

For publication

Risk Management Strategy and Strategic Risk Register (GV10R)

Meeting:	Standards and Audit Committee
Date:	16.02.22
Cabinet portfolio:	Governance
Directorate:	Corporate
For publication	

1.0 Purpose of the report

- 1.1 To provide a report on the Risk Management activities during 2021/22 and to consider the revised Risk Management Strategy and Strategic Risk Register for 2022/23.

2.0 Recommendations

- 2.1 To note the progress made on developing the Council's approach to risk management during 2021/22.
- 2.1 To recommend for Council approval the Risk Management Strategy for 2022/23 and Strategic Risk Register base document for 2022/23.

3.0 Reasons for recommendations

- 3.1 To provide a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council.

4.0 Report details

- 4.1 Risk Management Progress during 2021/22

The Corporate Leadership Team restructure moved responsibility for Corporate Risk Management from the Directorate Finance to the Directorate Corporate in December 2020 with transition taking place during 2021/22. Key changes include:

- Tier 4 restructure created focused capacity for Risk Management with the new Strategic Health, Safety and Risk Manager role (started January 2022)
- Refreshed Corporate Risk Management Group membership, meeting frequency and agenda
- Consideration of priorities for spend from the Zurich Risk Management Reserve and Risk Management budget via risk profiling and horizon scanning activities
- Revised Corporate Risk Management Group terms of reference and meeting schedule to take into account the findings of the Internal Audit Report 2019/20
- Revised Strategic Risk Register with quarterly reviews carried out during 2021/22 by the Corporate Risk Management Group and reported into the Corporate Leadership Team
- Revised Risk Management Strategy with new reporting and monitoring arrangements as recommended within the 2019/20 audit review
- Alignment of Risk Management timetabling with the development of the Council Plan and associated delivery plans and the Medium Term Financial Strategy

4.2 Risk Management Strategy

The revised Risk Management Strategy for 2022/23 is attached at Appendix 1. This strategy establishes a framework for the effective and systematic management of risk, which will ensure that risk management is embedded throughout the Council. Effective risk management will:

- Support the achievement of our Vision 'putting our communities first' and our three priorities: making Chesterfield a thriving borough, improving quality of life for local people and providing value for money services
- Provide a consistent approach to managing risk
- Inform decision making and business planning
- Protect the Council and our communities

4.3 Within the strategy we have provided examples of key strategic, operational and governance risks and how applying a consistent approach across the Council enables risks to be escalated where necessary and risks at all levels to be effectively identified and managed.

- 4.4 Roles and responsibilities have been clearly defined, with the Corporate Risk Management Group (accountable to the Corporate Leadership Team) being the “driving force” behind developing and implementing the Risk Management Strategy. A key principle is that risk needs to be addressed at the point at which decisions are being taken. The Risk Management Strategy and work of the Corporate Risk Management Group ensures that this principle is kept in sharp focus at all times with an emphasis on all reasonable steps being taken to ensure decision makers can fully consider the risks involved in a decision.
- 4.5 Risk identification, appetite and treatment approaches have been developed alongside clear links to other plans and activities including Emergency Planning and Business Continuity. A commitment is also made that all employees will undertake risk management training via Aspire Learning (e-learning) and that additional learning and development requirements for more in-depth issues will be identified via the Corporate Risk Management Group.
- 4.6 The Corporate Risk Management Group will develop quarterly updates for Portfolio holders and the Corporate Leadership Team to raise awareness and enable challenge of risk management activity. Standards and Audit Committee will receive a monitoring report twice per annum and Council once per annum (as part of the annual review).
- 4.7 Risk Management Strategy reviews are now co-ordinated and in sync with the development of the Council Plan and associated delivery plans and the Medium-Term Financial Strategy. This Risk Management Strategy will run for one financial year 2022/23, however the next Strategy will run for four years 2023/24 to 2026/27 to coincide with the next Council Plan. There will, however, continue to be an annual light touch review.
- 4.8 Strategic Risk Register 2022/23

