

**Classification:** Public

**Key Decision:** No

## Gravesham Borough Council

**Report to:** Council

**Date:** 12 April 2022

**Reporting officer:** Assistant Director (Corporate Services)

**Subject:** Development of the Corporate Risk Register 2022-2023

### Purpose and summary of report:

This report informs Council of the outcome of the annual risk identification and analysis exercise and presents the Corporate Risk Register for 2022-23 for approval.

### Recommendations:

1. Full Council are requested to approve the Corporate Risk Register for 2022-23.

<b>Key Implications:</b>	
<b>Item</b>	<b>Implications</b>
<b>Legal</b>	There is a specific risk within the Register, which highlights the potential issues associated with proposed legislative changes that may affect the council moving forward. Senior Management are being kept up to date with legislative change to ensure that they are able to be fully aware of potential changes proposed to assess how these may affect the council.
<b>Finance and Value for Money</b>	There are no financial or value for money implications arising from the Corporate Risk Register itself.  'Ongoing financial viability of the Council' is one of the key corporate risks identified within the Corporate Risk register and a specific update against this risk is included within appendix two.
<b>Corporate Plan</b>	The council's arrangement to identify, assess and monitor strategic risks contribute to the delivery of Corporate Plan Objective #3: Progress: drive service improvement and corporate governance.
<b>Climate Change</b>	N/A

## **1. Introduction and Background**

- 1.1 Gravesham Borough Council pursues a forward-looking and dynamic approach to delivering services to the local community and in doing so, the council is exposed to risk both in terms of threats and loss of opportunities. The council recognises that risks are inevitable and in practice, cannot be entirely avoided. Resultantly, the council will tolerate a certain degree of risk when pursuing objectives, executing strategies and delivering services.
- 1.2 Responsibility for risk management runs throughout the council and specific roles and responsibilities have been identified so that risk management is embedded in the culture of the council. Finance & Audit Committee have responsibility for monitoring the effective development and operation of risk management through:
- Reviewing any changes that have been made to the Risk Management Strategy, prior to presentation to Cabinet for approval.
  - Reviewing the annual Corporate Risk Register, prior to presentation to Cabinet for approval.
  - Considering progress made during the year, in managing or mitigating risks contained within the Corporate Risk Register.
  - Identifying potential risks for inclusion in the annual Corporate Risk Register.

## **2. Risk Management Strategy 2022-23**

- 2.1 The Risk Management Strategy sets out the approach that has been adopted by the council for identifying, evaluating, managing and recording risks to which it is exposed. The primary intention of the strategy is to ensure that risk management is embedded into the daily operations of the council. The strategy recognises that good risk management will lead to good management, good performance, good stewardship of public money, good public engagement and ultimately, good outcomes for citizens and service users.
- 2.2 In March 2011, it was agreed by Cabinet that the Risk Management Strategy would be reviewed on an annual basis and, where necessary, presented to Cabinet for approval if it was subject to updates and amendments resulting in material changes to the strategy.
- 2.2.1 The Risk Management Strategy has been reviewed and there have been no substantial updates or amendments made to it. The strategy will therefore not be presented for approval but is appended to the report as Appendix 1 for information.

## **3. Desktop review of the corporate risk register**

- 3.1 Prior to commencement of this year's risk identification exercise, the Risk & Resilience Team (RRT) at Zurich Risk Services (ZRS), undertook a desktop review of the Council's corporate risk register. Following completion of the desktop review, Zurich's RRT made recommendations and observations with regards to:
- the presentation and format of the risk register; and
  - the articulation and the quality of risk information included in the register.

- 3.3 In order to incorporate Zurich's recommendations with regard to the presentation and format of the register, the risk register template has been amended to allow for:
- The inherent, residual and target risk scores to be seen on one line
  - The corporate objective that each risk links to, to be recorded in the register.
- 3.4 To ensure the articulation and quality of risk information included in the risk register is in line with Zurich's recommendations, senior officers responsible for reviewing existing and new risks have been requested to:
- Consider how each risk will have an impact on the corporate objective it links to.
  - Take a clean slate approach when analysing existing risks are to ensure they are assessed on an equal footing with new risks. This will also allow for existing risks to be sense checked, in order to establish whether or not they are still the main risks, if the descriptions are current and if the scoring is correct.
  - Provide clear information about what the Council is trying to manage. Information should include brief details of the specific event or situation (Risk) and what would make that happen (Trigger) as well as the Consequences.

