

KEY DECISION? NO

RISK MANAGEMENT 2021/22

SUMMARY AND RECOMMENDATIONS:

This paper updates Members of the Corporate Governance, Audit and Standards Committee on the Council's risk management process over 2021/22.

CGAS Members are asked to note this report.

1. Background

- 1.1 The Constitution states that one of the roles of the Corporate Governance, Audit and Standards Committee (CGAS) is to "*provide independent assurance of the adequacy of the risk management framework*". Specifically in relation to risk management, the Constitution states that CGAS should "*monitor the effective development of risk management in the Council*".
- 1.2 This report provides an update from the Council's Senior Risk Officer to CGAS Members on risk management activity that has taken place over the course of 2021/22 in line with arrangements set out in the Council's Risk Management Policy (2021) which is attached at Appendix A.

2. Council's Risk Management Policy

- 2.1 In June 2020, the Cabinet agreed the creation of the Assistant Chief Executive post (CX2005) in order to bring together and strengthen the corporate policy and strategy function including policy response, development, strategy, performance, emergency planning, business continuity and risk. As part of this change, the Assistant Chief Executive role was also designated as the Senior Risk Officer for the Council. The Council's risk management policy was revised in January 2021, following a review by the newly appointed Assistant Chief Executive. The risk management policy has been updated since and version 1.3 dated 5 November 2021 is currently being used to manage risk within the Council.
- 2.2 The 2018/19 Value for Money opinion was issued on an 'except for' basis due to risk management issues, with the Council not able to demonstrate that risk management processes were embedded and that the risk register was reviewed. The opinion for 2019/20 is yet to be received and it remains possible that this will suggest additional work on Risk Management and if this is the case, this will be considered as part of the work plan that has been developed for 2022/23. Notwithstanding this, over the last 12 months

there have been a number of steps taken to update the risk management process across the Council and to address issues identified in an internal audit on risk management which concluded in June 2019.

- 2.3 With this in mind, the focus with risk over the last 12 months has been to review and then embed the risk management process consistently across the Council. This work began in January 2021 with the roll out of a revised risk management policy and associated training and briefing for staff and CGAS Members. The Risk Management Policy is attached at Appendix A and key changes and amendments implemented at this time, included:
- The introduction of three types of risk onto the Corporate Risk Register (strategic risks; corporate standing risks and escalated service risks) with a consistent approach to identifying these. Definitions of each of these can be found within the Risk Management Policy at Appendix A.
 - Setting the expectation that whilst risks might be managed by a number of people across the Council, there should be a single risk owner identified for risk management purposes.
 - A clear expectation that risk registers should be reviewed on a monthly basis by each service
 - The Council's risk management process is overseen by the Assistant Chief Executive, with the day-to-day management and maintenance of the risk management system being the responsibility of the Corporate Risk Manager.
 - Risk will be on the Council's Corporate Management Team agenda at least every 2 months to ensure that regular routine collective oversight is given to risk at a senior level.
- 2.4 In light of these changes and to bring the risk management more closely to corporate planning and performance management, responsibility for the management of risk moved in July 2021 to the Portfolio Holder for Democracy, Strategy and Partnerships.

3. Risk management in 2021/22

- 3.1 Over the course of 2021/22, the risk management policy has been adhered to and the arrangements have been subject to an internal audit which concluded in February 2022 (see AUD2205). This internal audit report recognises the improvements in the risk management process since 2017 and the last internal audit and found that the current policy is being applied. CGAS Members will note from the Internal Audit Update report that the risk management audit made six recommendations which will be addressed as set out in the management responses over the course of 2022/23.
- 3.2 As set out in the risk management policy, reports on risk have been presented to the Council's Corporate Management Team on a regular basis (with this having been discussed at meetings in March, April, June, September and October 2021, and again in January 2022) and presented to Cabinet alongside the quarterly performance reports in July 2021, November 2021 and February 2022 with a final report (covering quarter 4) due to be presented to Cabinet in June 2022. In addition, risk is discussed with greater frequency outside these meetings, with regular discussions

and risk register reviews taking place across projects and programmes and with risk being discussed by the Policy and Projects Advisory Board as the new Council Plan 2022-2025 has been developed.

- 3.3 The findings of the recent internal audit report have formed the basis for a risk management work plan for 2022/23 with a view to all six identified actions being addressed by the end of June 2022. Addressing these actions will further strengthen the risk management processes across the Council and allow for greater alignment between performance and risk management and more real-time reporting of the corporate risk register. Crucially, the changes will also aim to embed a greater understanding not only of the risk management process but will also support improved risk identification across the Council and a greater understanding of risk appetite. In light of these changes, the risk management policy will be updated later this year and a training session for all CGAS members on the new policy is scheduled for September 2022.

4. Conclusion

- 4.1 CGAS is asked to note this report which summarises how risk has been managed across the Council in 2021/22 and outlines work planned for 2022/23.

BACKGROUND DOCUMENTS:

Appendix A – Risk Management Policy

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