

Report from Audit Committee – 16 December 2024

Risk Management Strategy

Report of the Internal Audit Manager

Recommended:

That the updated Risk Management Strategy, as presented in the Annex to the report, be approved.

Recommendation to Cabinet

SUMMARY:

This report recommends approval of the Risk Management Strategy, which has been updated to reflect best practice recommendations.

1 Introduction

- 1.1 The Audit Committee terms of reference set out that it will 'monitor the effective development and operation of risk management and corporate governance in the council'.
- 1.2 The Council's Constitution sets out the Policy Framework documents which must be approved by the full Council. Other strategy documents are delegated to Cabinet for approval.
- 1.3 As the Risk Management Strategy is not one of the Policy Framework documents, this strategy should be scrutinised by the Audit Committee and recommended to Cabinet for approval.
- 1.4 The Risk Management Strategy, attached in the Annex, provides a risk management framework for embedding robust risk management arrangements to support effective and efficient management and planning and is recommended for approval.

2 Updates to the Risk Management Strategy

- 2.1 The strategy has been updated to reflect best practice recommendations. The main revisions include:
 - Reference to the Delivering Good Governance in Local Government: Framework CIPFA/Solace 2016 and how managing risk and performance through robust internal control and strong public financial management is one of the principles that should underpin effective governance.

- A Risk Appetite definition for the Council which seeks to recognise that this is determined by individual circumstances whilst enabling the provision of services to be innovative and adaptable to continuous improvement within a framework of robust corporate governance.
- A Risk Impact Scoring Matrix to provide a framework for assessing risk impacts.

3 Corporate Objectives and Priorities

- 3.1 The strategy recognises the Corporate Plan and priorities and the need to establish robust risk management arrangements to enable the Council to make the most of opportunities and achieve its objectives.

4 Consultations/Communications

- 4.1 The Risk Management Strategy has involved consultation with senior management.
- 4.2 As this is an internal governance strategy, no external communication or consultation has taken place.

5 Risk Management

- 5.1 This report sets out the Council's Risk Management Strategy and approach. Risk Management is part of the Delivering Good Governance in Local Government: Framework CIPFA/Solace 2016 which defines the principles that should underpin effective governance.

6 Resource Implications

- 6.1 There are no resource implications associated with this strategy.
- 6.2 Any required budget to mitigate items on the Corporate or Service Risk Registers will be considered independently and will be subject to the limits set out in the Financial Procedure Rules in the Constitution.

7 Equality Issues

- 7.1 A robust risk management process will help to reduce the risk of inequalities existing in service delivery.
- 7.2 No specific equality issues have been identified in the preparation of this report.

8 Conclusion

- 8.1 This report recommends approval of an updated Risk Management Strategy to support the management of risk in accordance with good practice and sound governance practices.

ANNEX 1

<u>Background Papers (Local Government Act 1972 Section 100D)</u>			
None			
<u>Confidentiality</u>			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	1		
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