

**AUDIT COMMITTEE
28 MARCH 2023**

RISK MANAGEMENT POLICY

Cabinet Member Cllr Barry Warren, Leader of the Council
Responsible Officer Matthew Page, Corporate Manager for People, Governance and Waste,
Reason for Report: To present the Committee with the updated Risk Management Policy for approval.

RECOMMENDATIONS: The Committee approves the updated Risk Management Policy (Appendix 1).

Relationship to Corporate Plan: Effective risk management is crucial to enable the council to mitigate risks to achieving Corporate Plan priorities.

Financial Implications: Failure to mitigate risks or take advantage of opportunities could result in financial loss to the Council.

Budget and Policy Framework: This policy is included in the framework and approved by Audit Committee annually.

Legal Implications: Risk management is an integral part of the Council's Corporate Governance arrangements and there is a statutory responsibility under the Account and Audit Regulations (2015) to put in place risk management arrangements.

Risk Assessment: Failure to take advantage of opportunities and mitigate risks could impact on the Council's ability to deliver its strategic objectives. Assessment of the effectiveness of the framework for identifying and managing risks and for performance and demonstrating clear accountability is a key element of the Council's governance arrangements.

Equality Impact Assessment: No equality issues identified for this report.

Impact on Climate Change: No impacts identified for this report.

1.0 Introduction

- 1.1 The Risk Management Policy was last updated and approved by the Audit Committee on 22 March 2022.
- 1.2 The Council has a legal obligation to comply with the requirements placed upon it by the Accounts and Audit Regulations 2015 to conduct a review at least once a year of its system of internal control. For a local authority in England, that statement is the Annual Governance Statement.
- 1.3 Risk Management forms an integral part of the Annual Governance Statement which is concerned with demonstrating that the Council has adequate and effective internal control arrangements in place for managing risk.

- 1.4 One of the principles of good governance as defined by the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) is managing risks and performance through internal control and strong public financial management.
- 1.5 The purpose of this report is to update the Council's Risk Management Policy (attached as Appendix 1) for the 2023/24 financial year.

2.0 Risk Management Policy Review

- 2.1 In Autumn 2022, the Council established a new officer role with responsibilities for coordinating the risk management process, the Corporate Performance and Improvement Manager. Also, an internal audit of the risk management process was undertaken over Winter 2022/23. This has given opportunity for a more detailed review of the Risk Management Policy to ensure it represents best practice. The most significant changes to the Policy are detailed at paragraph 2.2 to 2.5.
- 2.2 The Risk Management Process (Section 5) has been reviewed. The number of stages has been increased from four to six, and more detailed guidance is provided at each stage.
- 2.3 To simplify the Policy and provide more accountability to senior officers, a corporate risk register is established and will be reported to Audit Committee and Cabinet. This will detail the most significant risks that the council faces to its corporate priorities.
- 2.4 New in-house training will be developed in 2023/24 for officers based on the revised Risk Management Policy.
- 2.5 The council's risk appetite has not changed.

3.0 Conclusion

- 3.1 Risk Management is not a separate initiative, but is a demonstration of good management practice. The Council has an obligation to provide assurance to Members and the community that the principles of good governance, including Risk Management are reflected in the activities of the Council.
- 3.2 Approval of the Risk Management Policy (Appendix 1) will assist the Council to embed risk management and demonstrate good governance principles.

Contact for more Information: Matthew Page, Corporate Manager for People, Governance and Waste, mpage@middevon.gov.uk; Dr Steve Carr, Corporate Performance and Improvement Manager, scarr@middevon.gov.uk.

Circulation of the Report: Cllr Barry Warren and Leadership Team