

Waverley Borough Council

Report to: Audit and Risk Committee

Date: 17 June 2024

Ward(s) affected: All

Report of Director: Transformation & Governance

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Report Status: Open

Key Decision: No

Update on Risk Management

Executive Summary

- 1.1 This report presents the progress made on implementing the newly endorsed Risk Management Framework, including the Risk Management Strategy and Policy (appendix 1), since progress on risk management was last reported to the Audit and Risk Committee (the Committee) in November 2023.
- 1.2 This report presents a list of the Councils corporate risks (appendix 2), which were reported to Corporate Management Board (CMB) (Performance and Risk) on 23 April 2024.

- 1.3 This report also details the next steps to ensure the proper implementation of the new Risk Management Strategy and Policy.

Recommendation to Committee

That the Committee:

- 2.1 note progress made with risk management and implementing the newly endorsed Risk Management Framework, making any observations or comments.
- 2.2 note the next steps applicable to implementing the Risk Management Framework.

Reason(s) for Recommendation:

- 1.2 The Risk Management Policy document (page 11 of appendix 1) states the Committee will monitor and review the corporate risk register on a six-monthly basis. It is the responsibility of the Committee to ensure it is satisfied the Council operates and maintains a robust and effective risk management process.

Exemption from publication

- 1.3 No part of this report is exempt from publication.

Purpose of Report

The purpose of this report is to:

- 5.1 Present the progress officers have made with risk management since the last update to the Committee in November 2023.
- 5.2 Outline the actions officers will take to progress with risk management between now and the next Committee in September 2024.

Strategic Priorities

- 1.4 To achieve its strategic priorities, the Council recognises risk management as an integral part of good management and governance. The Council must effectively manage risk across the whole organisation resulting in the anticipation and resolution of risks before they become issues, and the leveraging of potential opportunities.

Background

- 7.1 In March 2023 the Southern Internal Audit Partnership produced an audit report reviewing Waverley Borough Council's processes and controls for risk management. The audit report went to the Audit and Risk Committee on 11 September 2023. Since then, officers have revised the Risk Management Policy and Toolkit and developed a new Risk Management Framework, including a Risk Management Strategy and Policy.
- 7.2 At its last meeting in November 2023, the Committee were informed that additional resourcing had been allocated to risk management. Since then, Waverley Borough Council's Graduate Management Trainee has worked with other officers to develop the Risk Management Framework and a risk mapping & identification process to review the corporate risk register.

8. Risk Management Framework

- 8.1 As per the recommendation from the Southern Internal Audit Partnership report in March 2023, the newly endorsed Risk Management Framework has been developed to mirror Guildford Borough Council's approach to risk management.
- 8.2 To ensure the Risk Management Strategy is robust and supports the operation and maintenance of an effective risk management process,

officers at both Guildford Borough Council and Waverley Borough Council are reviewing the Risk Management Strategy, ensuring adherence to best practice. This will assure alignment and that the Risk Management Strategy is being implemented consistently and effectively.

9. Corporate Risk Register

9.1 Since the last Committee meeting in November 2023, officers have undergone a risk mapping and identification process, to develop a reviewed list of corporate risks, including risk descriptions (appendix 2). These revised corporate risk descriptions were reported to Corporate Management Board (CMB) (23 April 2024) in accordance with the roles and responsibilities set out within the Risk Management Strategy and Policy document. Regular progress reporting to CMB will continue on a monthly basis.

10. Next steps

10.1 The Risk Management Framework states a Risk Management Group (RMG) will be set up to measure the performance of the Framework and develop indicators relating to the effect of mitigations on risk RAG ratings. The group will be established and would have met by the next Audit and Risk Committee meeting in September 2024. It is suggested by officers the first meeting of Waverley Borough Council's RMG focuses on updating the corporate risk register with current mitigations and agreeing RAG ratings.

10.2 A baseline corporate risk register in completion, will be reported to the Committee. This will include a progress update against risk mitigation activities.

10.3 A revised Risk Management Strategy, will be presented to the Committee so that the Committee can be assured our approach is as comprehensive as possible.

10.4 An update on the progress of the developing service risk registers, will be reported to the Committee. The Risk Management Framework states the need for service risk registers, to ensure

operational risks within services are managed and prevented. Service risk registers should also be integrated into the service planning process.

11. Consultations

11.1 The corporate risks were reported to CMB (Performance and Risk) on 23 April 2024, for review.

12. Key Risks

12.1 Without a fit-for-purpose and consistent risk management process the Council risks being exposed to unnecessary and unacceptable risks.

13. Financial Implications

13.1 Adopting and implementing the Risk Management Framework 2020-2025, strategy and policy will begin to give assurance to both Internal and External auditors that Waverley Borough Council are on a trajectory to even better governance and control.

13.2 Maintaining a joint service register could have implications for the signing off of the Waverley Borough Council Annual Statement of Accounts should anything service-related go wrong in Guildford Borough Council and vice versa.

14. Legal Implications

14.1 The constitution requires that the Audit Committee monitors the effective development and operation of risk management in the Council. Adherence with the Risk Management Framework aligns with good Governance.

15. Human Resource Implications

15.1 Completion, maintenance and oversight of the risk registers will require resource from JMT, Service Leads, the Corporate Policy team and specialists within the organisation. These risk management processes should be seen as important elements of business as usual, much like Service Planning.

16. Equality and Diversity Implications

16.1 The Public Sector Equality Duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

17. Climate Change/Sustainability Implications

17.1 There are no direct climate change or sustainability implications of this report. The council must manage risk effectively, especially risks relating to programmes and projects, in order to achieve its goal of being net-zero carbon by 2030.

18. Conclusion

18.1 The Committee will receive the next 6-monthly report in September 2024 detailing; the revised Risk Management Strategy, a baseline corporate risk register in completion and progress on developing service risk registers, together with any other updates made.

19. Appendices

19.1 Appendix 1 - Risk Management Framework

19.2 Appendix 2 - Corporate risk descriptions

Please ensure the following service areas have signed off your report.
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Service	Sign off date
Finance / S.151 Officer	05/06/24
Legal / Governance	04/06/24
HR	31/05/24
Equalities	
Lead Councillor	
CMB	
Executive Briefing/Liaison	
Committee Services	