

CABINET

5th APRIL 2022

RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

Report of the Portfolio Holder for Finance, Governance and Performance, Change and Transformation

Strategic Aim:	All	
Key Decision: No	Forward Plan Reference: N/A	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr K Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet approves the updated Risk Management Policy and notes the current status of the Council's key risks and considers whether additional action is required.

1 PURPOSE OF THE REPORT

- 1.1 To seek approval of the updated Risk Management Policy and to review the current strategic risk register.

2 BACKGROUND

- 2.1 The updated Risk Management Policy is attached at **Appendix A**. The Risk Management Policy was last updated in 2016. The Policy has been updated by the Director for Resources mainly to reflect changes made to risk management practice since the last policy update.

- 2.2 Updates can be summarised as follows:

- The Foreword now reflects the challenging environment within which risk management is being applied;

- Section 5 'Risk Appetite' includes details of how risk appetite is applied in practice including advice that all risks rated as "Red" (per the scoring system at Appendix C) do not meet the risk appetite of the Council and should be managed as far as they can be. Risk Owners are also advised that if they do not have sufficient resources to manage risks to an acceptable level then this should be raised with SMT and Cabinet. This is an important point for Cabinet to note. The Audit and Risk Committee play an important role here in that they can provide feedback as to whether they believe the risk appetite applied by Risk Owners is consistent with the Council's overall risk appetite.
- Section 6 'Approach' includes a commitment to produce Directorate risk registers and adds in details of how Internal Audit work contributes to the process.
- Section 8 includes further narrative (guidance) on the risk assessment and risk identification process but none of which changes the Council's approach. Details of how Directors assurance statements fit into the Annual Governance Statement are also included.
- A new Section 9 on Risk Outcomes has been added.
- Appendix B includes a new risk register template although variations of this are allowed as long as core risk information is included.
- Appendix C adds a clarification point that the risk assessment criteria is a guide for scoring but the Council accepts the fact that scoring can be subjective. Officers are advised to introduce an element of challenge into the scoring process and to benchmark scores for different risks to ensure scores look relatively consistent. The Audit and Risk Committee can again add value here by 'sense checking' relative scores across risks.
- Appendix E includes a diagrammatic overview of the risk management process.

2.3 Importantly, the Risk Management Policy, in itself, is meaningless if Members and staff do not apply the principles in their daily work. To this end, Zurich Municipal (ZM) have run a number of well attended risk workshops with officers and Members. ZM have remarked on the positive level of engagement and understanding from all concerned. Further workshops have also been held specifically focusing on procurement and contract risks. Directorates are also producing their own risk registers.

2.4 The current Strategic Risk register is included in Appendix B. Cabinet should note that the Council's top rated risks relate to financial sustainability (risk 74) and resourcing issues based on current workloads (risk 73).

3 CONSULTATION

3.1 The Risk Management Policy has been reviewed by Internal Audit and Zurich Municipal with comments taken into account. The Audit and Risk Committee has also reviewed the policy and some minor changes have been made.

3.2 The Strategic Risk Register is reviewed and challenged by Audit and Risk

Committee.

4 ALTERNATIVE OPTIONS

4.1 Cabinet is asked to approve the policy. Cabinet could request further changes or amendments.

4.2 Cabinet could also ask for additional actions in relation to the strategic risk register.

5 FINANCIAL IMPLICATIONS

5.1 There are no direct financial implications arising from this report but the Committee should note that the failure to manage risks effectively could have a financial impact on the Council.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

6.1 The responsibility for setting the risk management framework rests with Cabinet in the context of the budget and corporate plan approved by Council.

6.2 There are no legal implications arising from this report.

7 DATA PROTECTION IMPLICATIONS

7.1 A Data Protection Impact Assessment (DPIA) has not been completed because there are no service, policy or organisational changes being proposed.

8 EQUALITY IMPACT ASSESSMENT

8.1 An Equality Impact Assessment (EqIA) has not been completed because there are no service, policy or organisational changes being proposed.

9 COMMUNITY SAFETY IMPLICATIONS

9.1 There are no community safety implications.

10 HEALTH AND WELLBEING IMPLICATIONS

10.1 There are no health and wellbeing implications.

11 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

11.1 The effective development and operation of risk management and corporate governance is an important element of successfully delivering the Council's corporate priorities. The Risk Management Policy sets out the framework and the strategic risk register shows the status of key risks.

12 BACKGROUND PAPERS

12.1 There are no additional background papers.

13 APPENDICES

Appendix A – Risk Management Policy and Framework

Appendix B – Strategic Risk Register

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.