Somerset West and Taunton Council

Audit and Governance Committee – 14th June 2021

Corporate Risk Management Process Update

This matter is the responsibility of Executive Councillor Member Ross Henley.

Report Author: Malcolm Riches, Business Intelligence and Performance Manager.

1. **Executive Summary / Purpose of the Report**

   This paper provides an update on the process for risk management within the council.

2. **Recommendations**

   Members are asked to note the progress being made with the approach to risk management.

3. **Risk Assessment**

   Failure to take advantage of opportunities and mitigate business risks is a major risk to the Council and could impact on the Council's ability to deliver its strategic objectives. Failure to regularly review and update the Risk and Opportunity Management Strategy could have an adverse impact on the Council's Annual Governance Statement.

4. **Background and Full details of the Report**

   The purpose of this paper is to provide an update on the risk management process within the council.

   The Audit, Standards and Governance Committee agreed the councils updated Risk and Opportunity Management Strategy on 1st February 2021. The Strategy sets out that a quarterly report on risks and issues will be presented to both Scrutiny and Executive. A report was presented to both committees in June providing a list of the current risks and issues for the council. The full report is available at the end of this paper.

   As the report to Scrutiny and the Executive was the first report, it was a stand-alone item, and provided an update on all the risks and issues, as of March 2021. In future, regular reports on risks and issues will be included with the quarterly Corporate Performance Reports, and in line with the Risk and Opportunity Management Strategy, will just include the "key business risks", i.e. those that have a score of between 15-25.

   The Corporate Risk Register and Corporate Issues Log are supported by registers for each Directorate which have now been developed. The registers are fluid documents

and are reviewed and updated on at least a monthly basis, and more frequently if required. The registers are also aligned to the Directorate service plans and to the delivery of the Corporate Plan and the council's strategic objectives. Programmes and projects that the council is undertaking also capture risks relevant to the work being delivered.

Processes are in place within each directorate to regularly review existing and identify any new risks. As new risks are identified they are included on the risk register and mitigations are identified and planned. The risks are all scored based on their probability and potential impact using the scoring matrix and guidance as set out in the Risk and Opportunity Management Strategy.

A target date is set as to when the mitigations should be in place, and a lead officer is appointed. Risks with a higher score are likely to have a more detailed mitigation plan.

Issues are things which have already happened, so they are not scored in the same way as risks, but they have a RAG status which relates to the severity of the issue.

The risk register and issues log are updated as necessary and new risks/issues can be added at any point. They are routinely reviewed each month through the regular cycle of meetings. The lead officer is responsible for updating the risk register with progress made regarding mitigations, and this is reported back to Directorate performance meetings, and to the Corporate Performance Board where SMT review the key risks monthly.

5. Links to Corporate Strategy

Failure to mitigate business risks is a major risk to the Council and could impact on the Council's ability to deliver its strategic objectives.

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**

- **Cabinet/Executive – Yes**

- **Full Council – No**

Reporting Frequency: ☐ **Once only**   ☐ **Ad-hoc**   ☐ **Quarterly**

Y Twice-yearly   ☐ **Annually**

List of Appendices (delete if not applicable)

Appendix 1	
Appendix 2	

Contact Officers

Name	Richard Sealy	Name	Malcolm Riches
Direct Dial	01823 217558	Direct Dial	01823 219459
Email	r.sealy@somersetwestandtaunton.gov.uk	Email	m.riches@somersetwestandtaunton.gov.uk

Somerset West and Taunton Council

Executive – 26th May 2021

Corporate Risk Management Update

This matter is the responsibility of Executive Councillor Member Ross Henley.

Report Author: Malcolm Riches, Business Intelligence and Performance Manager.

Executive Summary / Purpose of the Report
This paper provides an update on the current register of risks and issues.

Recommendations
Members are asked to note the risks and issues held on the Councils register.

Risk Assessment
This report provides detail on the risks that have been identified, and the current issues for the council.

