

STRATEGIC RISK MANAGEMENT GROUP

16 September 2021

AUDIT AND RESOURCES COMMITTEE

19 October 2021

CABINET

9 December 2021

CORPORATE RISK MANAGEMENT - ANNUAL REPORT

Report of the Executive Head of Governance

Recommendation(s)

It is recommended that the SRMG & the Audit and Resources Committee:

- (1) considers the Annual Risk Management Report, and;**
- (2) note the content of the Risk Management Framework, Terms of Reference and Risk Appetite Statement.**

It is recommended that Cabinet:

- (1) considers the Annual Risk Management Report,**
- (2) approves the Risk Management Framework and Risk Appetite Statement;
and**
- (3) notes the content of the Terms of Reference.**

Summary

Risk Management is a key element of the Council's operational and strategic functioning. This report presents to Councillors the Annual Report and asks Cabinet to approve the Risk Management Framework (Appendix 1) and Risk Appetite Statement (Appendix 2) and notes the Terms of Reference (Appendix 3).

Statutory Powers

S151 Local Government Act 1972

Strategic Implications

1. This report relates to all of the Council's Corporate Objectives and the framework that supports the management of risks to meet those objectives. The Risk Appetite supports strategic priorities in certain areas and is designed to be flexible in recognition of the Council operating more innovatively and dynamically.

Introduction

2. The Executive Head of Governance is responsible for the co-ordination of Corporate Risk Management. The Strategic Risk Management Group (SRMG) are responsible for overseeing and monitoring the Council's response to Risk Management.
3. This Annual Report provides a summary of Risk Management activity during 2020/21 and also presents the Risk Management Framework (the Policy), Risk Appetite Statement and Terms of Reference for SRMG.

Definition of Risk Management

4. Risk has been defined as the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk Management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance.

Risk Framework & Risk Appetite

5. A member of the Audit and Resources Committee is appointed to the Strategic Risk Management Group annually and regularly reports developments and progress back to the Audit and Resources Committee. The Group reviews risk arrangements and advises the Corporate Leadership Board on risk issues within the Council and on existing and planned risk controls. Risks are reported by use of risk registers. Each service and programme of projects is required to update its own register as part of the performance management process. These registers are reviewed by service managers; project risks are reviewed by project managers with their project group and sponsor and overseen by programme managers. A corporate risk register exists to record high level risks which affect the work of several units or the whole Council, that are of strategic significance or for which further Corporate Leadership Board consideration or resource are required.
6. Part 4 of the Council's Constitution (Rules and Procedures) contains the Council's Financial Regulations, of which Chapter 4 outlines arrangements for risk management and the control of resources. Paragraph 4.2 states "The Cabinet is responsible for approving the Council's policy on risk management and for defining the Councillor, staff and committee structure through which risk management will be planned and monitored". The Risk Management Framework is attached at Appendix 1 and the Terms of Reference for the Strategic Risk Management Group, which forms part of the framework, is

attached at Appendix 3. It is recommended that Cabinet approves this Policy and note the Terms of Reference.

7. The risk appetite statement sets the tone for risk management, it details the amount and type of risk that the Council is willing to take in order to meet its strategic objectives and will support the achievement of these objectives. The Risk Appetite Statement is attached at Appendix 2 and it is recommended that it is given Cabinet approval. It should be noted that following presentation to the Audit and Resources Committee some queries arose and as a result amendments were made to the Risk Appetite Statement. The revised Risk Appetite Statement was represented to SRMG on 18 November 2021 and recirculated to the Audit and Resources Committee who were content with the revisions and this was subsequently recorded in the minutes of the Audit and Resources Committee meeting of 23 November 2021.

Risk Management Developments 2020/21

8. Service Managers are responsible for managing risks using risk registers that are reviewed regularly as part of service performance management. SRMG met on 6 occasions during 2020/21 and reviewed the following service risk registers:
 - Customer Services
 - Local Area Services
 - Support Services
 - One Horton Heath Project
 - Strategic Planning and Development
 - Country Parks
 - Housing and Regeneration Programmes
 - Specialist Services
 - Arts and Culture
 - Direct Services
9. In January 2021 a new Executive Head structure with nine executive areas was created. Work commenced during the latter part of 2020/21 to realign the Service Risk Registers to the new structure. It is planned that during 2021/22, the individual Service Risk Registers will be combined to form one operational risk register which will allow more visibility of the risks faced by other services and opportunities to address new and emerging risks collaboratively.
10. SRMG also considered the following matters during the year:

- Insurance
 - Training
 - Audit resources and Audit reports
 - Business Continuity and the Council's response to the Covid-19 pandemic
 - Procurement
 - Enforcement
 - Health and Safety
 - Fraud risks
 - Business Grant support (Covid-19)
 - Homeworking & staff well-being
11. The Corporate Risk Register is managed by the Council's Corporate Leadership Board and updated for newly stated risks and ongoing matters on a quarterly basis. The register is also reviewed by the SRMG and considered at least annually by Cabinet, with Cabinet members being kept apprised of corporate and portfolio-related risks throughout the year.
12. In April 2021 the Strategic Incident Management Team (SIMT), which formed in March 2020 in response to the pandemic, created the Covid-19 Risk Register to ensure that critical services continue to operate across the Borough. This was regularly monitored and discussed by SIMT. The Covid-19 Risk Register was also monitored by SRMG who discussed the risks contained within and sought assurance that risks were being appropriately mitigated. Discussion particularly took place around business grant support, health and well-being of staff and the pausing of some services.

Financial Implications

13. There are no resource requirements associated with this report. Financial risks to the Council are included in the Council's Corporate Risk Register and assessed and managed regularly by the Chief Financial Officer, reporting Treasury Management and other financial risks regularly to Councillors; financial risks of individual decisions are reported in standard paragraphs in committee reports.
14. Appropriate mitigation of financial risks will ensure the public purse is appropriately safeguarded and support the achievement of strategic objectives.

Risk Assessment

15. The Council significantly reduces a number of varied risks by having a robust risk management framework in place.

Equality and Diversity Implications

16. An equal opportunities assessment has not been carried out as service delivery is not directly affected by the report, although in determining risks individual services will be assessing equalities and diversity implications.

Climate Change and Environmental Implications

17. Climate change and environmental implications features on the Corporate Risk Register and is discussed at each meeting of SRMG. The Council has recently appointed a Climate Change Manager and it is planned that this officer and the Strategic Planning Lead (Environment) are invited to attend future SRMG meetings to discuss risk associated with the Climate Change & Environmental Strategy and Action Plan.

Conclusion

18. Risk management within the Council continues to be developed in accordance with good risk management practice and efforts are being made to ensure continuous improvement in risk management processes, as well as to further embed risk management awareness into Council business management. The practices and framework provide a sound platform for risk management throughout the organisation.

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EXECUTIVE HEAD OF GOVERNANCE

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Appendices Attached: 3

LOCAL GOVERNMENT ACT 1972 - SECTION 100D

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

None