

Audit & Risk Committee – for decision

Meeting agenda title: Corporate Risk Review

Meeting date: 25 April 2022

Time required: 10 Minutes

Presenter: Louise Byers

Approved by: Louise Byers

1. Objective and recommendation

- 1.1. The objective of this report is for the Audit & Risk Committee to review recommended updates to the Corporate Risk and Opportunity Register, following the latest iterations of the Corporate Risk Reviews.
- 1.2. There have been two iterations of the corporate risk reviews since the Committee last met.
- 1.3. The Audit & Risk Committee are recommended to note the report and the decisions taken by the Risk & Governance Board as a result of these reviews.

2. Developing a common understanding

- 2.1. At the March meeting, the Risk and Governance Board agreed the following:-
 - a) To dormant R88 (Future Role and Structure of the ICO) and to develop an opportunity with regard to DP Reform.
 - b) To de-escalate R86 (Political & Economic Environment) to the directorate register. The risk owner will monitor and escalate the risk should external factors cause an increase in likelihood or impact of this risk.
 - c) To review the articulation of R83 (Staff Wellbeing and Welfare) as an overall staff wellbeing risk as opposed to being only a Covid focused risk. Risk ownership will transfer to Sarah Lal, Director of People Services.
- 2.2. The following recommendations were agreed at the April Risk and Governance Board:-
 - a) To rearticulate R81 (Management Board Resilience) to cover the Senior Leadership as a whole. It was also agreed that the

existing risk rating be reduced from 9 to 6 (likelihood 2 x 3 impact) as it was recognised that whilst the existing controls reduce the likelihood of the risk to a 2, the impact remains the same. Ownership of this risk transferred to Sarah Lal, Director of People Services

- b) To de-escalate R87 (International Position) to Directorate risk register level due to this risk achieving its target score. The risk owner will monitor and escalate the risk should external factors cause an increase in likelihood or impact of this risk.
- c) R21 (Cyber Security) was reviewed in light of changes in the external environment and it was agreed that the likelihood for the gross risk rating be revised to 20 (likelihood 4 x 5 impact) and the current risk rating be increased to 9 (likelihood 3 x 3 impact).
- d) In light of the increasing profile and expectations of our SME products and services, the gross risk rating for R72 (SMEs) has been increased from 12 to 15 (likelihood 3 x 5 impact).
- e) The Board agreed to rearticulate R4b (Capability) and R92 (ICO Guidance) as Opportunities as a result of the new risk appetite level of "hungry" within these business areas agreed by Management Board.

3. Matters to consider to achieve objective

- 3.1. The risk description, existing controls, future planned actions and risk scores were reviewed and amended as appropriate.
- 3.2. The Risk and Governance Directorate has recently appointed Caroline Robinson as Risk & Business Continuity Manager. Caroline started in this role on 21 March. Part of Caroline's role will be to provide further assurance within these areas by improving the ICO's existing risk management framework so that it aligns with the business planning process, finalising the business continuity plan and incident response plans to minimise the impact to the ICO of an emergency or incident and to raise the profile of Risk and Business Continuity as a whole across the ICO by embedding a better understanding of risk management and business continuity across the ICO. This includes identifying risk champions within teams and providing training in both these areas.
- 3.3. The tables below inform the Audit and Risk Committee on progress against key risks, please note for threats the highest rated are

highlighted in the highest rated table and for opportunities the lowest scoring is highlighted. This is because the scoring mechanism is reversed for threats and opportunities (threat risks we wish to reduce the score, opportunity risks we wish to increase the score). **Annex B** shows a heat map of the threats and opportunities.

Table 1: Highest Rated Corporate Risks

Ref	Type	Risk Title	Rating	Direction
R4a	Threat	Capacity	20 High	Static ↔
O3	Opp'ty	Expectations Gap	4 High	Static ↔
O4	Opp'ty	Capability (Skills & Knowledge)	4 High	New
R73	Threat	Compliance Culture	16 High	Static ↔

Table 2: Risk Watch List

Ref	Type	Risk Rating	Rating	Direction
R46	Threat	Financial Resilience	12 Med	Static ↔
R83	Threat	Staff Welfare and Wellbeing	12 Med	Static ↔
R84	Threat	Major Incident	12 Med	Static ↔
R61	Threat	Litigation Resource	12 Med	Static ↔
R72	Threat	SMEs	12 Med	Static ↔
R88	Threat	Future role and structure of ICO	12 Med	Static ↔
R89	Threat	Compensation	12 Med	Static ↔

4. Areas for challenge

- 4.1. Do the Committee agree with the decisions of the Risk & Governance Board and the recommended changes to the Risk & Opportunity Register?
- 4.2. Are there any other risks the Committee think should be reviewed in light of the internal and external environment?

