Runnymede
BOROUGH COUNCIL

Standards and Audit Committee

Tuesday, 3 October 2023 at 7.30 pm

Council Chamber - Civic Centre

Members of the Committee

Councillors: J Hulley (Chairman), M Cressey (Vice-Chairman), S Dennett, S Jenkins, J Mavi, M Singh, S Walsh, S Whyte, S Williams and J Wilson

In accordance with Standing Order 29.1, any Member of the Council may attend the meeting of this Committee, but may speak only with the permission of the Chairman of the Committee, if they are not a member of this Committee.

AGENDA

Notes:

1) Any report on the Agenda involving confidential information (as defined by section 100A(3) of the Local Government Act 1972) must be discussed in private. Any report involving exempt information (as defined by section 100I of the Local Government Act 1972), whether it appears in Part 1 or Part 2 below, may be discussed in private but only if the Committee so resolves.

2) The relevant 'background papers' are listed after each report in Part 1. Enquiries about any of the Agenda reports and background papers should be directed in the first instance to **Miss C Pinnock, Democratic Services Section, Law and Governance Business Centre, Runnymede Civic Centre, Station Road, Addlestone (Tel: Direct Line: 01932 425627). (Email: clare.pinnock@runnymede.gov.uk).**

3) Agendas and Minutes are available on a subscription basis. For details, please contact democratic.services@runnymede.gov.uk or Tel: 01932 425622. Agendas and Minutes for all the Council's Committees may also be viewed on www.runnymede.gov.uk.

4) In the unlikely event of an alarm sounding, members of the public should leave the building immediately, either using the staircase leading from the public gallery or following other instructions as appropriate.

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Filming should be limited to the formal meeting area and not extend to those in the public seating area.

The Chairman will make the final decision on all matters of dispute in regard to the use of social media audio-recording, photography and filming in the Committee meeting.

List of matters for consideration   <u>Page</u>
Part I

Matters in respect of which reports have been made available for public inspection

Part II

There are no exempt or confidential items on this agenda

Runnymede Borough Council

Standards and Audit Committee

Tuesday, 18 July 2023 at 7.30 pm

Members of the   Councillors J Hulley (Chairman), M D Cressey (Vice-Chairman), A Balkan
Committee present: (In place of S Walsh), S Jenkins, J Mavi, M Singh, S Whyte, S Williams
                        and J Wilson.

Members of the   Councillor S Dennett.
Committee absent:

16   **Minutes**

The Minutes of the meeting held on 24 May 2023 were confirmed and signed as a correct
record.

17   **Apologies for Absence**

Apologies for absence were received from Councillor S Dennett.

18   **Declarations of Interest**

There were no declarations of interest.

19   **External Audit Update**

A verbal update from the Council's external auditors, BDO LLP, was noted.

The Committee was informed that in line with the previously reported expectations,
finalising the audit of the 2019/2020 financial statement of accounts was still in progress.

It was confirmed that the outstanding work was still regarding the Council's acquisition of
investment assets which it was estimated would take between 4 and 6 weeks to complete
with final sign off for the accounts taking a little longer.

Members expressed their disappointment with this news. It was agreed that if further
slippage was likely beyond the anticipated October 2023 completion date for the 2019/2020
External Audit, the Committee would be advised prior to the next scheduled meeting in
October.

The DLUHC had, that afternoon, issued proposals with regard to the future conduct of
external audits and posed options to simplify and streamline the process as well as how
best to deal with the backlog that a significant number of other local authorities were
experiencing. Officers would be in a position to present details of the proposals and any
new regulations and guidance subsequently issued with regard to completion of External
Audits to the next scheduled meeting of the Committee in October. It was anticipated that
the audit code of practice would be updated in December 2023.

The Committee was informed that it was unlikely that the audits for 2020/2021 and
2021/2022 could be produced in tandem, they would have to be done sequentially to
comply with the existing auditing standards. BDO stated that they had resources in place
to start the 2020/2021 audit in the early part of 2024 and intended to complete both of the
remaining audits, for 2021/22 and 2022/23, during 2025. However, this was subject to the
emerging guidance. Whilst accepting this, Members were concerned about public
perception and uncertainty caused by the continued delay.

It was noted that as the acquisitions in question still appeared in the opening and closing balances for 2022/2023; that any issues, if there were any, would still be reported and the responsibility for giving an opinion on Value for Money and Financial Sustainability remained relevant.

The Committee did not want to entertain the prospect of qualified audits; particularly if the Council had provided all sufficient and appropriate information requested by the external auditors in line with the guidance on disclaimers. Officers would work closely with the external auditors to meet the necessary deadlines.

Officers from BDO were asked to provide a written report (rather than a verbal update) in advance for future meetings, if at all possible. This would enable Members to consider questions to ask in advance of the meeting.

RBC Officers confirmed that the statutory notice regarding the closure of the 2022/2023 statement of accounts had been issued, noting that only 30% of local authorities had met the publication deadline. The return to the pre-covid deadline of the end of May had not been achieved owing to a number of challenges. For Runnymede, there were three issues to be resolved before the draft accounts for 2022/23 could be published. These were: a minor accounting adjustment between the Housing Revenue Account and General Fund which needed to be resolved, updating for the transfers to reserves as recommended to a recent meeting of the Corporate Management Committee, and the Group accounts, which brought together all the accounts of the Council's subsidiary companies, comments on which were awaited from the Companies' accountants CSL. Officers were confident these would all be resolved shortly so that a draft statement could be published at the end of August 2023.

Officers were thanked for their update which was duly noted.

20   **Internal Audit Summary Internal Controls (SICA) Report 2023/24**

The Committee noted the Internal Audit Summary Internal Controls (SICA) report produced by TIAA.

Officers reported good and positive progress with the audit programme. Two further audits had been finalised since the last meeting. These were for Housing Allocations and Homelessness and Key Revenues Controls. Two ICT audits had been given reasonable assurance and the 7 priority 2 recommendations were noted, most of which had already been implemented. This completed the audit programme for 2021/2022, leaving just one ICT related audit to sign off the programme for 2022/2023 which would be reported to the next meeting. In terms of the 2023/2024 programme, TIAA would soon have draft reports for Corporate Governance and Housing Repair and Maintenance and would shortly be commencing audits on Recruitment, Data Quality and the follow up Depot audit. Procurement and Contracts was delayed until November whilst new staff settled in.

Officers confirmed that although there was one root cause indicator (Control Compliance) which indicated risk, this was only based on one audit and would be monitored in consultation with the Assistant Chief Executive/Section 151 Officer. It was noted that Client Briefing Notes on Procurement and Fraud could be made available on request.

Officers confirmed that a previous action to include prioritisation of audits in the programme had been implemented and would be included in the next SICA report for the next scheduled meeting in October 2023.

TIAA were thanked for the report which was duly noted.

21   **Internal Audit Progress Report on Outstanding Recommendations**

The Committee received for information an update on outstanding recommendations from previous audits. Again, good progress had been made; 6 having been implemented leaving just 2 outstanding.

The Assistant Chief Executive/Section 151 Officer was asked to confirm with the Corporate Head of Housing whether the implementation date of 31 July 2023 would be met with regard to the Independent Retirement Living audit recommendation.

The Corporate Head of Law and Governance was confident that the recommendation regarding Information Governance could be completed by the end of August. This covered compliance with Data Protection, control and management of Information across the organisation. Timely completion depended on Officers from other Business Centres updating their records and reporting back accordingly. It was noted that 23 out of the 26 Information Asset Registers had been completed.

TIAA were thanked for the report which was duly noted.

22   **Complaints and Compliments Quarter 1 2023/24**

The Committee noted statistics with regard to complaints and compliments recording in the corporate registers for this purpose for Quarter 1 of 2023/2024.

Officers reported a spike in complaints (38) mainly across areas of Environmental Services. As a front-line, high-profile service, this was not unusual in itself and Officers had made very good progress in reducing the backlog that had built up over the reporting period and return to a more representative picture.

Members asked what the causes were of these complaints and it was confirmed that the majority were service requests that had escalated. However, communications were improving and more information was being added to the website, including a new 'report it' function for Grounds Maintenance which also had a link to the County Council's website to report Highways and other matters under their remit as opposed to the Borough Council. Customer Services had also devised a new logging system for complaints made over the telephone so these now have a complete audit trail.

Officers provided an update to the written report that of the 38 complaints, 15 were upheld, 6 partly upheld, 5 not upheld and a further 3 were in progress. Where complaints were partly upheld it was mainly due to a delay in communicating with the customer. In many cases the work had been done but there had been a failure to close the loop to update the corporate records.

The backlog of 23 complaints outstanding had been reduced to 9 following a meeting with relevant staff and a subsequent a re-allocation of named Officers dealing with those complaints now with access to the Corporate registers. It was reported that some of the overdue complaints were not with the Depot or Green Spaces; one was with Assets, another a Housing contractor and another Tenancy Management.

The Committee was advised that it was planned to move forward with a new central database (CRM) hosted by Customer Services and Officers would be working closely with them with access to that database in order to keep records accurate and up to date.

As with the current system in Customer Services, managed via Jadu software which managed the Council's external website, a chaser to the relevant staff would be automatically generated a few days before a complaint hit the response deadline of ten working days instead of being done manually.

The Committee noted that whilst the Council did not have a corporate complaints team the role was largely spread across departments with a network of Officers co-ordinating responses with access to the corporate register.

With regard to compliments, there were 18 at the time of writing the report; the same person in Housing received 2 compliments along with other colleagues who had helped re-house people. Members were pleased to note that a compliment which came in after writing the report was for Grounds Maintenance with some positive feedback about St Jude's Cemetery.

Officers had actioned the request made at the last meeting to publicise compliments on the Council's social media platforms via Communications. This had started from June onwards, but only publishing where individuals had given their explicit consent.
This meant that for the next reporting period (July – September), if people had given consent they could be included in the public part of the agenda and anonymised where they had not or there were no named individuals. Members were content with the proposal to in future send certificates out as and when they occurred to avoid a delay and streamline the process by asking for their consent regarding social media publication when the certificates were issued on behalf of the Committee.

Officers were asked to consider providing more detail on complaints received where possible to identify trends and where lessons could be learned. However, it was explained that Officers were reliant on the level of detail provided by other departments and whether this could be presented in such a way that individuals would not be identifiable. Nevertheless, Officers would attempt to do this to assist the Committee in appreciating the types of issues that arose and any underlying causes which Corporate Heads could report.

Officers were thanked for their report which was duly noted.

23   **Exclusion of Press and Public**

By resolution of the Committee, for the reasons set out in the agenda, the press and public were excluded from the remainder of the meeting during the consideration of the remaining matters under Section 100A (4) of the Local Government Act 1972 on the grounds that the discussion would be likely to involve the disclosure of exempt information as set out in Schedule 12A to Part 1 of the Act.

24   **Exempt Appendix A to item 8**

The contents of the exempt appendix and an update given at the meeting were noted.

Officers confirmed that they would send certificates to recipients of compliments in Quarter 1 2023/2024.

The Committee was content with the proposal to streamline the process and make it more timely. To do this, certificates would be issued as and when they were registered on the Corporate Register instead of waiting until the end of the quarter and when sending them to relevant staff they would at the same time be asked for their consent to publish their name(s) where applicable. This would fit in with the publicising of compliments on social media where any necessary consents had been obtained.

It was noted that if the compliments would then be in the public domain it would not be necessary to present this in an exempt appendix unless consent had not been obtained.

(The meeting ended at 8.24 pm.)   Chairman

Summary Internal Controls Assurance (SICA) Report 2023/2024 (TIAA, Chris Harris)

Synopsis of report:

To inform Members on the progress made to date by TIAA, the Council's internal auditors, on the 2023/2024 Internal Audit Annual Plan.

Recommendation(s):

None. This report is for information.

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1.   **Context of report**

1.1   Attached at Appendix 'A' is the most recent Summary Internal Controls Assurance (SICA) Report, as at 7 September 2023.

2.   **Report**

2.1   The report identifies 3 audits completed since the last meeting of this Committee. These are:

      2022/23 Audits
- Housing Allocations and Homelessness
- ICT – Service Desk
- Key Revenues Controls

2.2   Fieldwork is in progress for a number of the audits from the 2023/2024 internal audit plan. There will be one ICT audit again this year which is now planned to commence during quarter three of 2023.

2.3   One client briefing notice has been issued by TIAA since the last report to Committee, which can be circulated to Members of the Committee separately, on request.

3.   **Resource implications**

3.1   The audit service is budgeted for in the Council's annual budgets, with a small contingency to cover unforeseen audits.

4.   **Legal and Equality implications**

4.1   None.

      (For information)

Background papers
Relevant Internal Audit working files and reports

tiaa

Runnymede Borough Council

Standards and Audit Committee – 3 October 2023

Summary Internal Controls Assurance (SICA) Report

2023/24

September 2023

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Standards and Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Runnymede Borough Council as at 7th September 2023.

Future of Internal Audit (IA)- Digital drivers

Use of Data analytics by TIAA

2. TIAA is always adopting new ways of working and methodologies including innovative approaches for delivering internal audits. This is part of our continuous improvement programme which facilitates improvements in efficiency, effectiveness, and the quality of the work we deliver. We currently use data analytics as part of our work in relevant areas to test against full data sets, spot hidden risks, to target our testing and to provide 'proof in total' assurance; this adds credibility and value to the reports we produce. Data Analytics helps us to analyse large volumes of data to identify trends, patterns, and anomalies that may indicate potential risks or opportunities for improvement.

How will Artificial Intelligence (AI) enhance the delivery Internal Audit of the future?

3. We believe that the way internal audits are delivered will change significantly in the next 3 to 5 years through the use of AI, through the use of auditing tools which contribute towards a process of continuous audit assurance, a wider use of predictive analytics to allow auditors to provide reports that are far more forward looking, and robotic process automation which will help remove much of the manual data collection work, thereby allowing Internal Audit more time to provide value-added analysis. Another branch of AI, Natural Language Processing (NLP), has the potential of also enabling auditors to analyse text in a large number of documents.

