

Title of report: Update on Risk Management Activity

Meeting: Audit and Governance Committee

Meeting date: Tuesday 28 October 2025

Report by: Director of Finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

All Wards

Purpose

To provide assurance of the adequacy of the council's risk management framework and internal controls in 2025/26.

Recommendation(s)

That:

- a) The committee notes the activity to embed the revised risk management strategy and strengthen risk management activity across the council at Corporate, Directorate and Service levels; and**
- b) The committee considers the frequency for future risk management activity updates.**

Alternative options

1. The Audit & Governance Committee is responsible for reviewing the adequacy of the council's governance arrangements, including the risk management framework and internal controls. The Committee may choose not to review the council's risk management arrangements. This is not recommended as risk management is an integral part of the council's governance arrangements.

Key considerations

2. The revised Risk Management Strategy 2025/26 and Risk Appetite Statement were approved by Cabinet in June 2025. The Strategy sets out the approach and principles of risk management, outlining the council's risk appetite, to inform the management of risks by Members and Officers across the council.
3. The Corporate Leadership Team (CLT) have undertaken a review of the Corporate Risk Register (included at Appendix A) at 30 June 2025 to update risk scores, consider the adequacy of control measures and mitigating actions and identify new threats and opportunities to the delivery of the objectives and priorities of the Council Plan 2024-28.
4. In addition to this quarterly update, CLT and Cabinet continue to monitor risks throughout the year to ensure appropriate and proportionate controls are in place as part of the risk management framework and internal control framework.
5. The revised Corporate Risk Register approved by Cabinet in June 2025 included 8 corporate risks. At Quarter 1, an additional risk has been identified and added to the risk register. Corporate Risk ref. R9 recognises the risk of financial failure of a major supplier to the council, resulting in disruption to the delivery of statutory services or major projects.
6. There have been no changes to the risk scores for the remaining 8 corporate risks during Quarter 1. The scores of each of these risks have been reviewed by the relevant Risk Owner, supported by discussion and oversight by CLT.
7. In addition to the review of the Corporate Risk Register, CLT members are engaged in activity to refresh Directorate level risk registers and embed the revised Strategy across the council.
8. The council's 2025/26 Internal Audit Plan has been reviewed to ensure it is aligned to the refreshed Risk Strategy and risks identified in the Corporate Risk Register. The development of a comprehensive risk-based plan ensures that internal audit activities are focused on the highest-impact risks to the council's objectives. The revised Plan was approved by Audit & Governance Committee in September 2025.
9. Activity to embed and strengthen risk management arrangements completed to date in 2025/26 is outlined below:
 - i. A consistent Risk Register template to record and monitor individual Directorate, Service and Project risks has been developed with automated links and escalation flags; this template aligns risks to the council's approved Risk Strategy and Risk Appetite Statement.
 - ii. Testing of populated risks registers to confirm functionality and cohesion with the Strategy.
 - iii. A SharePoint site and Teams channel has been established to share guidance, training and enable interaction between risk owners.
 - iv. Delivery of risk management training to the council's Leadership Group in September 2025 with workshop activity to test the application of the Risk Management Strategy and Appetite Statement to decision-making in respect of major projects.
10. Further activity currently underway and planned to be completed in 2025/26 includes:
 - i. An audit of risks transferred from previously used registers to the new risk register templates will be undertaken to confirm the completeness of transfer.
 - ii. Moderation of risk scores across Service, Directorate and Project Risk Registers.
 - iii. Review and challenge of control measures and mitigating actions.
 - iv. Update of the council's Risk Management Intranet page.
 - v. Development of Risk Management dashboard reporting.

Community impact

11. Effective risk management is essential to the delivery of the priorities set out in the Council Plan. Specially, the Council plan commits the council to 'develop a Corporate Risk Strategy to improve the process for managing corporate and directorate risks'.

Environmental impact

12. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
13. Whilst this is a report for information and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

14. The Public Sector Equality Duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations, and demonstrate that it is paying 'due regard' in our decision making in the design of policies and in the delivery of services.
15. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality. It is recognised that each identified individual corporate risk may have its own individual impacts on equalities or assessed as a risk due to its effect on equality. These are monitored as part of the ongoing individual service or project delivery. Effective risk management arrangements will ensure the council complies with its equality duties.

Resource implications

16. There are no specific resource implications from the report itself.

Legal implications

17. The Audit & Governance Committee is responsible for reviewing the adequacy of the council's governance arrangements, including the risk management framework and internal controls.
18. It is not a function of the Committee to examine specific risks however its functions include monitoring of the development and operation of risk management processes and receiving assurance from internal and external sources of the effectiveness of arrangements.

Risk management

19. This is a report to review the Corporate Risk Register and risk management arrangements in 2025/26.

Consultees

20. None.

Appendices

Appendix A Corporate Risk Register Quarter 1 2025/26

Background papers

None.