

HAMPSHIRE COUNTY COUNCIL

Report

Committee:	Audit Committee
Date:	02 February 2017
Title:	Risk Management
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Report From:	Director of Transformation and Governance – Corporate Services

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1. Purpose of Report

- 1.1. The purpose of this paper is to inform and update the Audit Committee on the key aspects of the County Council's risk management arrangements.
- 1.2. The County Council's arrangements for managing risk are important elements of its overall governance arrangements.
- 1.3. The County Council recognises that maintaining a dynamic risk aware culture is vitality important as it goes through a period of significant change, with the increasing need to balance the effects of budget reductions and changes to the ways services are provided. The financial challenges facing the County Council mean that it has needed to adopt positive strategies to risk taking, in order to maintain the resilience of its essential services through a period of change.
- 1.4. The County Council has had robust strategies for Risk Management for many years, which have culminated in considerable recognition of the County Council as a centre of excellence.

2. Arrangements for the Management of Risk

- 2.1. Risk is most effectively managed where it occurs. Operational risk management is focused at the front line of service delivery (for example, the safeguarding of vulnerable social care clients). At a strategic level, departmental management teams, the Risk Management Board and individual programme delivery boards have responsibilities to manage and monitor risk.
- 2.2. Departments are responsible for identifying, evaluating, and managing their own risks. Operational risks are managed locally through a series of risk

assessments and risk based approaches. Each Department maintains a strategic risk register, as well as managing risks to project and programme delivery through robust project management processes.

- 2.3. Consideration of risk performs a key role within the major transformational programmes the Council is delivering. It could be argued that each of the transformational strands addresses key risk factors in themselves. Within each project, risk is considered and appropriately managed as part of the Council's approach to project management.
- 2.4. In addition, risk is considered and presented to Members as part of the reports that authorise significant projects or activity and included in progress reports on the Council's major change programmes.

3. Corporate Risk Register

- 3.1. In accordance with best practice, the County Council maintains a Corporate Risk Register. This identifies and outlines how key strategic risks faced by the County Council are managed. It is a dynamic document, with the risks identified changing in accordance with the risk environment facing the County Council at any one time.
- 3.2. It articulates and consolidates the risk management activity that is being undertaken to mitigate the key strategic risks that the County Council faces, i.e. those risks which, by their impact severity may affect more than one Department.
- 3.3. The key risks are identified by Chief Officers, with the assistance of the County Council's Risk Management Board, and focus on the County Council's financial and organisational resilience, as well as key service responsibilities. Individual risks are evaluated using the County Council's risk management assessment tool. This assesses risks from the perspective of a quantified scale of impact and likelihood to calculate a total risk evaluation. Proportionate controls to mitigate each risk are identified, implemented and monitored.
- 3.4. Each risk has an allocated risk owner, the Chief Officer of the area concerned, who actively manages the risk. The level of risk and associated controls are also kept under close review by the County Council's Risk Management Board. This has representatives from each Department at a senior level and is chaired by the Director of Transformation and Governance.
- 3.5. The Board has responsibility for co-ordinating the County Council's risk management, health and safety, resilience and information governance activities and actively monitors both the Corporate Risk Register and departmental strategic risk registers.
- 3.6. Risks are considered for entry onto the Corporate Risk Register by the Risk Management Board, these may be as a result of horizon scanning of risk by the Board, where those risks may be of a cross cutting nature, or may be as a result of escalating risks from departmental registers.

- 3.7. The Risk Management Board is in the process of reviewing the County Council's total approach to risk management and its strategic risk registers as the County Council moves from its Transformation T17 to T19.
- 3.8. This approach to risk management has served the County Council well to date. This is evidenced by the performance of key services to vulnerable people, as validated by external regulatory bodies such as Ofsted and CQC. The County Council's financial stewardship through a period of unprecedented challenge, and its successful delivery of successive cost saving transformational programmes is also validation of its risk management approach.

4. Conclusion

- 4.1. The Council's risk management arrangements are designed to support an environment in which risk taking, innovation and exploitation of opportunities are encouraged within a well-managed environment, where risks are identified and appropriate mitigation measures are taken.
- 4.2. Through a series of operational and strategic risk registers, held at departmental and corporate level the County Council identifies, evaluates, mitigates and monitors its key risks.
- 4.3. Oversight of the strategic risk registers is undertaken by the Risk Management Board, which actively monitors Department and Corporate Risk Registers.
- 4.4. External and internal measures indicate that these risk management arrangements are serving the County Council well.

5. Recommendation

That the Committee notes the contents of this report and the risk management arrangements in place across the County Council.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Strategy and Policy for Risk Management and Health and Safety	3063	27.06.11
Key Aspects of Risk Management Strategy and associated Improvement Plan	5762	26.06.14
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
Hampshire County Council Risk Management Guide	http://intranet.hants.gov.uk/riskmanagement.htm

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

No direct impact.

2. Impact on Crime and Disorder:

No direct impact.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.