

## Summary Sheet

### Council Report:

Audit Committee 28<sup>th</sup> November 2018

### Title:

Risk Management Arrangements - Progress

### Is this a Key Decision and has it been included on the Forward Plan?:

No

### Strategic Director Approving Submission of the Report:

Shokat Lal (*Assistant Chief Executive*)

### Report Author(s):

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### Ward(s) Affected:

None

### Executive Summary:

The Council introduced a completely revised Risk Policy and Guide in late 2015. This original Policy and Guide was approved by the Audit Committee on 24<sup>th</sup> November 2015. The Policy and Guide was refreshed in late 2016 and the revised version was approved by the Audit Committee on 26<sup>th</sup> January 2017.

This report is designed to make the Audit Committee aware of the progress to date in Risk Management Arrangements.

The changes to the Policy and Guide have been kept to a minimum. This is because the Council's Risk Management processes have been working effectively and it is the view of the Risk Champions group that implementing significant change at this point would be unnecessarily disruptive to the development of risk management in the Council. The changes have been limited to the necessary updating of both documents to reflect the changed circumstances of the Council.

In summary the high level changes to the Policy and Strategy are:

- Removal of references to structures and processes that no longer exist, for example the Commissioners and the Improvement Plan
- Greater emphasis on high impact, hidden risks as well as a summary of the different types of risk that the Council might face
- Recognition of the “word based” version of the Risk Register that Directorates can now use instead of the excel one
- An Appendix F has been added to the Guide to set out the numbering conventions that the Council applies to risk management

Paragraphs 3.3 and 3.4 set out the detail of the changes to the Policy and Guide and the Policy and Guide itself are attached at Appendix 1.

**Recommendations:**

- **The Audit Committee is asked to note and approve the attached revised Risk Management Policy and Guide.**

**List of Appendices Included:**

Appendix 1 – Revised Risk Management Policy and Guide

**Background Papers:**

Report to Audit Committee; 8<sup>th</sup> February 2017, Risk Management Policy and Guide Refresh;

**Consideration by any other Council Committee, Scrutiny or Advisory Panel:**

See above. This paper is not intended to be circulated to other Council Committees or Panels.

**Council Approval Required:**

No

**Exempt from the Press and Public:**

No

**Title:**

Refreshed Risk Management Policy and Guide

**1. Recommendations:**

- **The Audit Committee is asked to note and approve the attached revised Risk Management Policy and Guide.**

**2. Background**

- 2.1 The Council introduced a completely revised Risk Policy and Guide in late 2015. This original Policy and Guide was approved by the Audit Committee on 24<sup>th</sup> November 2015. This Policy and Guide was refreshed in late 2016, with the revised version being approved by the Audit Committee on 26<sup>th</sup> January 2017.
- 2.2 There have been significant changes to the Council's management and governance arrangements over the past 20 months. There have also been a number of smaller changes to the risk management processes that we operate. As a result, it is important that the Risk Management Policy and Guide are updated to ensure that it remains up to date and in line with current processes.
- 2.3 The Policy and Guide underpins the Council's approach to risk management and continues to underpin all Risk Management training and Risk Registers, as it has since its introduction in its revised form approval three years ago. The Policy and Guide is available to all staff through the intranet and all managers are referred to it when they complete their risk management training.
- 2.4 This report intends to make the Audit Committee aware of changes included in the Policy and Guide, which is attached at Appendix A.

**3. Risk Policy and Guide changes**

- 3.1 As noted above, both the Risk Management Policy and the Risk Management Guide have been amended to reflect changes in the Council and its operations over the past 20 months. The following paragraph set out the principal changes in each document.
- 3.2 There have only been two significant changes to the Risk Management Policy. The first of there has been to remove the section on the Corporate Improvement Plan and delete references to Commissioners. This is because the Improvement Plan was completed in November 2017 and is no longer in place and the Commissioners left the Council in September 2018. The second has expanded on the role of the Audit

Committee in Risk Management to align with the Committee's recently approved Terms of Reference.

