

AUDIT COMMITTEE

DATE OF MEETING: 28 MARCH 2023

TITLE OF REPORT: RISK MANAGEMENT POLICY

Report of: Executive Director of Corporate Services

Cabinet Portfolio: Leader and Strategic Direction and Partnerships

Key Decision: No

Confidentiality: Non-exempt

PURPOSE OF REPORT

1. This report details the outcome of the February 2023 review of the risk management policy.
2. Whilst the Cabinet are responsible for approving the policy, the Audit Committee have risk management governance responsibilities. Reviewing the risk management policy helps to fulfil those responsibilities.

RECOMMENDATION

3. It is recommended that the Committee review the report and consider what issues they wish the Cabinet to consider, if any, prior to their approval of the policy.

BACKGROUND

4. The risk management policy was last updated in 2018. From that time, the Council has become more risk aware and understanding as to the advantages that good risk management can bring to decision making.
5. The policy has been substantially rewritten to take account of the Council's greater understanding of risk management. It includes a definitions of risk and risk management for the first time, expands upon the risk management process that should be followed including the link between the Corporate and Service Plans, the risk register and the development of the internal audit plan.
6. The risk assessment approach (including the impact and consequence levels and definitions) are unchanged. To allow managers to form a view as to whether or not the residual risk levels are acceptable, risk appetite statements have been included in the policy for the first time. These deal with risks that fall under the broad headings of finance, legal/regulatory, service delivery, reputation and safety.
7. The policy also proposes that risks that exceed their risk appetite levels should be formally reviewed to identify other measures that can be introduced to mitigate the risk. Those that require addition funding to introduce shall be escalated through Leadership Team to the Cabinet.

CORPORATE GOVERNANCE CONSIDERATIONS

Relevance to the Corporate Plan

8. Adopting a risk management policy contributes to the Corporate Plan priority of delivering an efficient and effective Council.

Service Plan

- Is the proposal identified in the Service Plan? Yes
- Is the proposal being funded from current budgets? Yes
- Have staffing resources already been identified and set aside for this proposal?
Yes

Legal and Constitutional Issues

9. There are no legal or constitutional issues arising from this report.

Financial and Resource Implications

10. There are no immediate financial or resource implications arising from the adoption of the risk management strategy.
11. Adopting risk appetite statements may give rise to future requests to Cabinet for funding to mitigate risks that exceed the agreed appetite levels. These will be considered on a case-by-case basis.

Risk Management

12. Without a risk management policy and oversight of its implementation, it is likely that risk management processes across the Council would be piecemeal and ad-hoc. Risks or other weaknesses may not be identified or steps taken to address them. The policy provides a framework for managers to identify and consider risks in a uniform manner.

EQUALITIES

13. There are no quality issues arising from this report.

CLIMATE CHANGE IMPLICATIONS

14. No direct carbon/environmental impacts arising from the recommendations.

ACTION

15. The Audit Committee provide Cabinet with their comments on the risk management policy. It is intended that the Cabinet will consider the policy at their 6 April meeting.

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Appendices: Risk Management Policy

Background Papers: None