

**CORPORATE GOVERNANCE AUDIT
AND STANDARDS COMMITTEE**

20 MARCH 2024

**ASSISTANT CHIEF EXECUTIVE
REPORT NO. ACE2402**

RISK MANAGEMENT PROCESS 2023/24

SUMMARY AND RECOMMENDATIONS:

This paper updates Members of the Corporate Governance, Audit and Standards Committee on the ongoing development and maintenance of the Council's risk management process over 2023/24.

Attached to this report is the current Corporate Risk Management Policy.

CGAS Members are asked to note this report and comment on the adequacy of the Council's risk management arrangements.

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 to CGAS Members on risk management activity that has taken place over the course of 2023/24 in line with arrangements set out in the Council's Risk Management Policy, which is attached as Appendix A.
- 1.3** As was reported in previous years, 2023/24 has continued to be a period of significant uncertainty across a broad range of economic, social and political matters. With matters such as high interest rates continuing beyond expected timeframes and the cost of living crisis in the wider community increasing levels of deprivation, the Council – along with many partner agencies, are seeing significant impact on our resources and operating costs. The wider financial implications for the Council have been a focus in recent times, with mitigation plans adapting to meet the ongoing challenges presented.
- 1.4** It is important to recognise the role that the Council's risk management process has played in recognising the potential impacts of the risks the Council faces and ensuring the Senior Management Team, the Cabinet and Members are regularly updated.

1.5 The risk management process will continue to play an important role in the Council meeting its key objectives as existing risks continue to develop during 2024/25.

2.0 Development of Risk Management

2.1 The Council has continued its work to embed risk management within the organisation and streamline the processes in place. Since moving the Council's risk registers to an MS Lists based system located in July 2022, improvement continues to be made in timely engagement and the level of detail provided. This has greatly improved efficiency and also allows the risk registers to be easily interrogated in a live format at any time by key personnel.

2.2 The Council's Officers continue to attend professional peer groups and conferences in risk management and will be further investing in the development of staff by providing formal training during 2024/25. This will enable the Council to improve its overall resilience and continue to improve upon the arrangements currently in place, where possible seeking out improvement and incorporating best practice.

2.3 The Council's risk management policy and arrangements continue to be reviewed and developed in order to remain effective and to provide continual improvement. The last revision was published in February 2022 and is attached. A new, updated draft is expected to be published in Q1/Q2 2024/25. Amongst other updates this will incorporate improvements in the way that the Council carries out its annual strategic analysis, determines its risk appetite and will more closely link the risk management process with the Council Plan and performance management arrangements.

2.4 Work has continued in response to the internal audit of risk management that concluded in February 2022. Of the 6 actions identified, the final outstanding item has been addressed in the latest draft of the risk management policy. Further work is however planned to investigate how the Council can establish an effective high level risk appetite policy (or policies), in addition to risk appetite being determined on a risk-by-risk basis.

2.5 New risks continue to be identified as part of the Council's horizon scanning process, giving us the time to fully consider the action required to limit the impact. One example of this is the reform of the procurement legislation in the UK and the requirement to put all new requirements into place by October 2024. This will have an impact across all services. Similarly, the Council will need to respond to proposed introduction of Martyn's law and duties that will be imposed upon those that own and operate public buildings and some large public events, previously known as the 'Protect' Duty. The Council will also continue to review the position on the impacts of wider change, such as extreme weather events due to climate change, ongoing budgetary pressures and supply chain disruption.

3.0 Risk Management Reporting during 2023/24

3.1 As set out in the risk management policy, reports on risk have been presented to the Council's Corporate Management Team on a quarterly basis and presented to Cabinet, alongside the quarterly performance report.

3.2 In addition, risk is discussed with greater frequency outside of these meetings, with regular discussions and risk register reviews taking place across projects and programmes and with performance and risk reporting being considered by the Overview and Scrutiny Committee at their meetings on 20th July 2023 and 2nd January 2024.

4.0 Recommendations

4.1 CGAS is asked to note this report which summarises how risk has been managed across the Council in 2023/24.

BACKGROUND DOCUMENTS:

Appendix A – Risk Management Policy

Link – [Cabinet Report: Council Plan and Risk Register Quarterly Update October to December 2023](#)

Link – [Agenda for Overview and Scrutiny Committee on Thursday, 20th July, 2023, 7.00 pm Rushmoor Borough Council](#)

Link – [Agenda for Overview and Scrutiny Committee on Tuesday, 2nd January, 2024, 7.00 pm - Rushmoor Borough Council](#)

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