Audit and Governance Committee

Date:	22 March 2022
Reference number:	N/A
Title:	**Risk Management Group Update**
Cabinet Member(s):	N/A
Contact officer:	Maggie Gibb, Head of Business Assurance (& Chief Internal Auditor)
Ward(s) affected:	N/A
Recommendations:	Members are recommended to **note** the report.
Reason for decision:	summarise why the recommended option is preferred

1. Executive summary

1.1 The purpose of the report is to provide an update on the Risk Management Group (RMG) meetings held on 7 February and 7 March 2022.

1.2 The Council's Risk Management Framework including the Terms of Reference for the Risk Management Group was approved by the Audit and Governance Committee in June 2021.

2. Content of report

2.1 At the 7 February 2022 meeting the RMG considered an update report from the Deputy Chief Executive (Monitoring Officer), Corporate Director for Resources and the Service Director for Education on the Secondary School Transfer Results Systems Failure.

2.2 A summary of findings relating to risk management, business continuity planning, systems governance, major incident response and communications was produced, along with a number of actions to be implemented.

2.3   The report will be presented to the Audit and Governance Committee on 22 March 2022 for information, and an update on progress against implementation of actions will be presented to the Risk Management Group on 25 April 2022.

2.4   The Corporate Director for Resources attended the meeting along with the Service Director for Corporate Finance and the Service Director for Human Resources to present the Resources Risk Register.

2.5   The Resources directorate has a well-established Risk Escalation Framework, with risk being a standing item at the senior leadership team meetings. All Risk Escalation Frameworks are due for review and update during Q1 of 2022/23 to ensure they remain fit for purpose.

2.6   The key risk themes were as follows:

- **Corporate Business Continuity Management:** If the Council does not have effective Business Continuity Management (BCM) processes in place then it may not be able to effectively continue to deliver Priority Activities in the event of an incident / emergency that disrupts the delivery of normal services (for example, adverse weather, internal flooding, fires, community emergency).

- **Fraud:** If there is a poor control framework in place and lack of staff awareness then there is an increased risk of fraud within payroll/payments etc which may lead to financial loss and a reputational risk.

- **Delays in the implementation of the new Revenue and Benefits System**: If there are delays in the migration to a single revenue and benefits system (which is due to be implemented April 2022) due to poor project governance then processes will not be able to operate in an efficient way, different systems still in place could mean numerous single points of failure and savings due to having a single system may not be realised.

- **Failure to Deliver Service Review Savings:** If the Resources Service Review fails to deliver the required savings and outcomes, ensuring the correct staffing structure and to ensure cost effective and efficient ways of working for our customers then there is a risk the Better Buckinghamshire programme fails to achieve its objectives.

- **Resources and Capacity Pressures:** If competing priorities (as a result of the Resources Service Review, other Service Reviews, BAU or the WorkSmart Project, for example) result in unforeseen resource and capacity pressures or IF we are unable to attract, retain and develop competent and confident staff then core business services will not be delivered resulting in reputational damage to the Council and the potential for Resources projects, plans and / or work programmes to be delayed or not delivering their objectives.

- **Increase in sickness levels / Stress / Mental Health & Wellbeing:** If sickness levels or mental health and wellbeing issues and concerns increase as a result of stress or capacity and workload issues then there is a risk that staff will leave or remain on long-term sickness absence. There is also the risk that additional workloads will be to be picked-up and incorporated by others within teams increasing the risk of additional stress and potential sickness.

- **Technology Breaches / Failure:** If systems fail, data is lost or data protection breached, or there is a lack of resilience of systems, insufficient security to support agile working, insufficient network security to prevent a cyber-attack, loss of data or breach of data protection then the Council will suffer severe reputational and financial damage and data could be used inappropriately.

- **Business Continuity Management (BCM) Transition:** If competing priorities and capacity issues impact the move of BCM from the Civil Contingencies Unit to Business Assurance then there is a risk to a deterioration in employee morale and oversight of BCM arrangement.

2.7 The risks were discussed in detail, as well as the mitigating actions being challenged by the RMG.

2.8 Risks which had been de-escalated or closed were included in the report from the Resources directorate.

2.9 A "horizon scanning" paper was presented to RMG which included new and emerging risks for discussion, including digital inequality, the effect of the pandemic on older people/disadvantaged younger people, and failure to comply with the Domestic Abuse Bill.

2.10 The emerging risks document is updated on a regular basis by the Corporate Risk Lead and is discussed with the Risk Champions.

2.11 At the 7 March 2022 meeting the Corporate Director for Communities attended the meeting along with the Head of Finance and Risk Champion for Communities to present the Communities risk register.

2.12 The key risk themes were as follows:

- **Future Financial and sustainability challenges around leisure provision** – this risk relates to COVID19 and the impact on the financial sustainability of leisure centres. While the likelihood of this risk is significantly reduced, the service is monitoring the impact of other factors, such as rising energy costs, and will update to reflect a new/changing risk if appropriate.

- **TfB – Service deterioration due to reprocuring of contract (TfB)** – disruption & change – this risk relates to the process of reprocuring the contract and highlights the importance of good communication with staff and the existing contractor to mitigate any impacts on service delivery caused by staff uncertainty and distraction.

- **Parking – Off Street Parking – Car Park Income** – this risk relates to the impact of COVID19 on off-street parking income. Income has now started to return, and consideration will be given to de-escalating this risk in the coming months subject to the monitoring of car park usage.

- **Berry Hill Footbridge, Taplow Footpath 12** – this risk relates to a specific Rights of Way footbridge which is damaged. The damaged section of the footbridge has now been removed, which significantly mitigates the risk however it will remain until this full activity has been completed.

- **Waste Operations – Major Incident severely affecting staffing levels** – this risk relates to the impact of COVID or other factors on staffing levels which could impact delivery of services, cause reputational damage, and increase costs for agency staff.

- **Waste Services South – Shortage of HGV Drivers** – this risk relates to the reduced availability of HGV drivers specifically relating to waste operations. While not escalated, a similar risk is held by the Highways service in relation to the impact on cyclical maintenance, emergency maintenance and capital schemes.

- **Client Transport** – this risk relates to the accuracy of information held in the client transport system which could impact forecasting, supplier payments and value for money.

- **Funding for commercial public bus network** – this risk relates to the planned end date of additional central government funding for public transport and the potential impact on availability of public bus routes.

2.1 The risks were discussed in detail, as well as the mitigating actions being challenged by the RMG.

2.2 Risks which had been de-escalated or closed were included in the report from the Communities directorate.

2.3 The Strategic Risk Register is a standing item on the RMG agenda, and the latest version was reviewed following updates from CMT in February. There had been little change in the strategic risk profile, however members of RMG scrutinised the progress of mitigating actions.

3. Other options considered

3.1 This should include information on the pros and cons of each option.

4.   Legal and financial implications

4.1   None.

5.   Corporate implications

None

6.   Local councillors & community boards consultation & views

6.1   N/A.

7.   Communication, engagement & further consultation

7.1   N/A.

8.   Next steps and review

8.1   The next meeting of the Risk Management Group is on 25 April 2022.

9.   Background papers

None