4. In addition to the use of Data Analytics, TIAA is actively exploring, as part of our vision for the future, the use of AI, automation and other digital tools to streamline the audit process, inform planning, reduce manual effort, and enhance the quality of audit results. Automated data collection and analysis will help reduce the time required to complete audits and improve the accuracy and consistency of audit results. Innovative ways of using and integrating artificial Intelligence in the delivery of audits in response to the exponential growth in data, and how it is analysed and used in the context of Internal Audit, is part of TIAA's innovation strategy. We will also as part of our strategy be investigating more opportunities to not only use AI, but also to develop the capabilities to audit AI and the associated ethical considerations.

Audits completed since the last SICA report to the Audit Committee

5. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
2022/23 Audits								
Housing Allocations and Homelessness	Reasonable	10.05.23	30.06.23	05.07.23	-	4	-	-
ICT – Service Desk	Reasonable	26.04.23	31.07.23	02.08.23	-	2	1	1
Key Revenues Controls	Substantial	20.03.23	10.07.23	10.07.23	-	-	2	-
2023/24 Audits								
None finalised at time of writing report								

6. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2023/24 Annual Plan

7. Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

Changes to the Annual Plan 2023/24

8. There are a number of areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2023/24. These are summarised below.

Review	Rationale
None	

Progress in actioning priority 1 & 2 recommendations

9. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix C.

Mitigating risk exposures identified by internal audit reviews

Review	Date	Priority 1			Priority 2		
Housing Allocations and Homelessness	05.07.23	0	0	0	4	0	0
ICT – Service Desk	02.08.23	0	0	0	0	2	0

Root Cause Indicators

10.   The Root Cause Indicators (RCI) have been developed by TIAA to provide a strategic rolling direction of travel governance, risk and control assessment for Runnymede Borough Council. Each recommendation made is analysed to establish the underlying cause of the issue giving rise to the recommendation (RCI). The analysis needs to be considered over a sustained period, rather than on an individual quarter basis. Percentages, rather than actual number of reviews/recommendations made permits more effective identification of the direction of travel. A downward arrow signifies a positive reduction in risk in relation to the specific RCI.

RCI – Direction of Travel Assessment

Root Cause Indicator	Qtr 3 (2022/23)	Qtr 4 (2022/23)	Qtr 1 (2023/24)	Qtr 2 (2023/24)	Medium term Direction of Travel	Audit Observation
Directed						
Governance Framework	20%	23%	14%			
Risk Mitigation	-	-	-	11%		
Control Compliance	80%	77%	86%	89%		Although there is a red arrow this indicator is still being monitored
Delivery						
Performance Monitoring	-	-	-			
Sustainability	-	-	-			
Resilience	-	-	-			

Frauds/Irregularities

11.   We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

12.   We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report. The actions taken by the Council are summarised below:

Client Briefing Alerts issued by TIAA

Briefing Note
Guidance issued by HMRC on tax avoidance schemes

Anti-Crime Alert
None reported since last Standards and Audit Committee

Responsibility/Disclaimer

13.   This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Standards and Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Standards and Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Housing Allocations and Homelessness	Reasonable
ICT – Service Desk	Reasonable

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments	Priority
Data Quality	1	Audit in progress		High
Recruitment	1	Audit in progress		High
Governance - Corporate	1	Draft report issued 26 July 2023		High
Procurement/Contracts	2		Timing of audit to be exchanged with Payroll. Start date 22 January 2024	High
Risk Management	2		Start date 12 September 2023	Medium
Housing Repair and Maintenance	2	Draft report issued 14 August 2023		High
Depot	2	Audit in progress		High
Commercial Property	2		Start date 24 October 2023	High
Community Grants	3		Start date 15 December 2023	Medium
ICT – Virtual Cloud Based Approach to DR	3		Start date TBA	Medium
ICT Audit Follow up of previous recommendations	3		Start date TBA	Medium
Key Revenues Controls	3		Start date 13 November 2023	High
Key Financial Controls	3		Start date 4 December 2023	High
Main Accounting	3		Start date 8 January 2024	Low
Payroll	3		Audit to be brought forward to avoid operational issues. Start date 14 November 2023	Medium
Treasury Management	3		Start date 19 February 2024	Low
Meals at Home	3		Start date 3 October 2023	Medium

Safeguarding	**3**		**Start date 3 October 2023**	**High**
Follow-up	**1-4**		**Each S & A Committee**	

KEY:

	To be commenced		Site work commenced		Draft report issued		Final report issued

Priority 1 and 2 Recommendations - Progress update

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Housing Allocations and Homelessness						
Staff be reminded that all relevant supporting documentation must be maintained on the journal / shared drive.	2	*Locata does not have a document management system and the only way of saving documents is within the journal. Files size is limited and so some documents are held in folders which are only accessible by those with authorisation managed by Digital Services* *Procedure being out in place for a note to be placed on the journal with the location of the documents on the shared drive as a temporary measure.* *The Allocations team are in the process of moving the service from Locata to NEC Housing. This will mean that all documents from Applicants should be uploaded to their personal online account. There is an interface between NEC Housing and the Document Management System .*	*07/07/23*	*Head of Housing Solutions* *Housing Solutions Manager (Allocations & Sustainment)*		

Staff be reminded of the steps required to produce homelessness letters, with training carried out as necessary, to ensure that all relevant letters are sent to the applicant.	2	*There has been a significant change in management within the Housing Solutions team with only 1.5 Housing Solutions Officers in post who did not start within the last 6 months. The Housing Solutions Manager role was vacant from May to March so the Head of Service was managing strategically and all the direct reports within the homelessness section.*	*Completed*	*Head of Housing Solutions* *Housing Solutions Manager (Homelessness)*	
		Team in post have now been through external legal training so should be aware of their responsibilities.	*Completed*		
		The Housing Solutions Manager meets with each of the officers once a month to go through their entire caseload and ensure it has been effectively managed and all correspondence is issued correctly. *Spot checks are carried out on a bi-weekly basis.*	*Completed*		
		The Locata system will not flag if a case has not been issued with the correct letter but a system report identifies cases at each stage which enables checks to be made on the letters. *All procedures are being received and reissued to staff.* *In phase 3 of the upgrade of our IT system this service will move from Locata to an NEC system and it is intended that we will have additional checks in place*	*Completed* *By 01/04/24*	*Head of Housing Solutions*	

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Staff be reminded, and any relevant training be carried out, to ensure that letters to applicants include all relevant information as per the standard form letters.	2	*All letters are being reviewed to be completed by 10th July 2023*	*10/07/23*	*Head of Housing Solutions* *Housing Solutions Manager (Homelessness)*		
Ensure that all main duty sign offs are completed promptly, with all supporting evidence saved down to the journal so that there is a full audit trail.	2	*The Senior Housing Solutions Officer is in post and checks and signs off all final duty letters .* *A procedure is in place for this X:\FunHousingNeeds\Homelessness\Procedures\Work in progress - Terri\Procedure 1 Accepting the main housing duty (Accepted Cases).docx*	*Completed*	*Head of Housing Solutions* *Housing Solutions Manager (Homelessness)*		
ICT – Service Desk						
Re-establish regular 6 monthly reviews and updates of the risk register as per the established procedure.	2	*Agreed.*	*31/03/24*	*Corporate Head of CS,DS & C*		
Technical reviews and associated approvals of change requests be established.	2	*Agreed.*	*31/03/24*	*Head of Digital Security, Infrastructure and Operations*		

KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.

2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.

Risk Mitigation

	CLEARED	Internal audit work confirms action taken addresses the risk exposure.

	ON TARGET	Control issue on which action should be taken at the earliest opportunity.

	EXPOSED	Target date not met & risk exposure still extant

Briefings on developments in Governance, Risk and Control

TIAA produces regular briefing notes to summarise new developments in Governance, Risk, Control and Anti-Crime which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those CBNs and Anti-Crime Alerts issued in the last three months which may be of relevance to Runnymede Borough Council is given below. Copies of any CBNs are available on request from your local TIAA team.

Summary of recent Client Briefing Notes (CBNs)

CBN Ref	Subject	Status	TIAA Comments
CBN 23009	Guidance issued by HMRC on tax avoidance schemes		**Action Required** Raise the profile of tax avoidance across networks and communication channels

Summary of recent Anti-Crime Alerts

Ref	Subject	Status	TIAA Comments
	None issued since last S & A Committee		

Internal Audit Progress Report for Outstanding Recommendations (TIAA, Chris Harris)

Synopsis of report:

To inform Members on the progress made by Council Officers in implementing the recommendations made by TIAA, the Council's Internal Auditors, resulting from the internal audit work.

Recommendation(s):

None. This report is for information.

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1. **Context of report**

1.1 Attached at Appendix 'A' is TIAA's Follow Up Report on Recommendations made following completion of the internal audit work. This exception report summarises outstanding recommendations in accordance with the review carried out earlier.

2. **Report**

2.1 At the time of writing this report, 13 of those had been implemented and 2 are still outstanding.

3. **Resource Implications**

3.1 The audit service is budgeted for in the Council's annual budgets, with a small contingency to cover unforeseen audits.

4. **Legal and Equality implications**

4.1 None.

     (For information)

Background papers
Relevant Internal Audit working files and reports

Internal Audit

FINAL

Runnymede Borough Council

Standards and Audit Committee – 3 October 2023

Internal Audit Progress Report for Outstanding Recommendations

2023-24

September 2023

Executive Summary

Introduction

1. This summary report provides the Standards and Audit Committee with an update on the progress in implementing the priority 1, 2 and 3 recommendations arising in previous internal audit reports.

2. This follow up review was carried out in August and September 2023. Since the previous follow up review was carried out (June 2023), 15 recommendations have reached their initial or revised target implementation date.

Key Findings & Action Points

3. The follow up review considered whether the management action taken addresses the control issues that gave rise to the recommendations. The implementation of these recommendations can only provide reasonable and not absolute assurance against misstatement or loss. From the work carried out the following evaluations of the progress of the management actions taken to date have been identified.

Evaluation	Number of Recommendations
Implemented	13
Outstanding	2
No Longer Applicable	0
Not Implemented	0

4. For the 13 recommendations that have been confirmed as implemented, no further action is necessary and specific details have not been included in this report.

5. For the two recommendations classified as Outstanding, these will continue to be periodically monitored, and details relating to the specific recommendations in these cases have been included in the Detailed Findings section below.

6. Recommendations relating to ICT audits will be subject to a separate follow up review to be carried out during 2023/24.

Scope and Limitations of the Review

7. The review considers the progress made in implementing the recommendations made in the previous internal audit reports and to establish the extent to which management has taken the necessary actions to address the control issues that gave rise to the internal audit recommendations.

8. The responsibility for a sound system of internal controls rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses that may exist. Neither should internal audit work be relied upon to identify all circumstances of fraud or irregularity, should there be any, although the audit procedures have been designed so that any material irregularity has a reasonable probability of discovery. Even sound systems of internal control may not be proof against collusive fraud.

9. For the purposes of this review reliance was placed on management to provide internal audit with full access to staff and to accounting records and transactions and to ensure the authenticity of these documents.

Release of Report

10. The table below sets out the history of this report.

Final report issued:	

Detailed Findings

Follow Up

11.   Management representations were obtained on the action taken to address the recommendations and limited testing has been carried out to confirm these management representations. The following matters were identified in considering the recommendations that have not been fully implemented:

12.   **Data Protection and Information Governance**

Audit title	Data Protection and Information Governance	Audit year	2022/23	Priority	3
Recommendation	Review Information Asset Registers to ensure they are filled out completely and correctly and are up to date.				
Initial management response	We will commence a project to ensure all departments review, complete and update their IARs.				
Responsible Officer/s	Information Governance Officer	Original implementation date	01/05/23	Revised implementation date	TBC
Latest Update	It was advised by the Information Governance Officer that 25 out of 26 Information Asset Registers had been fully completed, and reminders recently sent for the remaining one. A specific revised target date was not provided for this at the time of the follow up, therefore this will continue to be periodically monitored.				
Status	Outstanding			Implementation is in progress.	

Audit title	Data Protection and Information Governance	Audit year	2022/23	Priority	3
Recommendation	Ensure that all Record of Processing Activities are frequently reviewed for accuracy.				
Initial management response	We will commence a project to ensure all departments review, complete and update their RoPAs.				
Responsible Officer/s	Data Protection Officer	Original implementation date	01/07/23	Revised implementation date	TBC
Latest Update	It was advised by the Data Protection Officer that 25 out of 28 RoPAs have completed their annual review. Digital Services, Development Control, and Refuse and Recycling are still outstanding. A specific revised target date was not provided for these at the time of the follow up, therefore this will continue to be periodically monitored.				
Status	Outstanding			Implementation is in progress.	

Report title	Risk Management Framework 2023 - 2026
Report author	Amanda Fahey
Department	Assistant Chief Executive / S151 Officer
Exempt	No

Purpose of report:

To recommend to full Council on 19 October 2023

Synopsis of report:

The Council's Risk Management Framework is an essential part of the governance processes of the Council. As part of the action plan in the Annual Governance Statement a full review has been undertaken and is presented to Members for consideration. The framework sets out the objectives and processes by which risk will be captured, monitored and mitigated in the organisation.

Recommendation that:

the Risk Management Framework presented at Appendix 'A' be recommended for approval by full Council on 19 October 2023.

1.   **Context and background of report**

1.1   The Council's Risk Management Framework sets out the approach to holistic, cross-organisational risk management at both a strategic and operational level to fulfil the legislative requirements as laid down by the Local Government Act 1999 and Accounts & Audit Regulations 2015, in order to ensure effective and efficient corporate governance and reporting.

1.2   The aim of the framework is to formalise, embed and continuously improve processes and procedures for the identification and evaluation of risks and opportunities and the cost-effective control of risks to ensure that they are reduced to an acceptable level and any impact on delivery of objectives is minimised.

1.3   The scope of the framework covers both the corporate culture and processes and procedures to ensure risks are managed. This applies to risks associated with contracts, projects and service areas which feed into the overarching corporate risk register. It does not replace established risk assessment processes, for example, for health and safety compliance, business continuity or emergency planning, but instead builds on and supports those activities by establishing a consistent framework for their identification, assessment, and escalation, as required.

1.4   The definition of risk and risk management that is proposed to be adopted for the purpose of this framework is as follows:

Risk definition:
"A risk is an uncertain event or condition that, if occurs, has a positive or negative effect on delivery of Council objectives whether at the operational or strategic level. A risk is something that may happen in the future."

