

Committee: Audit and Scrutiny Committee	Date: 15 November 2022
Subject: Risk Management	Wards Affected: All
Report of: Jacqueline Van Mellaerts, Corporate Director – Finance & Resources	Public
Report Author/s: Name: Sue White, Risk & Insurance Officer Telephone: 01277 312500 E-mail: sue.white@brentwood.gov.uk	For Information

Summary

The report updates members of the Audit & Scrutiny Committee on the status of the Council's 2022/2023 Strategic Risk Register and high-level operational risks.

As a result of the current risk review the risk scores have remained the same from the previous review in August.

Of the high-level operational risks, one risk score has been increased, and the other risks scores have remained the same.

Main Report

Introduction and Background

1. The governance arrangements set out in the 'Insurance & Risk Management Strategy' and terms of reference of committees from our constitution require the Audit and Scrutiny Committee to review the strategic and operational risks every quarter.
2. The strategic and operational risk registers are monitored by Senior Leadership Team (SLT) and the Extended Leadership Team (ELT) who consider the risks, the mitigations and agrees the content. It is the responsibility of the Audit & Scrutiny Committee to review the strategic risks and confirm they are confident that the risks associated within this register are those which are strategic and relevant to the organisation at this point in time and the considered future.
3. Work continues to embed Risk Management within the Council. It is important that all staff become involved in the risk management process and become aware of their responsibilities in identifying and managing risk. A Risk Management Fund of £5k was allocated within the insurance tender, which is deducted from the annual premium, for use on Risk Management improvements for the Council. The remaining fund of £2,600 for 2021-22 together with £3,400 for 2022-2023 was allocated to a Motor Fleet Risk Assessment, which was

carried out on 16 May 2022. A written report summarising the findings has now been provided with a grading for Fleet Trucks as Fair (126 points) this can be improved further to Good (76 points) with implementation of the risk improvement advice. These advisory risk improvement actions are now being considered by the Director of Environment, together with the Health and Safety Officer.

Issue, Options and Analysis of Options

4. Risk Management continues to be imbedded quarterly within the Senior Leadership Team reports, where Service Heads discuss the top-level risks for their service areas to ensure that the risks are updated to reflect the ongoing changes.
5. The Risk and Insurance Officer will continue to work with risk managers to maintain the good progress to date and further develop a consistent application of risk management considerations across all operations of the Council.

Strategic Risks

6. In accordance with the Council's Insurance and Risk Management Strategy, risk owners have reviewed their risks and updated them.
7. Attached to this report at Appendix A is a summary showing the current status of each risk.
8. As a result of the current risk review the risk scores have remained the same from the previous review in August.
9. A new risk has been added to the Strategic Risk:
 - RSK14 – Inflationary Pressures (row 73)
This risk has been added due to the current national economic climate. Regular budget monitoring and cost of living action plan in place. Risk score Likelihood 3 x Impact 4 = High 12

Risk Matrix

10. The thirteen risks are plotted on the risk matrix in Table 1. The current assessment identifies that three risks are categorised as very high in the red area of the risk matrix.

Table 1 – Risk Matrix

Likelihood / Probability	Definite	Low (5)	Medium (10)	High (15)	V. High (20)	V. High (25)
	Very Likely	Low (4)	Medium (8)	High (12)	V. High (16)	V. High (20)
	Likely	Low (3)	Medium (6)	Medium (9)	High (12) RSK9 RSK14	V. High (15) RSK7 RSK10 RSK13
	Unlikely	Low (2)	Low (4) RSK5 RSK6	Medium (6) RSK8 RSK11	Medium (8) RSK3 RSK12	High (10)
	Highly Unlikely	Low (1)	Low (2)	Low (3) RSK2	Medium (4) RSK4	Medium (5) RSK1
		Negligible	Minor	Moderate	Significant	Major
Negative Impact / Severity						

Likelihood x Impact = Risk Score

No.	Risk	No.	Risk
1	Failure to adopt a local plan in line with national policy	8	Unable to react to major incident
2	Failure to develop an environmental strategy and action plan	9	Lack of Organisational Capacity
3	Failure to deliver a clear Leisure Strategy	10	Unable to meet income projections
4	Failure to deliver Strategic Housing Development Plan	11	Not compliant with data protection legislation
5	Lack of Strategic Direction	12	Contract/Partnership Failure within organisation
6	Failure to deliver objectives within Corporate Strategy	13	Risk from a critical cyber threat
7	General Fund budgets could fall below the minimum level of reserves	14	Inflationary Pressures

Operational Risks

11. Operational risk management is concerned with reviewing those risks that are faced in the day-to-day delivery of services, particularly where effective management of those risks could result in a reduction in insurance claims and related costs.
12. The Operational Risk Register has been updated to reflect the new Directorate Structure. The risks have been reviewed by risk owners and updated and amended where necessary to reflect the actions taken to manage the risks.
13. Attached to this report at Appendix B is the operational risk summary sheet showing the very high and high-level risks. The risk references are shown in brackets in the table below which match to Appendix B.
14. At the review in November one new risk was added:

P&G12 - Procurement function not compliant with Statutory requirements. Risk score after mitigations was Likelihood 2 x Impact 4 = Medium 8.
15. The table below shows the total number of risks identified in operational risk registers across the Council

Directorate	Open risks on register	Very High Risk	High Risk	Medium Risk	Low Risk
Environment	5		2 ENV1, ENV3	2	1
Place	3			3	
Resources	8			6	2
Housing	9		2 HSG2, HSG3	6	2
Assets & Investments	2		2 A&I2, A&I2		
Communities & Health	5			2	3
Customer & Data Insight	4		3 C&D1, C&D2, C&D4	1	
Policy & Delivery	1				1
People & Governance	12			7	5

Consultation

16. None

References to Corporate Strategy

17. Effective risk management arrangements will enable the Council to achieve its corporate priorities. The process will allow identification of risks and issues, enabling informed decision making to remove or reduce them, in order for the priorities to be achieved.

Implications

Financial Implications

Name/Title: Jacqueline Van Mellaerts, Corporate Director (Finance & Resources) and Section 151 Officer

Tel/Email: 01277 312500/jacqueline.vanmellaerts@brentwood.gov.uk

18. None arising specifically from this report, but control measures identified in risk registers could have financial or resource implications.

Legal Implications

Name & Title: Emily Yule, Strategic Director

Tel & Email: 01277 312500/emily.yule@brentwood.gov.uk

19. Effective risk management provides a means of identifying, managing and reducing the likelihood of legal claims or regulatory challenges against the Council.

Economic Implications

Name/Title: Phil Drane, Director Place

Tel/Email: 01277 312500/philip.drane@brentwood.gov.uk

20. Economic implications are contained within the report and identified in risk registers.

Background Papers

- Insurance & Risk Management Strategy

Appendices to this report

- Appendix A: Strategic Risk Register
- Appendix B: Operational Risk Register
- Appendix C: Risk Ranking Table