Report of	**Assistant Director of Corporate & Improvement Services**	**Author**	**Hayley McGrath** ☎ **508902**
Title	**2021/22 Year End Review of Risk Management**		
Wards affected	Not applicable		

1. Executive Summary

1.1 This report provides members with an overview of the Council's risk management activity undertaken during the financial year from 01 April 2021 to 31 March 2022.

1.2 Effective management of risk is essential to ensuring that the Council's aims and objectives are achieved. The Council has therefore approved a Risk Management Strategy, which is included in the policy framework. This provides a comprehensive risk management process that is embedded across the organisation and includes a strategic risk register (which is the responsibility of the senior management team), operational risk registers which are produced by each service, project risk monitoring and specific risk mitigation initiatives.

1.3 The Risk Management strategy and processes are reviewed annually to ensure that they are still appropriate to the Council's needs and continue to be effective in identifying and mitigating risks to its aims and objectives.

1.4 The key strategic risks are:
- Partnership commitment
- Covid -19
- Spending Power
- Cyber Security
- Staff wellbeing

2. Recommended Decision

2.1 Consider and comment on the Council's progress and performance in managing risk during the period from April 2021 to March 2022.

2.2 Consider and comment on the current strategic risk register.

2.3 Approve the proposed risk management strategy for 2022/23 and recommend to Full Council that it be included in the Council's Policy Framework.

3. Reason for Recommended Decision

3.1 Cabinet has overall ownership of the risk management process and is responsible for endorsing its strategic direction. Therefore, the risk management strategy states that Cabinet should receive an annual report on progress and should formally agree any amendments to the strategy itself.

3.2 During the year progress reports are presented to the Governance & Audit Committee, detailing work undertaken and current issues. This report was presented to the Governance & Audit Committee on 26 July 2022, where they approved its referral to this meeting.

3.3 As part of the Policy Framework, any changes and reviews of the strategy need to be approved by Cabinet and ratified by Full Council.

4. Alternative Options

4.1 There are no alternative options to consider

5. Background Information

5.1 The aim of the Council is to adopt best practice in the identification, evaluation, cost-effective control and monitoring of risks across all processes, to ensure that risks are properly considered and reduced as far as practicable.

5.2 In broad terms risks are split into three categories:
- Strategic – those risks relating to the long term goals of the Council
- Operational – risks related to the day-to-day operation of each individual service
- Project – the delivery risks of specific initiatives.

5.3 Identified risks, in all three categories, are judged against levels of probability and impact to give them an overall score. This allows the risks to be shown as 'high, medium or low' which enables a prioritised action plan to be set for managing risks. A high score does not mean that a risk has, or will definitely, occur.

5.4 In many cases the causes of risks are outside of the Council's control, such as general economic issues. The Council cannot stop these risks from occurring (the probability score) but can put plans in place to mitigate against their effect if they occur (the impact score). Likewise, there are occasions that risks can be reduced with preventative actions but there is not much that can be done to mitigate their effect if they do occur, such as a failure to protect public resources. Therefore, some risks will tend to maintain the same score, regardless of the controls that the Council puts in place.

6 Work undertaken during the period

6.1 There were no fundamental changes to the risk management function, or the processes used to identify and control risk, during 2021/22.

6.2 During the year the majority of risk management activity was focused on operational risks, working with frontline services such as waste and recycling, parking services and sport and leisure, to ensure that physical risks to staff and customers were appropriately managed. Health and Safety guidance and support was provided to the Colchester Sports Park to ensure that the risk from the activities, such as the cycle track, are understood and managed as far as possible.

6.3 Work has continued to develop the insurance programmes for Colchester Borough Homes and Colchester Commercial (Holdings) Limited, to ensure that emerging risks are appropriately managed.

6.5 Support continues to be provided, reviewing the risk elements of event plans to the Colchester Safety Advisory Group.

6.6   The risk registers, and strategies, for the Joint Museum Service and the North Essex Parking Partnership both continue to be produced and reported to the joint committees.

7   Strategic Risk Register

7.1   During 2021/22 the strategic risk register was reviewed by the senior management team every quarter and reported to the Governance & Audit Committee every six months.

7.2   For the majority of 2021/22 the council's strategic risks were consistent and were mainly around the impacts of the pandemic, including the effect on finances.

7.3   The Corporate Governance Manager reviewed the strategic risks with the Senior Management Team in June 2022 to ensure that the identified risks were still appropriate.

7.4   Changes were made to the scores for two risks:

- ST3 - Partnership Commitment was increased from a residual score of 9 to a score of 16, making it the Council's highest strategic risk. This is a reflection of the recent replacement of the Clinical Commissioning Group, as the Council is now more remote from the decisions that impact on the wellbeing of local residents.

- ST4 – Covid-19 pandemic was reduced from a residual score of 16 to 12, although infection rates are still high, new variants are continually emerging and seasonal peaks are still anticipated, the impacts on service delivery are not as significant as they were prior to the immunisation programme.

7.5   The current register is shown at appendix 1. These risks have been mapped onto a risk matrix, shown at appendix 2, that shows the risk profile before, and after, mitigating actions.

8.   Risk Management Strategy for 2022/23

8.1   The Council's current approach to managing risk was introduced in 2006/07. A requirement within the strategy, and also of the annual audit assessment, is to review the approach each year to ensure that it is still appropriate to the Council's needs.

8.2   Therefore a review has been undertaken and the strategy has been updated for 2022/23. The revised strategy is attached at appendix 3. There are no changes proposed to the risk process, with amendments only to external review comments and the updating of job titles.

9.   Equality, Diversity and Human Rights implications

9.1   There are no equality, diversity or Human Rights implications as a result of this report.

10.   Strategic Plan References

10.1   The strategic risk register reflects the objectives of the strategic plan and the actions have been set with due regard to the identified key strategic risks. Therefore, the risk process supports the achievement of the strategic objectives.

11.   Risk Management Implications

11.1   The failure to adequately identify and manage risks may have an effect on the ability of the Council to achieve its objectives and operate effectively.

12.   Environmental and Sustainability Implications

12.1   There are no environmental or sustainability implications as a result of this report.

13.   Other Standard References

13.1   There are no particular references to consultation or publicity considerations or financial; community safety or health and safety implications.

Appendices
Appendix 1 – The strategic risk register
Appendix 2 – Risk Matrix
Appendix 3 – Risk Management Strategy for 2022/23