Risk management definition:
"The iterative, systematic application of principles and processes to risk identification, assessment, management and on-going monitoring of risks and opportunities in pursuance of Council objectives."

2. Report

2.1 The Council has an obligation to provide assurance to Members and the Community that the principles of good governance, including Risk Management, are reflected in the activities of the Council. The Council also has a legal obligation to comply with the requirements placed upon it by the Accounts and Audit Regulations and the publication of an Annual Governance Statement.

2.2 Risk Management forms an integral part of the Council's Annual Governance Statement which is concerned with demonstrating that the Council has adequate and effective internal control arrangements in place for dealing with key business risks.

2.3 The Council's Risk Management Framework is provided at Appendix 1 for Committee approval. This builds on and formalises existing risk management practice across the organisation and ensures consistency and transparency in how risk will be identified and managed. Risk can lead to opportunity as well as threats on delivery of operational or strategic objectives. By dynamically managing risk, the organisation can be risk aware rather than risk averse when making effective decisions to meet the Council's objectives and to safeguard the Council's assets.

2.4 Formalising the Council's approach to Risk Management ensures that risk management processes and procedures are embedded, and a risk aware culture is developed that recognises risk management as an effective mechanism to support both delivery of strategic and operational objectives and good corporate governance.

2.5 Risk management needs to be dynamic in order to capture and anticipate new risks and to assess the trade-off between risk and opportunity. It should be an ongoing cycle, that used properly, will help to ensure that effective decisions are made, based on a sound understanding of the risks and opportunities faced. The risk management cycle is a 5-step process: Objectives setting, risk identification, risk evaluation, risk action/mitigation, risk monitoring and reporting.

2.6 Setting the Council's risk appetite is an important part of the first step: objective setting. The risk appetite defines the amount of risk the council is willing to tolerate to achieve the priorities set out in the Corporate Business Plan. It is accepted that there is an element of risk in most activities that are undertaken. Effective and efficient risk governance and oversight provides assurance that the Council's business activities will be positively enhanced by opportunities, but not adversely impacted by threats that could have been foreseen.

2.7 The Council's risk appetite statement is proposed to be reviewed annually as part of annual business and budget planning. This is being actively worked on and it is anticipated that this will come back to this Committee at the next meeting for approval and feed into the Council's budgetary and policy framework.

2.8   In addition to this framework, the capital and investment strategy contains further details of financial risk appetite specifically for commercial and regeneration, portfolio and divestment opportunities. Risk assessments in these areas will need to refer specifically to risk appetite statements within the Capital and Investment Strategy.

2.9   The framework specifically addresses risk management with regard to achievement of strategic and operational objectives i.e. risk that could impact on delivery of contracts, projects, service delivery in a service area, and corporately. Alongside this there are a number of additional and related organisational activities that involve identification and management of risk. These include business continuity, emergency planning, IT disaster recovery and Health & Safety compliance within the Council. It is important that the role and interrelationships of each are clearly understood if the Council is to effectively manage risk across the organisation and with external stakeholders and partners.

2.10   Separate policies and procedures exist to specifically support business continuity, emergency planning, IT disaster recovery and health and safety compliance. The framework does not replace these policies and procedures, rather the same escalation process exists to capture significant risks from across the organisation regardless of where the risk has been identified.

2.11   It is proposed that twice during a municipal year this Committee considers the highest priority risks identified from across the organisation and the mitigation in place, or significant movements in risk scoring or focus on a specific risk category. Risk reporting will be added to the corporate suite of reports and dashboards that the Project Management Office produce for senior management and Members.

3.   **Policy framework implications**

3.1   Formalising and embedding the Risk Management Framework supports delivery of the Corporate Business Plan 2022-2026 as follows:

Corporate Business Plan achievement
- Improved service delivery: resulting from fewer disruptions/enhanced controls.
- Increased probability of achieving strategic objectives: through minimising or removing key obstacles.

Organisational Development
- Improved awareness of risk: the Council can become less risk averse if risks are identified, assessed and mitigated.
- Improved corporate governance: through stronger, more transparent evidence-based decision making, accountability and prioritisation.
- Safeguard the organisation and provide assurance to all stakeholders such as elected members and residents.
- Become part of every staff member's competency framework, job description and annual performance review.

3.2   Risk management is an integral part of corporate governance, and in particular, closely linked with corporate performance management. As such, the Council's Risk Management Strategy is proposed to be reviewed in line with Corporate Business Planning cycle (next review: 2025 for 2026).

4.   **Resource implications**

4.1 Failure to mitigate risks or take advantage of opportunities could result in financial loss to the Council.

4.2 The Framework includes a section on Roles and Responsibilities for risk management and a RACI matrix describing who is Responsible Accountable Consulted Informed for risk activities.

4.3 All staff and stakeholders involved in delivery of the Corporate Business Plan, Service Area Plans and business as usual activities have a responsibility to assess and manage risks and identify and apply learning from risk management. Therefore, risk management needs to be part of all day to day activities and forms part of relevant job descriptions.

4.4 Training is proposed to be provided internally to support officers develop and apply risk management techniques. Resources will be developed and published to Staff Home.

5. Legal implications

5.1 The Council has a legal duty to have risk management arrangements in place, as stated in the Accounts & Audit Regulations 2015 (Part 2: Internal control - Responsibility for internal control):

"A relevant body 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.

(c) includes effective arrangements for the management of risk."

The risk management framework supports this legal duty.

6. Equality implications

6.1 An Equality Impact Screening Assessment will be conducted for formalisation of existing processes and procedures in the new Framework.

7. Environmental/Sustainability/Biodiversity implications

7.1 None arising directly from this report.

8. Other implications (where applicable)

8.1 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.

8.2 Failure to regularly review and update the Risk Management Framework could have an adverse impact on the Council's Annual Governance Statement

9. Timetable for Implementation

1. Approval at full Council in December 2023

2. Briefing sessions for Managers
3. Release of Risk Toolkit and resources
4. Development of dashboard and reports for Q3 (OND) risk updates.
5. Report to Standards & Audit (Q3) in January 2024
6. Future years bi-annual reporting to Standards & Audit in May and October.

10   Background papers
None Stated

11.   Appendices

- Appendix 'A' Risk Management Framework 2023-2026

Runnymede Borough Council

Risk Management Framework 2023 - 2026

October 2023

Contents

1. Purpose, aims and objectives of the Risk Management Framework

The Council's Risk Management Framework sets out the approach to holistic, cross-organisational risk management at both a strategic and operational level to fulfil the legislative requirements as laid down by the Local Government Act 1999 and Accounts & Audit Regulations 2015, to ensure effective and efficient corporate governance and reporting.

The aim of the framework is to formalise, embed and continuously improve processes and procedures for the identification and evaluation of risks and opportunities and the cost-effective control of risks to ensure that they are reduced to an acceptable level and any impact on delivery of objectives is minimised.

The scope of the framework covers both the corporate culture and processes and procedures to ensure risks are managed. It does not replace established risk assessment processes, for example, for health and safety compliance, business continuity or emergency planning, but instead builds on and supports those activities by establishing a consistent framework for their identification, assessment, and escalation, as required.

The risk management objectives of the Council are to:
- Embed and raise awareness of risk and opportunity management into the culture and corporate processes of the Council.
- Manage risk and opportunity in accordance with best practice and in particular in accordance with the requirements of the Annual Governance Statement.
- Assume legal compliance as an absolute minimum.
- Prevent injury and damage and reduce the cost of risk.

These objectives will be achieved by:
- Establishing and implementing a clear risk management process that is communicated to all officers and Members.
- Setting out the Council's risk appetite to ensure consistency in approach to risk management.
- Setting the tolerances for risk and the criteria for its mitigation and control.
- Clearly define roles and responsibilities for risk management.
- Providing risk management training to officers and members.
- Holding corporate and operational risk management sessions to identify risks.
- Ensuring that risks are identified and managed as part of the project management methodology and contract management framework.
- Maintaining and reviewing a register of corporate, operational, project and contract risks and opportunities and assigning ownership for each risk.
- Ensuring that reports to Service Committees, Standards and Audit Committee, Corporate Management Committee and Council include implications of any significant risks.
- Identifying risks and opportunities in relation to working in partnerships.
- Ensuring that the Standards and Audit Committee receive regular reports on the key business risks and opportunities and takes action to ensure that business risks and opportunities are being actively managed.
- Risk management being part of every staff member's competency framework, job description and annual performance review.

All staff and stakeholders involved in delivery of the Corporate Business Plan, Service Area Plans and business as usual activities have a responsibility to assess and manage risks and identify and apply learning from risks.

2. Risk Management Definition

The Corporate Business Plan 2022-2026 and the associated corporate strategies for Economic Development, Empowering Communities, Climate Change, Health and Wellbeing and Organisational Development provide the strategic direction and objectives to be delivered over the period of the plan. Annual service area plans set out the specific corporate and operational objectives that will be delivered by the teams and individuals in the service area over the following 12-month period.

A risk is an uncertain event or condition that, if occurs, has a positive or negative effect on delivery of these objectives whether at the operational or strategic level. A risk is something that may happen in the future.

Risk should not be confused with liabilities that are known events that already exist and which are subject to a different management process. The difference is that risks can be treated in a number of ways including financial risk transfer. Liabilities cannot - they are a known condition and are part of the opportunity cost.

For the purpose of this framework, risks that score above the threshold of 10 (See Step 3 Scoring Risk) after mitigation are escalated for consideration on the corporate risk register (CRR), with those risks scoring 15-25 after mitigation defined as 'significant risks'.

Risk management is the systematic process of identifying, evaluating, and managing those uncertainties and bringing them to an acceptable level. By doing this we safeguard our residents and colleagues while increasing the chances of our corporate and operational objectives being achieved, safeguard public money, and protect our reputation.

The Council's definition of risk management is:

"The iterative, systematic application of principles and processes to risk identification, assessment, management and on-going monitoring of risks and opportunities in pursuance of Council objectives."

3. Context of Risk Management in Local Government

The Council has a legal duty to have risk management arrangements in place, as stated in the Accounts & Audit Regulations 2015 (Part 2: Internal control - Responsibility for internal control):

"A relevant body 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.

(c) includes effective arrangements for the management of risk."

The next few years will continue to present significant challenges for the Council in delivering services under increased economic pressures. The challenges will mean that the Council needs to adapt and change through discovering and implementing efficiencies, increasing income generation, utilising partnership-working or exploring alternative service delivery models. Whilst these changes create opportunities; they also create risk and uncertainty. As new ways of working emerge, the risk management process will need to adapt and respond to these.

3.1. Overview of Local Code of Corporate Governance

The Council has formally adopted a code of corporate governance as recommended in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government 2016 edition.

The Council is committed to the principles and sub-principles of good governance identified within the International Framework and has reproduced these within its own local Code. These principles and sub-principles set out the actions and behaviours expected of the Council to ensure good governance is delivered in all that it does.

Of these, the Core Principle relating to risk is as follows:

F. Managing risks and performance through robust internal control and strong public financial management

The Council has also adopted the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government which sets out the core responsibilities of the CFO, including development of the risk management framework and risk reporting.

3.2. Annual Governance Statement

Runnymede Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.

The Council also has a duty under the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to undertake an annual review of the effectiveness of its system of internal control, known as the Annual Governance Statement (AGS), which explains how it is complying with its Local Code of Corporate Governance including its processes for risk management. This annual review is an important element in ensuring that good governance and risk management underpin the delivery of Council services and that associated processes are relevant, up to date and effective.

3.3. Benefits of Risk Management in Local Government

Continuous improvement of cross-organisational risk management will enhance the delivery of benefits for the Council that include:

- Improved service delivery: resulting from fewer disruptions/enhanced controls.
- Increased probability of achieving strategic objectives: through minimising or removing key obstacles.
- Improved awareness of risk: the Council can be more robust in in taking advantage of new opportunities if incumbent risks are assessed and subject to active positive management.
- Improved corporate governance: through stronger, more transparent evidence-based decision making, accountability and prioritisation.
- Safeguard the organisation and provide assurance to all stakeholders such as elected members and residents.
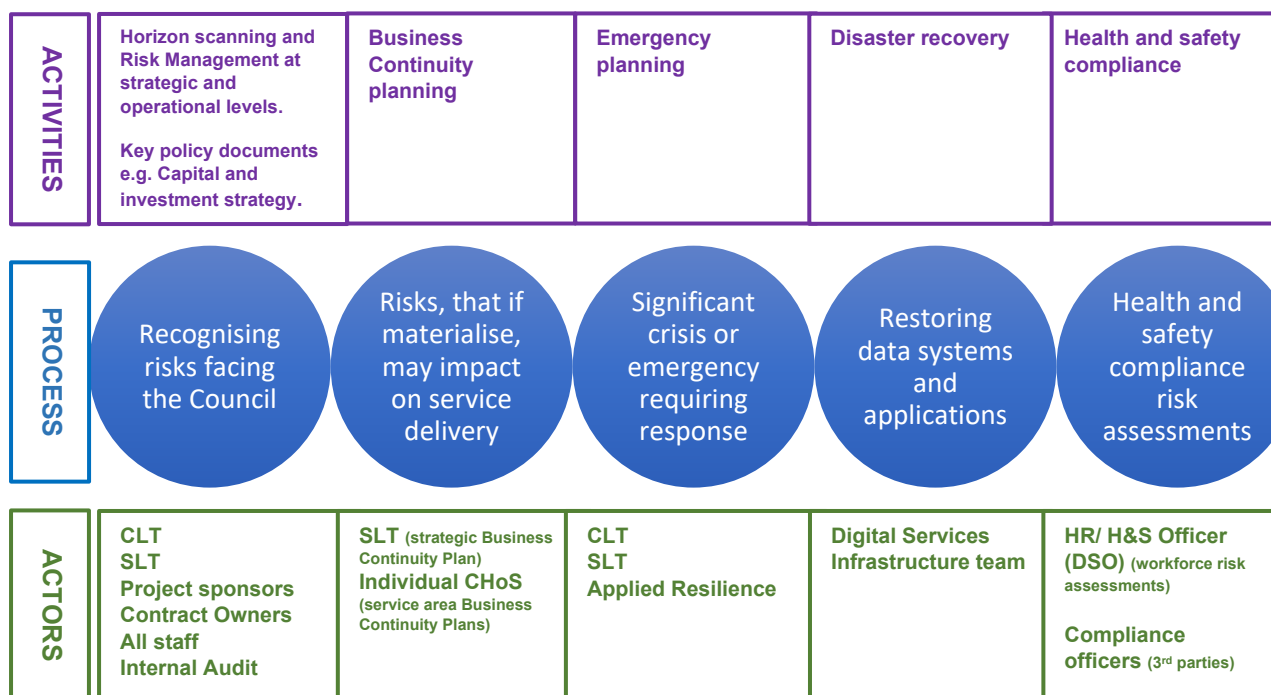
3.4. Other related processes that identify risk

To support achievement of strategic and operational objectives (covered specifically in this framework) there are a number of additional and related activities that involve identification and management of risk. These include business continuity, emergency planning (provided by third party service provider, Applied Resilience), IT disaster recovery and Health & Safety compliance within the Council. It is important that the role and interrelationships of each are clearly understood if the Council is to effectively manage risk across the organisation and with external stakeholders and partners.

