

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of Strategic Services Director

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Risk Management Framework – Corporate Risk Register

Executive Summary

This report provides the Committee with the opportunity to consider the new risk management framework including the Risk Management Strategy and Policy, the corporate risk register and risk scoring guidance and matrix. The Strategy and Policy are being presented to Executive on 28 April 2022 for approval. Whilst it does not have the authority to approve strategies and policies, the Corporate Governance and Standards Committee has risk within its remit and is asked to consider the corporate risk register.

An update report came to this Committee in January 2022 to inform councillors of the work being done to develop the new risk management framework, that report can be [found on our website](#).

Recommendation to Committee

- (1) That the Committee considers the corporate risk register and makes any observations or comments.
- (2) That the Committee notes the Risk Management Strategy and Policy and makes any observations or comments to the Executive.

Reason for Recommendation:

Following the recommendations relating to risk management in the KPMG report produced in February 2021, the Council has developed a new corporate risk register. Risk is in the remit of the Corporate Governance and Standards Committee.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 The purpose of this report is to present the corporate risk register (see Appendix 2) to the Committee following an update report in January 2022 and receive any feedback before bringing the register back in approximately six months' time. The update report can be [found on our website](#).

2. Strategic Priorities

- 2.1 In order to achieve its strategic priorities, the Council must identify, manage, and learn from corporate risks. The new corporate risk register will enable the Council to better articulate and mitigate the risks to achieving its strategic priorities.

3. Background

- 3.1 At its January 2022 meeting, the Committee received an update on the development of the Risk Management Framework. Since then, the Strategy, Performance and Events team has produced the Strategy and Policy at Appendix 1. This document is being presented to the Executive at its meeting on 28 April for approval. Appendix 2 contains the new corporate risk register which will be presented to this Committee on a six-monthly basis.

Risk Management Strategy and Policy (Appendix 1)

- 3.2 The Risk Management Strategy sets out our approach to risk management at a strategic level, whilst the Risk Management Policy sets out the approach at an operational level. The scope of the Risk Management Strategy and Policy covers the corporate processes behind risk management. It does not replace risk processes used for health and safety, business continuity or emergency planning, but instead supports those activities by establishing a framework for their escalation if appropriate.
- 3.3 The guidance and matrix for defining and scoring risks form an attachment to the Strategy and Policy.

Corporate Risk Register (Appendix 2)

- 3.4 The highest level of risk will be managed through the corporate risk register, as described in the Risk Management Strategy and Policy. Risk will be classed as corporate risks when their materialisation could affect the whole Council, or they could happen to any service.
- 3.5 It will be owned by CMT, monitored regularly by the Risk Management Group and presented to the Corporate Governance and Standards Committee on a six-monthly basis for its review.
- 3.6 As shown in Appendix 2, the risks have been assigned a risk domain which denotes the category most impactful if the risk were to materialise. Most risks have multiple impact areas and so the domain simply provides an indication of the area most affected.

- 3.7 Factors affecting likelihood are included in the register to help the reader understand what makes the risk relevant enough to be included.
- 3.8 The risks are scored by likelihood and impact before mitigation and afterwards using the guidance and matrix attached at Appendix 3 to the Strategy and Policy.
- 3.9 Every risk is assigned an action owner responsible for the mitigating action, along with a deadline for mitigation.

Service Risk Registers

- 3.10 Service risk registers will follow the same layout as the corporate risk register and will relate to operational risks within services which could influence the achievement of service outcomes.
- 3.11 Service Leads will be supported by the Risk Management Group and Strategy, Performance and Events team to complete, update and maintain their service risk registers. Escalation and mitigation of red risks will be facilitated by the Risk Management Group where suitable.

Programme/project risk registers

- 3.12 Similar to service risk registers, programme and project risk registers will follow the same layout as the corporate risk register with costings where possible and proportionate.
- 3.13 These risk registers will contain risks that threaten the achievement of the programme/project's objectives and will be completed at the beginning of the lifecycle and maintained throughout.

Waverley and Guildford borough councils' collaboration

- 3.14 In light of the collaboration between Guildford and Waverley borough councils, officers have liaised with Waverley Borough Council regarding its risk management toolkit. Guildford Borough Council's risk management framework has been developed in alignment with Waverley Borough Council's toolkit where appropriate, namely the risk matrix and scoring criteria.

4. Consultations

- 4.1 Since the update report brought to this Committee in January 2022, the corporate risk register has been developed with CMT and the relevant Service Leads. As a working document, it will be reviewed and updated regularly by the Strategy and Communications Manager in collaboration with Service Leads and CMT where appropriate.

5. Key Risks

- 5.1 Without a fit-for-purpose and consistent risk management framework the Council risks not meeting the recommendations of the KPMG report, and, more importantly, being exposed to unnecessary and unacceptable risks

6. Financial Implications

6.1 There are no financial implications arising directly from this report.

7. Legal Implications

7.1 The Accounts and Audit Regulations 2015 (as amended), provide at regulation 3 that a local authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Regulation 4 provides that a local authority's financial control systems must include measures to ensure that risk is appropriately managed.

7.2 The adoption of a corporate Risk Management Strategy and Policy which will allow risk to be articulated, managed and mitigated consistently across the Council contributes to the Council's legal obligations on risk management.

8. Human Resource Implications

8.1 Completion, maintenance and oversight of the risk registers will require resource from CMT, Service Leads, the Strategy team and specialists within the organisation. These risk management processes should be seen as important elements of business as usual, much like Service Planning.

9. Equality and Diversity Implications

9.1 The Public Sector Equality Duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

10. Climate Change/Sustainability Implications

10.1 There are no direct climate change or sustainability implications of this report. The Council must manage risk effectively, especially risks relating to programmes and projects, in order to achieve its goal of being net-zero carbon by 2030.

11. Summary of Options

11.1 The Committee is asked to note the Risk Management Strategy and Policy and make any comments to the Executive when the document is presented for approval on 28 April 2022. The Committee is also asked to review the new corporate risk register and provide feedback for CMT's consideration as the committee with risk in its remit.

12. Conclusion

12.1 Although the Committee cannot approve the Risk Management Strategy and Policy, any comments will be shared with the Executive when the document is presented for approval.

12.2 The corporate risk register will be presented to this Committee on a six-monthly basis and this report presents the opportunity for the Committee to provide any feedback to CMT.

13. Background Papers

None

14. Appendices

Appendix 1: Risk Management Strategy and Policy

Appendix 2: Corporate Risk Register