5. Communications considerations

- 5.1. Risk owners will need to be informed of any recommended changes to corporate risks from the Committee. The Risk & Business Continuity Manager will inform risk owners accordingly.

6. Next steps

- 6.1. The next steps for this work are:
 - Inform risk owners of any amendments emerging from the Audit & Risk Committee.
 - Update the risk register.

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Consultees: Chris Braithwaite, Joanne Butler, Louise Byers

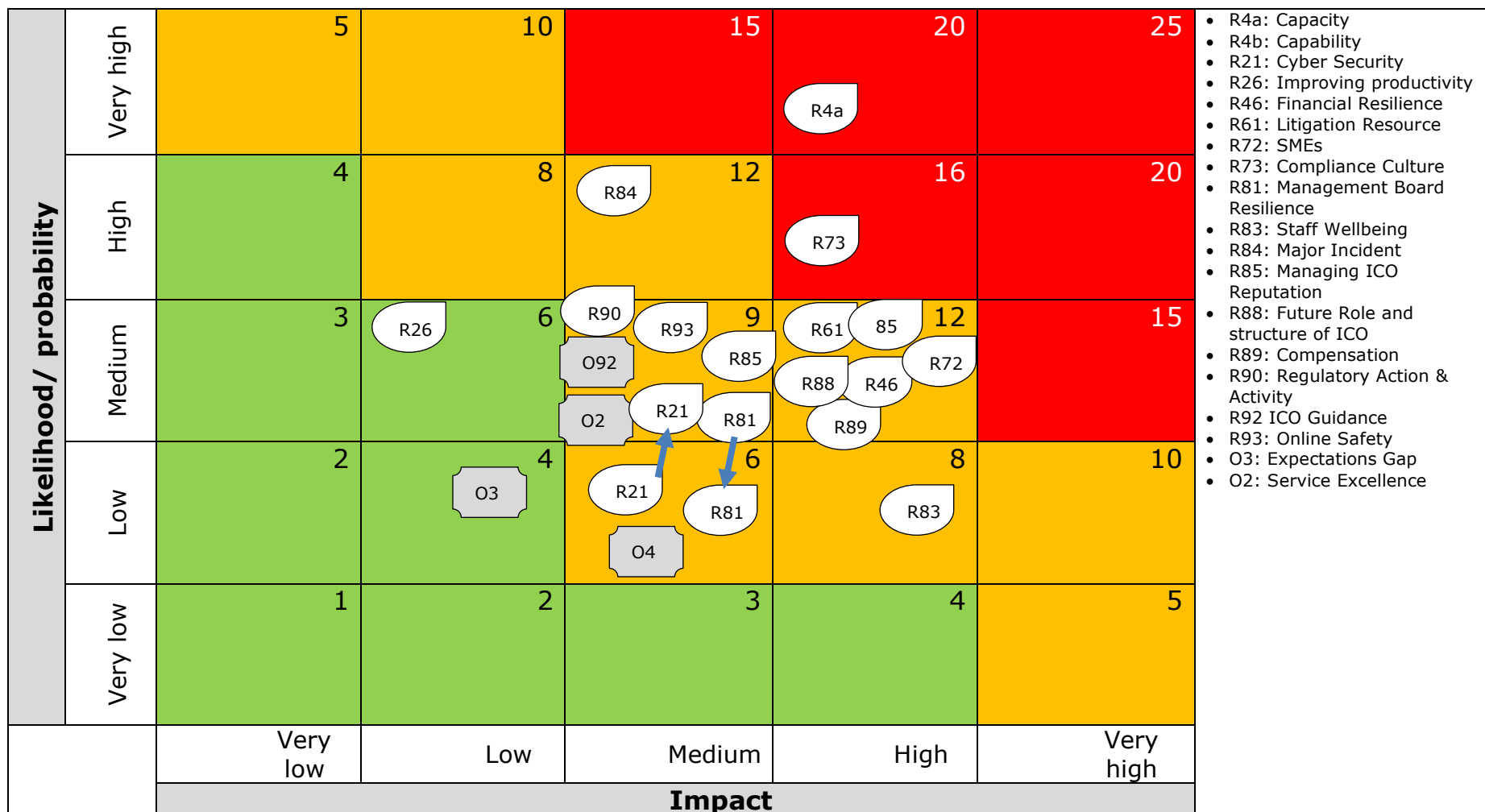
List of Annexes: Annex A – Risk Heat Map

Annex B – Corporate Risk and Opportunity Register

Publication decision: This report can be published internally without redactions

Outcome reached: Report noted

Annex A: Risk Heat Map



Note: scores for opportunities are the inverse of scores for risks and should travel from low to high as the opportunity is exploited. So opportunities in the green section of the heat map are being exploited poorly and opportunities in the red section are being exploited well.