

# Guildford Borough Council

**Report to:** Corporate Governance and Standards Committee

**Date:** 29 November 2023

**Ward(s) affected:** All

**Report of Director:** Transformation & Governance

**Author:** Andrea Barnett, Policy Officer

**Tel:** 01483 444062

**Email:** andrea.barnett@guildford.gov.uk

**Lead Councillor responsible:** Carla Morson

**Tel:** 07843 489796

**Email:** carla.morson@guildford.gov.uk

**Report Status:** Open

## Risk Management and Corporate Risk Register

### 1. Executive Summary

- 1.1. This report presents the changes to the corporate risk register since it was last presented to the Corporate Governance and Standards (CGS) Committee in June 2023.
- 1.2. This report also details how the new process continues to achieve the desired outcomes set out in the Risk Management Strategy and Policy as well as setting out any changes made to the Strategy and Policy by the Risk Management Group.

### 2. Recommendation to Committee

- 2.1. That the Committee considers the progress made to implement the risk management process and makes any observations or comments.

### **3. Reason(s) for Recommendation:**

- 3.1. The [Risk Management Strategy & Policy](#) states that the CGS Committee will review the corporate risk register on a six-monthly basis. It is the responsibility of the CGS Committee to ensure it is satisfied that the Council operates and maintains a robust and effective risk management process.

### **4. Exemption from publication**

- 4.1. No part of this report is exempt from publication.

### **5. Purpose of Report**

- 5.1. The purpose of this report is to present the changes to the corporate risk register since it was last presented to the CGS Committee in June 2023.

### **6. Strategic Priorities**

- 6.1. To achieve its strategic priorities, the Council must identify, manage, and learn from corporate risks. The new corporate risk register enables the Council to better articulate and mitigate the risks to achieving its strategic priorities.

### **7. Background**

- 7.1. At its meeting in April 2022, the CGS Committee received the new corporate risk register and the Risk Management Strategy and Policy. The report can [be accessed online](#). Since then, the Risk Management Group (RMG) have met quarterly and reported to Corporate Management Board (CMB) in accordance with the roles and responsibilities set out within the Strategy and Policy document.

### **8. Corporate Risk Register**

- 8.1. The summary below outlines the changes to the corporate risk register since June 2023, including the addition of new risks, changes to scoring, mitigations etc. which are detailed in Appendix 1, together with the scoring matrix and risk criteria for impact and likelihood:

	<b>Risk</b>	<b>Change</b>	<b>Reasoning</b>
1	<p><b>CR1</b> (There is a risk that a member of staff or a Council contractor is involved in an incident or accident at work);</p> <p><b>CR2</b> (There is a risk that the public is involved in an incident or accident relating to the Council's work or services carried out by a contractor or partner delivered on the Council's behalf, including the Freedom Leisure and Glive contracts);</p> <p>and <b>CR22</b> (There is a risk that a member of the public suffers injury or loss of life at a Council property or premises)</p>	<p><b>Addition to Mitigation Measures:</b></p> <p>Revised Guide for Managers published 25 September and link circulated to all staff.</p> <p>Managers' Health and Safety refresher course to be re-launched.</p> <p><b>Addition to Target dates for Mitigations:</b></p> <p>Managers health and safety refresher courses to be re-launched in November</p>	Updated by Executive Head of Regulatory Services
2	<p><b>CR2</b> (There is a risk that the public is involved in an incident or accident relating to the Council's work or services carried out by a contractor or partner delivered on the Council's behalf, including the Freedom Leisure and Glive contracts)</p>	Scoring to be reviewed by RMG in light of additional facilities included in Risk Description	
3	<p><b>CR9</b> (There is a risk that capital programmes and projects experience issues that affect time, quality or budget)</p>	Review scoring definitions for major capital projects	Need to consider financial thresholds for capital projects, as could be significantly higher than the threshold for a 'devastating' impact for a BAU function/project.
4	<p><b>CR12</b> (There is a risk that the Council will be unable to make the savings required to close the budget gap)</p>	<p><b>Addition to Consequence:</b></p> <p>....and the issuing of a s114 notice (leading to government intervention).</p>	
5	<p><b>CR13</b> (There is a risk that the Council experiences loss of income from local income streams e.g. fees and charges / council tax / property rents etc)</p>	<p><b>Addition to Mitigation Measures:</b></p> <p>Planning applications involving land where income is generated (i.e. car parks)</p>	

	<b>Risk</b>	<b>Change</b>	<b>Reasoning</b>
6	<b>CR15</b> (There is a risk that financial fraud is committed by a resident, staff member, contractor or service user)	<b>Residual Scoring reviewed</b> – currently 3 x 2 and changed to 6 x 4	Suggested by Monitoring Officer should be a higher risk
7	<b>CR17</b> (There is a risk that the Council experiences a minor data breach)	<b>Addition to Mitigation Measures:</b> Close working between HR and ICT and development of structure in Business World. Being considered in discussion re staff sharing	Updated by Executive Head of Communications & Customer Service
8	<b>CR18</b> (There is a risk that FOIs are not responded to in the legal timeframe)	<b>Amendment to Action Owner/Exec Head:</b> Executive Head of Legal & Democratic Services	Change of EHOS responsibility for FOIs
9	<b>CR21</b> (There is a risk that the Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own operations in Scope 1 & 2)	Draft scoring, mitigations and Target Date to be reviewed and agreed by RMG in consultation with the Climate Change Officer	
10	<b>CR24</b> (There is a risk that the Council does not achieve the most efficiency and value of key IT (service specific) systems for example Business World, Virgin, Salesforce modules)	<b>Amendment to Risk Description:</b> Deletion of Virgin from example. <b>Amendment to Factors affecting likelihood:</b> Revised wording: Not all modules from key systems are currently being purchased or utilised	Updated by Executive Head of Communications & Customer Service
11	<b>CR25</b> (There is a risk the management and governance processes in place are not fully utilised for all programmes and projects); and <b>CR28</b> (There is a risk that the Council does not spend sufficient RTB receipts)	<b>Amendment to Action Owner/Exec Head:</b> Addition of S151 Officer	Governance role
12	<b>CR30</b> (There is a risk that the current IT model and level of resource is not sufficient or viable for the level of change happening in the organisation)	<b>Addition to Mitigation Measures:</b> Review of governance processes for establishing and approving business priorities taking place autumn/winter 2023	Updated by Executive Head of Communications & Customer Service

