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| <b>AUDIT COMMITTEE</b>   | <b>AGENDA ITEM No. 5</b> |
| <b>11 SEPTEMBER 2023</b> | <b>PUBLIC REPORT</b>     |

|                                |   |                  |
|--------------------------------|---|------------------|
| Report of:                     | Cecilie Booth, Executive Director of Corporate Services and s.151 Officer       |                  |
| Cabinet Member(s) responsible: | Councillor Andy Coles, Cabinet Member for Legal, Finance and Corporate Services |                  |
| Contact Officer(s):            | Ray Hooke (Head of Corporate Delivery Unit)                                     | Tel. 07803038774 |

**PCC Draft Risk Management Framework and Draft Strategic Risk Register**

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|--|---|
| <b>RECOMMENDATIONS</b>   |   |
| <b>FROM:</b> <i>Cecilie Booth, Executive Director of Corporate Services and s.151 Officer</i>  | <b>Deadline date:</b> <i>11<sup>th</sup> September 2023</i> |
| <p>It is recommended that Audit Committee</p> <p>1. Review and provide any comments on the Draft Risk Management Framework and Draft Strategic Risk register included at Appendices A &amp; B of this report</p> |   |

**1. ORIGIN OF REPORT**

1.1 This report is submitted to Audit Committee following a recommendation for the committee in October 2022 for the committee to have an understanding as to the development of the Councils Draft Risk Management Framework and Draft Strategic Risk Register and seek comments.

**2. PURPOSE AND REASON FOR REPORT**

2.1 The purpose of this report is to provide the Audit Committee with a draft version of the councils Risk Management Framework and associated Strategic Risk register.

2.2 This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.1.18:

To monitor the effective development and operation of risk management and corporate governance in the Council.

**3. TIMESCALES**

|   |           |                                  |  |
|---|-----------|----------------------------------|--|
| Is this a Major Policy Item/Statutory Plan? | <b>NO</b> | If yes, date for Cabinet meeting |  |
|---|-----------|----------------------------------|--|

**4. BACKGROUND AND KEY ISSUES**

4.1 The Council recognises that there are risks in everything it does and has a duty to manage these risks in a balanced, structured and cost effective way. Approval and publication of a Risk

Management Framework demonstrates this intention – We are seeking comments on the draft Framework.

The Framework documents provided in Appendices A supersedes the previous iteration to Committee in July 2022.

4.2 The final Risk Management Framework should:

- Be fully supported by Members, the Chief Executive and the Corporate Leadership Team who are accountable for effective risk management within the Council;
- Be able to explain the Council's underlying approach to risk management, documenting the roles and responsibilities of Members, officers and other key parties for the ongoing management of risk; as well as explaining key aspects of the Council's risk management process; and
- Demonstrate how it forms part of the Council's overall internal control and governance arrangements.

4.3 The updated Draft Risk Management Framework includes the following:

- Revised responsibilities for Members and officers
- How risks are evaluated and recorded through the current software used (Power-BI)
- Risk appetite statement
- Updated Process
- Introduction of Risk Management Toolkit / Guidance

The draft Strategic Risk register (Appendix B) has been developed from a variety of sources including the National Risk Register, the Corporate Leadership Team & other key Council staff.

4.4 The above changes aim to ensure that the existing risk management arrangements continue to be robust, proportionate and the most appropriate for the Council.

## 5. CORPORATE PRIORITIES

5.1

Risk Management and the councils approach is linked to the successful delivery of all Corporate Priorities.

1. The Economy & Inclusive Growth
  - Environment (including a summary of the outcome of a completed Carbon Impact Assessment, to be submitted in full to the Transport and Environment Team)
  - Homes and Workplaces
  - Jobs and Money
2. Our Places & Communities
  - Places and Safety (including any rural implications)
  - Lives and Work
  - Health and Wellbeing
3. Prevention, Independence & Resilience
  - Educations and Skills for All
  - Adults
  - Children
4. Sustainable Future City Council
  - How we Work
  - How we Serve
  - How we Enable

## **6. CONSULTATION**

- 6.1 This report is submitted to Audit Committee as part of early stage development of the updated Framework for managing and overseeing risk management across PCC. The Strategic Risk Register has been consulted on routinely with the Corporate Leadership Team in line with the Framework.

## **7. ANTICIPATED OUTCOMES OR IMPACT**

- 7.1 For Audit committee members to suggest further areas of consideration to the Draft Risk Management framework, potential inclusions to the toolkit and the Draft Strategic Risk register. Further reports to Audit Committee will be provided in due course.

## **8. REASON FOR THE RECOMMENDATION**

- 8.1 For Audit Committee to start the process of the ongoing review of risk as per the committee's terms of reference. The updated Framework provide clarity for officers and Members of their roles in relation to the management of risk.

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 There are none

## **10. IMPLICATIONS**

### **Financial Implications**

- 10.1 There are none

### **Legal Implications**

- 10.2 There are none

### **Equalities Implications**

- 10.3 None

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985

- 11.1 There are none

## **12. APPENDICES**

- 12.1 *Appendix A: Draft Risk Management Framework*  
12.2 *Appendix B: Draft Strategic Risk register*

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