

**Bolsover District Council**

**Audit Committee**

**26<sup>th</sup> January 2021**

**Risk Management**

**Report of the Director of Corporate Resources**

This report is public

**Purpose of the Report**

- To update Members of the Audit Committee of the current position regarding Risk Management arrangements and the Strategic Risk Register as at November 2020.

**1 Report Details**

**Background**

- 1.1 The risks facing the Council are many and varied and the approach to managing those risks should be applied within decision making processes. Risks will change over time so need continual monitoring, the approach to risk management should also be continuous with a structured review process. A comprehensive review of the Council's risk management framework has now taken place to ensure that the continued effective and systematic management of risk is achieved.
- 1.2 The attached 'Risk Management Strategy' (**Appendix 1**) was approved by Executive in March 2020 and includes;
- The nature of 'risk' both the 'threats' and the 'opportunities'
  - The benefits of a robust risk management approach
  - The Council's risk appetite
  - Risk categorisation – *Operational, Governance, Strategic*
  - Project and Partnership risk
  - The Council's risk management approach and arrangements including a new 'Risk Management Group'
  - Roles and responsibilities including *Senior Risk Officer* and *Senior Information Risk Officer* (SRO and SIRO)
- 1.3 This Strategy sets out the mechanisms and processes for both the maintenance and development of Risk Management within the Council's operational framework. Whilst the main focus of the arrangements set out within this Strategy will be in respect of the Council's own activities, it also recognises that key elements of the Council's service delivery may well be delivered by way of Partnership working. Accordingly the Council's own risk management approach

needs to ensure that the risks arising from partnering with others are appropriately addressed as part of this Strategy.

- 1.4 The Strategy details the need for the Council to be risk aware rather than risk averse as the decision whether to accept risk should be taken in light of the potential benefits of a proposed course of action. The extent to which the Council is risk averse, will undoubtedly impact on its potential to progress available opportunities to secure benefits for local residents.
- 1.5 Risk management, both in the identification of risks and the action taken to address the risks, needs to be flexible and have the ability to respond to change. National policies, service delivery arrangements, national and local circumstances, together with Council priorities will change and evolve over time. Risk Management focus and arrangements need to adjust in order to ensure that current threats and opportunities are effectively addressed and not stifled by inappropriate risk management arrangements.
- 1.6 The Strategy also details the need to establish a 'Risk Management Group'. This should be elected Member led and will include the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group will provide a comprehensive oversight of risk throughout the organisation and be the conduit to and from the whole organisation in terms of risk management.
- 1.7 The group will 'regularly' and 'consistently' oversee, at least quarterly, all of the risk registers ensuring they are up to date and accurate whilst offering challenge to the assessment process itself. It will be responsible for risk management reporting to stakeholder groups across the Council and support the production of the Annual Governance Statement. The group will lead on the development and review of all risk related policies, plans and strategies across the Council and will oversee and champion the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture.
- 1.8 Although approved in March 2020, the COVID-19 pandemic resulted in the Council having to focus much of its efforts on the initial response and later the recovery phase of dealing with the impact upon the organisation, businesses and wider community – as such the implementation of the Risk Management Strategy and action plan has been delayed. The inaugural meeting of the new Risk Management Group was held in late summer 2020.

### **Update of the Risk Management Group**

- 1.9 The newly established group agreed a standard agenda for future meetings which includes the following;
  - Review of the Strategic Risk Register
  - Review of the Operational Service Area Risk Registers
  - Review of the Partnership and Project Risk Registers
  - Identification of new or emerging risks
  - Risk Management Strategy action plan implementation and review
  - Risk related policies, plans and strategies review – across the organisation

- COVID specific issues

1.10 The group have now produced new risk register templates for *Strategic, Operational, Partnership* and *Project* related risks. These are centrally stored and maintained by the group who will review the registers at each of the Risk Management Group meetings. Heads of Service are currently reviewing their Operational Service Area risk registers. Future reports to this committee will include changes/additions/omissions from these registers along with the rationale for these.

1.11 The group reviewed the Council's Strategic Risk Register which has been developed with consideration to the strategic risks which have been identified previously by Members and Officers as part of the Council's risk, service management and quarterly performance arrangements.

1.12 The revised Strategic Risk Register as at November 2020 is set out in **Appendix 2** for consideration by this Committee. The intention is that this review of the Register will secure the following objectives:

- Identify any newly emerging risks which need to be added to the Register and removing any risks that have been resolved to maintain a focus on current risks.
- To revisit risk score assessments and ensure that appropriate mitigation remains in place.

