

For publication

Risk Management Strategy and Strategic Risk Register Review

Meeting:	Standards and Audit Committee
Date:	15.02.23
Cabinet portfolio:	Governance
Directorate:	Corporate
For publication	

1.0 Purpose of the report

- 1.1 To provide an annual progress update report on the Risk Management activities during 2022/23. To also consider for full Council approval the amendments made to the Risk Management Strategy and note the latest version of the Strategic Risk Register.

2.0 Recommendations

- 2.1 To note the progress made and new updates to the Council's risk management arrangements during 2022/23 including the enhanced oversight of risk management group and development of the directorate risk registers.
- 2.1 To recommend for Council approval of the amended Risk Management Strategy 2023 – 2027.
- 2.2 That the Strategic Risk Register revisions for 2023/24 are noted and that the Strategic Risk Register remains a 'live' document and is updated regularly via the Risk Management Group.

3.0 Reasons for recommendations

- 3.1 To ensure the Council maintains an approved framework for the effective and systematic management of risk.

4.0 Report details

4.1 Risk Management Progress during 2022/23

Key updates include:

- The Risk Management Strategy has had a full document review
- Improvements to information and access. The strategy and strategic risk register are available via aspire, the Council's intranet and via the Council's website
- Improved risk management timetabling to link in with Council Plan development and the Medium-Term Financial Plan
- The Corporate Risk Management Group continued to meet quarterly with an emphasis on horizon scanning, management of known risks and the updating of key documentation and process improvement
- Quarterly risk management updates were developed for portfolio holders and the Corporate Leadership Team
- Prioritisation for spend of the Zurich Risk Management Reserve and Risk Management budget will continue to use a risk-based approach
- Quarterly updates were completed to the Strategic Risk Register by the Corporate Risk Management Group. The Strategic Risk Register updates were also reported into the Corporate Leadership Team and Portfolio holders.
- An internal Audit of Risk Management arrangements has commenced as of January 2023

4.2 Risk Management Strategy – overview and background

The Risk Management Strategy for 2023 - 2027 is attached at Appendix 1. This strategy is a framework for the effective and systematic management of risk. This Strategy leads on from the previous one-year strategy 2022/23 considered by Scrutiny and Audit Committee on 16.02.22.

The Strategy enables effective risk management by:

- Supporting the achievement of the Council's vision and priorities
- Providing a consistent approach to managing risk
- Establishing and embedding effective risk management processes to inform good decision making and business planning
- Protecting the Council and our communities from known, foreseeable and anticipated risks

- 4.3 The strategy includes examples of key strategic and operational risks and how applying a consistent approach across the Council enables risks to be

effectively identified and managed. Where necessary the risks can then be treated and or escalated.

- 4.4 Included within the strategy are clear roles and responsibilities definitions, with the Corporate Risk Management Group (accountable to the Corporate Leadership Team) being the “driving force” behind maintaining and continuing to improve risk management arrangements and ensuring compliance with the Risk Management Strategy. What remains important is that all key stakeholders are informed at the earliest opportunity about any changes to or when new risks are identified. For example. New planned projects. 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 risk management is a priority consideration with an emphasis on risks being owned and managed.
- 4.5 Risk identification, appetite and treatment approaches continue to be included within the strategy document. There is clear links to other plans and activities including Emergency Planning and Business Continuity. In terms of training, risk management training is mandatory for all managers and is delivered via Aspire learning. Managers are responsible for cascading risk information and discussing risk with their teams.
- 4.6 The Corporate Risk Management Group will continue to produce 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 once per annum and Council once per annum.
- 4.7 Risk Management Strategy reviews are now proposed to be every four years and co-ordinated and in sync with the development of the Council Plan and associated delivery plans and the Medium-Term Financial Plan.
- 4.8 Updated Strategic Risk Register – overview and background

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

- Risks escalated via Directorate Risk Registers
- Any new learning from periodic Internal Audit and External Audit reports
- 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 a reflection of the current risk profiles. The strategic risk register is a live document and will be continuing to reflect risks as their ratings change. Please note, within Appendix 2 a new ‘direction of travel’

column has been added. This is to help provide a summarised assessment where the current assessment is for each strategic risk. There are three categories. Improving, meaning the risk is moving towards an improving picture and the current risk has reduced. No change, means the risk has remained overall consistent. Thirdly, Deteriorated, where the risk has worsened due to new learning and changes to the factors contributing to the strategic risk. 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 committee could choose to retain the current strategy document and arrangements which would not be aligned to other Council strategy documents and review cycles. Updates and proposed changes reflecting the learning so far are now reflected in the revised Risk Management Strategy and Strategic Risk Register.

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 preparing for or mitigating key risks.
- 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.
- 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 are on every agenda of 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 Strategic Health, Safety and Risk Manager started in post January 2022, they have continued to help maintain, review and make continuous improvements to the risk management arrangements. The Strategic Health, Safety and Risk Manager has operational responsibility for risk management.

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 remains a strategic 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 Equality analysis was undertaken as part of the development of the strategy. 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"> • Risk Management Strategy in place. • SHSRM role added new resource to this area. • 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 down and across opportunities from Directorate and Strategic Risk Registers • Risk management training • Service reshape options are currently being considered to strengthen overall approach to health, safety, risk and emergency planning liaison 	M	L
Failure to deliver on key mitigation activity for key strategic risks.	H	M	<ul style="list-style-type: none"> • Health, safety and risk team restructure, to build further resilience • 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	M
Failure to identify and manage project risks	H	H	<ul style="list-style-type: none"> • Significant directorate risk register review underway (new template). • SHSRM awareness of key projects, sitting on project teams • Project risk registers 	M	H

Decision information

Key decision number	1127
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