

Report to: Audit and Governance Committee



Date of Meeting 28 July 2022

Document classification: Part A Public Document

Exemption applied: None

Review date for release N/A

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## Risk Review Summer 2022

### Report summary:

Risk information for the 2022/23 financial year is supplied to allow the Audit and Governance Committee to monitor the risk status of Strategic and Operational Risks. This follows the full review of risks by responsible officers during May/June 2022. Most of these reviews were completed by the responsible officers with the Management Information Officer.

### Is the proposed decision in accordance with:

Budget Yes ☒ No ☐

Policy Framework Yes ☒ No ☐

### Recommendation:

That the Audit and Governance Committee considers the current status of risks following the full risk review undertaken in May/June 2022.

### Reason for recommendation:

To ensure that the Risk Management Policy and Guidance is being followed and all risks are being monitored and control actions implemented.

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Portfolio(s) (check which apply):

- ☐ Climate Action and Emergency Response
- ☐ Coast, Country and Environment
- ☐ Council and Corporate Co-ordination
- ☐ Democracy, Transparency and Communications
- ☐ Economy and Assets
- ☒ Finance
- ☐ Strategic Planning
- ☐ Sustainable Homes and Communities
- ☐ Tourism, Sports, Leisure and Culture

**Equalities impact** Low Impact

## Climate change Low Impact

**Risk:** High Risk; Failure to identify, assess, monitor, review and manage risks could impact negatively (i.e. financial, reputational, operationally) on the council.

**Links to background information** [Appendix A – Operational Risk register summer 2022](#)  
[Appendix B – Strategic Risks summer 2022](#) [Appendix C – Explanations and definitions](#)

**Link to [Council Plan](#)**

Priorities (check which apply)

- ☒ Better homes and communities for all
  - ☒ A greener East Devon
  - ☒ A resilient economy
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## Report in full

1. As part of our corporate governance it is appropriate that we maintain and manage a risk register. The risk register allows us to highlight any risks to our organisation and set out how we are going to mitigate against their impact and likelihood.
2. Our risk management policy requires all risks identified by the council to be reviewed bi-annually. Through the months of May and June the risk owners were tasked with reviewing their risks in the SPAR system. For this review, the Management Information Officer meet with several of the risk owners to review the risk entries together. This was a really useful exercise and has resulted a several changes and updates to the risk register.
3. The operational risk register contains 80 risks which have all been reviewed and are available to view in full at [Appendix A](#). The operational risk register is listed by service area and includes all of the control actions. All of the risks have been reviewed and re-scored in light of all mitigating actions being undertaken and in relation to the on-going pandemic. The services were asked to highlight any new and emerging risks with one new risk being put forward at this review.

### New operational risk

- Ensure the accessibility and accuracy of our website which if found to be failing could result in fines and reputational damage.

### Operational Risks recommended for removal

- **Ability to implement any changes to the Street Trading rules in East Devon** – this work has now been completed and is part of business as usual.
- **Inadequate resources on the legal service to meet the workload** – this forms part of a larger strategic risk around staff resources.
- **The risk relating to introducing new / enhanced requirements in respect of the European wide General Data Protection Regulations.** – The specific work from this has now passed but recommend that a new strategic risk around GDPR is considered as set out in the strategic risk section below.

4. In the operational risk register there are four risks currently scored as high,
  - **Failure of LED Leisure through budget, legal, or reputational issues.** - LED income and activities were severely impacted by the Covid-19 pandemic and the associated lockdowns/restrictions. LED had been reliant on furlough payments and the Council increasing its subsidy to remain viable, and the Council has attempted to recover its costs through government support for the leisure industry. Revised monitoring and liaison

arrangements have been put in place going forward to focus on leisure needs, and clear strategy and affordability. A draft Leisure Strategy also recognises the value and importance of leisure for health & wellbeing.

- **Failure of the contractors to deliver the service through pandemic staff shortages, strike action, company liquidation, legal prohibitions and/or other similar circumstances that render this contractor unable to continue with the contract.** - Staffing shortages and driver availability continue to effect the service, BCP in place with daily communications in place regarding catch up collections through app messaging and email communications with members and customers.
- **Failure of performance under the Partnering Agreement by our responsive repair contractor leading to an inability to perform day to day repairs to tenants homes.** - Since January 2022 there has been ongoing concerns regarding KPI performance and ability to meet requirements of the contract. Concerns have been escalated to the directors of the partnering organisation. This has resulted in the creation of a focused action plan to identify areas of concern to ensure improvements are being made. These are being closely monitored by the Housing Service lead
- **Failure to maintain gas safety, fire risk, asbestos register, solid fuel servicing, and legionella testing to meet legal requirements.** - Staff vacancies in this area are of great concern, they directly relate to this risk and recruitment and retention issues are therefore being prioritised in this part of the housing service. The Housing Service Lead recently increased HR support for this area of the service to ensure the managers are being supported.

5. The tables below set out the number of risks in each service by score.

| Finance        | High | Medium | Low |
|----------------|------|--------|-----|
| Risks by score |      | 5      | 10  |

| Housing        | High | Medium | Low |
|----------------|------|--------|-----|
| Risks by score | 2    | 15     | 1   |

| Growth & Development | High | Medium | Low |
|----------------------|------|--------|-----|
| Risks by score       |      | 9      | 3   |

| Health & Environment | High | Medium | Low |
|----------------------|------|--------|-----|
| Risks by score       | 2    | 7      | 5   |

| Governance & Licensing | High | Medium | Low |
|------------------------|------|--------|-----|
| Risks by score         |      | 7      | 3   |

| HR & Communications | High | Medium | Low |
|---------------------|------|--------|-----|
| Risks by score      |      | 3      | 8   |

6. As part of this review our strategic risks have been reviewed by their owners and are also submitted for Committee's consideration.

There are 13 risks on the strategic register none of these risks are currently showing as high risk. More details for each risk can be seen in [Appendix B](#).

| Strategic Risks | High | Medium | Low |
|-----------------|------|--------|-----|
| Risks by score  | 0    | 11     | 2   |

There are three new risks on the strategic risk register.

- The current economic position is exacerbating growing recruitment challenges in occupationally specific known skills shortage areas but also more generally. This could lead to a loss in productivity and ability to meet statutory and other service

responsibilities, as well as impacting upon the remaining workforce. – Joanna Fellows

- Failure to meet the requirements of data protection legislation and good information governance practice or a serious data breach occurring resulting in a significant fine and loss of reputation. – Henry Gordon Lennox
- The reputation of the council is at risk which could impact the organisation financially and politically – Andrew Hopkins

7. An explanation and definitions of all the risks including the risk matrix can be found in [Appendix C](#).

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**Financial implications:**

No direct financial implications

**Legal implications:**

There are no direct legal implications