Separate policies and procedures exist to specifically support business continuity, emergency planning, IT disaster recovery and health and safety compliance.

Whilst this framework specifically addresses risk associated with delivery of corporate and operational objectives, the same escalation process is used for risk identified through business continuity, emergency planning, IT disaster recovery and Health & Safety compliance. Risks identified and assessed that score highly post-mitigation are escalated to Corporate Leadership Team (CLT) for consideration for inclusion on the corporate risk register.

Diagram: Relationship between Risk Management processes across the Council

ACTIVITIES	Horizon scanning and Risk Management at strategic and operational levels. Key policy documents e.g. Capital and investment strategy.	Business Continuity planning	Emergency planning	Disaster recovery	Health and safety compliance
PROCESS	Recognising risks facing the Council	Risks, that if materialise, may impact on service delivery	Significant crisis or emergency requiring response	Restoring data systems and applications	Health and safety compliance risk assessments
ACTORS	CLT SLT Project sponsors Contract Owners All staff Internal Audit	SLT (strategic Business Continuity Plan) Individual CHoS (service area Business Continuity Plans)	CLT SLT Applied Resilience	Digital Services Infrastructure team	HR/ H&S Officer (DSO) (workforce risk assessments) Compliance officers (3rd parties)

3.5. Partnership Risk Management

The Council recognises the important role and contributions its partners make to the achievement of the Corporate Business Plan and associated corporate strategies. Risk management plays a vital role in ensuring that these partnerships are successful and that they do not expose the Council to unnecessary risks.

Examples of partnership working include:
- Joint commissioning/provisioning with other public bodies
- Joint ventures with other public sector entities
- Partnership and joint ventures with the private sector
- Council companies, social enterprises and trusts

An example of partnership working and the opportunity that this has brought about is the Community Services Partnership between Runnymede and Surrey Heath Borough Council. As part of the process of setting-up, developing and managing partnerships, relevant risks must be identified, managed and monitored.

To improve monitoring and management of risk associated with partnerships, the corporate risk register will include significant risks associated with these delivery arrangements including business continuity risks. Corporate Heads of Service (CHoS) will identify and include these risks within their service area risk registers and escalate significant risks to the CLT for entry on the Corporate Risk Register.

4. Risk Management Framework

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Risk Management Framework 2023 - 2026

