Corporate Risk Register

To:	Strategy & Resources Committee
Meeting Date:	29 March 2022
From:	Director of Business Improvement and Development
Electoral division(s):	All
Key decision:	No
Forward Plan ref:	Not applicable
Outcome:	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 invited to note and comment on the corporate risk register.

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1.   Risk Management

1.1   Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. Through effective risk management we aim to optimise success by minimising threats. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. 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.

1.2   Under the Council's constitution, the Strategy & Resources Committee is responsible for the development and oversight of the Council's risk management and strategy. 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.

1.3   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.

1.4   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 covering report is provided to the corporate risk register attached at Appendix 1. The Council's Risk Management Policy makes provision for escalation and de-escalation of risk through the tiers. On behalf of the corporate leadership team (CLT), the Director of Business Improvement and Development champions and takes overall responsibility for seeking to ensure that effective risk management processes operate throughout the Council, including co-ordinating identified improvement activity.

1.5   The Risk Management Policy is attached at Appendix 2 and supplementary information about the risk appetite extracted from the Risk Management Procedures is attached at Appendix 3.

1.6   At the CLT meeting on the 28th January 2022, the corporate risks were reviewed, and none were assessed to be in excess of the Council's risk appetite (rated 'red', in the range 16-25). The current risks reported through the corporate risk register and their CLT owner are as follows:

- **The Council's arrangements for safeguarding vulnerable children and adults fail**
  Owner: Executive Director: People & Communities
  The residual risk score has increased from 12 to 15, recognising that although the likelihood remains at a 3 the impact would be assessed as a 5.

- The Council doesn't have enough budget to deliver agreed short and medium- term corporate objectives
  Owner: Director of Resources & Chief Financial Officer (S151)
  The residual risk score has decreased from 20 to 12, reflecting an increased clarity regarding the Council's budget post pandemic and recognising the robustness of the Council's governance in this area.

- A serious incident occurs, preventing services from operating and / or requiring a major incident response.
  Owner: Director Customer and Digital Services
  The residual risk remains unchanged at 12.

- The Council does not deliver its statutory or legislative obligations
  Owner: Director of Law & Governance and Monitoring Officer
  The residual risk score has increased from 8 to 10, recognising that although the likelihood remains at a 2 the impact would be assessed as a 5

- The Council's human resources are not able to meet business need
  Owner: Assistant Director, HR Services
  The residual risk has decreased from 16 to 15 as the likelihood has been assessed as a 3.

- Insufficient community infrastructure to deliver the Council's services
  Owner: Executive Director Place & Economy
  The residual risk remains unchanged at 12.

- Failure to Deliver Key Council Services
  Joint owners: Executive Director Place & Economy & Executive Director: People & Communities
  The residual risk has increased from 6 to 10, recognising that although the likelihood is assessed as 2 the impact would be a 5.

- Failure of key partnerships or contracts
  Owner: Director of Resources & Chief Financial Officer (S151)
  This is a new risk, with a residual risk being assessed as 12.

1.7   At the CLT meeting, the following risks were removed from the CRR;

- Personal data is inappropriately accessed or shared
  This will be picked up in the new risk, the Council fails to comply with Information Governance legislation and industry standards.

- Impact of the Brexit Risk Assessment
  The impact of Brexit was deemed to be reflected as triggers throughout the CRR.

- Change and transformation of services is not successful to meet future estimated levels of resources in the Business Plan

This was considered to be picked up in the risk, the Council doesn't have enough budget to deliver agreed short and medium- term corporate objectives.

- Inequalities in the county continue
  This was considered to be a consequence rather than a risk in its own right.

- The Council is a victim of major fraud or corruption
  This was considered to be better addressed in the Resources directorate's risk register.

1.8   CLT considered including Climate as a separate risk, however at the moment this was felt to be covered across the CRR other risks, most notably under Risk 2 - The Council doesn't have enough budget to deliver agreed short- and medium-term corporate objectives.

1.9   CLT also determined that the following changes, that are still in progress, should be made to the CRR;

- Create two risks to replace the existing Risk 1 -The Council's arrangements for safeguarding vulnerable children and Adults fail – to better focus on adults and children.

