

Report to the Audit and Governance Committee



**Epping Forest
District Council**

Date of meeting: 27 July 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 consider the current risk register and refer to Cabinet for approval.**
- (2) To review the Risk Management Policy and Strategy and refer to Cabinet for approval.**

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 and refer to Cabinet for approval.

The Committee is to review the Risk Management Policy and Strategy and refer to Cabinet for approval.

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 has been reviewed and updated by the Senior Leadership Team to reflect the current position and is attached at appendix 1.
2. 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.
3. 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.

4. The following key points should be noted:

- HRA002 (Inability to provide building/regeneration programme) is a new risk and reflects the increase in building costs, increased cost of borrowing risks, and targets outlined in the Local Plan not being met.
- ECDEV001 (Economic Development) is to be removed from the Corporate Risk Register as the risk is being managed to an acceptable level. It will continue to be managed at Service Level.
- Following a thorough review of SUS001 (Failure to achieve carbon emissions targets) the risk score has increased and clear cross cutting action plans have been identified.
- A detailed evaluation of COMP001 (Failure of compliance with social housing regulation) has resulted in an increase in the risk score. Clear actions have been identified to address this.

The table below outlines the direction of travel for each risk since it was updated for the March 2023 Audit and Governance Committee.

New risk reference	Risk	Residual risk score Mar 2023	Residual risk score Jun 2023	Direction of Travel
HRA 001	Increase in demand from homeless could increase financial need	16	16	↔
HRA 002	Inability to provide building/regeneration programme	N/A	16	NEW
ECDEV 001	Economic Development	4	4	↔
CORSER 001	Risk of data/information breach	12	12	↔
CORSER 002	Lack of and/or inadequate Business Continuity Plans	16	16	↔
ICT 001	Risk of cyber security incident	16	16	↔
SUS 001	Failure to achieve carbon emissions targets	9	20	↑
CONT 001	Failure of Contractor/ Service - waste	16	16	↔
COMP 001	Failure of compliance with social housing regulation	12	15	↑
FIN 001	Failure to maintain a Balanced Budget and Sustainable Medium-Term Financial Plan	10	10	↔
FIN 002	Failure to ensure continued financial viability of Qualis	12	12	↔

FIN 003	Failure to maintain and improve VFM (value for money)	12	12	
PEOPLE 001	Failure to attract, retain skilled employees	12	12	

5. Members are asked to review the Risk Management Policy and Strategy (Appendix 3) which sets out the Council's approach to risk management and supports the consistent and robust identification, evaluation and management of opportunities and risks across the Council.

Resource Implications:

Within the report

Legal and Governance Implications:

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

Safer, Cleaner and Greener Implications:

None

Consultation Undertaken:

The Risk Management Group and Senior 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 4 to the report.