

Title of Report	CORPORATE RISK STRATEGY AND POLICY - COVERING REPORT
For Consideration By	Audit Committee
Meeting Date	October 20th 2022
Classification	Open/Exempt
<u>Ward(s) Affected</u>	All Wards
<u>Group Director</u>	Ian Williams, Group Director Finance and Corporate Resources

1. INTRODUCTION

- 1.1 This report informs Members about the recently revised and reviewed Corporate Risk Management Policy and Strategy. The Policy details the framework for managing risk within the Council and the Strategy outlines how the Council intends to proceed in terms of managing its risks. It also outlines which approaches and techniques will be used to successfully carry this out. Both documents are provided in the Appendices.

2. RECOMMENDATION(S)

Audit Committee is recommended to:

- 2.1 **Approve and ratify the contents of this report and the attached Policy and Strategy.**

3. REASONS FOR DECISION

- 3.1 Risk management is fundamental to effective business management and it is vitally important that we know, understand and monitor the key risks and opportunities of the Council. Officers and members are then able to consider the potential impact of such risks and take appropriate actions to mitigate those as far as possible. Some risks are beyond the control of the Council but we nevertheless need to manage the potential impact or likelihood to ensure we deliver our key objectives to the best of our ability. For other risks, we might

decide to accept that we are exposed to a small level of risk because to reduce that risk to nil is either impossible or too expensive. The risk management process (and the work the Corporate Risk Team undertakes) helps us to make such judgements, and as such it is important that the Audit Committee is aware of how we manage our risks in order that this Committee fulfils its own objectives as set out in its Terms of Reference.

4. BACKGROUND

- 4.1 The Corporate Risk Management Policy is a concise document setting out the objectives and detailing the structures in place within the Council to manage risk. The Policy can be understood to define the ‘what’ in terms of what the Council has in place to manage its risk, whereas the Strategy represents the question of ‘how’ – in respect of how the Council will operate in order to achieve the objectives set out in the Policy.
- 4.2 The Council’s full approach for managing risk is outlined in its Corporate Risk Management Strategy. The Strategy provides a template for all matters relating to risk within the Council. There is a description of how the Council perceives risk, and its appetite is discussed, as are the methods for scoring and appraising risks. It is important that the Strategy is kept up to date and is formally approved by those responsible for overseeing this important function (i.e. Audit Committee).
- 4.3 Changes have been made to both the Policy and Strategy to reflect changes both internally and externally in Hackney (and the wider world) over the last couple of years.
- 4.4 The Policy and Strategy are reviewed biennially by the Corporate Risk Team and also approved every other year by Risk Champions within each group directorate, as part of their regular review of both divisional risk registers and the management of risk within the Council as a whole. Additionally, the Strategy is reviewed and ratified by the Chief Executive, who commences this revised Strategy with an introduction, illustrating senior management commitment. The Strategy acts as a guide in determining how risk is tackled in the Council and it is important to achieve ‘buy-in’ and consensus of opinion regarding its contents. Ratification by the Audit Committee provides gravitas and is an indication of the support from those responsible for overseeing this important function. Awareness and an understanding of the contents of both the Policy and Strategy are key to the management of risk being effectively embedded throughout the Council.
- 4.5 The Council’s intranet provides comprehensive information on Hackney’s risk processes and provides access to relevant information and documentation. This further contributes to the embedding of risk management throughout the Council.
- 4.6 The Policy and Strategy were last reviewed by Audit Committee in September 2020.

4.7 Policy Context

All risk related reporting is in line with the Council’s Risk Policy, ratified biennially by Audit Committee, and also fully supports the framework and ideology set out in the Risk Strategy.

4.8 Equality Impact Assessment

For the purposes of this report, an Equality Impact Assessment is not applicable, although in the course of Risk Management (and associated duties) all work is carried out in adherence to the Council's Equality policies.

4.9 Sustainability

This report contains no new impacts on the physical and social environment.

4.10 Consultations

In order for risk registers to progress to Audit Committee, they will already have been reviewed by the relevant Senior Management Team within the corresponding Directorate. Any senior officer with any accountability for the risks will have been consulted in the course of their reporting.

4.11 Risk Assessment

This report sets out the Policy and Strategy for the management of risks throughout the Council.

5 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

5.1 There are no additional financial implications arising directly from this report. Any financial impacts associated with the information set out in the Appendices will be dealt with as part of the risk management process from within the Council's current resources.

6 COMMENTS OF THE GROUP DIRECTOR OF LEGAL SERVICES

6.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of control which includes arrangements for the management of risk. This Report is part of those arrangements and is designed to ensure that the appropriate controls are effective.

6.2 There are no immediate legal implications arising from this report.

APPENDICES

Appendix 1 – Corporate Risk Management Strategy – October 2022

Appendix 2 – Corporate Risk Management Policy – October 2022

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