

Committee Name and Date of Committee Meeting

Audit Committee – 28 November 2023

Report Title

Risk Management Guide Refresh 2023

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

No

Strategic Director Approving Submission of the Report

Jo Brown, Assistant Chief Executive

Report Author(s)

Simon Dennis, Corporate Improvement and Risk Manager

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Ward(s) Affected

Borough-Wide

Report Summary

The Council introduced a completely revised Risk Policy and Guide in late 2015 which was approved by the Audit Committee on 24th November 2015. The Policy and Guide has been received and refreshed annually since then and was last considered by the Committee on 29th November 2022. Changes to the Risk Management Policy now need to be approved by Cabinet and this was done on 23rd January 2023. There are no changes proposed to the Policy this year.

Several amendments have been made to the Risk Management Guide to improve its clarity and readability and to correct a small number of typographical errors. None of the amendments change the Council's overall risk management processes. The detail of these changes are set out in paragraph 2.3 of this report.

Over the coming year, work will continue to ensure the Council's approach to risk management is well embedded across all projects and all staff, by providing training, clear guidance, supporting the Risk Champions and reporting according to agreed timelines.

Recommendations

1. The Audit Committee is asked to note and approve the refreshed Risk Management Guide

List of Appendices Included

Appendix 1 Revised Risk Management Guide 2023

Background Papers

Report to Audit Committee 28 June 2022 (Risk Management Annual Summary 2021-2022)

Report to Audit Committee 28 July 2022 (Corporate Strategic Risk Register)

Report to Audit Committee 29 November 2022 (Risk Management Policy and Guide Refresh 2022)

Report to Audit Committee 10 January 2023 (Corporate Strategic Risk Register)

Report to Audit Committee 26 September 2023 (Risk Management Annual Summary 2022-2023 and Corporate Strategic Risk Register)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None – although the Risk Management Policy will be submitted to Cabinet for approval following consideration by the Audit Committee

Council Approval Required

No

Exempt from the Press and Public

No

Risk Management Guide Refresh 2023

1. Background

- 1.1 This report aims to inform the Committee of the results of a refresh of the Council's Risk Management Policy and Guide.
- 1.2 The Council introduced a completely revised Risk Policy and Guide in late 2015 which was approved by the Audit Committee on 24th November 2015. The Policy and Guide has been refreshed annually since then and was last considered by the Committee on 29th November 2022.
- 1.3 The Risk Management Annual Summary for 2022-23 was presented to Audit Committee on 26th September 2023, in accordance with the risk management standard ISO31000. The report summarised the principal risk management activity carried out in the Council throughout the financial year.
- 1.4 The Strategic Risk Register and directorate risk registers are presented to Audit Committee annually as part of a rolling programme.
- 1.5 The report presents the refreshed Risk Management Guide for consideration by the Committee. It includes amendments to improve clarity and readability but makes no changes to the Council's approach to Risk Management overall.

2. Key Issues

- 2.1 The risk management process was subject to an Internal Audit review in May 2022 against the requirements of the relevant international standard, ISO31000. The review concluded that substantial assurance could be derived from the controls that were in place. This is the highest assurance level possible.
- 2.2 There have been no significant changes to the Council's overall management and governance arrangements since the Risk Management Policy was approved and the Guide last updated in November 2022 and the specific risk management processes in which the Council operates have remained broadly unchanged.
- 2.3 Consequently, there have been no changes this year which amend the Risk Management process that is operated by the Council. However, following an independent review by the Council's external risk management advisor, a number of changes have been made to improve the clarity, readability and consistency of the Guide as well as some items of clarification. The most significant of these are:
 - an additional sentence has been added to emphasise the links to the Council Plan and Year Ahead Development Plan (paragraph 2.2)
 - greater emphasis that risk management processes focus our efforts on the areas of greatest threat or benefit (recognising the potential positive aspects of risk) (paragraph 24)

