



## AUDIT & SCRUTINY COMMITTEE

14 November 2023

<b>REPORT TITLE:</b>	Risk Management Update
<b>REPORT OF:</b>	Tim Willis, Interim Resources Director
<b>REPORT IS FOR:</b>	Decision

### REPORT SUMMARY

This report updates members of the Audit & Scrutiny Committee with a revised Insurance & Risk Management Strategy and is attached in Appendix A.

This report also updates the Audit & Scrutiny Committee on the status of the Council's 2023/24 Strategic Risk Register.

The number of very high risks has increased to two since the last report to the committee. The risk that has increased relates to the Contract/Partnership failure.

### RECOMMENDATIONS

- R1 To agree the revised Insurance & Risk Management Strategy.**
- R2 That the Committee notes the report.**

### SUPPORTING INFORMATION

#### 1.0 REASONS FOR RECOMMENDATIONS

Effective risk management arrangements help enable the Council to achieve its corporate priorities. Risk management is the process by which officers assess the likelihood and impact of differing risks and take proportionate action/make decisions to reduce the likelihood of the risk occurring, as well as to reduce the adverse impact if it occurs. Members are asked to review and note the strategic risks and accompanying risk register.

#### 2.0 OTHER OPTIONS CONSIDERED

None.

### **3.0 BACKGROUND INFORMATION**

A review of the Insurance and Risk Management Strategy is due, and a revised Strategy is attached as Appendix A.

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 remainder of the fund for 2022-2023, together with the fund for 2023-2024 has been allocated to three Risk Workshops, which are to be held on 22<sup>nd</sup> and 23<sup>rd</sup> November.

A risk management report and register is considered quarterly by the Corporate Leadership Team, to ensure that strategic risks are updated to reflect ongoing changes to the internal and external environment. In addition to this, the Risk & Insurance Manager liaises with service heads on an ongoing basis to maintain active management of risks, including strategic, operational and project risks.

Appendix B sets out the strategic risks, each of which is the responsibility of a risk owner. Each risk is scored (out of five) for both likelihood and impact, with a combined score arrived at by multiplying one by the other. Guidance on scoring is set out in the risk ranking table in Appendix C.

Each quarterly risk report will highlight and explain the very high risks, any changes to risk scores and any new risks or risks that have been removed from the strategic risk register. Even if a risk is not included in the strategic risk register, it does not mean that it is not being managed – only that it does not require the intervention of CLT to help manage it. The last report to Audit & Scrutiny Committee was on 11 July 2023.

#### **Very high risks**

- Risk 13 (Cyber Threat). The Council is actively involved in the Essex-wide LA cyber partnership, with response framework, sharing intelligence and good practice. It is also a member of regional WARP (Warning, Advice and Reporting Point) to share and receive up-to-date advice on information security threats, incidents and solutions. This risk score is relatively high and is likely to remain so, despite mitigations. Given the continued threat and adverse impact of a successful cyber attack, officers will strive to put in place defensive measures that minimise the likelihood. These measures will be proportionate to balancing the needs of the Council to deliver public services and its commitment to transparency.

#### **Change to risk scores**

- Risk 12 (Contract/partnership failure). This risk has been increased from a score of 8 to a score of 16 due to the increased likelihood of potential losses arising from partnership failure. In recognition of this, an internal audit has been added to this year's plan to review development partnerships; additionally, provision has been made in the Council's reserves to accommodate potential costs arising from such a failure.

#### **New/removed risks**

- Risk 5 (Lack of Strategic Direction) has been removed. The risk score of 4 was low and it is considered that there are sufficient plans and resources in place to ensure this risk can be managed without strategic intervention.

- Risk 6 (Failure to deliver objectives within the Corporate Strategy) has been removed. The risk score of 4 was low and it is considered that there are sufficient structures and processes in place to ensure this risk can be managed without strategic intervention.

#### **4.0 FINANCIAL IMPLICATIONS**

**Name & Title: Tim Willis, Director – Resources & Section 151 Officer**

**Tel & Email: 01277 312500 / tim.willis@brentwood.rochford.gov.uk**

None arising specifically from this report, but some risks include financial risks and some control measures identified in the risk register could have financial implications.

#### **5.0 LEGAL/GOVERNANCE IMPLICATIONS**

**Name & Title: Claire Mayhew – Joint Acting Director of People and Governance & Monitoring Officer**

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

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

None.

#### **7.0 RELEVANT RISKS**

7.1 The report itself is in relation to strategic risks.

#### **8.0 ENGAGEMENT/CONSULTATION**

None.

#### **9.0 EQUALITY IMPLICATIONS**

None.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

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

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**APPENDICES**

Appendix A: Insurance & Risk Management Strategy

Appendix B: Strategic Risk Register

Appendix C: Risk ranking table

**BACKGROUND PAPERS**

Insurance and Risk Management Strategy

**BACKGROUND PAPERS**

None

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit & Scrutiny Committee	8.3.2022
Audit & Scrutiny Committee	5.7.2022
Audit & Scrutiny Committee	7.3.2023
Audit & Scrutiny Committee	11.7.2023