

Meeting: Audit Committee
Date: 23 October 2024
Classification: Part 1
Key Decision: No
Title of Report: Refreshed Corporate Risk Management process

Executive Director: Claire Shuter, Executive Director, Strategy & Change
Report Author: Suzanne Newman, Head of Corporate Strategy Group
Executive Councillor: Councillor Paul Collins: Finance, Assets and Investments

1. Executive Summary

The council's Corporate Risk Management Policy Statement and Strategy, along with the Risk Management Toolkit and Risk Register template have been reviewed and refreshed. The refresh allows for an enhanced focus on escalation and de-escalation of risk from departmental to corporate risk registers, and vice versa. Whilst a wholesale change is not recommended, the refresh will allow for enhancements with the opportunity to re-embed and raise the profile of this work across the organisation.

2. Recommendations

It is recommended that Audit Committee:

- 2.1. Approve the refreshed Corporate Risk Management Policy Statement and Strategy, Risk Management Toolkit and updated Risk Register Template**

3. Background

- 3.1.** The Government's Orange Book describes successful organisations where risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced.
- 3.2.** The council recognises that risk management is one of the key principles of effective corporate governance, it is a vital activity that underpins and forms part of the council's vision, values, and strategic objectives. Risk management is a fundamental contributor to a sound internal control environment as monitored and assessed through the Annual Governance Statement, of which adoption of a new refreshed process was an action in the most recent Annual Statement of Governance required to strengthen the council's governance arrangements.

- 3.3. Risk Management has long been an established and effective tool within the council. Following a planned move of responsibility from the Internal Audit team to the Corporate Strategy Group, a review of the process and supporting material was undertaken. As part of their social value offer, Zurich, the Council's insurance provider, supported a desk top review and staff training programme.
- 3.4. The review of the council's practice found a good understand of risk management principles and workflow. Officers have identified an additional opportunity to strengthen consistent application of escalation and de-escalation of risk and enhance definitions.
- 3.5. The Corporate Risk Management Policy Statement and Strategy (**Appendix 1**) sets out the Council's aims and objectives for effective risk management, including roles and responsibilities. The refresh has resulted in a more concise description with focus on key areas, including strengthening a consistent escalation and de-escalation process.
- 3.6. The Risk Management Toolkit (**Appendix 2**) is a practical guide for staff to identify, record, and manage risks. This document has been refreshed to include new guidance on how to escalate and de-escalate risks as well as enhanced support for staff to consider the impact and likelihood rating of risks.
- 3.7. The Risk Register template (**Appendix 3**) has been refreshed and now includes the introduction of monitoring the direction of risk. This will allow risk decision makers to have greater context when considering action. The inherent risk score has been removed as it adds limited value to the overall context of risk management when the residual risk score is also included.

4. Reasons for Decisions

- 4.1. To strengthen risk management practice within the council, to support good governance and to inform effective decision making. By managing our threats and opportunities effectively, we are in a stronger position to deliver business objectives and demonstrate better value for money.

5. Other Options

- 5.1. Not adopting this new refreshed Policy and Framework would mean that the current editions are not only out of date but that the activity identified within the Annual Governance Statement, which was agreed by the Leader and Chief Executive as an action to strengthen the Council's governance arrangements, would not be met.

6. Financial Implications

- 6.1. The Government's Orange Book, Management of Risk – Principles and Concepts, states that if organisations are serious about meeting objectives

successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision making. There are no direct financial implications from the document, however sound risk management supports informed decision making and strong financial management.

7. Legal Implications

- 7.1. Failure to manage risks may lead to financial, reputational, legal, regulatory, safety, security, environmental, employee, customer and operational consequences.

8. Policy Context

- 8.1 This report is made in the context of the following policies:
- The Government's Orange Book, Management of Risk – Principles and Concepts

9. Carbon Impact

- 9.1. There are no direct carbon impacts in respect of the production of this document.

10. Equalities

- 10.1. There are no direct equalities implications arising from this report.

11. Consultation

- 11.1. Following the initial review by Zurich, a refreshed process was presented to and explored with the Corporate Leadership Team and the Senior Leadership Network, during a training workshop. These teams feedback and enhancements have since been made. In addition, the Impact and Likelihood definitions have been shared with relevant members of the Extended Corporate Leadership Team and enhancements made as a result.

12. Appendices

- 12.1. **Appendix 1**: Risk Management Policy Statement & Strategy
12.2. **Appendix 2**: Risk Management Tool Kit
12.3. **Appendix 3**: Risk Register Template

13. Report Authorisation

This report has been approved for publication by:		
	Name:	Date:

Executive Director(s)	Claire Shuter	10/10/2024
S151 Officer	Joe Chesterton	10/10/2024
Monitoring Officer	Susan Zeiss	10/10/2024
Relevant Cabinet Member(s)	Councillor Paul Collins	14/10/2024