The Corporate Risk Management Group have reviewed the Council's Strategic Risk Register utilising a variety of information, data and techniques including:

- The Strategic Risk Register for 2021/22
- Risks escalated via Directorate Risk Registers
- Internal Audit and External Audit reports and information
- Annual Governance Statement

- Horizon scanning to consider emerging or changing legislative, emergency planning/ business continuity, economic, environmental, technological, insurance and health and safety factors
- 4.9 The Strategic Risk Register summary (Appendix 2) and Strategic Risk Register (Appendix 3) are the base starting point documents for 2022/23. They are live documents and will be updated on a quarterly basis by the Corporate Risk Management Group. There are opportunities built in for escalation and further discussion and action via monitoring and management arrangements with the Corporate Leadership Team, Cabinet Portfolio Holders and Standards and Audit Committee.

5.0 Alternative options

- 5.1 The risk management approach detailed within the revised Risk Management Strategy responds to the recommendations identified by the 2019 Internal Audit review of the function. These recommendations had already been agreed so alternative options have not been developed.

6.0 Implications for consideration – Financial and value for money

- 6.1 The Council transfers funds during the year to maintain a £5k balance on the Risk Management Reserve which is managed by the Corporate Risk Management Group. This reserve can be used on priority risk management activities which contribute towards mitigating key risk areas or preparing for emerging areas of concern.
- 6.2 As part of our insurance contract with Zurich, £2,500 per annum is held by Zurich in a risk management reserve for us to spend on risk related products with Zurich. Previous activities have included risk management training and focused risk assessment and reviews for key areas.
- 6.3 Decisions on budget spend for these two small funding pots is delegated to the Corporate Risk Management Group.

7.0 Implications for consideration – Legal

- 7.1 A key element of the risk management process is ensuring measures are in place for legislative compliance across functions and activities. Legal and legislative considerations has been introduced as one of the key areas for horizon scanning by the Corporate Risk Management Group to inform

the Risk Management Strategy, Strategic Risk Register and Directorate Risk Registers.

8.0 Implications for consideration – Human resources

- 8.1 The Tier 4 restructure in July 2021 created a new role – Strategic Health, Safety and Risk Manager, which has operational responsibility for risk management. This role has now been successfully recruited to.
- 8.2 The membership of the Corporate Risk Management Group has been reviewed to ensure appropriate officer and member representation.

9.0 Implications for consideration – Council plan

- 9.1 The Risk Management Strategy and Strategic Risk Register underpin and inform the development and delivery of the Council Plan priorities.

10.0 Implications for consideration – Climate change

- 10.1 Climate Change has been introduced as a risk within the Strategic Risk Register, identifying a range of mitigation activity taking place across the Council and where there are further measures to be developed.

11.0 Implications for consideration – Equality and diversity

- 11.1 A pre-liminary equality impact assessment has been completed. No negative impacts have been identified in relation to protected characteristics.

12.0 Implications for consideration – Risk management

Description of the Risk	Impact	Likelihood	Mitigating Action	Impact	Likelihood
Failure to accurately identify and assess key strategic risks.	H	M	<ul style="list-style-type: none"> Corporate Risk Management Group draw on a variety of information sources and horizon scanning techniques to identify and assess existing and emerging risks Feed-up and feed-down opportunities from Directorate and Strategic Risk Registers Risk management training 	M	L

Failure to deliver on key mitigation activity for key strategic risks.	H	M	<ul style="list-style-type: none"> Regular review at Corporate Risk Management Group Monitoring and oversight arrangements developed with Corporate Leadership Team, Portfolio holders, Standards and Audit and Council Internal Audits of Risk Management Risk Management identified as a consideration for decision making reports and projects/programmes 	M	L
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Decision information

Key decision number	1074
Wards affected	All

Document information

Report author
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Background documents
These are unpublished works which have been relied on to a material extent when the report was prepared.
None
Appendices to the report
Appendix 1 – Risk Management Strategy
Appendix 2 – Strategic Risk Register Summary
Appendix 3 – Strategic Risk Register