Rotherham Metropolitan Borough Council

Public Report
Cabinet

Committee Name and Date of Committee Meeting
Cabinet – 23 January 2023

Report Title
Risk Management Policy

Is this a Key Decision and has it been included on the Forward Plan?
No, but it has been included on the Forward Plan

Strategic Director Approving Submission of the Report
Jo Brown, Assistant Chief Executive

Report Author(s)
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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 refreshed and received by the Audit Committee each year since then. It was last considered by the Audit Committee on 30th November 2021.

Cabinet is being asked to approve the Policy as the creation of the Policy is an Executive Function. The role of the Audit Committee is then to monitor the implementation of the Policy and provide their recommendations (if any) to Cabinet as a part of their role in providing assurance on the Governance of the Council as a whole. This report also requests that Cabinet approve that the Assistant Chief Executive can approve future updating of the Policy under delegated powers.

In previous years the Policy has been included in the Risk Management Guide, however, as the document should be formally approved by Cabinet, it has now been produced as a separate document. This has necessitated inclusion of additional information that has previously been included solely in the Risk Management Guide but does not change any operational practices. The detail of these additions is set out elsewhere in this report.

In the course of the coming year, work will continue to ensure the Council's approach to risk management is well embedded across the organisation and understood, by providing training, clear guidance, supporting Risk Champions and risk reporting at various levels.

Recommendations

That Cabinet:

1. Approve the Risk Management Policy (attached as appendix 1)
2. Delegate authority to the Assistant Chief Executive to approve changes to the Policy in future.

List of Appendices Included
Appendix 1 – Risk Management Policy
Appendix 2 – Equality Analysis
Appendix 3 – Carbon Impact Assessment.

Background Papers
Risk Management Policy and Risk Management Guide 2022
Report to the Audit Committee – 28th June 2022 - Risk Management Annual Summary 2021-2022
Report to the Audit Committee – 29th November 2022 – Risk Management Policy and Guide Refresh 2022

Consideration by any other Council Committee, Scrutiny or Advisory Panel
The Audit Committee approved the Risk Management Guide for 2022 at its meeting on 29th November 2022. The Committee also received and noted the Risk Management Policy as part of the same paper, noting that approval of the Policy was required by Cabinet.

Council Approval Required
No

Exempt from the Press and Public
No

Risk Management Policy

1. Background

1.1 This report seeks approval from Cabinet for the Council's Risk Management Policy.

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 Audit Committee on 29th November 2022.

1.3 Cabinet is being asked to approve the Policy as its creation is an Executive Function. The role of the Audit Committee is then to monitor the implementation of the Policy and provide their recommendations (if any) to Cabinet as a part of their role in providing assurance on the Governance of the Council as a whole. Cabinet is also being asked to approve a delegation to the Assistant Chief Executive to enable that post to approve future annual refreshes of the Policy.

1.4 The Risk Management Annual Summary for 2021-22 was presented to the Audit Committee in June 2022, 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 and provides further background to this Policy.

1.5 The Strategic Risk Register is presented to the Audit Committee twice a year. Directorate risk registers are presented to the Committee once a year as part of a rolling programme.

2. Key Issues

2.1 There have been no significant changes to the Council's overall management and governance arrangements since the Risk Management Policy and Guide was last updated and approved by the Audit Committee in November 2021. However, as set out above, the Risk Management Policy has been separated from the Guide for the first time. This separation has been necessitated due to the need to obtain approval from Cabinet for the Policy.

2.2 As a result of the Policy being a separate standalone document, the section on 'Roles and Responsibilities' at section 4 has been inserted for the first time. Therefore, whilst paragraphs 4.2 to 4.9 of the Policy are additions to the Policy itself, they simply repeat the content of Risk Management Guide.

2.3 The Council's Risk Management Objectives are to:

- 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.

2.4 Work is continuing to implement the principles contained in the Policy and to further embed risk management processes across the Council's operations. This process includes review by the Audit Committee of the Corporate Strategic Risk Register and each Directorate's Risk Register annually.

2.5 The Risk Management Group, which includes the Council's Risk Champions, meets bi-monthly to co-ordinate and drive risk management development throughout the Council.