Background and Full details of the Report
The Audit, Standards and Governance Committee agreed the councils updated Risk and Opportunity Management Strategy on 1st February 2021. The Strategy sets out that a quarterly report on risks and issues will be presented to both Scrutiny and Executive. As this is the first such report, it is a stand-alone item, and provides an update on the risks and issues as of March 2021. In future, regular reports on risks and issues will be included with the quarterly performance reports.

The Risk and Opportunity Management Strategy states that only "key business risks", i.e. those that have a score of between 15-25, will be reported to Executive and Scrutiny on a quarterly basis. As this is the first report, all risks have been included, but future reports will just include key business risks.

There is a Corporate Risk Register and Corporate Issues Log which are supported by registers for each Directorate. The registers are fluid documents and are reviewed and updated on at least a monthly basis, and more frequently if required. The registers are also aligned to the Directorate service plans and to the delivery of the Corporate Plan and the council's strategic objectives. Programmes and projects that the council is undertaking also capture risks relevant to the work being delivered.

The Corporate Risk Register is attached in Appendix 1. There are currently 15 risks on the risk register. The RAG status of these risks is as follows:

RAG Status	Number of Risks
Red	4
Amber	8
Green	3

The Corporate Issues Log is attached in Appendix 2. There are currently 4 Issues on the issues log. The RAG status of these issues is as follows:

RAG Status	Number of Issues
Red	3
Amber	1
Green	0

Each risk is managed to reduce the impact and/or likelihood and mitigations are put in place. For some, there is acceptance that an inherent level of risk will always remain and therefore we need to be constantly vigilant. Where risks or issues are rated as red, there are more detailed action plans and mitigations in place to manage and reduce the risk.

Links to Corporate Strategy

Failure to mitigate business risks is a major risk to the Council and could impact on the Council's ability to deliver its strategic objectives.

Finance / Resource Implications

If risks or issues have any financial implications, these are recorded on the register.

Legal Implications (if any)

If risks or issues have any legal implications, specific legal guidance is sought.

Climate and Sustainability Implications (if any)

If risks or issues have any climate or sustainability implications, these are recorded on the register.

Safeguarding and/or Community Safety Implications (if any)

If risks or issues have any safeguarding or community safety implications, these are recorded on the register.

Equality and Diversity Implications (if any)

If risks or issues have any equality and diversity implications, these are recorded on the register.

Social Value Implications (if any)

None

Partnership Implications (if any)

If risks or issues are impacted by partner organisations, this is recorded on the register.

Health and Wellbeing Implications (if any)

If risks or issues have Health and Wellbeing implications, these are recorded on the register.

Asset Management Implications (if any)

If risks or issues have implications on any assets, this is recorded on the register.

Data Protection Implications (if any)

If risks or issues have data protection implications, this is recorded on the register.

Consultation Implications (if any)

None

Democratic Path:

- **Scrutiny / Corporate Governance or Audit Committees – Yes**

- **Cabinet/Executive – Yes**

- **Full Council – No**

Reporting Frequency: ⬜ **Once only**   ⬜ **Ad-hoc   Y Quarterly**

⬜ **Twice-yearly**   ⬜ **Annually**

List of Appendices (delete if not applicable)

Appendix 1	Corporate Risk Register
Appendix 2	Corporate Issues Log

Contact Officers

Name	Richard Sealy	Name	Malcolm Riches
Direct Dial	01823 217558	Direct Dial	01823 219459
Email	r.sealy@somersetwestandtaunton.gov.uk	Email	m.riches@somersetwestandtaunton.gov.uk

Appendix 1 – Corporate Risk Register

REF	Corporate Objective	Risk area	Risk Title	Risk Score			Owner
				Impact	Probability	Overall score	
CR2	Our Environment and Economy	Climate Change	Working towards carbon neutrality by 2030 has become an overstated target.	3	3	9	Andrew Pritchard
CR3	A Transparent and Customer Focused Council	ICT	ICT power failure as server room requires permanent solution to improve power supply.	2	2	4	Alison North
CR7	A Transparent and Customer Focused Council	Finance	Failure to achieve value for money when purchasing, not compliant with relevant legislation, inappropriate use of waivers, or poor contract monitoring.	4	3	12	Alison North
CR11	A Transparent and Customer Focused Council	ICT	Cyber security threats.	5	4	20	Alison North
CR12	A Transparent and Customer Focused Council	Finance	Financial sustainability.	4	3	12	Alison North
CR13	A Transparent and Customer Focused Council	Finance	Service delivery may be impacted by supplier issues / exposure.	3	3	9	Alison North
CR15	Our Environment and Economy	Emergency Planning	Civil contingencies and organisational resilience has not been tested.	3	3	9	Andrew Pritchard