                    Corporate Risk

                  Service Area Risk

Golden Thread:    Programme and           Golden Thread:
                   Project Risk
Corporate and                              Risks identified at
Strategic risks                            service area, project
may impact on or    Contract Risk          or contract level
be considered                              may need to be
alongside service,                         escalated for
project or contract Supporting risk        inclusion in the
risks.              management             overall corporate
                    documentation          risk register.
```

Identification and management of risk on a number of levels, mirrors the Council's 'Golden thread' ensuring that objectives set for the organisation and documented in the Corporate Business Plan and associated Corporate Strategies are translated and included in Service Area Plans and as a result in team and individual objectives for delivery. Assessment and management of risk also occurs at both the corporate strategic level, and at operational levels in service, project or contract risk registers.

Operational risks can lead to the success or failure of a corporate objective and therefore might inform the approach and decision making of senior management at both the service and corporate leadership levels. This approach supports a more holistic understanding of risk across the organisation.

Effective risk management also considers opportunities as well as threats to delivery of strategic and operational objectives.

4.1. Managing risk to deliver corporate and operational objectives.

Annually, as part of the Corporate Business and Budget Planning process, each service area identifies and puts forward key activities (project and non-project) to be undertaken and any revenue or capital budget growth required over the course of the coming financial year. Service areas are required to review service risk as well as horizon scan to include political, economic, sociological, technical, legal and environmental as well as other risks which become apparent in the risk landscape in which they operate. This can lead to identification of risks that require action to mitigate any impact that may occur if the risk were to materialise. These actions are then managed and delivered as part of the normal business of the service area throughout the project or year.

Every staff member has an annual performance review (appraisal) to assess and monitor progress against set objectives as well as setting objectives for the coming year to deliver Service Area Plan activities. As part of this, an awareness of risks and their management is cascaded down to staff through their objectives.

Risk management is undertaken within the Council through the following processes:

I. In addition to day-to-day management, teams carry out regular reviews of progress against their Service Area Plan, including an assessment of the Service Area Plan risk register.

II. As described within the project management methodology, an overview of the progress (including RAG status of project criteria) of all category 'A' and 'B' projects is provided monthly to the Chief Executive/ CLT and quarterly to the Corporate Management Committee. As part of this reporting process, overall project risk is rated, and senior leaders alerted to any project risks that require remedial action outside of project tolerances or escalated for consideration to be added to the Corporate Risk Register. Category 'C' projects are monitored within a service area and are reported to the Corporate Management Committee on a 6-monthly basis.

III. Each Corporate Head of Service (as members of the Senior Leadership Team (SLT)), provide an overview of service performance and emerging risks as part of the review of the Corporate Risk Register on a quarterly basis.

5. Risk Management Process

The monitoring and reporting of risks to the Council and its operations are as follows:

- As part of the annual business planning cycle, Corporate Heads of Service develop their service area risk register. Identification of risks may lead to necessary action to avoid, mitigate, or accommodate the risk and these activities will to be included in the Service Area Plan.

- Significant risks within these risk registers above a certain risk score are escalated to CLT for consideration of inclusion on the Corporate Risk Register. See **Appendix 1: Risk Escalation Process Diagram**

- On a regular and frequent basis, service area risk registers are reviewed by the Corporate Head of Service and team(s). Any changes to risks, existing and planned controls, progress against any related risk actions and risk ratings are updated on the register by the risk owners, as necessary. Significant risks above a certain risk score are escalated to CLT for consideration for the Corporate Risk Register.

- The CRR is reviewed on a regular basis by CLT and on a quarterly basis by SLT. This ensures all Corporate Heads of Service are aware of significant risks, and can collectively discuss the risks, and develop and plan mitigation. This provides a checkpoint to ensure that similar risks from across the organisation are being consistently scored. Review of organisation risk in this way can also identify those risks that are scored as 'minor' but appear in multiple service risk registers. As a result, whilst the individual risk score is low, these may need to be included in the CRR due to the impact if the risk materialised for all service areas.

- Once the CRR has been reviewed and updated, the Project Management Office produces a risk dashboard to accompany the update report to Standards and Audit committee on a 6-monthly basis for review.

- The Assistant Chief Executive (Section 151 Officer) provides an update to Standards and Audit Committee on a six-monthly basis to report on the Corporate Risk Register and associated activity.

- Risk registers will be shared with internal audit annually (to inform the annual audit plan) with internal audit recommendations being considered by CLT and SLT and triggering updates to service area risk registers where appropriate.

Risk management is an integral part of corporate governance, and in particular, closely linked with corporate performance management. As such, the Council's Risk Management Framework will be reviewed in line with Corporate Business Planning cycle (next review: 2025 for 2026).

Risk management needs to be dynamic in order to capture and anticipate new risks and to assess the trade-off between risk and opportunity. It is an ongoing cycle, that used properly, will help to ensure that effective decisions are made, based on a sound understanding of the risks and opportunities faced.

Risk management can be described in a 5-step process:

Please refer to **Appendix 2: Risk Management Process diagram**

Step 1.   Set the Council's objectives and risk appetite.

i.   Corporate Business Plan and Service Area Plans

The Corporate Business Plan 2022-2026 and the associated corporate strategies for Economic Development, Empowering Communities, Climate Change, Health and Wellbeing and Organisational Development provides the strategic direction and objectives to be delivered over the period of the plan.

Annual service area plans set out the specific corporate and operational objectives that will be delivered by the teams and individuals in the service area over the following 12-month period.

ii.   Risk Appetite

Risk Management is a continuously evolving process, whereby the Council constantly seeks to refine and improve process, in order to support the delivery of its objectives and take a proportionate approach to risk. Identifying its risk appetite enables the Council to take a

balanced approach in respect of risk by understanding the risk levels that it may tolerate, and therefore target its scarce resources at the management of risks that cannot be tolerated. Effective risk management supports informed decision-making through the determination of the nature and extent of the principal risk exposure to the Council, and how much risk it is capable of absorbing to achieve its objectives.

It is often not possible to manage all risk to the most desirable level, but the setting of risk appetites and tolerances means that risks can be managed to a tolerable level.

In addition to having an overarching risk appetite statement, the Council has developed statements to describe its attitude to accepting risk in each of its areas of risk categories.

The following risk appetite scale will be use used to assess the level of risk appetite for each area.

Risk appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have a low degree of inherent risk and only limited potential for benefit/return. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where scope has been identified to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry. or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Risk appetite statements will be reflective of commentary within the Corporate Business Plan. In addition, it is anticipated that further detail on the risk appetite for major strategic risk areas such as the holding of investment property, regeneration projects, and capital financing, will be set out in greater detail within specific documents such as the Capital and Investment Strategy.

The overarching Risk Appetite statement and individual risk area appetites will be reviewed annually and feed into the Council's budgetary and policy framework.

An example table of risk appetite levels against a selection of risk categories is set out at Appendix 3: Example Risk Appetite

Step 2.   Identify risks.

Common techniques used to identify risks are horizon scanning, brainstorming, workshops and facilitated discussions. Risks are documented in an appropriate risk register.

i.   External Threats (horizon scanning)

The Council's horizon scanning process will identify external threats over which it has no direct control. The Council's response to these threats will be an important factor in how it develops and implements the Corporate Business Plan and associated strategies as well as how the Council translates these into service delivery. As such, the Council can draw down any of these threats into the Corporate Risk Register if or when required.

The Service Area Horizon Scanning template incorporates a PESTLE analysis at both the whole organisation and service level to evaluate:
* **Political** - Political factors at local, regional and national level
* **Economic** - Economic factors at local, regional and national level
* **Sociological** - Emerging trends that impact on professional or lifestyle.
* **Technological** - Impact of technological advances or adaptations
* **Legal** - Legal regulations, considerations, relevant National or International case law
* **Environmental** - Environmental factors at local, regional, national or global level
* **Organisation** – organisational factors that could impact on delivery of corporate or service objectives.

Conducting a PESTLE analysis supports identification of risk at the corporate, service, project or contract level that need to be managed in order to successfully deliver objectives. This is a useful exercise for CHoS to complete at least annually as part of business planning.

ii.   SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

Conducting a SWOT analysis is a useful way to partition factors that could be a risk. Weaknesses and Threats are highlighted as risks and Strengths and Opportunities are identified as opportunities for the service, task or project and as a result risks are determined.

iii.   Brainstorming, workshops, facilitated discussions.

Asking the following questions can help identify risks:

* What could happen to stop or delay delivery of objectives?
* What could realistically go wrong?
* What do we need in order to achieve this objective? Do we depend on others to succeed?
* What opportunities might arise?
* What assumptions have been made?
* What have we learnt from delivery of other similar objectives? What were the risks and how have these been addressed? Have they been considered for this objective?

iv.   Risk Registers

Risks identified are documented in a Risk Register.

Corporate Risk Register

The Corporate Risk Register (an example is given in Appendix 4) contains key strategic risks which could affect the delivery of the Council's objectives and targets as set out in the Corporate Business Plan and corporate strategies. The owner of this register is CLT. SLT provide significant inputs and support regular and frequent reviews. The risks on this register are often at such a level where only CLT or SLT can influence and mitigate them through political and financial intervention or other means, such as redistributing resources. The risks on the Corporate Risk Register may come from horizon scanning and PESTLE analysis of the wider public sector, local government or market conditions or be unique to the Council in terms of one-off, specific risks. Significant high-scoring risks from service area risk registers will also be escalated to CLT for consideration of inclusion in the Corporate Risk Register.

Service Area Risk Registers

Service Area Plans set-out the aims, objectives, priorities and resources required for delivery of all of the individual services the Council provides. The details of the activities required to deliver each service must be set-out and understood and it is important that specific threats and risks at the operational level are identified and managed. Each CHoS is responsible for maintaining an up-to-date service risk register. These risks are the risks that will be experienced 'on the front line' and will be documented in the related service area risk registers (an example is given in Appendix 4). Significant high-scoring risks from service area risk registers must be escalated to CLT for consideration of inclusion in the corporate risk register.

Project Risk Registers

Every project has a distinct set of objectives and work packages to deliver the required outcomes, and the risks that might impact on these will need to be managed to support delivery on time, budget and quality. Risks should be identified in the business case for the project (Initiation stage) and managed throughout the lifecycle of project. Once the project is authorised, risks should be managed in the project risk register (an example is given in Appendix 4) in accordance with the Project Management toolkit and methodology. Risks should be regularly reviewed at Project Team and Project Board meetings and overall risk status reported as part of the monthly Project Management Office reporting process. Significant high-scoring risks from project risk registers should be escalated to the CHoS to be determined whether it should also be included on the service area risk register.

Contract Risk Registers

Contract Owners and Managers are required to identify risks associated with third party service works or goods delivery and maintain contract risk registers for key Council contracts where the risk of contract failure would result in a significant issue for the Council. These contracts could be categorised as those that deliver a key service to residents, that provide a significant income stream, that are integral to core Council operations or those that would result in major reputational damage in the event of failure. The significance of each contract will vary a great deal, so in these instances, Contract Managers should contact the Corporate Procurement team to discuss the risk management approach that should be applied. Areas to consider will be governance, reporting and monitoring arrangements. The contract management framework covers contract risk in more detail.
Significant high-scoring risks from contract risk registers should be escalated to the CHoS to be determined whether it should also be included on the service area risk register.

Step 3.   Evaluate risks

Once risks have been identified, the risks need to be categorised, scored, and rated. The Risk Register template supports this through the use of drop-down selections and calculated cells.

i.   Risk Categories

Identified risks are categorised into high-level risk categories (example risk categories below are taken from the Government's Orange Book: Management of Risk – Principles and Concepts[1]):

Strategy risks – Risks arising from identifying and pursuing a strategy, which is poorly defined, is based on flawed or inaccurate data or fails to support the delivery of commitments, plans or objectives due to a changing macro-environment
(e.g. political, economic, social, technological, environment and legislative change).

Governance risks – Risks arising from unclear plans, priorities, authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance.

Operations risks – Risks arising from inadequate, poorly designed or ineffective/ inefficient internal processes resulting in fraud, error, impaired customer service (quality and/or quantity of service), non-compliance and/or poor value for money.

Legal risks – Risks arising from a defective transaction, a claim being made (including a defence to a claim or a counterclaim) or some other legal event occurring that results in a liability or other loss, or a failure to take appropriate measures to meet legal or regulatory requirements or to protect assets (for example, intellectual property).

Property risks – Risks arising from property deficiencies or poorly designed or ineffective/ inefficient safety management resulting in non-compliance and/or harm and suffering to employees, contractors, service users or the public.

Financial risks – Risks arising from not managing finances in accordance with requirements and financial constraints resulting in poor returns from investments, failure to manage assets/liabilities or to obtain value for money from the resources deployed, and/or non-compliant financial reporting.

Commercial risks – Risks arising from weaknesses in the management of commercial partnerships, supply chains and contractual requirements, resulting in poor performance, inefficiency, poor value for money, fraud, and/or failure to meet business requirements/objectives. Includes procurement risks.

People risks – Risks arising from ineffective leadership and engagement, suboptimal culture, inappropriate behaviours, the unavailability of sufficient capacity and capability, industrial action and/or non-compliance with relevant employment legislation/HR policies resulting in negative impact on performance.

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[1] Annex 4: Example Risk Categories, The Orange Book

Technology risks – Risks arising from technology not delivering the expected services due to inadequate or deficient system/process development and performance or inadequate resilience.

Information risks – Risks arising from a failure to produce robust, suitable and appropriate data/information and to exploit data/information to its full potential.

Security risks – Risks arising from a failure to prevent unauthorised and/or inappropriate access to the estate and information, including cyber security and non-compliance with General Data Protection Regulation requirements.

Project/Programme risks – Risks that change programmes and projects are not aligned with strategic priorities and do not successfully and safely deliver requirements and intended benefits to time, cost and quality.

Reputational risks – Risks arising from adverse events, including ethical violations, a lack of sustainability, systemic or repeated failures or poor quality or a lack of innovation, leading to damages to reputation and or destruction of trust and relations.

Failure to manage risks in any of these categories may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.

