

21 January 2020

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| Report of | Assistant Director of Corporate & Improvement Services | Author | Hayley McGrath ☎ 508902 |
| Title | Risk Management Progress Report | | |
| Wards affected | 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 2019 to 30 September 2019.
- 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 impact of the withdrawal from the European Union.
 - Loss or misuse of sensitive data.
 - The potential impact of future central government decisions on public funding, including that of partners.
 - Failure or inappropriate performance management of one or more strategic partnerships or key contracts.
 - Inability to meet the objectives of the Garden Communities project.
 - Staff shortages due to a buoyant jobs market and / or staff sickness
 - The impact of suffering a successful cyber attack on Council computer systems

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 2019.
- 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 Risk mapping of the Internal Audit programme has been undertaken, to ensure that the audit process reviews the key risk areas and provides an assurance of the key risk controls.
- 6.2 Work has been started on reviewing the risk process, to consider how risks are identified, evaluated and recorded. The review is concentrating on how the risk registers are compiled, how mitigation actions are reflected in scores and potentially moving to more interactive on-line registers. This will enable services to take more ownership of their risks and provide better management reporting processes. Further updates will be provided to future meetings of this committee.
- 6.3 Support continues to be provided, reviewing the risk elements of event plans, to both the Colchester and the Community Stadium Safety Advisory Groups.
- 6.4 Following on from the last report to this panel in July 2019, 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 2019.

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