

Title of report: Update to Risk Management Arrangements

Meeting: Audit and Governance Committee

Meeting date: Tuesday 28 January 2025

Report by: Director of Finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To provide an update on the council's approach to risk management arrangements.

Recommendation(s)

That:

- a) **The committee notes the activity completed to develop the Risk Management Strategy.**

Alternative options

1. The committee could choose not to consider the report, however this is not recommended as managing risk is an required function of council operations.

Key considerations

2. Further to the report presented to this committee in September 2024, activity to review and update the council's risk management arrangements has continued: the Draft Risk Management Strategy has been revised to incorporate best practice recommendations from the Council's external risk management consultants and a Risk Management Workshop is planned for 28 January 2025.
3. The Risk Management Workshop will be delivered by the council's Internal Auditor's Chief Technical Advisor for Risk and Head of Internal Audit, with engagement from the Corporate Leadership Team. The key aims of the workshop are to determine the risk register and update the Corporate Risk Register and the focus areas to be covered are noted below:

- a. **Risk Strategy:** How the revised strategy informs how the council manages risk across the council;
 - b. **Risk Appetite Statement (RAS):** Defining acceptable risk levels to guide decision making and align with strategic goals;
 - c. **Risk Tolerance:** Determining the level of risk the council is willing to operate in delivering its strategic goals;
 - d. **Development of Corporate Risk Register:** Updating the council's Corporate Risk Register to consider risk appetite, tolerance, likelihood, impact, mitigating controls.
 - e. **Monitoring and Management of Risk:** Confirming responsibility and accountability for ongoing risk monitoring and management arrangements.
4. A verbal update on the outcomes of the workshop will be provided for this Committee meeting.
 5. Following the workshop, activity will continue to finalise the Corporate Risk Register and Risk Management Strategy and a timeline of planned actions and key dates is included in the table below.

Table 1: Timeline of Planned Activity

Date	Activity
28 January 2025	CLT Risk Management Workshop to be delivered by the council's Internal Auditors: South West Audit Partnership (SWAP).
February and March 2025	Development of Corporate Risk Register and completion of Corporate Risk Register (Corporate Leadership Team).
25 March 2025	Risk Management Strategy to be presented to Audit & Governance Committee for approval.
March to May 2025	Review of effectiveness of internal controls and governance mechanisms in place to manage risks of failure in delivering outcomes and decision making to inform the 2024/25 Annual Governance Statement for publication by 31 May 2025.

Community impact

6. 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

7. 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.
8. 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

9. 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.
10. The mandatory equality impact screening checklist has been completed for this activity and it has been found to have no impact for equality.

Resource implications

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

Legal implications

12. There are no specific legal implications arising from this report itself.

Risk management

13. N/A.

Consultees

14. None.

Appendices

None.

Background papers

None identified.