

Corporate Risk Register

To: Audit and Accounts Committee

Meeting Date: 28th March 2024

From: Chief Executive

Electoral division(s): All

Executive Summary: Good risk management - including the identification of risks and triggers as well development of mitigating actions - should inform decision making and areas for improvement; lead to better overall management of the Council's business, and protect the Council's assets, workforce, finances and services.

Recommendation: The Committee is recommended to note the Corporate Risk Register.

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1. Creating a greener, fairer and more caring Cambridgeshire

1.1 Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. The objective is to ensure that risks which might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. As such, effective risk management contributes to the achievement of all seven of the Council's ambitions.

2. Background

2.1 The Accounts & Audit (England) Regulations 2015 require the authority to have a sound system of internal control, which includes effective arrangements for the management of risk.

2.2 Under the Council's constitution, the Strategy, Resources & Performance Committee (S, R&P Committee) is responsible for the development and oversight of the Council's performance framework and risk strategies. The Audit & Accounts Committee also has important functions in relation to risk, including considering the effectiveness of the risk management arrangements and associated control environment and to seek assurances that appropriate action is being taken in response to risk.

2.3 Risk is inherent in our delivery of high-quality public services. The volatility, complexity and ambiguity of the Council's operating environment continues to increase, and taxpayers rightly expect transparency and accountability from the Council in managing the impacts of risk. We are committed to managing risk so that we enhance strategic planning and prioritisation and achieve our objectives with agility. The benefits of risk management include:

- Taking timely and proportionate action to prevent risks occurring or to manage effectively
- Development and delivery of robust and effective action plans and enhancements to the governance of the organisation
- Ensuring that decision makers are fully aware of any key risk issues associated with proposals being considered at the point of decision making
- Demonstrating openness and accountability

2.4 The risk management approach adopted by the Council is based on identifying, assessing, managing and monitoring risks at all levels across the Council. Risk registers operate at three tiers across the organisation: (a) service/project specific, (b) directorate, and (c) corporate. This report provides an update on the Council's Corporate Risk Register.

3. Corporate Risk Register Updates

3.1 The full updated Corporate Risk Register can be found at Appendix 1 to this report.

3.1.1 Please note, on the risk matrices, "RA" denotes the Council's maximum risk appetite of 15,

which is a set maximum appetite for all risks. Where risk owners have identified a target risk below this risk appetite level, this is denoted with a “T”.

3.2 Corporate Risk Register Overview

3.2.1 The following table gives an overview of the current status of the risks on the corporate risk register, including information on the current risk scoring compared to the scores at the previous report to Committee, and the direction of travel for each risk.

3.2.2 Please note that as discussed at the October meeting of Strategy, Resources and Performance Committee, the direction of travel for each risk is now shown as a RAG rating: red indicating that the risk has increased; amber indicating no change; and green indicating that the risk has decreased.

Table 1: Corporate Risk Register Overview, March 2024

Risk	Residual Risk Score March 24	Residual Risk Score Oct 23	Direction of Travel (RAG)	Last Reviewed
1. Risk that the Council’s arrangements for safeguarding vulnerable adults fail.	15	15	A	01/02/24
2. Risk of failure of the Council’s arrangements to safeguard vulnerable children and young people.	15	15	A	16/02/24
3. Risk that the Council does not have enough budget to deliver agreed short and medium term corporate objectives.	12	12	A	20/02/24
4. Risk that a serious incident occurs, preventing services from operating and /or requiring a major/critical incident response.	12	12	A	22/02/24
5. Risk of failure of corporate governance.	10	10	A	13/02/24
6. Risk that the Council's workforce is not able to meet business need.	15	15	A	19/02/24
7. Risk of failure to deliver key Council services.	10	10	A	27/02/23
8. Risk that the Council is a victim of cyber crime.	15	15	A	20/02/24
9. Risk that the Council fails to comply with Information Governance legislation and industry standards	12	12	A	23/02/24
10. Risk of failure of key contracts.	12	12	A	20/02/24
11. Risk of failure of collaborative	12	12	A	22/02/24

working.				
12. Risk of Climate Change.	16	16	A	20/02/24

3.2.3 For this reporting cycle, no risks have seen changes to their scores compared to the previous reporting period across all corporate risk register.

3.3 New Risks / Risks De-Escalated from the Corporate Risk Register:

3.3.1 There have been no new risks added to the Corporate Risk Register since the previous report in October 2023, and no risks have been de-escalated from the corporate risk register.

3.4 Key Actions Implemented:

3.4.1 A number of actions incorporated in the Action Plans for the Corporate Risk Register have been closed since the previous report in October 2023. In particular, the following key actions have been marked as complete by Corporate Risk Owners:

- The action for CLT to collaborate with Councillors in presenting a balanced budget for 2024/25 has been implemented.
- The action directing Capital Programme Board and CLT to provide full scrutiny and supervision over the proposal and development of savings plans has been completed.
- The Public Services Network Remedial Plan has been implemented by IT, all outstanding actions are completed and the IT service has achieved PSN certification.
- Lessons learnt from recent cyber-attack - Debrief has been completed and lessons learnt log being applied.
- The Business Continuity exercise related to key contracts has been completed and a series of actions following on from the exercise are planned for the next year.
- A clear definition of the term 'key contract' with reference to the contract risk assessments has been developed. It will be embedded in contract risk assessment documents and other contract management related documents.