- the inclusion of a clear explanation of why risk registers are kept (paragraph 4.3.1)
- a more detailed explanation of why we use the acronym “performance” when considering the potential sources of risks (paragraph 4.3.4)
- a reminder to staff to ensure that risks are appropriately and clearly described (paragraph 4.3.6)
- a more detailed description of how to assess risks and the sequence to follow when completing a risk register entry (paragraphs 4.4.2 to 4.4.5)
- a greater amount of explanation around the Council’s approach to potentially “transferring” risk and what this might mean (paragraph 4.5.1)
- more attention drawn to risk appetite and how it is explained in Appendix C of the Guide (paragraph 4.5.2)
- guidance on risk register retention, which is not new but has not been explicitly stated in the Guide before (paragraph 5.2)
- a clearer description of the importance of communication in Risk Management (paragraph 8.1)
- a reinforcement of the importance of guidance and training (paragraph 11.1)
- further detail on the approach to risk review and management in the context of the Council’s risk appetite, providing written direction on how often a risk should be reviewed and the approximate timescales for reducing risk (Appendix C)

2.4 The Council’s Risk Management objectives are unchanged and remain as:

- Ensure the Council successfully manages risks and opportunities corporately, operationally and within projects and partnerships.
- Ensure that risk management makes an effective contribution to Corporate Governance and a satisfactory Annual Governance Statement.
- Ensure that all parties understand their roles and responsibilities in the implementation of effective risk management.
- Provide simple, intuitive processes to assist in the identification and prioritisation of risk and the appropriate allocation of resources.
- Incorporate the principles of effective risk management into all planning and management processes to achieve consistency of approach.

2.5 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. The Strategic Risk Register is reviewed quarterly at the Strategic Leadership Team and the Directorate Risk Registers are reviewed monthly at Directorate Leadership Team meetings, with risk owners monitoring risks on an ongoing basis. The Strategic Risk Register is also considered annually by Audit Committee and Directorate Risk Registers are presented through an annual rolling programme.

2.6 The Risk Management Group, which includes the Risk Champions, continues to meet bi-monthly to co-ordinate and drive risk management development throughout the Council.

2.7 In addition to the work of the Risk Management Group, the main driver behind embedding risk management is training for staff at management levels in the Council. A programme of training is in place for new starters and manager M2

grades or above and is currently delivering training to over 150 managers a year.

- 2.8 The online risk management training module has been refreshed and has been relaunched, with almost 50% of all staff having completed the module by 30th September 2023.
- 2.9 In April 2023, an external risk consultant once again delivered bespoke in-house training and staff participating gained a qualification accredited by the Institute of Risk Management (IRM).
- 2.10 The Risk Management Guide (and the associated Policy) underpins the Council's approach to risk management and thus all risk management training and risk registers. The Policy and Guide are available to all staff through the intranet and all managers are referred to it when they complete their risk management training. Manager and staff briefings will also be produced to make people aware of the revised policy and guide.
- 2.11 The refreshed Risk Management Guide is attached as Appendix 1.

3. Options considered and recommended proposal

- 3.1 This report only considers the refresh of the Risk Management Guide, so no specific options have been considered.

4. Consultation on proposal

- 4.1 Internal Audit have been consulted on the revised policy and guide and their comments/amendments have been incorporated.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Corporate Improvement and Risk Manager will be responsible for ensuring that the revised Risk Management Guide is made available on the staff intranet, once approved, and communicated to staff.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial implications on the Council's budget as a result of the recommendations of this report. The Risk Management Guide 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 the Strategic Leadership Team and elected Members for consideration.

7. Legal Advice and Implications

- 7.1 There are no direct legal implications arising from this report. Any actions taken by the Council in response to risks identified will take into account any specific legal implications.

8. Human Resources Advice and Implications

- 8.1 Training is provided for all staff as set out in paragraphs 2.7 to 2.9. to support the implantation of the Guide.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 Risk Management arrangements are designed to identify Children and Young People's Services risks where appropriate.

10. Equalities and Human Rights Advice and Implications

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

11. Implications for CO2 Emissions and Climate Change

- 11.1 The proposed refresh of the Risk Management Guide will support the Council's aim to achieve net zero aims, by improving the organisation's risk management process and thereby allowing climate risks to be identified and managed.
- 11.2 The recommendation in this report will have no direct significant impact on emissions. It will however improve risk management processes within the Council and may contribute to identifying climate change-related risks in indirectly contribute to the reduction of emissions.

12. Implications for Partners

- 12.1 There are no direct implications for partners. SLT have a responsibility, where appropriate, to promote a risk management culture with partners and stakeholders.

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. This report sets out how the approach to risk management will be developed over the course of the coming year.

14. Accountable Officer(s)

Simon Dennis, Corporate Improvement and Risk Manager
Approvals obtained on behalf of:-

	Named Officer	Date
Assistant Chief Executive	Jo Brown	17/11/2022

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