

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Report reference:

Date of meeting: 20 March 2023

Portfolio: Leader of the Council

Subject: Risk Management

Responsible Officer: Andrew Small (01992 564278)

Democratic Services: Laura Kirman (01992 564243)

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**

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.

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 Council is in the process of refreshing its risk management framework which is currently under review by the Senior Leadership Team. A new corporate risk register template, and likelihood and impact matrices (appendix 2a and 2b) have been developed and rolled out to the Senior Leadership Team and Wider Leadership Team through a series of workshops facilitated by Zurich Resilience Solutions.
2. The corporate risk register has been updated to reflect the current position using the new risk naming convention, 5X5 matrix and scoring, and is attached at appendix 1.
3. Following downgrading the 'delays in issuing planning permissions' risk has been transferred to the service risk register and no longer appears on the corporate risk register.
4. In addition, the Local Plan risk has been removed following its adoption at the

Extraordinary Council meeting on 06 March 2023.

5. The former 'financial resilience' risk has been split into its three separate components to more clearly articulate the risks faced by the Council.
6. An emerging risk around 'people' was discussed and added to the Corporate risk register.
7. The risk register was subsequently presented to the Corporate Governance Group (which includes the Chief Executive and the Section 151 Officer in its membership) for review and challenge.
8. Members are asked to consider the attached updated Corporate Risk Register (Appendix 1) to determine whether the risks listed are scored appropriately and whether there are any additional risks that should be included. Appendices 2a and 2b set out Council's revised risk likelihood and impact assessment matrices which are used to determine individual risk scorings.
9. The table below shows a comparison of the risks between the former and current risk register formats.

Former risk no.	New risk ref.	Risk	Residual risk rating Jan 2023	Residual risk score Mar 2023
1	PLA001	Failure to approve Local Plan	B1	N/A
2	HRA001	Increase in demand for housing	B2	16
3	N/A	Financial resilience	C1	N/A
4	ECDEV001	Economic Development	C2	4
5	CORSER001	Risk of data/information breach	C2	12
6	CORSER002	Lack of and/or inadequate BC (business Continuity) Plans	C2	16
7	ICT001	Risk of cyber security incident	B2	16
8	N/A	Delays in issuing planning permissions	D3	N/A
9	SUS001	Failure to achieve carbon emissions targets	B2	9
10	CONT001	Failure of Contractor/ Service - waste	B2	16
11	COMP001	Failure of compliance with social housing regulation	A1	12
N/A	FIN001	Failure to maintain a Balanced Budget and Sustainable Medium-Term Financial Plan	N/A	10
N/A	FIN002	Failure to ensure continued financial viability of Qualis	N/A	12

Former risk no.	New risk ref.	Risk	Residual risk rating Jan 2023	Residual risk score Mar 2023
N/A	FIN003	Failure to maintain and improve VFM (value for money)	N/A	12
N/A	PEOPLE001	People Strategy failure	N/A	12

Resource Implications:

Within the report

Legal and Governance Implications:

The Corporate Risk Register is an important part of the Council's overall governance arrangements.

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 considered 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.