4. Other Risk Management Updates

4.1 CLT Risk & Assurance Meeting:

4.1.1 A meeting of the CLT Risk & Assurance group took place on 1st March. The group conducted a review of the Corporate Risk Register, discussed emerging corporate risks and undertook a review of the Strategy & Partnerships Directorate Risk Register. The group also received feedback from the meeting of the Corporate Risk Group in February 2024, and an update on implementation of the risk strategy. Key areas of further discussion are highlighted below.

i. *Directorate Risk Registers Reporting*

- 4.1.2 The CLT Risk & Assurance group discussed the process for reporting Directorate Risk Registers (DRRs) to Committee and confirmed that all Committee reporting of DRRs should be in the format produced by the Council's GRACE risk management system. CLT also agreed a proposal for splitting out risks from the Finance & Resources and Strategy & Partnerships DRRs to allow relevant risks to be reported to the appropriate Policy & Service Committees.
- 4.1.3 The group also considered a proposed template for DRR reporting to Policy & Service Committees. The template was approved pending minor amendments. This will be circulated to members of the Corporate Risk Group and ELT and shared on the corporate intranet to support consistency in information provided to Committees when DRRs are reported.

ii. *Weighted risk matrices*

- 4.1.4 The CLT Risk & Assurance group also considered an alternative approach to the use of risk matrices. Having previously reviewed the possibility of introducing a risk matrix with a weighting applied to the 'impact' score, giving more weight to risks with greater impact, the group considered an alternative weighted matrix. This placed the weighting on the 'likelihood' score, giving greater priority to risks with a higher likelihood of occurring.
- 4.1.5 In order to inform the discussion, the Corporate Risk Register was scored using both the existing linear method and weighted model, for comparison.
- 4.1.6 Following the discussions, CLT agreed to retain the current risk matrix and methodology. It was felt that changing the approach to risk scoring could prove counter-productive at a time when the Council is seeking to continue embedding and communicating the risk management approach throughout the organisation. Additionally, it was not felt that the change in approach significantly altered the view of risk provided by the existing matrix. It was confirmed that CLT will keep risk matrices under review, and focus on delivering further guidance and training to officers on managing risk in line with the existing policy and approach.

4.2 Risk Strategy Implementation Update:

- 4.2.1 The Internal Audit & Risk Management team is progressing the actions from the Corporate Risk Strategy shared with Committee in July 2023. Key action updates since our last update in October include:

- *Action: "The Council should review how risk information is presented as part of decision-making processes and identify any areas for improvement, as part of the development of decision-making guidance to improve quality of report writing."*

The Service Director: Legal and Governance undertook an in-depth review of the Committee report template and report-writing guidance. The new template for Policy and Service Committee reports was launched in November 2023 and as part of this, a greater emphasis is placed on providing sufficient information on risk management in all reports. This action is therefore complete.

- *Action: “Internal Audit to re-introduce the Corporate Risk Group on a quarterly basis with Risk Champion from each Directorate. This should ensure a wider range of perspectives are brought to bear on the CRR and will re-establish compliance with the Risk Management Toolkit.”*

The Corporate Risk Group has been re-established and a Terms of Reference for the group agreed. To date, the group has met twice, on 13th November 2023 and 15th February 2024. Meetings have included training sessions on risk escalation and risk identification; review and challenge of the Corporate Risk Register; and discussion of emerging risks. The group will continue meeting in line with corporate risk reporting cycles, and the action is therefore complete.

- *Action: “New project management procedures to include guidance on the routine management of risk for corporate projects”.*
- *Action: “A process should be put in place to ensure all significant new revenue and capital projects are routinely and consistently assessed for risk as part of new project management procedures”.*

The Internal Audit & Risk Management team met with the Head of Change Portfolio in February 2024 to discuss these actions, which are being progressed through the implementation of new project management procedures.

- *Action: “Internal Audit & Risk Management will develop a risk management e-learning module that can be made available to all staff. This will particularly include guidance on how to escalate risks between different management levels/risk registers. Once this is completed, it will be publicised internally via the intranet and to targeted staff including budget managers”.*

This action is now underway and the Internal Audit & Risk Management team are hoping to launch the new e-learning at the start of the new financial year.

4.2.2 As part of the Business Planning process, the Head of Internal Audit & Risk Management has put forward plans to introduce a dedicated Risk Manager post in the new financial year, to enhance capacity to further develop and strengthen risk management processes at CCC.

4.2.3 A full update showing progress with all the actions in the Risk Strategy, and any suggested amendments to the strategy, will be brought to Committee as part of the Annual Risk Management Report in July.

5. Significant Implications

5.1 Finance Implications

N/A

5.2 Legal Implications

N/A

5.3 Risk Implications

This report and Appendix 1 showing the updated current Corporate Risk Register provide information on the key corporate risk areas currently identified by Cambridgeshire County Council and how these are being managed.

5.4 Equality and Diversity Implications

N/A

6. Source Documents

6.1 Corporate Risk Register – Appendix 1

6.2 [Cambridgeshire County Council Risk Strategy 2023 – 6](#)