

Audit and Risk Committee – for decision

18 October 2021

Time required: 5 minutes

Presenter: Joanne Butler

Approved by: Joanne Butler

1. Topic

- 1.1. Corporate Risk and Opportunity Register update

2. Objective of this report

- 2.1. The objective of this report is for Audit and Risk Committee to consider recent updates to the Corporate Risk Register and Opportunity Register, following the latest iteration of the Corporate Risk Review.

3. Recommendation

- 3.1. That Audit and Risk Committee notes the report.

4. Corporate Risk and Opportunity Register

- 4.1. At each meeting of the Risk and Governance Board, the Board conducts a corporate risk review, where risk owners provide updates to the risks and opportunities on the Corporate Risk Register. The most recent iteration of this took place in October 2021. This covered risks where, in previous risk reviews, the owners had indicated a review during August or September 2021 would be beneficial. Since the Audit and Risk Committee last met in June 2021, there were also iterations of the risk review completed in July and August 2021.
- 4.2. Since the Committee's last meeting, the following key changes have been made to the risk register:
 - R46 (Financial resilience): The current likelihood of this risk was reduced from 4 to 3, and the overall score reduced from 16 to 12. This reflects the greater certainty over fee income in the current financial year.
 - R73 (Compliance culture): following completion of the compliance deep dive, which was presented to Audit Committee in April, a thorough review was conducted of this risk in light of the increased awareness of our lines of

defence for compliance controls. This results in both the likelihood and impact of the risk being reduced from 4 to 3, and the overall score reduced from 16 to 9. This reflects the increased certainty we have on the controls in place to ensure compliance. Ownership of this risk also transferred from Suzanne Gordon to Jo Butler, to reflect that the risk is overseen through the Risk and Governance Directorate. We have also slightly amended the definition of this risk, which is included in the risk register at Annex 1.

- O71 (Online safety): This opportunity has been divided into two entries, a risk and opportunity, to reflect the different work and issues. The existing opportunity score has been reviewed and the likelihood of delivering this opportunity was increased from 2 to 3, and the gross rating increased from 4 to 6 (note: higher scores are better for opportunities). This reflects that we are now more informed of the legislative framework following publication of the Online Safety Bill. The new risk (R93: Online Safety) was scored as a likelihood of 3 and impact of 3, with an overall score of 9 (amber). Further details are provided within the risk register at Annex 1.
- R10 (Statutory Codes): Given the different stages of development of the various Statutory Codes, it was agreed to remove this risk from the risk register and transfer the risks to the Directorate risk registers for those directorates responsible for delivering or overseeing the Codes. These may be escalated back to the Corporate Risk Register if necessary. However, this risk has been replaced with a new risk, R92, on Guidance. This is defined as "(Cause) Increasing expectations from government and other stakeholders to produce guidance that is research led and evidenced based, with full economic analysis and formal consultation, while being concise and audience targeted, leads to (threat) an increased resource demand or inability to manage stakeholder expectations for regulatory guidance (impact) damaging the ICO's reputation and relevance as a regulator to deliver across all stakeholders, decreasing its reputation with government, public trust, influence and effectiveness." At the time of writing, work to score this risk is ongoing. A verbal update will be given at the meeting.

- R87 (International position): the current likelihood has reduced from 3 to 2 and current score reduced from 12 to 8, to reflect UK adequacy being approved by the EU.
- R83 (Staff Wellbeing and Welfare): the Board gave strong consideration to reducing the gross and current likelihood from 4 to 3, and reducing the gross and current score from 16 to 12. This would be to reflect that the impact of the COVID-19 pandemic on staff welfare and wellbeing has reduced as vaccinations have increased and restrictions have eased. However, the Board was decided to keep this score at 16 at present, until the results of the most recent staff survey are known, to ensure statistical evidence supports the anecdotal evidence. Results of this survey are expected during October 2021, at which point the risk will be reviewed again.

4.3. The tables below inform the Risk and Governance Board 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 1** shows a heat map of the threats and opportunities.

Table 1: Highest Rated Corporate Risks

Ref	Type	Risk Title	Rating	Direction
R4	Threat	Capacity and Capability	20 High	Static ↔
R83	Threat	Staff Welfare and Wellbeing	16 High	Static ↔
O3	Opp'ty	Expectations Gap	4 High	Static ↔

Table 2: Risk Watch List

Ref	Type	Risk Rating	Rating	Direction
R46	Threat	Financial Resilience	12 Med	Reducing ↓
R84	Threat	Major Incident	12 Med	Static ↔
R10	Threat	Statutory Codes	12 Med	Static ↔
R61	Threat	Litigation Resource	12 Med	Static ↔
R72	Threat	SMEs	12 Med	Static ↔
R85	Threat	Managing ICO Reputation	12 Med	Static ↔

Ref	Type	Risk Rating	Rating	Direction
R90	Threat	Regulatory Action	12 Med	Static ↔
R88	Threat	Future role and structure of ICO	12 Med	Static ↔
R89	Threat	Compensation	12 Med	Static ↔

5. Publication decision

- 5.1. This report can be published externally and internally without redactions.