### **3 Draft Corporate Risk Register 2022-2023**

- 3.1 In preparing the draft copy of the Corporate Risk Register for 2022-23, Management Team, Senior Officers and Members have been requested to provide details of existing risks that continue to score high and should be carried forward to the 2022-2023 register and also to provide details of any new risks that should be considered for assessment and inclusion.

Existing risks include;

1. Ongoing financial viability of the council.
2. Changes in national priorities and legislation.
3. Organisational capacity/resilience.
4. Cyberattack resulting in data breach or corruption of data.
5. Investment Risk.

New risks include;

1. Universal Credit
2. IT infrastructure is not updated to meet the needs of the organisation
3. Adoption and delivery of sound Local Plan

- 3.3 A Risk Identification & Analysis Assessment can be found at Appendix 2 of this report. The document details all risks that have been considered when producing the draft 2022-2023 Corporate Risk Register.

- 3.3 All risks and the outcome of their assessment is summarised in the table and plotted in the Heat Map below.

**Table of Risks Assessed for consideration**

Risk Ref	Risk Description	Inherent Risk	Residual Risk	Target Risk
1	On-going financial viability of the council	20	12	9
2	Changes in national priorities and legislation	20	15	12
3	Organisational capacity/resilience	20	12	9
4	Cyberattack resulting in data breach or corruption of data	16	12	8
5	Investment risk	15	10	9
6	Adoption and delivery of sound Local Plan	16	12	9
7	Universal credit	15	6	9
8	IT infrastructure is not updated to meet the needs of the organisation	20	9	2

**Risk Heat Map (Residual Risk)**

<b>LIKELIHOOD</b>	Very High	5		5	2		
	High	4			1,3,6		
	Medium	3		7	8	4	
	Low	2					
	Very Low	1					
	<b>High Risk</b>		1	2	3	4	
	<b>Medium Risk</b>						
	<b>Low Risk</b>		Negligible	Significant	Serious	Critical	
	<b>IMPACT</b>						

3.4 The risks that have generated a “High” residual risk score and are above the council’s strategic risk tolerance level can be seen coloured in red and have been included in the 2022-2023 Corporate Risk Register. These risks are listed below and are included within the draft register which can be found at Appendix 3.

1. On-going financial viability of the council.
2. Changes in national priorities and legislation.
3. Organisational Capacity reliance.
4. Cyberattack resulting in data breach or corruption of data.
5. Investment Risk.
6. Adoption and delivery of sound Local Plan.

3.5 Risks that have been assessed and have generated either a medium or a low residual risk score have not been included in the Corporate Risk register. However, these risks will be managed at service level.

3.6 A draft copy of the Corporate Risk Register for 2022-23 was presented and reviewed at the Finance and Audit Committee held on 8<sup>th</sup> March 2022 and by Cabinet at the meeting held on 21<sup>st</sup> March 2022.

**4. On-going monitoring of the Corporate Risk Register**

4.1 Progress made against the actions in relation to each risk recorded in the Corporate Risk Register will be monitored quarterly by the Risk Management Working Group and progress information will be presented via a half yearly report to the Finance & Audit Committee.

**5. Background Papers**

5.1 There are no background papers to this report.

<b>Secondary Implications</b>	
<b>Risk Assessment</b>	The regular review of strategic risks facing the council aids the council in managing risk effectively as a contribution to effective strategic decision-making. It is important that the council's approach to risk is reviewed on a regular basis by both officers and Members to ensure new risks are identified and action being taken to mitigate existing risks is effective
<b>Data Protection Impact Assessment</b>	<i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i>
	<p>a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a>? A definition of each type of data can be found on the Information Commissioner's Office website via the above links.</p> <p>No</p>
	<p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p>
	<p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a>.</p> <p>N/A</p>
<b>Equality Impact Assessment</b>	<p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.</p> <p>No</p>
	<p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.</p> <p>No</p>
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>
<b>Crime and Disorder</b>	The risk of Crime and Disorder is considered in the annual review and development of the Corporate Risk Register.
<b>Digital and website implications</b>	N/A
<b>Safeguarding children and vulnerable adults</b>	N/A