

Report to: **Audit and Governance Committee**

Date of Meeting: 31 January 2019

Public Document: Yes

Exemption: None

Review date for release None



Agenda item: **10**

Subject: **Full Risk Review Nov 2018**

Purpose of report: Risk information for the 2018/19 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 Nov 2018

Recommendation: **That the Audit and Governance Committee considers the current status of risks following the full risk review undertaken in Nov 2018.**

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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Financial implications: No direct financial implications

Legal implications: There are no direct legal implications

Equalities impact: Low Impact

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

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 – Full list of Operational Risks Nov 2018](#)
- [Appendix B – Strategic Risks Nov 2018](#)

- [Appendix C – Explanations and definitions](#)

Link to Council Plan: Continuously improving to be an outstanding council

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 month of May the risk owners were tasked with reviewing their risks in the SPAR system. The complete operational risk register is provided for the Committee to review at [Appendix A](#). This is listed by service area and includes all of the control actions. There are now 84 operational risks, all of which have been reviewed and re-scored in light of all mitigating actions being undertaken. All services were asked to highlight any new and emerging risks with no new risks being put forward at this review
3. In the operational risk register there is one risk currently scored as high. **Lack of funding to enable the delivery of required infrastructure through lack of sufficient income from the Community Infrastructure Levy (CIL) and that this holds up the delivery of development.** - We continue to project a significant shortfall in funding for infrastructure due to issues with the CIL regime which mean that it will never deliver sufficient funds to deliver the required infrastructure. The government has published its views further to a consultation on changes to CIL and these suggest that the S106 pooling restrictions will be lifted. This would present a good opportunity to look at where it may be appropriate to take major developments in particular out of CIL and secure funding for infrastructure through Section 106 which is likely to help to reduce the funding gap. Similarly we can now continue with our review of our CIL charging schedule with an understanding of how the government intends to progress with CIL and try and ensure that income is maximised through CIL.
4. The tables below set out the number of risks in each service by score.

Finance	High	Medium	Low
<i>Risks by score</i>		2	10

Economy	High	Medium	Low
<i>Risks by score</i>	1	8	6

Housing	High	Medium	Low
<i>Risks by score</i>		13	7

Environment	High	Medium	Low
<i>Risks by score</i>		10	3

Governance & Licensing	High	Medium	Low
<i>Risks by score</i>		10	4

Organisational Development	High	Medium	Low
<i>Risks by score</i>		1	9

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

There are 9 risks on the strategic register

- **Adequacy of financial resource planning to deliver the Council's priorities**
Insufficient financial resources to deliver Council priorities as a consequence of: a) Failure of financial forecasting, budgeting, monitoring and reporting system resulting in insufficient financial resources and inadequate reserves b) Failure to use resources available effectively c) Reduction in government funding

- **Risk: Major disruption in continuity of computer and telecommunications services**
Major disruption in continuity of computer and telecommunications facilities to the detriment of service delivery including Cyber-attack
- **Risk: Adequate emergency planning and business continuity**
A failure to adequately plan for emergencies and understand what issues arise in planning for business continuity could lead to a major service failure.
- **Risk: Office Relocation**
Not relocating would mean the continued high cost of management and maintenance of Knowle Offices. Increasing inefficiency of current accommodation and reducing capacity to deliver improving services, modern working practices and performance improvements. Challenged ability to maintain high quality services and projects in a time of reducing funding and resources.
- **Risk: Delivery of Growth Point**
Delivery of Growth Point – Failure to delivery planned housing and business growth, including a successful and vibrant new town.
- **Risk: Increased homelessness**
Failure to meet our statutory obligations for homelessness applications including securing suitable and cost effective temporary accommodation. Poor homelessness decisions risk legal challenge, reputational damage and disadvantage applicants.
- **Risk: Failure to ensure the Council’s sustainability**
The failure to ensure that the Council is able to sustain its service provision in the long term and meet its priorities as set out in the Council Plan could lead to financial and reputation loss and impact on our communities.
- **Moved from operational to strategic risk: Property safety**
Failure to ensure that our corporate property portfolio is fully compliant with legal requirements.
- **Moved from operational to strategic risk: Health and safety**
Failure to adequately protect staff health and safety at work

These are all scored in in the medium / low range with none currently showing as high risk. More details for each risk can be seen in [Appendix B](#).

Strategic Risks	High	Medium	Low
Risks by score		8	1

Suggested new strategic risk – Work is ongoing with the formation of this risk including setting out our control actions

With the on-going Brexit negotiations and the uncertainties around our deal to leave the EU there are direct implications within the operational boundaries of this Council for us to consider including the loss of direct EU funding, uncertainty around the impact on inward investment, effects on business rate income, possible increases in demand pressures, the effects on our investments and borrowing, possible impact on pension fund deficits and the effects on supply of labour.

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