

**KEY DECISION? NO**

**RISK MANAGEMENT PROCESS 2022/23**

**SUMMARY AND RECOMMENDATIONS:**

This paper updates Members of the Corporate Governance, Audit and Standards Committee on the ongoing development and maintenance of the Council's risk management process over 2022/23.

CGAS Members are asked to note this report.

**1. Background**

- 1.1 The Constitution states that one of the roles of the Corporate Governance, Audit and Standards Committee (CGAS) is to "*provide independent assurance of the adequacy of the risk management framework*". Specifically in relation to risk management, the Constitution states that CGAS should "*monitor the effective development of risk management in the Council*".
- 1.2 This report provides an update to CGAS Members on risk management activity that has taken place over the course of 2022/23 in line with arrangements set out in the Council's Risk Management Policy, which is attached as Appendix A.
- 1.3 2022/23 has been a period of significant turmoil and uncertainty across a broad range of economic, social and political matters. With the volatility of the energy markets, the costs of living rises, continued pressure on the NHS and unprecedented inflationary increases, it is important to recognise the role that the Council's risk management process has played in recognising the potential impacts and appropriately mitigating against them.
- 1.4 The risk management process will continue to play an important role in the Council meeting its key objectives as existing risks continue to develop during 2023/24, such as extreme weather events due to climate change, ongoing budgetary pressures and supply chain disruption. New risks continue to be identified as part of the Council's horizon scanning process, giving us the time to fully consider the action required to limit the impact, one example of this is the introduction of new legislation and legal duties, such as the proposals being drafted to deliver Martyn's Law, with a draft Bill expected in Spring 2023.

## **2. Council's Risk Management Policy**

- 2.1 The Council has continued its work to embed risk management within the organisation and streamline the processes in place. The Council's risk registers were moved onto an MS Lists based system located on Sharepoint in 2022, with the first risk register published in this format in July 2022. This greatly improves efficiency and also allows the risk registers to be easily interrogated in a live format at any time by key personnel, such as Audit and the Corporate Risk Manager.
- 2.2 The Council's risk management policy and arrangements continue to be reviewed and developed in order to remain effective and to provide continual improvement. The last revision was published in November 2021 and is attached. A new, updated draft is expected to be published in Q1 2023/24, amongst other updates this will incorporate improvements in the way that the Council carries out its annual PESTLE analysis and determines its risk appetite.

## **3. Risk management in 2022/23**

- 3.1 As set out in the risk management policy, reports on risk have been presented to the Council's Corporate Management Team on a minimum quarterly basis and presented to Cabinet alongside the quarterly performance reports. In addition, risk is discussed with greater frequency outside these meetings, with regular discussions and risk register reviews taking place across projects and programmes.
- 3.2 In addition to activity taking place in line with the risk management policy, work has continued in response to the internal audit of risk management that concluded in February 2022. Of the 6 actions identified, the final outstanding item will be addressed as soon as possible in 2023/24. This will be to develop an effective way to establish a high level risk appetite policy (or policies), in addition to risk appetite being determined on a risk by risk basis.

## **4. Conclusion**

- 4.1 CGAS is asked to note this report which summarises how risk has been managed across the Council in 2022/23.

### **BACKGROUND DOCUMENTS:**

Appendix A – Risk Management Policy

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