

18 January 2022

<b>Report of</b>	<b>Assistant Director of Corporate &amp; Improvement Services</b>	<b>Author</b>	<b>Hayley McGrath</b> ☎ 508902
<b>Title</b>	<b>Risk Management Progress Report</b>		
<b>Wards affected</b>	Not applicable		

## 1. Executive Summary

- 1.1 Effective management of risk is essential to ensuring that the Council's aims and objectives are achieved. This report provides members with an overview of the Council's risk management activity during the period from 01 April to 30 September 2021.
- 1.2 The Council has a comprehensive risk management process that is embedded across the organisation. This includes a strategic risk register, which is the responsibility of the senior management team, operational risk registers which are produced by each service and specific risk mitigation initiatives.
- 1.3 The key strategic risks are:
  - The ongoing, and recovery, impacts of the COVID-19 pandemic.
  - Council funding for 2022/23.
  - Cyber security and potential attacks.
  - 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 to September 2021.
- 2.2 Consider and comment on the current strategic risk register.

## 3. Reason for Recommended Decision

- 3.1 The Risk Management Strategy, which forms part of the policy framework, identifies the Governance and Audit Committee as being responsible for reviewing the effectiveness of the risk management process and reporting critical items to cabinet as necessary.
- 3.2 Six monthly progress reports, detailing work undertaken and current issues, are provided to assist with this responsibility.

## 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 services
  - 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 A significant amount of the physical risk management activity during the period has been in relation to the Covid-19 pandemic. The key functions of business continuity, emergency planning and health and safety form part of the risk management framework, and risk assessments and advice continue to be provided in relation to both strategic forward planning and operational activities such as safe working environments.
- 6.2 Following on from the revised format of the strategic risk register, further work has been undertaken to strengthen the risk management processes, including a review of the Council's risk appetite and assessment of the maturity level of the function.
- 6.3 A Risk Management training session was provided to Members, and further training sessions are being developed for officers.
- 6.4 Support continues to be provided, reviewing the risk elements of event plans, to both the Colchester and the Community Stadium Safety Advisory Groups.
- 6.5 Following on from the last report to this panel in July 2021, the revised risk management strategy has been agreed by Cabinet and full Council, without amendment, and the policy framework has been updated accordingly.

## **7 Strategic Risk Register**

7.1 The current strategic risk register is attached at appendix A with the score matrix attached at appendix B. The register was reviewed by senior management in December 2021.

7.2 The following risks were amended as a result of the review:

- Risk ST4, the ongoing, and recovery, impacts of the COVID-19 pandemic. The impact was increased to 4 (from 3) to reflect the current infection situation. This has resulted in the residual risk now being rated as very high (previously high).
- Risk SP3, Cyber security. The probability has increased to 4 (from 3) as a result of the national increase in cases and sophistication, which rates the residual risk as high (instead of medium).
- Risk SP5, Staff Wellbeing. The continuing impact of the pandemic has resulted in many staff reaching their personal resilience levels, and therefore the probability of the initial risk has been increased to 4 (from 3) and the probability of the residual risk has also increased to 4 (from 2). The impact scores have remained the same. The residual risk is now rated as high (previously medium).
- Risk SP4, Compliance. It is considered that the Council's internal control systems are operating effectively and therefore the probability of compliance breaches has reduced to 2, from three, bringing the risk level down to medium (previously high).
- Risk CO3, Financial Equality. It is felt that the changes implemented in the Customer team, to focus on financial and employment support for customers, has prevented the need for crisis intervention in many cases. This is demonstrated by the Council Tax collection rates remaining steady throughout the pandemic. Therefore, the impact has been reduced to 2, from 4, resulting in a residual risk rating of medium (previously high).

## **8. Equality, Diversity and Human Rights implications**

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

## **9. Strategic Plan References**

9.1 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.

## **10. Risk Management Implications**

10.1 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.

## **11. Environmental and Sustainability Implications**

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

## **12. Other Standard References**

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

### **Appendices**

Appendix A – The strategic risk register

Appendix B – Strategic risk register score matrix