	Risk	Change	Reasoning
		New resource was approved and is in the process of being implemented.  Residual Risks now scored	
13	<b>CR32</b> (There is a risk of designation by the Secretary of State for failing to determine the required number of applications within the required timeframes)	<b>Revised Risk Description, Consequence, Factors affecting likelihood, Scoring and Mitigation Measures</b>	Reviewed and updated by Director of Place and Executive Head of Planning Development

## 9. Update on actions by the Risk Management Group

- 9.1. Following a recommendation from the CMB, we have been working with a Risk Consultant from our insurers, Zurich, and held service level risk challenge sessions with Executive Heads of Service to provide assurance for risks set out in their service risk registers and have also reviewed the Corporate Risk Register with CMB. The aim of the sessions was to assess whether the mitigation measures identified would address the risks and factors affecting likelihood.
- 9.2. From these sessions, some common themes were identified within the reviewed registers and recommendations made, including:
- **BAU risks** - to ensure there was an understanding of the difference between issues (current) and risks (future, uncertain).
  - **Root cause analysis** – in some cases risks were unspecific and not entirely clear about what is being/needs to be managed. Risk descriptions are being reviewed using the why and then what technique, to ensure clarity around the actual risk, its causes and consequences.
  - **Mitigations** – many controls identified in the risk registers were not actually in place, rather they were intentions or plans that do not yet serve to mitigate the risk. Best practice is to only include those actions that are already in place and impacting the risk.
- 9.3. In light of the above, Risk Owners are currently reviewing their risks with their Teams, including current mitigations, future actions and Residual Risk Scores to ensure that only controls that are already in place are

considered. Any action plans, ongoing recruitments or other future actions will be considered as a Target Score and Target dates for actions included.

- 9.4. A risk heatmap is attached at Appendix 2 which shows how the residual scores of risks on the corporate risk register have changed since the document was seen by this Committee in June 2023.
- 9.5. The response to questions and comments from the CGS Committee held on 15 June 2023 are attached Appendix 3, together with updates where there have been significant changes to corporate risks.
- 9.6. Should members of the Committee have any queries about specific risks, please contact Andrea Barnett ([andrea.barnett@guildford.gov.uk](mailto:andrea.barnett@guildford.gov.uk)) at least two days prior to the Committee meeting, so we can liaise with the risk owner to provide a response either at or as soon as possible after the meeting.

## **10. Consultations**

- 10.1. Executive Heads of Service are consulted on the corporate risk register regularly, including in advance of each Risk Management Group meeting and report to CMB.

## **11. Key Risks**

- 11.1. Without a fit-for-purpose and consistent risk management process the Council risks being exposed to unnecessary and unacceptable risks.

## **12. Financial Implications**

- 12.1. There are no financial implications arising directly from this report although individual risk mitigations may have financial implications. These will be progressed through the appropriate governance.

## **13. Legal Implications**

- 13.1. The Accounts and Audit Regulations 2015, Regulation 3, provides that: 'A relevant authority must ensure that it has a sound system of internal control which—(a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and

operational management of the authority is effective; and (c) includes effective arrangements for the management of risk.

- 13.2. The proposals in this report contribute to the Council's effective arrangements for the management of risk.

#### **14. Human Resource Implications**

- 14.1. The Council's Risk Management Strategy and Policy sets out the approach to risk management at both strategic and operational levels and outlines the roles and responsibilities of posts and services across the Council. Accountabilities and responsibilities of employees and specific posts for managing risks are clearly communicated in the risk register. All senior managers have overall responsibility for managing risks in their service area. We will increase the understanding and expertise of these risk management roles through targeted training of employees and the sharing of good practice.
- 14.2. The Council is responsible as an employer for the health and safety of its employees, councillors, and the general public. The aim of the Risk Management Strategy and Policy is to implement common methods of risk identification, assessment and monitoring to provide protection from harm. The risk management process supports the service specific risk processes that are in place for health and safety. As the Council moves to different models of service delivery the health and safety risks will be reviewed through those processes.

#### **15. Equality and Diversity Implications**

- 15.1. 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.

#### **16. Climate Change/Sustainability Implications**

- 16.1. 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.
- 16.2. Appendix 3 refers to risk CR21 – the risk that the Council fails to meet its target of becoming net carbon zero by 2030 for the Council's own

operations in Scope 1 & 2. In respect of this risk, the Committee requested an update and officer commentary has been provided.

## **17. Conclusion**

- 17.1. The new risk management process is embedding with risks being effectively identified, articulated, and escalated through the appropriate governance channels. The Committee will receive the next 6-monthly report next Summer detailing the latest changes to the corporate risk register together with any updates made.

## **18. Appendices**

Appendix 1: Corporate Risk Register, Scoring Matrix & Criteria

Appendix 2: Risk heatmap

Appendix 3: Risk Updates and questions and comments from the CGS Committee held on 15 June 2023