- Add two new risks to be added to the corporate risk register:

  - The Council is victim of Cyber crime (Owner: Director Customer and Digital Services) and;

  - The Council fails to comply with Information Governance legislation and industry standards (Owner: Director of Law & Governance and Monitoring Officer)

1.10   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

1.11   The Council has regard to HM Government's Orange Book (Management of Risk) and assesses local application of the five principles as follows:

- Governance and leadership - The Chief Executive, supported by the Corporate Leadership Team, periodically assess the leadership style and policies of the Council. We acknowledge that human behaviour and culture significantly influence all aspects of risk management at each level. The Corporate Leadership Team

undertook a periodic, detailed, collective review of the risk register on 26 January 2022.

- **Integral to organisational activities to support decision making.** The assessment and management of risk is an embedded part of setting strategy and prioritising resources. It is integral to appraising options, evaluating alternatives and making informed decisions. All Committee reports to Members include a risk implications section. For example, elsewhere on this Committee's agenda today there is consideration of risk appetite in relation to insurance policy deductibles, This Land's commercial versus social outcomes, and treasury management given current economic uncertainties.

- **Collaborative and informed by information and expertise.** The risk register reflects the broad range of risks facing the Council. Communication and consultation are essential to ensuring an informed position, and the Audit & Accounts Committee plays an important role in challenging and reviewing the scope of risk management activity. Recent revisions to the register reflect the heightened risk perceived from organisations beyond the Council's institutional boundary, such as suppliers and subsidiary companies.

- **Processes** – processes are in place for the identification and assessment of risk as well as the selection of risk treatment options. Transition from the shared service arrangements (previously known as LGSS) mean that we are in the process of changing our systems for recording risk and the way that corporate resource is deployed to support frontline services with risk management.

- **Continual improvement** – there is continual monitoring of the risk environment and improvement through learning and experience. The annual governance statement, published alongside the Statement of Accounts, provides a yearly formal mechanism for identifying significant gaps or areas for improvement within the Council's governance framework.

1.12 Over the course of the next year, the risk management team will undertake a programme of work which challenges and assesses each of the Council's Corporate Risks. This will include an evaluation of the extent to which the controls documented in the risk register are being complied with. The intention is that for each risk three levels of assurance are given:

- **Governance controls** (are the planned controls proportionate and effective in mitigating the identified risk and triggers;

- **Compliance** (are those controls being routinely complied with in practice);

- **Substantive** (are the controls being effective in mitigating the risk in practice).

2. Alignment with corporate priorities

2.1 Communities at the heart of everything we do
2.2 A good quality of life for everyone
2.3 Helping our children learn, develop and live life to the full

2.4   Cambridgeshire: a well-connected, safe, clean, green environment.

2.5   Protecting and caring for those who need us

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

3.   Significant Implications

3.1   Resource Implications
All of the risks listed in the corporate risk register could potentially lead to significant financial implications if realised. There are direct impacts on our resources in relation to the partnership/contractual risks and the risk about sufficiency of budget.

3.2   Procurement/Contractual/Council Contract Procedure Rules Implications
There are no significant implications within this category

3.3   Statutory, Legal and Risk Implications
This report overviews the Council's risk management arrangements. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. 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.

3.4   Equality and Diversity Implications
There are no significant implications within this category

3.5   Engagement and Communications Implications
There are no significant implications within this category

3.6   Localism and Local Member Involvement
There are no significant implications within this category

3.7   Public Health Implications
There are no significant implications in this category

3.8   Environment and Climate Change Implications on Priority Areas
There are no significant implications in this category

Have the resource implications been cleared by Finance?   Yes
Name of Financial Officer: T Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement?   Yes
Name of Officer: C Ellis

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services?   Yes
Name of Legal Officer: F McMillan

Have the equality and diversity implications been cleared by your Service Contact?
Yes
Name of Officer: T Kelly

Have any engagement and communication implications been cleared by Communications?
Yes

Have any localism and Local Member involvement issues been cleared by your Service Contact? No Not applicable

Have any Public Health implications been cleared by Public Health? No
Not applicable

4. Source documents

4.1   CCC Resources - Home (sharepoint.com)

Annual Governance Statement
Statement of accounts - Cambridgeshire County Council