CR16	An Enterprising Council	Planning	Failure to have an up to date Local Plan or deliver on housing or employment sites could lead to shortfalls in achieving a Five Year Land Supply or meeting the Housing Delivery Test and leave us vulnerable to loss of employment sites for other uses.	4	2	8	Dawn Adey
CR17	Homes and Communities	Housing	Gypsy and Traveller communities are not adequately supported.	3	4	12	James Barrah
CR20	A Transparent and Customer Focused Council	Data quality	Poor quality data could lead to operational errors, inaccurate performance reporting, and/or impact the right decisions being made.	3	3	9	Alison North
CR22	A Transparent and Customer Focused Council	Health and Safety Compliance	Failure of Risk Assessment process for staff operations leading to incident or near miss.	4	4	16	Alison North
CR23	Homes and Communities	Health and Safety Compliance	Failure to comply with Landlord Property Safety Compliance requirements leading to regulatory failure, failure to comply with the law, incident causing injury or death, negative PR, and financial loss (compensation and / or fine).	4	4	16	James Barrah
CR24	A Transparent and Customer Focused Council	Business Continuity	Business continuity plans are low maturity across the organisation and ownership of managing updates needs to be agreed.	3	1	3	Sean Papworth
CR26	Our Environment and Economy	Emergency Planning	Public health emergency (such as new Covid variants or other novel virus).	3	4	12	Andrew Pritchard
CR27	All	Unitary	Decision awaited regarding unitary proposals. Maintaining operational delivery during period of significant change.	4	4	16	James Hassett

Appendix 2 – Corporate Issues Log

REF	Directorate	Issue Title	RAG	Owner
CI7	Internal Ops	Improvements in financial control and reporting following recent audits.	A	Paul Fitzgerald
CI8	Internal Ops	Improvements in ICT infrastructure and connectivity to meet required standards.	R	Sean Papworth
CI9	Dev & Place	Management of phosphate levels in Tone catchment, particularly regarding impact on planning applications.	R	Gerry Mills
CI20	Internal Ops	Health and safety compliance especially with regard to working from height.	R	Sean Papworth

Addendum to Corporate Risk Management Update

At the request of the Scrutiny Committee, this Addendum provides more narrative on the process for managing risks and issues, and how the authority responds.

Processes are in place within each directorate to regularly review existing and identify any new risks. As new risks are identified they are included on the risk register and mitigations are identified and planned. A target date is set as to when the mitigations should be in place, and a lead officer is appointed.

The risks are all scored based on their probability and potential impact. The Risk Strategy that was agreed at Audit, Governance and Standards Committee in February (available here: SWT Risk and Opportunity Management Strategy January 2021.pdf (somersetwestandtaunton.gov.uk)) sets out the scoring matrix for the risks in section 6.7 on page 11:

Section 7.4 of the Risk Strategy provides more detail and criteria to determine the Risk Impact (for example the potential scale of financial loss), and section 7.5 provides more info on the probability (likelihood). Risks with a higher score are likely to have a more detailed mitigation plan.

Issues are things which have already happened, so they are not scored in the same way as risks, but they have a RAG status which relates to the severity of the issue.

The risk register and issues log are updated as necessary and new risks/issues can be added at any point. They are routinely reviewed each month through the regular cycle of meetings. The lead officer is responsible for updating the risk register with progress made regarding mitigations, and this is reported back to Directorate performance meetings, and to the Corporate Performance Board where SMT review the key risks monthly.

A report on the risk management process is going to Audit and Governance Committee in June.