadership Team reviews the content of the corporate risk register quarterly and provides updates that are relayed within this monitoring report to Audit & Governance Committee.
- 1.2. The Corporate Risk Register is attached at Appendix A. The format concentrates on key risks and is very focussed on control and mitigation actions.
- 1.3. As part of the Council's routine governance and assurance arrangements, an internal audit of the Council's risk management framework was carried out in December 2025. This periodic review forms part of good practice to ensure that the Council's

approach to identifying and managing risk remains robust, up to date.

2. Internal Audit Review

- 2.1. The internal audit of the Council’s risk management arrangements, carried out in December 2025, reviewed the effectiveness of the Council’s overall framework, including policies, roles and responsibilities, risk registers and training provisions. The audit formed part of routine good-practice assurance activity and assessed whether the Council’s risk management processes are being applied consistently across the organisation.
- 2.2. The audit confirmed that the Council has a structured and documented approach to risk management, supported by an up-to-date Risk Management Strategy and a defined five-stage risk cycle. It also highlighted areas where further strengthening would enhance consistency, transparency, and operational assurance across the organisation.
- 2.3. The following recommendations and actions came out of the review.

| Recommendation | Action |
|--|--|
| Improve clarity and consistency of risk descriptions in the Strategic Risk Register. | Risk owners to review and update risks using a clearer structure. |
| Strengthen operational risk management across all directorates. | Directors to evidence operational and project-level risk arrangements. |
| Provide refresher training for Members and risk owners. | Training sessions to be arranged during 2026. |
| Add target risk scores and risk direction indicators to the Strategic Risk | Strategic Risk Register now |

| Recommendation | Action |
|---|---|
| Register. | incorporate this. |
| Develop practical operational risk-management tools and guidance. | Additional guidance and templates to be created and issued. |

- 2.4. To further strengthen the Council’s oversight of risk management, the Leadership Team has introduced a programme of deep dives, each focusing on the strategic and operational risks of one directorate. This will provide dedicated time to review and challenge risks in detail, ensure that risks are clearly defined and consistently articulated, and support the identification of areas where Leadership Team attention or resources may need to be prioritised.
- 2.5. The first review focused on the Place Directorate, where the service outlined its key operational risks and the issues, they consider most significant. This provided Leadership Team with an initial overview of the directorate’s risk profile and set the foundation for a rolling monthly programme of reviews. Each month, a different directorate will present its risks to Leadership Team, and once all directorates have been considered, Leadership Team will reflect on the overall picture and determine where risks should remain at service level, where they may need to be escalated corporately, and where the Council may choose to acknowledge and accept certain risks.
- 2.6. In addition, dedicated risk management training will be provided for Members in June. This will be a focused, in-person session and will be recommended for all Audit & Governance Committee members, while also being open to any other Members who wish to attend. If Members have particular areas of risk management, they would like the session to focus on, they will be encouraged to share these in advance so the training can be tailored to their needs and support consistent understanding of the Council’s approach.

2.7. Officer training will also be provided to strengthen understanding of how to clearly articulate risks, assess their impact, and develop appropriate mitigations, ensuring a consistent and robust approach across all services.

3. Risk Register result for quarter 3

3.1. Leadership Team has set a risk tolerance level. Risks above the tolerance level are actively managed and regularly reviewed to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Services. Services 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 | | 9 | | 1, 2, 6 |
| | C | | 3, 4, 7 | 8 | |
| | D | | 5 | | |

Table 1 Risk Score

3.2. Details of how risks are scored can be found below. Appendix A shows the 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

- 3.3. The risk scores reflect control and mitigation measures (Residual scores) rather than the Inherent (before any action is taken to control) scores.
- 3.4. Between Quarter 2 and Quarter 3, the overall risk profile remained broadly stable, with almost all risks retaining the same residual impact and likelihood scores across the two periods. The only movement recorded was for the Climate Change risk, where the residual likelihood increased (from B3 in Q2 to B4 in Q3). This reflects the continued absence of planning permission for the Amwell depot site, despite earlier projected timelines. The planning aspects of the Amwell redevelopment are directly linked to our ability to adapt the estate to increasing flood risk associated with climate change. As the risk on the register relates specifically to mitigation and adaptation measures, the delay in securing

planning approval heightens the likelihood that these essential adaptation works cannot proceed as scheduled.

- 3.5. All other risks remained in the same scoring position, and no new risks were added or removed from the register.
- 3.6. Aside from the single movement in the Climate Change risk, there was also a structural enhancement to the register in Quarter 3, with the introduction of target scores and movement indicators. These additions are intended to help readers quickly identify whether any changes have occurred and to provide clearer visibility of the direction of travel for each risk, including where the Leadership Team aims for the risk position to move over time.

4. Implications/Consultations

Community Safety

No

Data Protection

The topic features within the corporate risk register.

Equalities

The topic features within the corporate risk register.

Environmental Sustainability

Climate change features within the corporate risk register.

Financial

Not 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

Not specific but risk management 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

Not specific but legal matters feature within the corporate risk register.

Specific Wards

No

5. Background papers, appendices and other relevant material

5.1. Appendix A Corporate Risk Register

Contact Member Councillor Carl Brittain, Executive Member for Financial Sustainability

Carl.Brittain@eastherts.gov.uk

Contact Officer Brian Moldon, Director for Finance, Risk and Performance

brian.moldon@eastherts.gov.uk

Report Author Brian Moldon, Director for Finance, Risk and Performance

brian.moldon@eastherts.gov.uk,
alison.street@eastherts.gov.uk