Guildford Borough Council

Report to: Corporate Governance and Standards Committee

Date: 15 June 2023

Ward(s) affected: All

Report of Director: Transformation & Governance

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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 Committee in November 2022.

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 and Policy states that this Committee will review the corporate risk register on a six-monthly basis. It is the responsibility of the 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.   This report and any part of it is not 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 Committee in November 2022.

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 November 2022, the 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) has met four times 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.   This report outlines the changes to the corporate risk register since November 2022, including the addition of new risks and changes to scoring which are detailed in Appendix 1. It should be noted that although some risks have been raised by Executive Heads of Service, they are still to be approved and developed by the Risk Management Group and CMB, to include factors affecting likelihood, scoring and mitigation measures.

	Previous	Change	Reasoning
1	CR2 Risk description: 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	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 G Live contracts	Addition by Risk Management Group following query from CMB to ensure the risk is managed in our contracted services and facilities.
2a	CR9 (incorporates CR28)	Revised consequence: Which could result in the Council not achieving its priorities, reputational damage, and financial difficulty through an increase in costs/major overspend (e.g. in construction)	
2b	CR9 (incorporates CR28)	Additions to factors affecting likelihood: Verto (programme and project management system) being implemented for programmes and projects. Loss of project managers Inadequate business cases Existing slippage on major projects and programmes Economic climate (inflation) Council's poor visibility within construction market	Reviewed by EHOS and Risk Management Group
2c	CR9 gross likelihood score changed from 5	to 6	
2d	CR9 gross overall score change from 20	to 24	
2e	CR9	Addition to mitigation measures: PPM Governance procedures in place Regular monitoring through Major Projects programme board and regular financial reporting to CMBT Enterprise Portfolio Board Comprehensive oversight of forthcoming procurement of	

	Previous	Change	Reasoning
		projects and programmes Consideration of best route to market to deliver value for money Build relationships with contractors	
2f	CR9 residual impact from 4	to 5	
2g	CR9 residual impact overall score change from 16	to 20	
3	CR15 Risk description: There is a risk that financial fraud is committed by a resident, contractor, or service user	There is a risk that financial fraud is committed by a resident, staff member, contractor, or service user	
4a	CR17 Factors affecting likelihood	Council-wide restructure across two organisations requiring managers to access staff records within a different organisation. Human error, failure to observe policy, failure to attend training, technical faults. Lack of agreed data sharing process between the two councils. Information Security Officer post is vacant.	Addition by Risk Management Group
4b	CR17 Mitigation measures: GDPR training included as part of the corporate induction programme Egress System - secure email	GDPR training included as part of the corporate induction programme. Egress System - secure email Close working between HR and ICT and development of structure in Business World. Being considered in discussion re staff sharing.	Addition by Risk Management Group
5	CR21 Risk description: There is a risk that the Council fails to meet its target of becoming net carbon zero by 2030	Addition to include: 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*	Addition by Risk Management Group

	Previous	Change	Reasoning
6	CR22	Factors affecting likelihood – removed specific reference to parkour as not current reported issue.	Draft scoring and mitigations to be reviewed and agreed by RMG
7a	CR24 Risk description: There is a risk that the Council does not achieve the most efficiency and value of key IT systems for example Business World, Virgin, Salesforce modules	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	Update by Risk Management Group
7b	CR24 Factors affecting likelihood: Not all modules from key systems are currently being utilised	Some service specific Not all modules from key systems are currently being purchased or not utilised	Addition by Risk Management Group
8	CR26 – There is a risk there is a lack of decision making in relation to service delivery in response to the current economic climate and financial challenges	Budget reviews, service challenge process, development of clear mandates. Select priorities through conversations with lead councillors. Review of service provision. Prioritisation of projects and programmes, committee decisions scheduled on biggest projects and programmes (Category A), escalation of projects and programme to EPB.	Addition by Risk Management Group
9a	CR27 – risk description: There is a risk that the model isn't applied effectively across services	There is a risk that the operating case model isn't applied consistently and effectively across services	Addition by Risk Management Group
9b	CR27 consequence: Which would result in confusion and inefficiency	Which would result in confusion, inefficiency, and inconsistency of outcomes	New risk, awaiting draft scoring and review of mitigations and agreement by RMG.
9c	CR27	Mitigation measures: Review and undertake outstanding actions with specific services implemented	

	Previous	Change	Reasoning
		through FG to support case model.	
9d	CR27	Owners added: JMT; Executive Head of Communications & Customer Services	
10		Addition of CR29 – There is a risk that the Council doesn't spend sufficient RTB receipts	
11		Addition of CR30 – 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.	New risk, awaiting review of draft scoring and mitigations and agreement by RMG.
12		Addition of CR31 – There is a risk that procurement processes are not being adhered to across the Council.	New risk, awaiting draft scoring and review of mitigations and agreement by RMG.
13	CR32	Addition of CR32: There is a risk of designation by the Planning Inspectorate for determination for failing to determine the required number of applications within the required timeframe	New risk, awaiting review of draft scoring, factors affecting likelihood, mitigations and agreement by RMG.

* **Note:** Scope 1 is defined as the direct emissions created by the actions of the Council itself, such as gas and direct fuel usage such as from vehicles. Scope 2 is the indirect emissions from electricity generation for use within our buildings in the pursuit of the activities the Council, and Scope 3 is defined as the indirect emissions arising from the Council's third-party relationships, through the procurement or supply of goods and services. There is not, as yet, a defined methodology for calculating or influencing Scope 3 emissions.

8.2.   Following a recommendation from CMB, it was agreed to work with our insurers, Zurich, to hold service level risk challenge sessions with all Executive Heads of Service to provide assurance for risks that are showing a red RAG rating. The aim of the sessions is to assess whether the mitigation measures identified in the corporate risk register will address the risks identified and factors affecting likelihood.

8.3.   These sessions will be carried out over the summer and outcomes will be reported to the Committee in November.

9.   Update to the Committee's questions/comments – November 2022

9.1.   The response to questions and comments from the Committee at its meeting on 17 November 2022 is attached as Appendix 3.

9.2.   Should members of the Committee have any queries about specific risks, please contact the report author at least two days prior to the Committee meeting, so we can liaise with the risk owner to provide a response for 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 arising from this report. The Council must manage risk effectively, especially risks relating to programmes and projects, to achieve its goal of being net-zero carbon by 2030.

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 in November 2023 detailing the latest changes to the corporate risk register together with any updates made.

18. Background Papers

18.1. [Risk Management Strategy and Policy 2022](#) (see agenda item 8 of the
Corporate Governance & Standards Committee: 21 April 2022)

19. Appendices

Appendix 1: Corporate Risk Register
Appendix 2: Corporate Risk Register Risk Matrix and Scoring Criteria
Appendix 3: Risk heatmap
Appendix 4: Response to questions and comments from the Committee
(17 November 2022)