1.13 A significant change to note is the inclusion of a COVID-19 specific Strategic Risk - *Failure to address the impact of COVID-19 upon the organisation, local economy and community*. The Consequence of a failure to address this risk include the following;

- Inability to deliver services or service failure
- Loss of income to the Council
- Inability to provide safe working environment resulting in COVID contamination and infection
- Adverse impact on employee health
- Inability to change the Councils 'ways of working' to meet the current challenges
- Increased Cybersecurity and ICT related risk due to remote working increase
- Inability to deliver strategic plans and ambitions
- Inability to support local businesses and employers
- Inability to support the community and in particular vulnerable people

Action to mitigate against this risk include the following;

- The Council plays an active role in the Local Resilience Forum (LRF) and network of sub groups taking part in very frequent meetings and working to effectively and collectively tackle the impact of COVID within the County. This forum includes many agencies across the public sector spectrum including emergency services, NHS, Public Health and others

- The Council has in place effective business continuity and emergency action plans which enabled the effective and efficient deployment and diversification of resources to ensure service resumption, business and community support in the initial response phase of the COVID-19 pandemic
- The Council have in place robust recovery plans

## **2 Conclusions and Reasons for Recommendation**

- 2.1. The Council have in place a robust Risk Management Strategy and action plan which enables the organisation to manage the many and varied risks facing the Council. The approach to managing those risks is applied within decision making processes and is continuous with a structured review process overseen by the Risk Management Group.
- 2.2 The Risk Management Group is elected Member led and includes the Councils Senior Risk Officer (SRO), Senior Information Risk Officer (SIRO), S151 Officer, representation from senior management, Internal Audit and Health and Safety. The group provides a comprehensive oversight of risk throughout the organisation and is now becoming the conduit to and from the whole organisation in terms of risk management. The Risk Management Group is now able to provide risk management reporting to stakeholder groups across the Council and will support the production of the Annual Governance Statement.
- 2.3 The Risk Management Group have made significant progress in ensuring that risk is effectively managed within the organisation. By leading on the development and review of all risk related policies, plans and strategies across the Council, the Risk Management Group will provide consistency of approach and alignment of all service areas in relation to risk management. By overseeing and championing the implementation of the Risk Management Strategy and associated action plan including training 'relating to' and the 'embedding of' an effective risk management culture, the Risk Management Group will be pivotal in the organisations future success.

## **3 Consultation and Equality Impact**

- 3.1. There are no consultation or equalities issues arising from this report which necessitate a formal consultation process. The new Strategy has however included consultation with; SAMT; Audit Committee and Executive previously.

## **4 Alternative Options and Reasons for Rejection**

- 4.1. Under relevant good practice and to facilitate the development of robust managerial arrangements the Council is required to prepare a Strategic Risk Register as part of its risk management framework. This report is intended for Members and Officers to consider both the Strategic Risk Register, together with the Council's wider framework for managing risk and partnerships. Given the importance of these arrangements for the overall governance of the Council it is necessary to subject them to regular review. The alternative of not providing this is therefore rejected.

## **5 Implications**

## 5.1 Finance and Risk Implications

5.1.1 There are no additional financial implications arising out of this report. Whilst, where appropriate, additional mitigation measures have been identified and implemented during the course of preparing the Strategic and Operational Risk Registers, the cost of implementing this mitigation will be met from within previously agreed budgets.

5.1.2 Risk Management Issues are covered throughout the body of the main report.

## 5.2 Legal Implications including Data Protection

5.2.1 There are no legal or data protection issues arising directly out of this report.

## 5.3 Human Resources Implications

5.3.1 There are no human resource issues arising directly out of this report.

## 6 Recommendations

6.1. That the Audit Committee notes the report and Strategic Risk Register as at November 2020 as set out in **Appendix 2**.

## 7 Decision Information

<b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds:  <i>BDC:</i> <i>Revenue - £75,000</i> <i>Capital - £150,000</i> <input type="checkbox"/> <i>NEDDC:</i> <i>Revenue - £100,000</i> <input type="checkbox"/> <i>Capital - £250,000</i> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
<b>Is the decision subject to Call-In?</b> (Only Key Decisions are subject to Call-In)	No
<b>Has the relevant Portfolio Holder been informed</b>	Yes
<b>District Wards Affected</b>	None directly
<b>Links to Corporate Plan priorities or Policy Framework</b>	All

## 8. Document Information

Appendix No	Title
1	Risk Management Strategy
2	Strategic Risk Register as at November 2020

**Background Papers** (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)

Service Area Operational Risk Registers

<b>Report Author</b>	<b>Contact Number</b>
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