

NORTH NORTHAMPTONSHIRE SHADOW AUTHORITY**SHADOW EXECUTIVE COMMITTEE****THURSDAY 25 MARCH 2021**

Report Title	Risk Management Strategy
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List of Appendices**Appendix A – Risk Management Strategy 2021-22****1. Purpose of Report**

- 1.1. The purpose of this report is to outline the options for the Council's Risk Management arrangements and approve the Risk Management Strategy.

2. Recommendations

- 2.1. It is recommended that the Risk Management Strategy 2021-22, attached as Appendix A to this report, be approved.

3. Report Background

- 3.1. A proposed Risk Strategy is attached at Appendix A that is informed by relevant best practice.
- 3.2. Effective Risk Management is a key element of good governance and the adoption of a Risk Management Strategy provides the framework for good risk management across the Council.
- 3.3. From 1 April 2021 a Strategic Risk Register will be drafted from the risk information held by each Council, however, the risk cycle (as set out in the Risk Strategy) will realistically need to operate throughout 2021/22 and evolve the Risk Register during the year and as part of the quarterly reviews.

4. Summary of Main Points

- 4.1. It is recognised that the approach to risk management must both influence organisational culture (i.e. prudent management of risks) and reflect organisational needs (i.e. proportionality of risk information required). The Council needs a formal risk strategy in place to enable risks to be assessed from

1 April 2021 and to ensure the organisation through its management hierarchy, leadership team and Committees has visibility of the key risks being managed.

- 4.2. The assimilation of risks documented across all the Councils is complex given the volume of information and the differing priorities of each Council. Whilst a Strategic Risk Register will be formulated for 1 April 2021, its content and the distillation of operational / directorate risks will in reality be an evolving process over at least the first year of operation.
- 4.3. The approval of this Risk Management Strategy will enable the consolidated risk information from each Council to be considered as part of this and the first draft Risk Register prepared to be constructed in accordance with these provisions to best meet the Council's needs. The Strategy and Strategic Risk Register will be considered by the Council's Audit and Governance Committee post April 2021.
- 4.4. Key Issues to highlight associated with the Strategy:
 - a) Process
 - The Strategy sets out key steps within the risk management process.
 - The depth of risk information required is set out identifying a proportionate approach that requires the formal risk assessment and management of the tiers of risks (Strategic; Key; Project).
 - Other risks can be formally recorded but the above hierarchy seeks to promote a focus on the key risks to avoid the necessary focus on those being 'lost' within excessive detail.
 - b) Software
 - The shared Internal Audit service offers free use of a Risk Management Software package. This allows risks to be assessed and managed and has the advantage of monitoring regular reviews and delivery of agreed actions. Alternatively a spreadsheet based system can be used.
 - c) Risk Ownership
 - A key concept in effective risk management is the ownership of individual risks. A common weakness in some risk processes is that risks are perceived to be corporately owned if administered by a central team.
 - The Strategy clearly sets out that risks are owned by specific individuals who are the most appropriate person able to manage the risk documented. That person is responsible for ensuring periodic review and the completion of agreed actions.
 - d) Support
 - Linked to risk ownership there is recognition that senior officers need to nominate key individuals to support this process. This is beneficial in maintaining up to date risk information, without diluting risk ownership or management.

e) Risk Registers and identification of key risks

Through the maintenance of risk registers, the Council will have knowledge of the risks affecting the organisation and mitigating factors. However, a proportionate approach is needed to ensure the Council can focus on key and emerging risks. This is intended to be over the following main areas:

- Strategic - The Strategy therefore proposes that the Corporate Leadership Team maintains a Strategic Risk Register of those risks considered to be significant and which affects the organisation as a whole as opposed to any single service.
- Directorate Key Risks - Beneath the strategic risks each Directorate will maintain a risk register of their area's key risks. This provides the Executive Director with assurance that each operational area has assessed and documented the risks within their remit. On a quarterly basis those risks will be reviewed, in order to ensure that it is kept up to date and risks are actively addressed. The most significant risks should be reported to the Corporate Leadership Team.
- Project Risks - Key / significant projects should be formally risk assessed and reported to the Leadership Team as well as any specific governance arrangements which are in place for the project. These should be reported to Leadership Team as part of the oversight on programme / project management and do not need to be duplicated within periodic risk reporting.

5. Outcomes

- 5.1. Overall success in progressing risk management will be assessed through consideration of a number of outcomes as set out in the strategy which includes that services are able to focus their resources to deliver against Council priorities within the agreed timescale. This should include partnership arrangements.
- 5.2. Risk assessment and management is considered as part of regular performance reporting and within reports to Committee as part of a corporate assurance framework.

6. Monitoring and Review

- 6.1. This Strategy will be reviewed and updated annually for presentation to the Audit and Governance Committee.
- 6.2. Whilst this Strategy has been presented to the Shadow Executive Committee for approval prior to 1 April 2021, it is usual practice for it to be approved by the Authority's Audit Committee. Therefore, it will be shared with the Council's new Audit and Governance Committee, once it is established, alongside the Strategic Risk Register.

7. Implications (including financial implications)

7.1. Resources and Financial

7.1.1. The adoption of the Strategy adds no cost specifically as risks must be effectively managed and reported as part of good governance.

7.1.2. The report sets out a proportionate approach and is the means by which the Council manages its risks.

7.2. Legal

7.2.1. Not applicable.

7.3. Risk

7.3.1. The report relates to the effective management of risk by the Council.

7.4. Consultation

7.4.1. The strategy has been discussed at the Corporate Leadership Team. It is intended to be presented to the Audit and Governance Committee of North Northamptonshire Council at its first meeting in 2021 for consideration alongside the risk register for the new Council.

7.5. Consideration by Overview and Scrutiny

7.5.1. Not applicable

7.6. Climate Impact

7.6.1. Not applicable

7.7. Community Impact

7.7.1. Not directly applicable. Any impact on Community raised within the risk registers will be addressed through the mitigating actions and reported through the necessary Governance arrangements.

8. Background Papers

8.1. None.