Executive Report

Ward(s) affected: All

Report of Strategic Services Director

Author: Yasmine Makin, Policy Officer

Tel: 01483 444070

Email: yasmine.makin@guildford.gov.uk

Lead Councillor responsible: Joss Bigmore

Tel: 07974 979369

Email: joss.bigmore@guildford.gov.uk

Date: 28 April 2022

Risk Management Strategy and Policy

Executive Summary

This report presents the Risk Management Strategy and Policy to the Executive for adoption and provides the Executive with the opportunity to consider the new corporate risk register. The Corporate Governance and Standards Committee has risk in its remit and the corporate risk register was presented to that Committee on 21 April.

Recommendation to Executive

That the Executive approves the Risk Management Strategy and Policy.

Reason for Recommendation:

To adopt a corporate Risk Management Strategy and Policy which will allow risk to be articulated, managed and mitigated consistently across the Council.

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 and recommend the Risk Management Strategy and Policy for adoption and to present the corporate risk register to the Executive for comment.

2.   Strategic Priorities

2.1   In order to achieve its strategic priorities, the Council must identify, manage, and learn from risks across the organisation including corporate, service and programme/project risks. The new Risk Management Strategy and Policy aim to provide a consistent approach across the Council for risk management, allowing the Council to more effectively articulate, report and monitor risks to support the achievement of its goals.

3.   Background

3.1   In February 2021 KPMG produced a report which gave the Council a rating of 'partial assurance with improvement required' and made eight recommendations relating to risk management. A summary of this report was taken to the Corporate Governance and Standards Committee in March 2021 and can be found here (page 176 of the public reports pack). The report highlighted current good practice within the Council including the assignment of appropriate action owners where risk registers exist and good risk reporting for the projects they reviewed.

3.2   Since then, officers have been developing a new Risk Management Framework and Process, along with a new corporate risk register. Appendix 1 contains the new Risk Management Strategy and Policy for Executive's consideration and approval, including the guidance for scoring and the risk matrix. Appendix 2 contains the corporate risk register that went to the Corporate Governance and Standards Committee on 21 April 2022.

Risk Management Strategy and Policy (Appendix 1)

3.3   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.

3.4   The guidance and matrix for defining and scoring risks form an attachment to the Strategy and Policy.

Corporate Risk Register (Appendix 2)

3.5   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.

3.6   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.

3.7   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.

3.8   Factors affecting likelihood are included in the register to help the reader understand what makes the risk relevant enough to be included.

3.9   The risks are scored by likelihood and impact before mitigation and afterwards using the guidance and matrix attached at appendix 3 of the Strategy and Policy.

3.10   Every risk is assigned an action owner responsible for the mitigating action, along with a deadline for mitigation.

Service Risk Registers

3.11   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.

3.12   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

3.13   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.

3.14   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.

Guildford and Waverley borough councils' collaboration

3.15   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   The Strategy team has consulted various colleagues across the Council, including Service Leaders, to achieve a full understanding of how risks are currently managed within services and ensure any draft processes and documents that are developed are fit-for-purpose and operational.

4.2   More detailed sessions were held with Service Leaders of high/specialist risk areas such as Operational and Technical Services and Corporate Programmes.

We have also consulted the Resources Director, Strategic Services Director, Health and Safety Specialists (Paul Osborn and Pat Barnes), Senior Specialist for Procurement (Faye Gould) and Specialist for Insurance (Mike Bellamy).

4.3   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. The remit for risk sits with the Corporate Governance and Standards Committee and the corporate risk register will be presented to that Committee on a six-monthly basis.

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 specialist 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 Executive is asked to approve the Risk Management Strategy and Policy or provide any comments it may have, and to consider the corporate risk register.

12. Conclusion

12.1 This report highlights the benefit of having a corporate strategy and policy for risk management and presents the draft document for Executive's approval. Once approved, officers will implement the agreed approach and the Strategy and Policy will be subject to annual review.

13. Background Papers

None

14. Appendices

Appendix 1: Risk Management Strategy and Policy
Appendix 2: Corporate risk register