

27 July 2021

Report of	Assistant Director of Corporate & Improvement Services	Author	Hayley McGrath ☎ 508902
Title	2020/21 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 2020 to 31 March 2021.
- 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:
 - Covid-19 Pandemic
 - Spending Power
 - Compliance
 - Financial Inequality
 - Cyber Security

2. Recommended Decision

- 2.1 Consider and comment on the Council's progress and performance in managing risk during the period from April 2020 to March 2021.
- 2.2 Consider and comment on the current strategic risk register.
- 2.3 Consider and comment on the proposed risk management strategy for 2021/22.
- 2.4 Endorse the submission of this report to Cabinet to approve the risk management strategy for 2021/22

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 progress to Cabinet at least annually.
- 3.2 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 2020/21
- 6.2 During the year the majority of risk management activity was assisting with the response to the pandemic. Senior Management Team continually reviewed the council's business continuity plans in response to the emerging information about Covid-19, the economic lockdown and sector-specific guidance affecting operational activities, to ensure that essential services continued to be delivered, with some staff being redeployed where necessary.
- 6.3 Work has continued to develop the insurance and risk programmes for Colchester Commercial (Holdings) Limited, to ensure that emerging commercial risks are appropriately managed.
- 6.4 During the year the council was asked to manage the insurance programme for Colchester Borough Homes (CBH). This included the procurement of insurance and the

management of claims. This has resulted in an overall saving for CBH and has provided better coverage.

- 6.5 Support continues to be provided, reviewing the risk elements of event plans, to both the Colchester, and the Community Stadium, Safety Advisory Groups.
- 6.6 The risk registers 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 2020/21 the strategic risk register was reviewed by the senior management team every quarter and reported to the Governance & Audit Committee every six months. 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.
- 7.2 The Corporate Governance Manager reviewed the strategic risks with the Senior Management Team in June 2021 to ensure that the identified risks were still appropriate.
- 7.3 For the majority of 2020/21 the council's strategic risks were consistent. The main risk was the impact of the pandemic, including the effect on finances.
- 7.4 Many of the mitigating activities identified, and implemented, as a direct result of the Council's risk strategy and Strategic Risk Register have helped the organisation, with its partners, to cope with the impacts of Covid-19 . For example, strong partnership working, effective communications and prudent financial management.

8. Risk Management Strategy for 2021/22

- 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 2021/22. 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 external guidance references.

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 2021/22