Most risks will have impacts that span multiple risk categories and therefore risks should be categorised according to the biggest impact on the Council should the risk materialise. High-level risk categories are useful to understand the general nature of a risk and to help ensure the right officers are monitoring and dealing with it.

Risk categories will be used for high-level reporting purposes when the risk dashboard is produced.

Step 3.   Scoring Risk

A Risk Score is a calculated number that aims to assess and quantify a level of risk associated with a system, process or activity.

Risks are scored by multiplying their potential severity of impact by the likelihood of their occurrence.

The risk score is calculated pre- and post- mitigation.

Risk score = Impact x Likelihood

i.   Impact Scales

If a risk were to materialise, the impact needs to be considered on a variety of levels including impact on strategic and service deliverables, budgets and compliance with relevant law or regulations.

Impact		Considerations			
Score	Severity of Impact	Strategic	Delivery	Finance	Compliance
5	Critical issue and considerable impact	Failure to deliver council priorities or major project. Council receives nationally adverse publicity perceived as failing in a significant area of responsibility	Failure to deliver a service/project. 50-95% schedule overrun on project	Significant financial loss or overspend £250,000 plus leading to the section 151 Officer having to issues a statutory report. 50-95% project overspend	Breach of law/ regulations leading to significant sanctions Litigation almost certain with minimal defence
4	Serious problem with significant impact	Significant impact on delivery of Council priorities or major priorities Public confidence in council undermined.	Unsatisfactory service performance/service disruption for 5+ days 25%-50% schedule overrun on projects	Financial loss or overspend greater than £100,000-£250,000. 25%-50% project overspend	Breach of law/regulations leading to some sanction Litigation almost certain with some defence
3	Noticeable effect	Possible impact on the delivery of council priorities Significant adverse local publicity	Reduction in service performance / service disruption for 1-2 days	Financial loss or overspend between £50,000-£100,000	Breach of law/regulation or responsibility or internal standard Litigation possible
2	Only a small effect	Minor adverse local publicity Minor impact on staff morale/public attitudes	Poor service / service disruption up to one day 10%-25% project schedule overrun	Financial loss or overspend between £5,000 - £50,000. 10%-25%project overspend	Breach of internal procedure or policy Complaints likely
1	Negligible impact	No significant impact on the delivery of Council priorities Unlikely to cause adverse publicity	No significant difficulty providing a service or delivery of a project. Less than 10% schedule overrun on projects	Financial loss or overspend under £5k	Minor breach of policy or internal procedure Complaints unlikely

ii.   Likelihood Scale

The probability that a risk materialises and becomes an issue is determined by the likelihood scale.

Score	Likelihood of Occurrence	Probability	Description
5	Certain to Happen	90%+	Without action, issue is highly likely to occur. No internal controls / mitigating actions in place. The Council is experiencing problems in this area or expects to within the next 12 months.
4	Probably will Happen	60%-90%	Strong possibility. Poor or ineffective internal controls / mitigating actions in place, or existing controls are generally ignored. The Council has experienced problems in this area within the last 12 months.
3	Possibly will Happen	40%-60%	Might occur. Some internal controls / mitigating actions in place, but in need of review / improvement. Existing controls generally work but there have been occasions when they have failed, and problems have arisen. The Council has in the past experienced problems in this area but not in the last 12 months.
2	Unlikely to Happen	10%-40%	Not expected. Effective internal controls / mitigating actions in place. Previous experience discounts this risk as being likely to occur, but other organisations have experienced problems in this area.
1	Highly unlikely to happen	0%-10%	Very unlikely to occur. Substantive, effective, tested and verifiable internal controls / mitigating actions in place. Previous experience at this and other similar organisations makes this outcome highly unlikely to occur

Step 4.   Take action to manage risks.

i.   Runnymede Borough Council Risk Matrix

When assessing a risk for the first time (including project and contract risks), the pre-mitigation risk score is calculated assuming that the risk is accepted without any controls or

mitigation actioned (pre-mitigation). The risk is also scored post-mitigation to calculate a score for the remaining substantive risk assuming the agreed risk action plan is implemented.

Risk score is calculated by assigning values for the identified likelihood of occurrence (A) and the severity of the impact (B).   Multiplying 'A' and 'B' calculates the risk rating score, which gives an indication of significance and priority as seen in the risk matrix below.

The thick black line is the "line of tolerance". Those risks that are plotted above the line (risk score 10-25) are "out of tolerance" and will be referred to CLT for further oversight and support and consideration for inclusion on the Corporate Risk Register.

		Negligible 1	Small 2	Noticeable 3	Serious + Significant 4	Critical + Considerable 5	Likelihood of Occurrence (A)	Severity of Impact (B)
LIKELIHOOD (A)	**Certain** 5	5	10	15	20	25	1- Highly unlikely to happen	1- Negligible impact
	Probable 4	4	8	12	16	20	2- Unlikely to happen	2- Only a small effect
	Possible 3	3	6	9	12	15	3- Possibly will happen	3- Noticeable effect
	Unlikely 2	2	4	6	8	10	4- Probably will happen	4- Serious problem with significant impact
	Highly unlikely 1	1	2	3	4	5	5- Certain to happen	5- Critical issue and considerable impact
		Negligible 1	**Small** 2	**Noticeable** 3	**Serious + Significant** 4	**Critical + Considerable** 5		
		IMPACT (B)						

ii.   Risk Response

Once risk score has been calculated, each risk response should be categorised.
There are seven key Risk Response categories to mitigate and manage risk:

Avoid: take action so the threat no longer has impact or can no longer happen
Prevention: terminate the risk
Reduction: treat the risk to reduce the probability of the risk or reduce the impact if the risk were to occur
Transference: pass the risk to a third party e.g., insurance
Acceptance: accept and tolerate the risk
Contingency: action plan implemented to reduce the impact of the risk
Share: share the risk and potential opportunity

iii.   Risk Rating Guidance Table

	Risk Rating	Guidance to Risk Owners
15-25	Most Risks at this level sit above the tolerance of the Council and are of such magnitude that they form the Council's biggest risks. The Council is not willing to take risks at this level and action should be taken immediately to treat, transfer or terminate the risk.	Identify the actions and controls necessary to manage the risk down to an acceptable level. Report the risk to the Corporate Head of Service to escalate to CLT. Risk to be added to the Corporate Risk Register. If necessary, steps will be taken to collectively review the risk and identify any other possible mitigation (such as additional controls)
	Some of these risks are within the upper limit of risk tolerance. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level where possible. Alternatively, consideration can be given to transferring or terminating the risk.	Identify controls to treat the risk impact/ likelihood and seek to bring the risk down to a more acceptable level. Escalate to CLT. Risk to be considered for inclusion on the CRR.
9-12	These risks sit on the border of the Council's risk threshold and so while they don't pose an immediate threat, they are still risks that should remain under review. If the impact or likelihood increase, then risk owners should seek to manage the increase. Risk with a score above 10 should be escalated to CLT and may be included in the CRR.	Keep these risks on the radar and update as and when changes are made, or if controls are implemented. Movement in risks should be monitored, for instance featuring as part of a standing management meeting agenda
1-8	These are low level risks that could impede or hinder achievement of objectives. Due to the relatively low level, it is unlikely that additional controls will be identified to respond to the risk.	Keep these risks on your register and formally review at least once a year to make sure that the impact and likelihood continues to pose a low level.
	Minor level risk with little consequence but not to be overlooked completely. They are enough of a risk to have been assessed through the process but unlikely to prevent the achievement of objectives.	No actions required but keep the risk on your risk register and review at least annually as part of the service planning process

Step 5.   Monitor and report on risk.

i.   Communicating Risk

All staff need the knowledge and information necessary to enable them to identify and manage risk effectively. Risks identified must be documented in the appropriate level of risk register.

Corporate Heads of Service are responsible for promoting risk assessment and management with their staff individually, at team meetings and at the outset of projects. The Council's Staff Home intranet will include risk management documentation to support staff manage risk in their work.

The opposite point of view to 'risk' is 'opportunity'. All staff should be aware that in the same way that 'risk' is managed out of the Council's programmes and projects, 'opportunities' should be managed to ensure that they are realised.

## ii.   Escalating high scoring risk

As a result of identification and evaluation of risks, each risk register will consist of risks that score between 1-25. As per the Risk Guidance Table above, those risks that are plotted above the tolerance line (risk score 10-25) are "out of tolerance" and will be referred to CLT for further oversight and support and consideration for inclusion on the Corporate Risk Register. Risks with scoring between 15-25 are classified as "significant" risks. It is the responsibility of the Corporate Head of Service to escalate these risks to CLT. The Project Management Office (PMO) will support this process to compile risks that need to be reviewed by CLT for incorporation on the corporate risk register.

See **Appendix 1: Risk Escalation Process Diagram**

iii.   Reporting risk

The PMO will develop a dashboard as part of the corporate reporting system to communicate the risk portfolio to Standards and Audit committee on a 6-month basis to keep elected members abreast of the highest priority risks identified and the mitigation in place.

Mock-up of a Risk Dashboard – actual content and format to be agreed
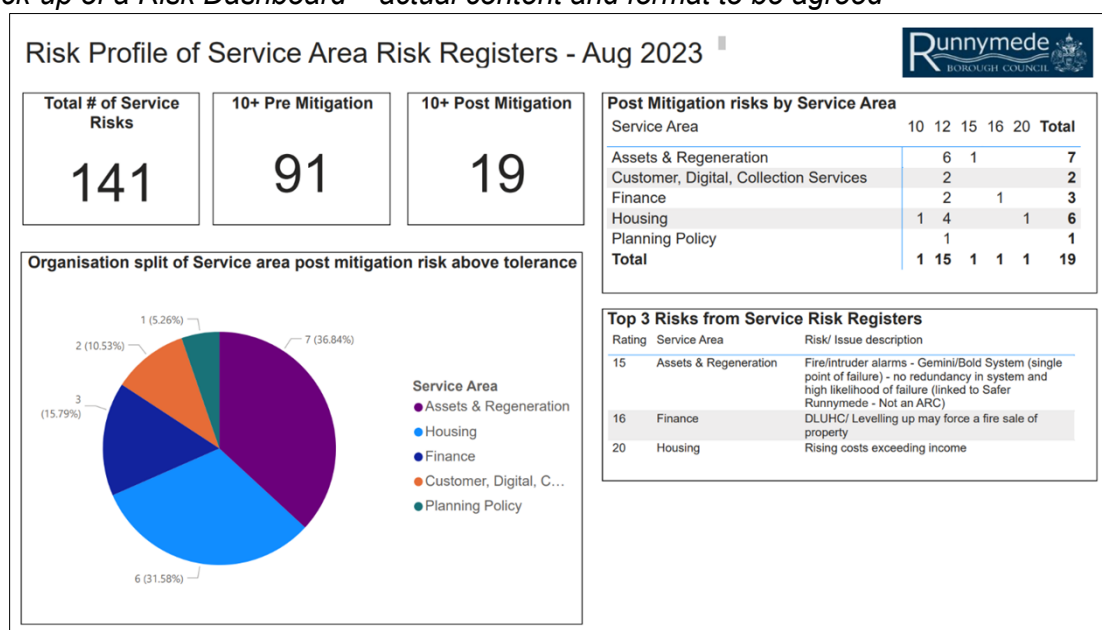
The Assistant Chief Executive provides an update to Standards and Audit Committee on a six-monthly basis to report on the Corporate Risk Register and associated activity.

Risk registers will be shared with internal audit annually (to inform the annual audit plan) with internal audit recommendations being considered by CLT and SLT and triggering updates to service area risk registers where appropriate.

6. Roles & Responsibilities

A roles and responsibility matrix has been developed to illustrate the roles and responsibilities of all actors and stakeholders in risk management. See Appendix 5: Roles and responsibilities matrix (RACI).

All staff and stakeholders involved in delivery of the Corporate Business Plan, Service Area Plans and business as usual activities have a responsibility to assess and manage risks and identify and apply learning from risks.

6.1. Elected Members

Members have a responsibility to understand the strategic risks that the Council faces and will be made aware of how these risks are being managed through reports to the Standards and Audit Committee.
- All members will have the responsibility to consider the risks associated with the decisions they make and will be informed of these risks in the Committee reports provided.
- Members should not seek to avoid or delegate overall responsibility regarding risk.
- Gain assurance over the effectiveness of the Council's risk management processes (through internal audit, dashboard updates and reports to Standards & Audit Committee)
- Ensure the decision-making Committees act within the agreed risk appetite and tolerance of the Council.
- To consider the effectiveness of the authority's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
- Seek assurance that action is being taken on risk-related issues identified by auditors and inspectors.

6.2. Standards & Audit

The Standards and Audit Committee consists of ten Members. Meetings take place five times a year to discuss:

- Ethical standards and issues.
- Code of conduct for Councillors.
- Corporate systems and controls.
- Internal audit activity.
- Risk management policy and strategy.

In relation to risk management, the Committee has oversight of the Council's risk analysis and risk assessments, risk response, and risk monitoring including:

- The establishment of risk management across the organisation, including partnerships.
- Approval of the Council's risk appetite and tolerance.
- Being appraised of the most significant risks.
- Determining whether management's response to risk and changes in risk are appropriate.

6.3. Internal Audit

Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls, and governance processes.

- Undertakes an assessment of the Council's risk management and internal control mechanisms as part of the review of corporate governance arrangements.
- Audit reports are provided to Standards & Audit Committee to consider the adequacy of the existing risk management system and recommendations for continuous improvement.

    This role is fulfilled by a third-party service provider.

6.4. Corporate Leadership Team (CLT)

CLT ensure that effective systems for Risk Management and internal controls are in place to support effective and robust corporate governance of the Council.
- Take a leading role in identifying and managing the risks and opportunities to the Council and to set the example and standards for all staff.
- Set the Council's risk appetite.
- Ensure that this framework is communicated, understood and implemented by all Members, managers and staff, and fully embedded in the Council's corporate business planning and monitoring processes.
- Identify, analyse and monitor high-level corporate and cross-cutting risks on a regular basis.
- Actively support and guide the management of highest priority risks and take action to mitigate impact/likelihood.
- Report to Members on the management of corporate and other significant risks and the overall effectiveness of risk management controls.
- Ensure that sufficient resources are identified and provided to enable the development/implementation of risk management.
- Provide overview and challenge over the corporate level risks facing the Council, how these are affected by change and how they are being managed.
- Review and guide on the risk implications of key decisions as part of the Council's governance process
- Ensure and monitor compliance with risk management practices.
- Own the Corporate Risk Register and review on a regular and frequent basis including a quarterly review with SLT.
- To ensure CHoS appropriately maintain, review and update service area risk registers and integrate them in service area plans.

6.5. Assistant Chief Executive (Section 151 Officer)

The CIPFA risk statement relating to the role of the Section 151 Officer states they should ensure that public money is always safeguarded and used appropriately, economically, efficiently, and effectively.

The risk-related activities of the Section 151 Officer include:

- Ensuring that immediate and longer-term implications, opportunities and risks are fully considered, and any decisions are in alignment with the overall financial strategy.

- As a member of CLT, contributes to the effective corporate management of the organisation, including strategy implementation, advising on cross organisational issues, ensuring integrated business and resource planning, risk management and performance management.
- Supports collective ownership of strategy, risks and delivery.
- Supports the effective governance of the organisation through development of corporate governance arrangements, risk management and reporting framework.
- Address the organisation's arrangements for financial and internal control and for managing risk in Annual Governance Reports.
- Ensure compliance to the policy across the Council including coordinating and reviewing all Service Plan risks on an annual basis.
- To act as a forum for the sharing of best practice

6.6. Senior Leadership Team (SLT) (Corporate Heads of Service)

Each Corporate Head of Service is individually responsible for monitoring the status of the risk registers and action plans for their respective areas of responsibility. SLT are responsible for embedding risk management into the business/service planning of all areas for which they are responsible.
- Ensure that risk management is part of all major projects, partnerships and change management initiatives.
- Be actively involved in the identification and assessment of risks to ensure that their respective areas of responsibility are sufficiently reflected and updated on the appropriate risk register.
- Assign a Risk Owner to each risk, ensuring that any agreed risk action plan is implemented and reviewed, and risks are treated effectively.
- Escalate high-scoring significant risks to CLT for consideration on the Corporate Risk register.
- Ensure that reports of a strategic nature written for Members include a risk assessment of the options presented for a decision.
- Report as required to the quarterly review meeting with SLT on the progress being undertaken to manage the high priority risks within their areas of responsibility.
- To ensure that appropriate risk management training and awareness is provided to relevant Members and staff.
- Respond to risks in accordance with the Council's risk appetite.
- Monitoring their teams' risks regularly and at least quarterly.
- Encouraging staff to be open and honest in identifying risk or potential opportunities
- To ensure that all projects have up to date risks and issues logs and key risks are highlighted at the project initiation stage and on an ongoing basis in project status reports.

6.7. Risk Owners

- Once a risk has been identified, a risk owner will be assigned by the CHoS (service, project or contract risk) or CLT (corporate risk). The Risk Owner is responsible for monitoring the risk and ensuring identified actions are undertaken in response. As a result, this role will provide input into regular and frequent risk review for the risks that have been assigned to them.
- Risk ownership is not the same as actually undertaking or being responsible for carrying out actions in response. Rather the role is aimed at ensuring necessary actions take place, otherwise there is a chance management actions may not be completed.
- The best risk owner will usually be someone closely involved in delivering the area of the business where the risk arises.

6.8. Committee Report Authors

- Any proposed new initiative or activity or change being reported to a committee should include a summary of the risk implications to the service area and Council as a whole, as part of the cover report and full business case.

6.9. All Staff

- Demonstrate an awareness of risk and risk management relevant to their role.
- Identify risks within their everyday work processes and working environment and escalate them as appropriate.
- Participate, where appropriate, in ongoing risk management within their teams and areas of responsibility, as part of regular day-to-day activities.