3.3 The Risk Management Guide itself includes the following changes:

- Throughout the document references to the "Corporate Plan" have been changed to the "Council Plan". Additionally, references to the Commissioners have been removed entirely and "Strategic Leadership Team" (SLT) has been included where previously there were lists of individual SLT members
- Following recommendations from Internal Audit, Section 10.2.1 now includes specific references to high impact, hidden risks as well as a summary of the different types of risk that the Council might face
- Section 10.2.5 has been slightly expanded to clarify which risks would normally be considered for escalation to the Strategic Risk Register. It also refers to the review of the register at the Quarterly SLT/AD management meetings.
- Section 11.2 has been amended to reflect the fact the Directorates can now choose the format of their risk register as they have the option of either using the excel based version included in Appendix A of the Guide or the word based version at Appendix E of the Guide.
- Section 16.3 now refers to the work of the Governance Group in the production of the Annual Governance Statement.
- An Appendix F has been added to the Guide to set out the numbering conventions that the Council applies to risk management

3.4 Work is continuing to implement the principles contained in the Risk Management Guide and to further embed risk management processes across the Council's operations. As a key part of this process, the Risk Champions group has continued to meet regularly to co-ordinate and drive Risk Management development throughout the Council. For information, the Risk Champions Group consists of:

| <b>Directorate</b>                    | <b>Risk Champion(s)</b>                     |
|---------------------------------------|---|
| Children and Young People             | Dean Fenton                                 |
| Adult Care, Housing and Public Health | Helen Fisher, Paul Elliott, Malcolm Chiddey |
| Finance and Customer Services         | Andrew Shaw                                 |
| Regeneration and Environment          | Liz Kemp                                    |
| Assistant Chief Executive             | Paul Cosgrove (Risk Champion)               |

3.5 In addition to the work of the Risk Champions group, the main driver behind embedding Risk Management is continued training for staff at Management levels in the Council. A programme of training is in place so that new starters in M2 grades and above are trained in the Council's Risk Management processes. It is a requirement that all new starters at M2 level and above attend the Risk Management training course and up to 70 members of staff attend the course each year. There is also a requirement for all staff, irrespective of their grade, to complete the online Risk Management training module.

#### **4. Options considered and recommended proposal**

4.1 As this paper only considers the refresh of the Risk Management Policy and Guide, no specific options have been considered. The Audit Committee could choose to not refresh the Policy and Guide if they so wished, however the Committee should be aware that the current Policy and Guide is out of date.

#### **5. Consultation**

5.1 The refreshed Risk Management Policy and Guide on which this update is based were originally considered by a joint workshop of SLT and Assistant Directors on 15<sup>th</sup> December 2016. It also reflects includes comments that the Risk Champions Group have raised.

#### **6. Timetable and Accountability for Implementing this Decision**

6.1 The Corporate Risk Manager will be responsible for ensuring that the revised Risk Management Policy and Strategy are implemented once approved.

## **7. Financial and Procurement Implications**

7.1 The Risk Policy and Strategy does not require additional cost at this time. There are no procurement issues. The risks contained in the Council's risk registers require ongoing management action. In some cases additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks are reported to Strategic Leadership Team and elected Members for consideration.

## **8. Legal Implications**

8.1 There are no direct legal implications arising from our risk management arrangements. Any actions taken by the Council in response to risks identified will take into account any specific legal implications.

## **9. Human Resources Implications**

9.1 There are no Human Resources implications directly associated with the paper.

## **10. Implications for Children and Young People and Vulnerable Adults**

10.1 Risk Management Arrangements are designed to identify Children and Young People's Services and Adult Services risks where appropriate.

## **11. Equalities and Human Rights Implications**

11.1 Proposals for addressing individual risks captured by our arrangements incorporate equalities and human rights considerations where appropriate.

## **12. Implications for Partners and Other Directorates**

12.1 With our partners we have developed a joint risk register which covers the work of the Rotherham Partnership. This risk register is owned by the Partnership Chief Executive Group and is periodically reviewed by that group.

## **13. Risks and Mitigation**

13.1 It is important to review the effectiveness of our approach to capturing, managing and reporting risks on an ongoing basis. The SLT/AD meeting reviews the risk register quarterly to ensure risks relating to the Council's key priorities are effectively monitored and managed.

## **14. Accountable Officer:**

14.1 Shokat Lal (*Assistant Chief Executive*)

Simon Dennis  
Corporate Risk Manager

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