

Report to: **Audit and Governance Committee**
Date of Meeting: 24 September 2020
Public Document: Yes
Exemption: None
Review date for release None



Subject: **Full Risk Review May/June 2020**

Purpose of report: Risk information for the 2020/21 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 2020

Recommendation: **That the Audit and Governance Committee considers the current status of risks following the full risk review undertaken in May/June 2020.**

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 Holder: Portfolio Holder Finance

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.

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 – Full list of Operational Risks May/June 20210](#)
- [Appendix B – Strategic Risks May/June 2020](#)
- [Appendix C – Explanations and definitions](#)

Link to [Council Plan](#):

Outstanding Council and Council Services

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 and in relation to the on-going pandemic. All services were asked to highlight any new and emerging risks with no new risks being put forward at this review
3. The implications of Covid-19 has been reflected at individual risk level. A report has been prepared to Cabinet (30th September 2020 Agenda) which outlines the work that has and is being progressed to produce a cohesive approach to East Devon DC's recovery planning as the district emerges from the Response stage of Covid-19. The report aims to give reassurance that the Recovery planning work has followed best practice guidance from the Devon Emergency Planning Partnership (DEPP) in terms of process and documentation. Also the Council has been fully engaged with Team Devon's strategic recovery planning work through participation in various sub groups such as the Devon Recovery Co-ordination Group and the Economy and Business Recovery group. This work should give members of Audit & Governance reassurance that best practice is being followed in the Council response. The same meeting of Cabinet has three key financial reports; Financial Outturn Report for 2019/20, Budget Monitoring for the current financial year and the Financial Plan (2021-2031). These reports again should give confidence to this Committee that financial position resulting from the Pandemic is being managed appropriately.
4. In the operational risk register there are two risks currently scored as high.
 - **Ambitions for economic growth on the Council Plan are not met**
Impact of Covid-19 lock down on local economy will be very significant. This includes loss of key employers as well as effect on wider sectors (e.g. tourism). Potential for increasing unemployment and hardship. Short term measures include grants being deployed. Attention turning to longer term recovery planning.
 - **Car parks' revenue budgets are dependent upon visitor income**
Due to the ongoing pandemic car parking revenue (that would typically have been of the order of £10,000 per day has been virtually zero since before the start of the financial year. Now (in June) visitor numbers are increasing but with shops, pubs, restaurants, visitor attractions and holiday accommodation all still closed revenue is still not close to normal.

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

Finance	High	Medium	Low
<i>Risks by score</i>		6	6

Economy	High	Medium	Low
<i>Risks by score</i>	1	9	5

Housing	High	Medium	Low
<i>Risks by score</i>		16	4

Environment	High	Medium	Low
<i>Risks by score</i>	1	9	3

Governance & Licensing	High	Medium	Low
<i>Risks by score</i>		6	6

Organisational Development	High	Medium	Low
<i>Risks by score</i>		2	8

6. 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 10 risks on the strategic register and two of these risks are currently showing as high risk. More details for each risk can be seen in [Appendix B](#).

High risk:

- **Adequacy of financial resource planning to deliver the Council's priorities**
The Council had a MTFP gap in its funding; this has been made significantly worse through Covid-19 as savings plans are unlikely to materialise and reduced income is likely to effect next year finances as well creating a significant in year deficit
- **Risk: Delivery of Growth Point**
Both housing and commercial property markets will be negatively impacted by the Covid-19 outbreak. Full extent of this currently being assessed along with the potential to bring forward mitigating actions. Evidence that construction activity is returning and that demand in certain parts of the commercial property market remains strong.

Medium risk:

- Risk: Adequate emergency planning and business continuity
- Risk: Failure to adequately protect staff health and safety at work
- Risk: Failure to ensure the Council's sustainability
- Risk: Increased homelessness
- Risk: Failure to ensure that our corporate property portfolio is fully compliant with legal requirements.
- Risk: Major disruption in continuity of computer and telecommunications services
- Risk: With the on-going Brexit negotiations and the uncertainties around our deal to leave the EU there implications for us to deal with
- Risk: Retaining and strengthen a collective approach to decision making to ensure we avoid poor decision making effecting our performance and our reputation

Strategic Risks	High	Medium	Low
<i>Risks by score</i>	2	8	0

One of the strategic risks has been removed from the strategic risks as the project is now closed.

- **Risk: Office Relocation**
This risk has been closed as the project has now been completed.

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