

## AUDIT COMMITTEE – 29 MARCH 2022

### PART I - DELEGATED

#### 7. REVIEW OF RISK MANAGEMENT ARRANGEMENTS (CED)

##### 1 Summary

1.1 This report summarises the Council's risk management arrangements and includes revised Risk Registers for each service.

##### 2 Details

2.1 At its meeting on 27 September 2018, the Audit Committee agreed the Council's Risk Management Strategy and it was subsequently approved at the Policy and Resources Committee on 5 November 2018. The Audit Committee last reviewed the strategy at its meeting on 24 September 2020. The strategy determines that the Audit Committee has the function to consider and review the Council's Risk Management Strategy and monitor the effectiveness of the authority's risk management arrangements.

2.2 The Risk Management Strategy has been reviewed and other than updating the Council's vision and objectives, no changes are proposed. The Strategy is attached at Appendix 1.

2.3 Each service has its own operational risk register and these are included in the relevant service plan. All operational risk registers include the following four corporate risks:

- Insufficient staff
- Total loss of ICT
- Loss of accommodation
- Fraudulent activity

The current residual risk scores for each service, from the 2022-2025 Service Plans, are shown in the table below.

	Insufficient Staff			Total loss of ICT			Loss of accommodation			Fraudulent activity		
	L	I		L	I		L	I		L	I	
<b>L = Likelihood / I = Impact</b>												
Committee Services	2	2	4	2	2	4	2	2	4	2	1	2
Community Partnerships	2	2	4	2	2	4	2	2	4	2	3	6
Corporate Services	2	2	4	2	2	4	2	2	4	1	2	2
Customer Service Centre	2	2	4	2	2	4	2	2	4	1	2	2
Economic & Sustainable Dev	2	2	4	2	1	2	2	1	2	1	2	2
Electoral Services	2	2	4	2	3	6	1	3	3	2	1	2
Environmental Protection	2	2	4	2	2	4	2	1	2	2	1	2

	Insufficient Staff			Total loss of ICT			Loss of accommodation			Fraudulent activity		
<b>L = Likelihood / I = Impact</b>	L	I		L	I		L	I		L	I	
Finance	2	2	4	2	3	6	1	1	1	2	2	4
Housing Services	2	2	4	2	2	4	2	2	4	2	2	4
Legal Practice	2	1	2	2	2	4	2	2	4	1	2	2
Leisure & Landscapes	2	3	6	2	3	6	2	3	6	2	2	4
Property Services	2	2	4	2	2	4	2	2	4	1	2	2
Regulatory Services	3	2	6	3	2	6	2	2	4	2	2	4
Revenues & Benefits	2	3	6	2	3	6	2	2	4	2	2	4

<b>Very Likely</b> ----- <b>Likelihood</b> ----- <b>Remote</b>	<b>Low</b> 4	<b>High</b> 8	<b>Very High</b> 12	<b>Very High</b> 16
	<b>Low</b> 3	<b>Medium</b> 6	<b>High</b> 9	<b>Very High</b> 12
	<b>Low</b> 2	<b>Low</b> 4	<b>Medium</b> 6	<b>High</b> 8
	<b>Low</b> 1	<b>Low</b> 2	<b>Low</b> 3	<b>Low</b> 4
<b>Impact</b>				
<b>Low</b> ----- <b>Unacceptable</b>				
<b>Impact Score</b>		<b>Likelihood Score</b>		
4 (Catastrophic)		4 (Very Likely (≥80%))		
3 (Critical)		3 (Likely (21-79%))		
2 (Significant)		2 (Unlikely (6-20%))		
1 (Marginal)		1 (Remote (≤5%))		

- 2.4 In addition to the four corporate risks, each service has their own operational risk register that include service-specific risks. A summary of these risk registers is attached at Appendix 2.
- 2.5 There are currently 8 risks on the Strategic Risk Register. Strategic Risks are also included in the relevant Service Plan Risk Register and are managed by the relevant Head of Service. The current residual risk score for each Strategic Risk is shown in the table below.

Strategic Risk	Service Plan	L	I	
ST01 - Failure to achieve the target of nett additional homes	Economic and Sustainable Development	3	3	9
ST02 –Failure to achieve Community Safety targets	Community Partnerships	1	2	2
ST03 - Failure to make progress on the Climate Change Strategy and action plan	Community Partnerships	2	2	4
ST04 – Failure to make progress on the development of an Economic Strategy	Economic and Sustainable Development	3	2	6
ST06 - Failure to deliver the Property Investment Strategy	Property Services	2	3	6
ST07 - The Medium term financial position worsens.	Finance	3	2	6
ST08 - Failure to retain or recruit well trained and experienced staff, resulting in reduction of high quality services	Human Resources (WBC)	3	3	9
ST09 – Loss of ICT service to internal departments and therefore external customers and / or potential for financial or data fraud	ICT (WBC)	2	4	8

*Note: ST05 (failure to make progress on infrastructure investment by Hertfordshire Growth Board) was closed in December 2021, as no sites in the district were identified.*

The Policy and Resources Committee is responsible for monitoring the Strategic Risks and these were last reviewed at their meeting on 6 December 2021.

- 2.6 Financial and budgetary risks are reported quarterly to the Audit Committee – see report number 10 on this agenda for this quarter’s report.

### 3 Options and Reasons for Recommendations

- 3.1 The Audit Committee is responsible for monitoring the effectiveness of the authority’s risk management arrangements.

- 3.1.1 Sub bullet point if required.

### 4 Policy/Budget Reference and Implications

- 4.1 The recommendations in this report are within the Council’s agreed policy and budgets. The relevant policy is entitled Risk Management Strategy and was agreed on 5 November 2018.

### 5 Financial, Legal, Equal Opportunities, Staffing, Environmental, Community Safety, Public Health, Customer Services Centre, Communications & Website, Risk Management and Health & Safety Implications

- 5.1 None specific.

**6 Recommendation**

6.1 That:

The Audit Committee notes the Council’s risk management arrangements and the Risk Registers for operational risks.

**Data Quality**

Data sources:

Service risk registers

Data checked by:

Phil King, Emergency Planning and Risk Manager

Data rating: Tick

<b>1</b>	<b>Poor</b>	
<b>2</b>	<b>Sufficient</b>	✓
<b>3</b>	<b>High</b>	

**Background Papers**

Risk Management Strategy

**APPENDICES / ATTACHMENTS**

Appendix 1 – Risk Management Strategy

Appendix 2 – Operational Risks