2.6 In addition to the work of the Risk Management Group, training is in place for staff at management levels in the Council. A programme of training is aimed primarily at middle managers (grades I and above) and training is currently delivered to more than 150 managers a year. Additionally, an online risk management training module has recently been developed and is set to be launched early in the new year.

2.7 In February 2022, an external risk consultant delivered bespoke in-house training and staff participating gained a qualification accredited by the Institute of Risk Management (IRM).

2.8 Members were also offered risk training as part of the Member Induction process in 2021.

2.9 The Risk Management Policy (and the associated Guide) underpins the Council's approach to risk management. 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.

2.10 The refreshed Risk Management Policy is attached see Appendix 1.

3. Options considered and recommended proposal

3.1 This report only considers the refresh of the Risk Management Policy, so no specific options have been considered. However, Cabinet are also being requested to approve a delegation to the Assistant Chief Executive to enable that post to approve future annual refreshes of the Policy. Should Cabinet choose not to delegate this power, then the Policy will return to Cabinet each year when it is refreshed. For this reason, approval of the delegation is recommended.

4. Consultation on proposal

4.1 The Policy has been developed over a number of years, with input from the Council's Risk Champions network. Internal Audit have carried out annual audits of the Risk Management process and their recommendations have been

implemented and included in the Policy where relevant. This Policy has also been reviewed and noted by the Audit Committee.

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 Policy is made available on the Council's intranet once it has been approved and will also ensure it is communicated to staff.

6. Financial and Procurement Advice and Implications

6.1 The are no direct financial implications due to the recommendations in this report. The Risk Policy itself does not require additional financial resources and there are no procurement issues directly linked to this report. 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 through the relevant governance processes in line with the scheme of delegation and the Council's Financial and Procurement Procedure Rules.

7. Legal Advice and Implications

7.1 The Council has a statutory duty to provide "Best Value" under the Section 3 of the Local Government Act 1999. This provides that the Council is required to *"make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness".* Effective governance, which this Policy is a part of ensuring, is key to meeting this duty.

8. Human Resources Advice and Implications

8.1 There are no direct Human Resources (HR) implications as a result of this Policy. HR are involved in supporting the delivery of training to ensure this Policy is effective and the responsibilities set out in it are delivered.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The Council's 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 The Council is compliant with statutory requirements covering equality objectives through the Equality Diversity and Inclusion Strategy (EDI) and its action plan. Equalities are considered as part of the decision-making process. This involves two stages of equality screening and full assessment, completed as appropriate, to ensure that consideration of equalities is proportionate and robust. Screenings and assessments are appended to reports presented for decision. This process provides that the Council's policies to advance EDI set

out in the strategy are met and mitigates the risk of challenge in relation to statutory duties.

10.2 An Equality Screening has been completed and is attached (see Appendix 2).

11. Implications for CO2 Emissions and Climate Change

11.1 The proposed refresh and adoption of the Risk Management Policy will support the Council's aim to achieve net zero, by improving the organisation's risk management process and thereby allowing climate risks to be identified and managed.

11.2 The recommendation to adopt this Policy 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 which indirectly contribute to the reduction of emissions.

11.3 A Carbon Impact Assessment has been produced (see Appendix 3).

12. Implications for Partners

12.1 There are no direct implications for partners. The Council will seek to, where appropriate, promote a risk management culture with partners and stakeholders and work alongside them to address risks relevant to the whole Borough.

13. Risks and Mitigation

13.1 The Corporate Strategic Risk Register identifies the key risks facing the Council, realigned to the Council Plan themes. This Policy, and the associated Risk Management Guide, underpins and sets out the process of updating and identifying strategic risks and is in place to manage risks in the Council.

13.2 Annual reports on Corporate Strategic Risks will continue to be presented to the Audit Committee and Directorates are responsible for ensuring that any significant risks are addressed via directorate and corporate risk registers.

14. Accountable Officers

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Approvals obtained on behalf of Statutory Officers:

	Named Officer	**Date**
Chief Executive	Sharon Kemp	09/01/23
Strategic Director, Finance & Customer Services (S.151 Officer)	Judith Badger	03/01/23
Assistant Director, Legal Services (Monitoring Officer)	Phil Horsfield	03/01/23

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This report is published on the Council's website.