

AUDIT AND GOVERNANCE COMMITTEE

DATE	21/07/2022
REPORT OF	Executive Director Environment, Economy and Resources
SUBJECT	Risk Management Annual Progress Report
STATUS	Open

CONTRIBUTION TO OUR AIM

An effective approach to risk management, including the maintenance of a strategic risk register, supports the delivery of the Council's strategic aims by identifying, evaluating and then mitigating those issues which could result in them not being effectively delivered.

EXECUTIVE SUMMARY

This report provides the Audit and Governance Committee with an overview of the Council's risk management activities during 2021/22.

RECOMMENDATIONS

That the Committee notes the Council's progress in managing risk during 2021/22.

REASONS FOR DECISION

The Committee's responsibilities include monitoring the effectiveness of the Council's risk management framework. As part of discharging its responsibilities it receives an annual summary of risk management activity.

1. BACKGROUND AND ISSUES

- 1.1. The Council has a Risk and Opportunity policy that outlines the Council's approach to risk management. The purpose of the report is to confirm that the approach is followed and to highlight any work that has been undertaken in relation to risk management.
- 1.2. The Strategic Risk Register (SRR) is regularly presented to and reviewed by the Corporate Governance Group and Assurance Board. The Audit and Governance Committee reviews the SRR twice a year with the most recent review being on 21 April 2022. It is scheduled to be next presented to the meeting in November 2022. Following the approval of the Council Plan it is intended that an exercise will be carried out to ensure that the strategic risk register is aligned to the updated key strategic outcomes identified within it.
- 1.3. The Council's liability insurers, Zurich Municipal, were commissioned to carry out a "health check" of the Council's risk management arrangements. It included the risk culture and leadership, risk appetite and strategy, governance arrangements, methodology, people & training, and risk management in projects, partnerships and supply chain. The report concluded that the Council took risk management seriously but made some recommendations to improve the maturity of how risk was managed. This

included ensuring that risk management processes were fully embedded throughout the Council. One recommendation was to support the embedding of the process was for “connections between the operational and strategic risk registers should be formalised to create greater transparency throughout the organisation”.

- 1.4. An action plan has been produced based on the recommendations contained which will be incorporated in an updated Risk & Opportunities Policy. The Policy will be presented to the Committee when it is complete.
- 1.5. On 7 March 2022 an Horizon Scanning workshop was facilitated by the Council’s liability insurers, Zurich Municipal with attendees across the Council that included a cross section of managers. The aim of the workshop was to identify emerging risks which could impact on the delivery of services and the achievement of the Council’s objectives as set out in the Council Plan. The outcome of this, in addition to the exercise outlined in paragraph 1.1, will be used to help re-design the SRR.
- 1.6. A review of the Council’s operational risk registers was carried out in June 2022 by the Strategic Lead Risk and Governance. The exercise identified that further work needs to be carried out on them as there are some areas where the registers are not consistently kept up to date. The Strategic Lead will work with the risk champions to ensure the operational risks are comprehensive and regularly reviewed and updated.
- 1.7. During the year the Strategic Lead (Risk and Governance) has continued to assist services in using a risk management approach to help deliver operational or project objectives. During 2021/22 the following work was carried out:
 - Facilitating workshops to help identify risks
 - Assisting risk leads in generating risks
 - Provision of training, support and advice
 - Liaison with Risk Champions to ensure registers are up to date
- 1.8. Based on the information set out in this report it can be concluded that arrangements for managing risk within the council are appropriate, subject to the area for improvement highlighted above. There is evidence that risk is taken seriously and there is an understanding of the need to get risk management right. There is also an understanding and consistent implementation of the risk management framework.

2. RISKS AND OPPORTUNITIES

Risk management is the systematic identification, analysis and economic control of opportunities and risks that challenge the assets, reputation and objective of the Council.

An effective risk management framework is an essential element of good management and a sound internal control system, risk management being a key contributor to good governance.

3. OTHER OPTIONS CONSIDERED

Not applicable - the Audit and Governance Committee is required to regularly receive updates in relation to the strategic risk register as part of the discharge of its responsibilities.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

Reputational risk is one of the issues considered when scoring strategic risks. Where applicable controls and actions are in place to mitigate any relevant reputational risks identified as part of the overall risk.

5. FINANCIAL CONSIDERATIONS

Financial risk is one of the issues considered when scoring strategic risks. Where applicable controls and actions are in place to mitigate any relevant financial risks identified as part of the overall risk.

6. CHILDREN AND YOUNG PEOPLE IMPLICATIONS

The risk register includes strategic and operation risks relating to Children and Young People. They are currently being reviewed with the intention that where applicable they will align to the Improvement Plan.

7. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS

None directly arising from the recommendations in this report. Where applicable climate change and environmental implications are considered in assessing risks.

8. FINANCIAL IMPLICATIONS

There are no direct financial implications arising from this report. However, each of the risks identified could have a potential financial impact if not addressed.

9. LEGAL IMPLICATIONS

The approach to the Council's risk registers as set out in this report is considered to comply with the applicable regulatory/statutory framework. An approach to risk includes dealing with legal issues that arise in respect of specific risks. Legal services will therefore be involved, at a sufficiently early stage, to ensure that risks are managed appropriately.

10. HUMAN RESOURCES IMPLICATIONS

There are no direct HR implications arising from the content of this report.

11. WARD IMPLICATIONS

Applicable to all wards.

12. BACKGROUND PAPERS

Risk and Opportunities Policy January 2020

13. CONTACT OFFICER(S)

Peter Hanmer (Head of Audit and Assurance)
Telephone: 01472 323799

Caroline Wilson (Strategic Lead Risk and Governance)
Telephone: 01724 296050

Sharon Wroot
Executive Director Environment, Economy and Resources