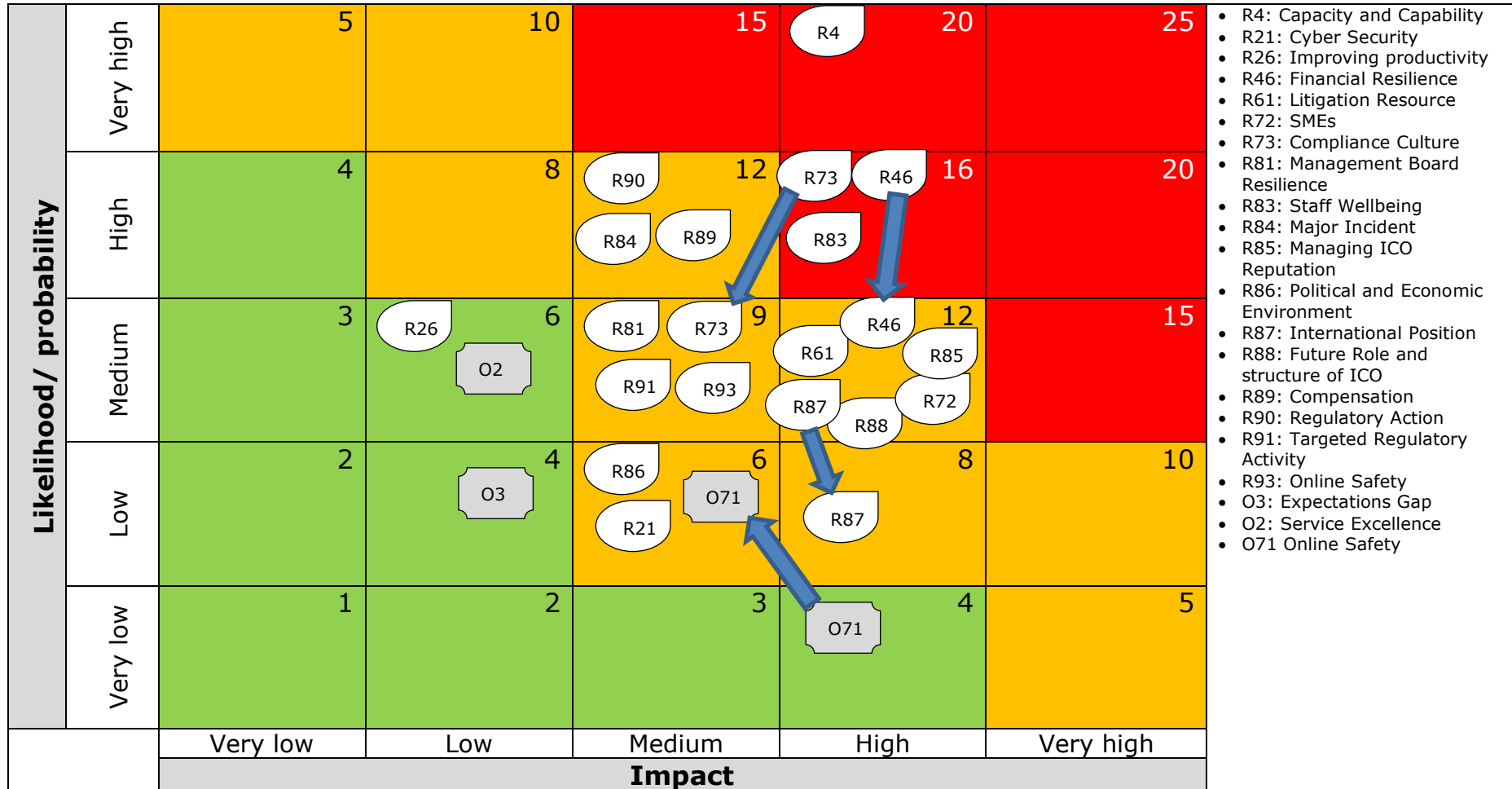
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List of Annexes: Annex 1 – Risk Heat Map

Annex 2 – Corporate Risk Review forms

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.