

Brighton & Hove City Council

Audit & Standards Committee

Agenda Item 35

Subject: Risk Management Framework

Date of meeting: 30th January 2024

Report of: Executive Director, Governance, People and Resources

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 This report provides committee with an oversight of the Brighton & Hove City Council's current Risk Management Framework with a view to seeking their approval.

2. Recommendations

2.1 That the committee approves the Risk Management Framework as set out in Appendix 1.

2.2 That the committee notes the current corporate Strategic Risks and the Committees those Risks are reported to, as set out in Appendix 2.

3. Context and background information

3.1 Risk management is part of the Performance Management Framework.

Best Value Authorities are under a general Duty of Best Value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

3.2 Risk management is integral to corporate governance

Corporate governance is about doing the right things in the right way. It's about demonstrating accountability and transparency in our actions and decisions, and is everyone's responsibility.

- Establishing and following robust systems and processes
- Demonstrating effective leadership and high standards of behaviour
- Creating a culture based on openness and transparency
- Keeping our focus on the needs of service users and the public

Corporate Governance:

- Helps the council avoid costly mistakes and keeps the council safe
- Protects the council's reputation
- Assists effective decision making and prioritises deployment of resources

3.3 The responsibilities of the Audit & Standards Committee in the Council's Constitution include considering the effectiveness of the council's arrangements for the management of risk required by regulation 3(c) of the Accounts and Audit Regulations 2015

4. Analysis and consideration of alternative options

4.1 A CIPFA review conducted in July 2021 confirmed that our risk management was fit for purpose. Suggestions for improvement were included in the review which the council has implemented.

4.2 An audit of risk management was conducted in summer 2022. The purpose of the audit was to provide assurance that controls are in place to meet the following objectives. The outcome of this audit was 'substantial assurance'.

- The Council has in place a robust Risk Management Framework which facilitates the effective identification, assessment and response (where appropriate) to risks.
- Management ensure that risks are subject to appropriate identification, assessment and response (where appropriate) in accordance with the organisation's Risk Management Framework.
- Effective mitigations are in place to minimise the impact and / or likelihood of occurrence of the risks identified.
- Robust reporting arrangements are in place to allow for effective senior officer and Member oversight.

4.3 Zurich conducted a review of the Risk Management Framework in September 2023 which found that although the council have a robust and well written framework that covers key risk management principles there was some disconnect with how this was translated through to the risk register. Suggestions for improvement were included in the review which the council is in the process of implementing.

4.4 An internal audit review has started for 2023/24

5. Community engagement and consultation

5.1 This is an internal matter to comply with legislation and as such no engagement or consultation has been undertaken in this regard.

6. Conclusion

6.1 The council believes it has a robust Risk Management Framework as evidenced by this report to meet the challenges of delivering services in the financial context that local authorities are working in.

7. Financial implications

- 7.1 The Risk Management Framework detailed in Appendix 1 will help the authority to safeguard its public finances. There are no financial implications in the report's recommendations.

Name of finance officer consulted: James Hengeveld Date consulted: 09/01/2024

8. Legal implications

- 8.1 The Council has delegated to the Audit & Standards Committee responsibility for carrying out independent scrutiny of the Council's processes, procedures and practices to the extent that they affect the Council's control environment and exposure to risk. This Committee is the correct body for reviewing the Council's risk management framework and for providing reassurance on the adequacy and effectiveness of that framework.
- 8.2 It should be noted that all corporate Strategic Risks potentially have legal implications. Individual Strategic Risks are reported to the relevant service committee, with reference to key implications.

Name of lawyer consulted: Victoria Simpson Date consulted: 09/01/2024

9. Equalities implications

- 9.1 Risk Owners are requested to ensure that equalities implications are considered in describing strategic risks, their potential consequences and when developing mitigating actions.
- 9.2 SR25 has a key focus on equalities through the Our People Promise strategy, specifically through the Fair and Inclusive Action Plan and the Corporate and Directorate Equalities Delivery Groups.

10. Sustainability implications

- 10.1 Risk owners are requested to consider sustainability implications, and this will continue to be part of regular ELT and DMT risk review sessions.
- 10.2 SR36 and SR38 have a key focus on sustainability through the Carbon Neutral modernisation programme. In addition, any sustainability implications of a direct nature are normally referenced within the risk description of any relevant strategic risks.

Supporting Documentation

1. Appendices

1. Appendix 1: Risk Management Framework
2. Appendix 2: Strategic Risk List

2. **Background documents**
1. None