- Actively manage risks and risk actions, where appropriate.
- All staff have responsibility for council risks and must understand their role in the Council's risk management arrangements.
- Complete relevant risk management training on a regular basis

7. Risk Management Training

It is important that elected members and staff develop their knowledge and understanding of risk management.

The HR and Organisational Development service area will annually set out as part of the organisation's training programme a variety of training modules addressing risk management that must be completed. Employee training will be appropriate to their role and responsibilities specifically for Risk Management.

The training programme will contain a mixture of both formal and informal training sessions and will remain adaptable to the changing risks within the organisation. Managers will be responsible for ensuring employees within their Service/Team receive adequate Risk Management training and that records of training are retained.

Appendix 1: Risk Escalation Process Diagram

Risk Management Escalation process diagram showing swimlanes for Corporate Risk, Operational Risk, Project Risk, Contract Risk, Business Continuity/Emergency Planning, Disaster Recovery, and H&S Compliance.

Corporate Risk: PESTLE and Horizon Scanning; Corporate Business Plan objectives → Identify, evaluate, mitigate risk → Review of risk at CLT to enter on CRR → Add to CRR → Corporate Risk Register; Regular review with SLT. ESCALATE.

Operational Risk: Service Area Plan objectives → Identify, evaluate, mitigate risk → Service Area Risk Register → Post-mitigation risk score 10 - 25.

Project Risk: Business Case and Project Charter → Identify, evaluate, mitigate risk → Project Risk Register → Post-mitigation risk score 10 - 25.

Contract Risk: Contract and Contract Management Plan → Identify, evaluate, mitigate risk → Contract Risk Register → Post-mitigation risk score 10 - 25. ESCALATE.

Business Continuity/Emergency Planning: Business Continuity Plan → Identify, evaluate, mitigate risk → Post-mitigation risk score 10 - 25.

Disaster Recovery: Disaster Recovery Plan → Identify, evaluate, mitigate risk → Post-mitigation risk score 10 - 25.

H&S Compliance: Workforce activity Risk Assessments; Contractor Risk and Method Statements (RAMS) → Identify, evaluate, mitigate risk → Post-mitigation risk score 10 - 25.

Appendix 2: Risk Management Process diagram
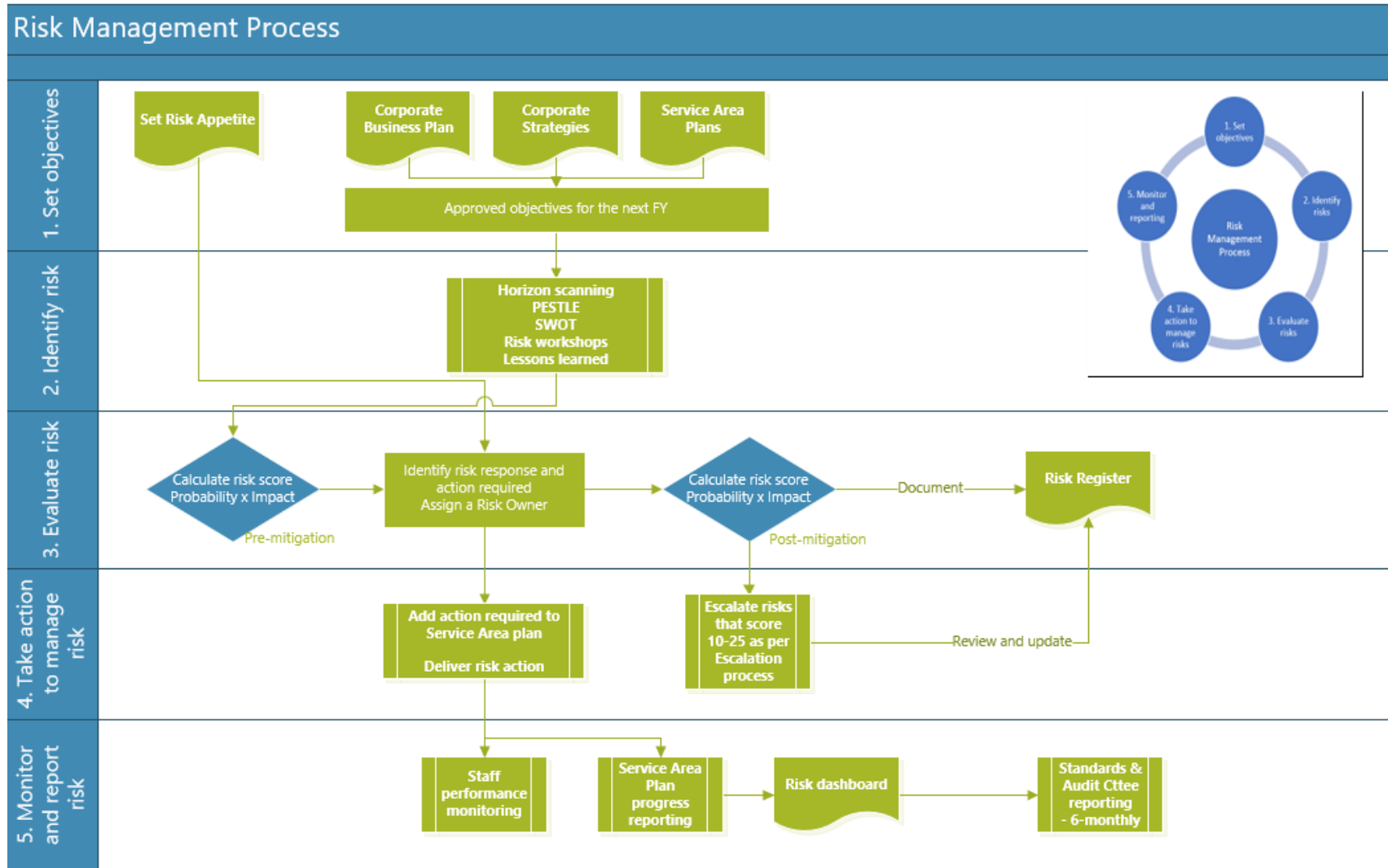
Appendix 3: Example Risk Appetite[2]

	Risk appetite level description				
	Averse	Minimal	Cautious	Open	Eager
Strategy	Guiding principles or rules in place that limit risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 5+ year intervals	Guiding principles or rules in place that minimise risk in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 4-5 year intervals	Guiding principles or rules in place that allow considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 3-4 year intervals	Guiding principles or rules in place that are receptive to considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 2-3 year intervals	Guiding principles or rules in place that welcome considered risk taking in organisational actions and the pursuit of priorities. Organisational strategy is refreshed at 1-2 year intervals
Governance	Avoid actions with associated risk. No decisions are taken outside of processes and oversight / monitoring arrangements. Organisational controls minimise risk of fraud with significant levels of resource focused on detection and prevention	Willing to consider low risk actions which support delivery of priorities and objectives. Processes and oversight / monitoring arrangements enable limited risk taking. Organisational controls maximise fraud prevention detection and deterrence through robust controls and sanctions	Willing to consider actions where benefits outweigh risks. Processes, and oversight / monitoring arrangements enable cautious risk taking. Controls enable fraud prevention, detection and deterrence by maintaining appropriate controls and sanctions.	Receptive to taking difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements enable considered risk taking. Levels of fraud controls are varied to reflect scale of risks with costs.	Ready to take difficult decisions when benefits outweigh risks. Processes, and oversight / monitoring arrangements support informed risk taking. Levels of fraud controls are varied to reflect scale of risk with costs.
Operations	Defensive approach to operational delivery - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority.	Innovations largely avoided unless essential. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with clear demonstration of benefit / improvement in management control. Responsibility for non critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
Legal	Play safe and avoid anything which could be challenged, even unsuccessfully.	Want to be very sure we would win any challenge.	Want to be reasonably sure we would win any challenge.	Challenge will be problematic we are likely to win, and the gain will outweigh the adverse impact.	Chances of losing are high but exceptional benefits could be realised
Property	Obligation to comply with strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Recommendation to follow strict policies for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Requirement to adopt arrange of agreed solutions for purchase, rental, disposal, construction, and refurbishment that ensures producing good value for money.	Consider benefits of agreed solutions for purchase, rental, disposal, construction, and refurbishment that meeting organisational requirements.	Application of dynamic solutions for purchase, rental, disposal, construction, and refurbishment that ensures meeting organisational requirements.
Financial	Avoidance of any financial impact or loss, is a key objective.	Only prepared to accept the possibility of very limited financial impact if essential to delivery.	Seek safe delivery options with little residual financial loss only if it could yield upside opportunities.	Prepared to invest for benefit and to minimise the possibility of financial loss by managing the risks to tolerable levels.	Prepared to invest for best possible benefit and accept possibility of financial loss (controls must be in place).
Commercial	Zero appetite for untested commercial agreements. Priority for close management controls and oversight with limited devolved authority.	Appetite for risk taking limited to low scale procurement activity. Decision making authority held by senior management.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Management through leading indicators.	Innovation supported, with demonstration of benefit / improvement in service delivery. Responsibility for non-critical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust / lagging indicators rather than close control.
People	Priority to maintain close management control & oversight. Limited devolved authority. Limited flexibility in relation to working practices. Development investment in standard practices only	Decision making authority held by senior management. Development investment generally in standard practices.	Seek safe and standard people policy. Decision making authority generally held by senior management.	Prepared to invest in our people to create innovative mix of skills environment. Responsibility for noncritical decisions may be devolved.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control.
Technology	General avoidance of systems / technology developments.	Only essential systems / technology developments to protect current operations.	Consideration given to adoption of established / mature systems and technology improvements. Agile principles are considered.	Systems / technology developments considered to enable improved delivery. Agile principles may be followed.	New technologies viewed as a key enabler of operational delivery. Agile principles are embraced.
Data and Information Mgmt	Lock down data & information. Access tightly controlled, high levels of monitoring.	Minimise level of risk due to potential damage from disclosure.	Accept need for operational effectiveness with risk mitigated through careful management limiting distribution.	Accept need for operational effectiveness in distribution and information sharing.	Level of controls minimised with data and information openly shared
Security	No tolerance for security risks causing loss or damage to property, assets, information or people. Stringent measures in place	Risk of loss or damage to property, assets, information or people minimised through stringent security measures	Limited security risks accepted to support business need, with appropriate checks and balances in place	Considered security risk accepted to support business need, with appropriate checks and balances in place	Organisational willing to accept security risk to support business need, with appropriate checks and balances in place
Project/Programme	Defensive approach to transformational activity - aim to maintain/protect, rather than create or innovate. Priority for close management controls and oversight with limited devolved authority. Benefits led plans fully aligned with strategic priorities, functional standards.	Innovations avoided unless essential. Decision making authority held by senior management. Benefits led plans aligned with strategic priorities, functional standards.	Tendency to stick to the status quo, innovations generally avoided unless necessary. Decision making authority generally held by senior management. Plans aligned with strategic priorities, functional standards.	Innovation supported, with demonstration of commensurate improvements in management control. Responsibility for noncritical decisions may be devolved. Plans aligned with functional standards and organisational governance.	Innovation pursued – desire to 'break the mould' and challenge current working practices. High levels of devolved authority – management by trust rather than close control. Plans aligned with organisational governance.
Reputational	Zero appetite for any decisions with high chance of repercussion for organisations' reputation.	Appetite for risk taking limited to those events where there is no chance of any significant repercussion for the organisation.	Appetite for risk taking limited to those events where there is little chance of any significant repercussion for the organisation.	Appetite to take decisions with potential to expose organisation to additional scrutiny, but only where appropriate steps are taken to minimise exposure.	Appetite to take decisions which are likely to bring additional Governmental / organisational scrutiny only where potential benefits outweigh risks

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[2] Example appetite levels defined by risk categories taken from the Orange Book Risk Appetite Guidance

Appendix 4: Risk register examples

Example Corporate Risk Register

The Corporate Risk Register is maintained by the PMO and is owned by CLT.

The document is restricted to CLT and SLT only.

		Before mitigating measures				After mitigating measures				
Reference	Issue	Likelihood	Impact	Risk score	Mitigation measures and other comments (bullet points reflect the measures, other text is just a comment)	Likelihood	Impact	Risk score	Trend (for next 3 months)	Owner(s)
1	Income generation strategies fail to achieve targets	4	5	20	• CLT and Corporate Management Committee regularly review corporate projects. • Thorough project planning. Concerns about additional cost pressures and rent review s/rent free periods offset by new Property Income Reserve and Property Maintenance Reserve. Big corporates may look to downsize following pandemic which could affect income. They may also request rents based on turnover. There are also leisure centre income concerns. The pandemic has had a significant impact on the commercial rents and car parking income.	4	5	20	↓	CLT
2	SCC cost reduction measures impact on Borough Council.	5	4	20	• Two years of funding has been agreed with SCC for services within Community Services. There is a need to look at other ways of making projects sustainable or cease them. There is a risk currently that we are having to pay the C Tax precept over even if it isn't all collected. There is a greater expectation we will take on more services for SCC e.g. parking.	4	4	16	↑	SLT
3	Current Business Continuity arrangements are not sufficient to deal with a severe disruptive event.	5	4	20	Preliminary corporate business continuity audit results are positive. Concerns regarding business continuity capacity for monitoring community alarms within Safer Runnymede - contingency planning within Digital Services to address the risk. Corporate review of service level business continuity plans recommended for loss of power and loss of ICT (cyber attack) due to increasing risk in these areas. Corporate cyber attack exercise delayed until September to allow Digital Services to progress the DR elements. Cyber exercise further delayed due to staff availability. • Corporate Heads reviewing business continuity plans for loss of power planning.	5	4	20	→	SLT/MS/CY
4	Reduction in the number of existing and new PRS opportunities to place households in private rented sector	5	4	20	• New PRS Offer to be developed with additional resources being directed to this area. • Entering into innovative partnerships with private owners to make more properties available for our nominees at Local Housing Allowance rents. • New member of staff and additional funding obtained Won't improve in the near future due to economic conditions.	4	4	16	→	CLT + MW

Example Service Area Risk Register

Each service area risk register is owned by the relevant CHoS. It may be maintained by an officer within the service area who has been delegated this task. However, the CHoS is ultimately responsible and accountable for the risk register for their service area.

The document is stored in the Business Planning teams area.

Ref	Issue	Consequences	Impact area: Life and limb / Reputational / Financial / Legal / Other	Probability (Pre-control measures)	Impact (Pre-control measures)	Risk Rating (Pre-control)	Control Measure(s)	Probability (Post control measures)	Impact (Post control measures)	Rating (Post control measures)	Owner
HR1	Housing Revenue Account Income forecast not met.	Potential increase in rent arrears. Increase in homelessness Drain on bad debt provision KPI for rent arrears affected	Financial	4	5	20	Key performance indicators – monitored by Housing Committee Systems and procedures Annual review of Housing Revenue Account Business Plan	3	4	12	CHoH
HR2	Reduction in the number of existing and new PRS opportunities to place households in private rented sector	Increased strain on homelessness provision. Increased pressure on Housing to source alternative options with potential increase in costs	Delivery of services Welfare of residents Financial Reputational	5	4	20	New PRS Offer to be developed with additional resources being directed to this area. Entering into innovative partnerships with private owners to make more properties available for our nominees at Local Housing Allowance rents. New member of staff and additional funding obtained	3	3	9	CHoH
HR3	Failure to comply with regulator's code	Reputational damage to the Council if inspected by the regulator Financial consequences for not being compliant Concern regarding the quality of service being delivered to tenants and leaseholders	Reputational Financial Delivery of services	4	4	16	KPI framework ISO 9001 policy and procedure framework Key strategic documents Housing Committee oversight	2	4	8	CHoH
HR4	Claims for disrepair from tenants against the Housing Service	Tenants living in homes which are in poor condition Financial compensation to tenant paid Reputational damage to the Council	Financial Reputational Delivery of services	5	3	15	Key tenders in place Effective IT systems – audit trail of repair work Programme of tenancy audits and property inspections in place	3	3	9	CHoH

Example Project Risk Register (grade A projects)

Risk Register - SHBC/RBC Community Services Partnership

Project Execution Stage

Initial Risk Identification should be a group activity with the Project Team and Risks should be routinely reviewed as an action on Project team agendas

Risk ID	Risk Description	Risk Assessment Enter 1-5; 5 being highest, 1 being lowest — Probability	Impact	Risk Score P x I See Risk Matrix	Risk Owner Name | Department	Risk Response	Mitigation	Status	Actions	Update
Risk001	SHBC Executive do not approve the Partnership to go ahead.	2	5	10	Darren Williams, Corporate Head of Community Services	Reduce	Ensure Executive report promotes fully the benefits of progressing with the Partnership.	Closed	N/A	N/A
Risk002	SHBC TUPE Consultation results lead to the expansion of the Partnership not being agreed by SHBC Cabinet.	2	5	10	Darren Williams, Corporate Head of Community Services Fiona Skene Human Resources & Organisational Development	Reduce	Ensure Consultation steps communicated clearly to participants and issues are resolved in a timely fashion.	Closed	TUPE Information exchanged	TUPE to be completed on 01/04/21
Risk003	Income levels from a further integrated partnership with SHBC are not be realised.	2	3	6	Darren Williams, Corporate Head of Community Services	Reduce	Ensure senior RBC management are fully appraised of the progress of the Partnership merger so contingency plans can made if the income levels are not realised.	On-going	N/A	N/A
Risk004	ICT Equipment not in place for 01/04/21	2	4	8	Darren Williams, Community Services Stephen Bowen, Digital Transformation Manager	Reduce	Work with SHBC and RBC ICT to ensure equipment is in place prior to 01/04/21.	Closed	Monitor	Majority of equipment in place, phones in place and RBC ICT will attend Surrey Heath House on 01/04/21 to ensure smooth transition.

Appendix 5: Roles and responsibilities matrix (RACI)

RACI Matrix for Risk Management Levels at RBC

Key:

D	Driver	Assists those who are responsible for a task.
R	Responsible	Assigned to complete the task or deliverable.
A	Accountable	Has final decision-making authority and accountability for completion. Only 1 per task.
S	Support	Provides support during activity/task.
C	Consult	An adviser, stakeholder, or subject matter expert who is consulted before a decision or action.
I	Inform	Must be informed after a decision or action.

Level	Activity	Members	Standards & Audit Cttee	Internal Audit	Corporate Leadership Team (CLT)	Assistant Chief Executive (Section 151 Officer)	Strategic Leadership Team (SLT) (Corporate Heads of Service)	Risk Owner	PMO	Procurement	Committee Report Authors	Contract Owners	Contract Managers	Project Sponsors	Project Managers	All Staff
Corporate Risk Management	Set the Council's risk tolerance and appetite	C	C	D	A	R	I		I							I
	Review the Corporate Risk Register on a regular basis		I		A		R		S							
	Ensure all Corporate Heads of Service are aware of corporate risks, and facilitate a forum to collectively discuss the risks, and develop and plan mitigation				A	R	I		S							
	Provide a checkpoint to ensure that similar risks from across the organisation are being consistently scored				A		I		R							
	Provide a checkpoint to identify those risks that are scored as 'minor' but appear in multiple service risk registers				A		I		R							
	If an individual risk score is low, these may need to be included in the CRR due to the impact if the risk materialised for all service areas.				A		I		R							
	Once the Corporate Risk Register has been reviewed and updated, a risk dashboard is produced to accompany the update report to Standards and Audit committee on a six-monthly basis for review.	I			A		I		R							
	Provides updates to Standards and Audit Committee on a six-monthly basis to report on the Corporate Risk Register and associated activity		I		I	A			S							
