

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference: AGC-012-2020/21
Date of meeting: 28 September 2020

Portfolio: Leader of the Council

Subject: Risk Management

Responsible Officer: Andrew Small (01992 564278).

Democratic Services: Gary Woodhall (01992 564470).

Recommendations/Decisions Required:

- (1) To review the current risk register and consider whether there are any new or emerging risks that are not on the current Corporate Risk register that should be referred to the officer Risk Management Group**
- (2) To consider and recommend the revised Risk Management Strategy to Cabinet for adoption**

Executive Summary:

This report gives the Audit and Governance Committee the opportunity to comment on and suggest new risks for inclusion on the Corporate risk register or changes to the scoring of existing risks. Comments are also invited on the revised management strategy which has been updated to reflect the Council's current risk management framework, and further work required to enhance it.

Reasons for Proposed Decision:

To enhance the Council's risk management framework.

Other Options for Action:

None. Formal responsibility for making recommendations to Cabinet on risk management issues lies with the Audit and Governance Committee. Members may suggest new risks for inclusion or changes to the scoring of existing risks

Report:

Corporate Risk Register

1. The corporate risk register was reviewed by the Council's Officer Risk Management Group at their meeting of 09 September 2020 where all risks were reviewed. The narrative for each risk has been updated to reflect the current situation and the risk score has not changed except for:

- The Covid-19 risk has been removed as its affects have been adequately captured in many of the other corporate risks, especially the Financial Resilience and Economic

Development risks.

- Risk 3 (financial resilience) has been upgraded given the size of the cost of Covid-19.
- Risk 6 (business continuity) has been downgraded as the Council continues to demonstrate the way it has coped with Covid-19.
- Risk 12 (travel plan) has been upgraded as it links with risk 11 (accommodation project) and the need to consider parking arrangements at the Civic Offices in light of commercial opportunities to rent out space at the Civic Offices.

2. The table below outlines the direction of travel for each risk since it was updated for the June 2020 Audit and Governance, with a brief commentary supporting each risk.

No	Risk	Residual risk rating (i.e. after controls)		Commentary
		June 2020	September 2020	
1	Local Plan	B1	B1	Still waiting for adoption of the Local Plan, which is anticipated January 2021
2	Welfare Reform	A2	A2	Updated to reflect the ending of the government furlough scheme
3	Financial Resilience	C2	B1	Risk upgraded to reflect the size of the financial implications of Covid-19.
4	Economic Development	A1	A1	This risk is still deemed to be A1, due to the impact of Covid-19 on local business sustainability
5	Data/information	C2	C2	Actions being progressed through the officer Information Governance Group
6	Business continuity	B1	C2	Risk downgraded as the Council has demonstrated how well it has responded to the challenges posed by Covid-19, with little disruption to critical/essential services
7	Housing capital finance	C2	C2	Updated to reflect the appointment of an HRA finance expert to assist the Council in putting systems in place to mitigate this risk
8	Cyber security	C2	C2	Risk being actively managed
9	Delays in issuing Planning Permissions	A1	A1	The Council is still in discussions with Natural England but may need to seek legal opinion
10	Climate emergency	B2	B2	The Council is to develop an action plan with short, medium and long

				term objectives to mitigate this risk now a Climate officer has been appointed
11	Accommodation project	C2	C2	Project progressing well and on target, and is taking into account the evolving new ways of working due to Covid-19 and pursuing commercial options to bring in revenue from leased space
12	Travel plan	B2	B1	Risk upgraded to take into account the needs of other users at the Civic Offices, not just staff. Links with risk 11 above – accommodation project
13	Qualis	C2	C2	Risk reassigned to the recently appointed Section 151 Officer
14	Covid-19	B1	n/a	This risk is captured throughout the risk register and has been removed

5. Members are now asked to consider the attached updated Corporate Risk Register (Appendix 1) and whether the risks listed are scored appropriately and whether there are any additional risks that should be included.

Risk Management Strategy

6. The Council's risk management strategy (Appendix 2) was last reviewed by the 14 September 2017 Finance and Performance Cabinet Committee, as they had committee responsibility for risk. At that time the strategy had been updated to better explain the process, responsibilities and reporting of Risk Management.

7. Since then responsibility for risk has been transferred from the Finance and Performance Cabinet Committee to the Audit and Governance Committee. Significant changes from the 2017 version are underlined in bold for easy identification. The risk management strategy has been updated to reflect the changes in reporting arrangements. In addition, the future actions section reflects the need for the Council to define its risk appetite and engage better with staff and the risk assessment matrix (appendix 1 of the strategy) has been updated to ensure the Council can better identify its medium (amber) and high (red) risks.

Resource Implications:

Within the report

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements and that is why this Committee considers it on a regular basis.

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and Leadership Team were involved in the process.

Background Papers:

CIPFA audit committees – practical guidance for Local Authorities and Police 2018 edition

Risk Management:

If the Corporate Risk Register was not regularly reviewed and updated a risk that threatened the achievement of corporate objectives might either not be managed or be managed inappropriately. In addition, new or emerging risks are not considering which could threaten achievement of the Council's corporate objectives.

Equality Analysis:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as appendix 3 to the report.