	Risk registers will be shared with internal audit annually (to inform the annual audit plan)			I		A			S							
	Internal audit recommendations are to be considered and may trigger updates to service area risk registers		I		I	A	R		S							
	Actively manage risks and risk actions				A		R		S							
Service Level Risk Management	As part of the annual business planning cycle, Service Area Plans and risk registers are developed.	C			A		R		S							
	As part of the drafting of the risk register, risk scores, mitigations and risk owners are to be detailed				A		R	I	S					C	C	
	Identification of risks may lead to necessary action to mitigate the risk and these activities need to be included in the Service Area Plan						A		S							
	Significant risks within these risk registers above the threshold risk score are to be escalated to CLT for consideration of inclusion on the Corporate Risk Register				A		R	I	S							
	On a quarterly basis, service area risk registers are to be reviewed						A	R	I			C	C	C	C	
	Any changes to risks, existing and planned controls, progress against any related risk actions and risk ratings are to be updated on the register by the risk owners						A	R	I							
	Actively manage risks and risk actions						A	R	I			C	C	C	C	
Project Level Risk Management	Risks should be identified in the business case for the project (Initiation stage)								S					A	R	
	Set project risk tolerance						I		S					A		
	Once the project is authorised, risks should be managed in the project risk register in accordance with the Project Management toolkit and methodology.								S					A	R	
	Risks should be regularly reviewed at Project Team and Project Board meetings													A	R	
	Overall risk status reported as part of the monthly Project Management Office reporting process.								I					A	R	
	Significant risks within these risk registers above the threshold risk score are to be escalated to SLT/CLT for consideration of inclusion on the Service Area Plan/Corporate risk registers				I		I							A	R	
	Actively manage risks and risk actions													A	R	
Contract Level Risk Management Process	Contact the Corporate Procurement team to discuss the risk management approach that should be applied depending on governance, reporting and monitoring arrangements.									S		A	R			
	Identify risks associated with third party service works or goods delivery and maintain contract risk registers for key Council contracts where the risk of contract failure would result in a significant issue for the Council.						I					A	R			
	Risks to be regularly reviewed						I				I	A	R			
	Significant risks within these risk registers above the threshold risk score are to be escalated to SLT/CLT for consideration of inclusion on the Service Area Plan/Corporate risk registers				I	I	I					A	R			
	Actively manage risks and risk actions											A	R			

For all information contained within this document contact:

Runnymede Borough Council
The Civic Centre
Station Road
Addlestone
Surrey KT15 2AH

Tel 01932 838383

email: amanda.fahey@runnymede.gov.uk

www.runnymede.gov.uk

Further copies of this publication, or copies in large print other formats or languages can be obtained via the above contact details.

in Search: Runnymede Borough Council

Report title	**Local Government Ombudsman Annual Report 2022/2023**
Report author	Clare Pinnock, Democratic Services Officer
Department	Law and Governance
Exempt?	No

Purpose of report:

For information

Synopsis of report:

To present the results of Runnymede Council's KPIs and Annual report of the Local Government and Social Care Ombudsman for the year ending March 2023

Recommendation(s):

None. This report is for information.

1. **Context and background of report**

1.1 The Local Government and Social Care Ombudsman issues an annual report on their dealings with public authorities. They provide individual statistics for each public authority with case summaries and another general report covering themes across the public sector. Each authority is provided with a spreadsheet with the case reference numbers so that they can be cross matched with our records.

1.2 We maintain a separate corporate register for complaints and enquiries dealt with by the Local Government and Social Care Ombudsman and the Housing Ombudsman.

1.3 Ombudsman cases are part of the corporate KPIs. We report how many cases there have been and how many were upheld in each quarter.

2. **Report and, where applicable, options considered and recommended**

2.1 The Ombudsman issued their annual letter for 2022/2023 together with the statistics relating to Runnymede on 19 July 2023. The letter is attached at Appendix 'A.'

2.2 For the year ending 31 March 2023, there were 9 cases referred to the Ombudsman and 10 decisions issued (as one decision relates to the previous year). Two cases were referred to the Housing Ombudsman. The Ombudsman upheld all three cases they investigated and the remaining cases were either not upheld or closed after initial enquiries with no further action required. In addition, the Housing Ombudsman issued decisions for three cases, one was upheld (the case was referred last year but the decision issued in May 2022), one determined as outside their jurisdiction and the

other was referred back to us to resolve because the resident complained to the Housing Ombudsman before going through our internal processes.

2.3   The three Ombudsman cases that were upheld were Housing cases. Compensation was awarded in two cases. The Ombudsman was satisfied with the remedies already made in two of the cases before they reached them. Both were complex cases with a number of different strands. In the third case our remedy was made post investigation (hence the statistic of 67% satisfactory remedy) and included compensation being awarded. As a result of this case an update was made to the Home Assistance Policy which was approved recently by both the Housing and Community Services Committees. The summary text of the service improvement is set out below:

"The Council will ensure its staff are aware council tenants can apply for a Disabled Facilities Grant although this will be funded differently".

2.4   As is usual practice, the Ombudsman deals with enquiries but does not always advise us at the time. This accounts for three of the referrals not being on our register. The narrative provided by the Ombudsman in these cases confirms that the complainants were referred back to us for resolution because their complaints were either premature and/or had not been through our internal complaints process i.e. the complainant went directly to the Ombudsman instead of raising a complaint with us first.

2.5   The three remaining cases which were not upheld and which we were advised about at the time concerned Corporate Services (HR) and Customer Services which were closed as not within the Ombudsman's remit, and Planning which was classed as incomplete and invalid as there was insufficient information to proceed.

2.6   Service Improvements are useful for lessons learned. Some common themes from data for other local authorities include:

- The Council will consider its policy for dealing with noise complaints and ensure it has included the need to write to complainants to tell them the outcome of an investigation into noise nuisance and of their option to pursue private action under section 82 Environmental Protection Act 1990.
- Remind staff to respond to complaints within the timeframes in the Council's complaints policy, and ensure complainants are updated if the Council is not able to respond within this timeframe
- The Council will issue written reminders to relevant staff to ensure they adhere to the timescales set out in the complaints procedure. They should keep complainants updated if there are going to be delays
- The Council will send a memo to officers dealing with complaints to remind them if a person raises concerns about how a decision that affects them has been reached it can be dealt with under the complaints procedure for those matters where there is no right of appeal.
- a) produce clear guidance to staff on how and when to consider whether they need to make any reasonable adjustments for service users. This should include, for example, asking the service user if the Council needs to make any adjustments in the way it communicates with them to ensure the complainant can fully access its service. This guidance should be clearly embedded in the Council's guidance on handling complaints and its procedure on benefit claims; b) share this decision with relevant staff

members; and c) provide the Ombudsman with evidence that these actions have been completed.

- The Council has agreed to review its procedures for dealing with reviews about housing allocation decisions to ensure review decisions are accurate, contain reasons and provide a right of review where appropriate; and remind staff that when information is received indicating a change of circumstance that further enquiries should be made of the applicant to ensure full information about their situation is obtained.
- The Council will provide evidence to the Ombudsman that it has begun regular fire alarm testing at Miss B's building and that it is keeping a record of those tests. The Council should then monitor the records for the next three months to ensure the tests continue to take place. The Council will put in place person centred risk assessments and personal evacuation plans for the building. The Council will put in place a procedure to ensure the necessary fire risk assessments are undertaken each year/every two years and provide evidence to the Ombudsman to show how that will be addressed going forward.
- The Council will confirm and provide evidence of the amendments it proposes to letters and its website ensuring claimants are aware of their right to appeal to the Social Security Tribunal and the Valuation Tribunal. The Council will share this decision and remind staff dealing with housing benefit and council tax claims to advise claimants of their rights of appeal to the Social Security Tribunal and the Valuation Tribunal.

2.7   Further details can be found in the Ombudsman's Annual Review of complaints which is available on their website. Local government complaint reviews - Local Government and Social Care Ombudsman along with individual data for every local authority in the UK.

2.8   The Ombudsman has drawn attention to the fact that because they are being more selective with the complaints investigated the uphold rate has tended to increase across the board. They have suggested councils compare themselves with other similar borough and district councils instead of looking at statistics for previous years.

2.9   Set out below is some comparative data for 2022/2023 with neighbouring councils:

Authority	2022/2023 Number of complaints investigated	2022/2023 Number of complaints upheld	2022/2023 Compliance rate	2022/2023 Satisfactory remedies before reaching the Ombudsman	2022/2023 Number of Service Improvements issued
Elmbridge	4	2	100%	0	1
Epsom and Ewell	4	2	100%	1	1
Guildford	2	2	100%	0	2
Mole Valley	1	1	100%	0	0
Reigate and Banstead	4	3	100%	1	1
Runnymede	3	3	None due	2	1
Spelthorne	0	0	N/a	N/a	0
Surrey Heath	3	2	100%	0	1
Surrey County Council	81	68	100%	6	103
Tandridge	3	3	100%	1	1
Waverley	7	6	100%	1	1
Woking	0	0	N/a	N/a	0

3.   Policy framework implications

3.1   Dealing with Ombudsman cases forms part of the Council's Complaints Policy and supports the Corporate aim of empowering communities.

4   Resource implications/Value for Money (where applicable)

4.1   The Ombudsman Link Officer carries out this role as part of their normal duties in consultation with key contacts from each of the business centres. Therefore, there are no additional resource implications.

5.   Legal implications

5.1   This report fulfils the Council's Statutory duty under section 5(2) of the Local Government and Housing Act 1989.

5.2   If a Local Authority is the subject of a public interest report issued by the Ombudsman, there is a statutory requirement on the Monitoring Officer to publish a public announcement in the press, as well as to consider the report at a high-level of decision making at the Council; which is this Committee.

5.3   Not a statutory requirement, but the Ombudsman has observed that some councils have also proactively shared such reports with residents through social media or newsletters.

5.4   In the last ten years, this Council has not had any public interest reports issued.

5.5   As stated in this report, there were three cases of 'maladministration and injustice' (one relates to a complaint received last year), one of 'fault and injustice' and one upheld in the year ending 31 March 2023 (Housing).

6.   Equality implications

6.1   The Council has a duty under the Equality Act 2010. Section 149 of the Act provides that we must have due regard to the need to;

a)   eliminate discrimination, harassment, victimisation and other conduct prohibited by the Act
b)   advance equality of opportunity

c)   foster good relations between persons who share a relevant protected characteristic and persons who do not share protected characteristics.

6.2   We should at all times act in a way that is non-discriminatory through our policies and procedures and interactions with people.

6.3   An analysis of the cases handled by the Ombudsmen for the year ending 31 March 2023 suggests that age and/or disability was engaged in the housing case upheld by the Ombudsman and which resulted in a change to the Housing Assistance Policy to create a tenure neutral policy which has been communicated to all staff with particular training for relevant staff in Housing.

7.   Environmental/Sustainability/Biodiversity implications

7.1   None.

8.   Background papers

LGO Register and papers from the Local Government and Housing Ombudsmen (exempt)

9.   Appendices

Appendix 'A' Annual Letter from the Ombudsman

19 July 2023

By email

Mr Turrell
Chief Executive
Runnymede Borough Council

Dear Mr Turrell

Annual Review letter 2022-23

I write to you with your annual summary of complaint statistics from the Local Government and Social Care Ombudsman for the year ending 31 March 2023. The information offers valuable insight about your organisation's approach to complaints. As always, I would encourage you to consider it as part of your corporate governance processes. As such, I have sought to share this letter with the Leader of your Council and Chair of the appropriate Scrutiny Committee, to encourage effective ownership and oversight of complaint outcomes, which offer such valuable opportunities to learn and improve.

The end of the reporting year, saw the retirement of Michael King, drawing his tenure as Local Government Ombudsman to a close. I was delighted to be appointed to the role of Interim Ombudsman in April and look forward to working with you and colleagues across the local government sector in the coming months. I will be building on the strong foundations already in place and will continue to focus on promoting improvement through our work.

Complaint statistics

Our statistics focus on three key areas that help to assess your organisation's commitment to putting things right when they go wrong:

Complaints upheld - We uphold complaints when we find fault in an organisation's actions, including where the organisation accepted fault before we investigated. We include the total number of investigations completed to provide important context for the statistic.

Over the past two years, we have reviewed our processes to ensure we do the most we can with the resources we have. One outcome is that we are more selective about the complaints we look at in detail, prioritising where it is in the public interest to investigate. While providing a more sustainable way for us to work, it has meant that changes in uphold rates this year are not solely down to the nature of the cases coming to us. We are less likely to carry out investigations on 'borderline' issues, so we are naturally finding a higher proportion of fault overall.

Our average uphold rate for all investigations has increased this year and you may find that your organisation's uphold rate is higher than previous years. This means that comparing uphold rates with previous years carries a note of caution. Therefore, I recommend comparing this statistic with that of similar organisations, rather than previous years, to better understand your organisation's performance.

Compliance with recommendations - We recommend ways for organisations to put things right when faults have caused injustice and monitor their compliance with our recommendations. Failure to comply is rare and a compliance rate below 100% is a cause for concern.

Satisfactory remedy provided by the authority - In these cases, the organisation upheld the complaint and we were satisfied with how it offered to put things right. We encourage the early resolution of complaints and credit organisations that accept fault and find appropriate ways to put things right.

Finally, we compare the three key annual statistics for your organisation with similar authorities to provide an average marker of performance. We do this for County Councils, District Councils, Metropolitan Boroughs, Unitary Councils, and London Boroughs.

Your annual data, and a copy of this letter, will be uploaded to our interactive map, [Your council's performance](#), on 26 July 2023. This useful tool places all our data and information about councils in one place. You can find the detail of the decisions we have made about your Council, read the public reports we have issued, and view the service improvements your Council has agreed to make as a result of our investigations, as well as previous annual review letters.

Supporting complaint and service improvement

I know that complaints offer organisations a rich source of intelligence and insight that has the potential to be transformational. These insights can indicate a problem with a specific area of service delivery or, more broadly, provide a perspective on an organisation's culture and ability to learn. To realise the potential complaints have to support service improvements, organisations need to have the fundamentals of complaint handling in place. To support you to do so, we have continued our work with the Housing Ombudsman Service to develop a joint complaint handling code that will provide a standard for organisations to work to. We will consult on the code and its implications prior to launch and will be in touch with further details.

In addition, our successful training programme includes practical interactive workshops that help participants develop their complaint handling skills. We can also offer tailored support and bespoke training to target specific issues your organisation might have identified. We delivered 105 online workshops during the year, reaching more than 1350 people. To find out more visit www.lgo.org.uk/training or get in touch at training@lgo.org.uk.

Yours sincerely,

P. Najsarek

Paul Najsarek
Interim Local Government and Social Care Ombudsman
Interim Chair, Commission for Local Administration in England

Complaints upheld

100%
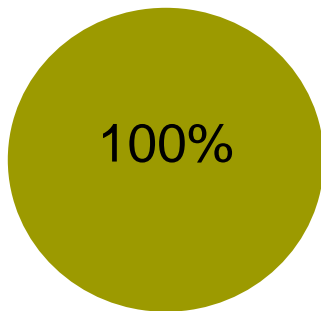
100% of complaints we investigated were upheld.

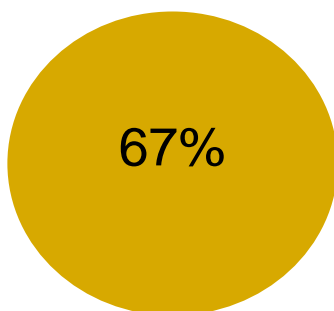This compares to an average of **59%** in similar organisations.

3

upheld decisions

Statistics are based on a total of **3** investigations for the period between 1 April 2022 to 31 March 2023

Compliance with Ombudsman recommendations

No recommendations were due for compliance in this period

Satisfactory remedy provided by the organisation

67%

In **67%** of upheld cases we found the organisation had provided a satisfactory remedy before the complaint reached the Ombudsman.

This compares to an average of **15%** in similar organisations.

2

satisfactory remedy decisions

Statistics are based on a total of **3** upheld decisions for the period between 1 April 2022 to 31 March 2023