

AUDIT COMMITTEE	AGENDA ITEM No. 15
22 JULY 2024	PUBLIC REPORT

Report of:	Cecilie Booth, Executive Director of Corporate Services and Section 151 Officer	
Cabinet Member(s) responsible:	Councillor Amjad Iqbal, Deputy Leader and Cabinet Member for Finance and Corporate Governance	
Contact Officer(s):	Gerry Roche (Corporate Risk Manager)	Tel. 07763766259

RISK MANAGEMENT UPDATE

RECOMMENDATIONS	
FROM: Cecilie Booth, Executive Director of Corporate Services and Section 151 Officer	Deadline date: N/A
<p>It is recommended that the Audit Committee:</p> <ol style="list-style-type: none"> 1. Reviews and provides any comments on the Risk Management Framework and Annual Risk Report included at Appendices A & B of the report. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Audit Committee following a recommendation from the committee in October 2022 for the committee to have an understanding as to the development of the Councils Risk Management Framework, and changes to the committee's Terms of Reference has meant that an Annual Risk report is now required.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to provide the Audit Committee with an agreed version of the councils Risk Management Framework and Annual Risk report.

2.2 This report is for the Audit Committee to consider under its Terms of Reference:

- 3.28: To monitor progress in addressing risk-related issues reported to the committee.
- 4.2: To monitor the effective development and operation of risk management in the Council.
- 4.6: To review the Council's arrangements for corporate governance against the good governance framework, including the ethical framework and agree necessary actions to ensure compliance with best practice and consider the local code of governance

The key changes within the Terms of Reference are that there is an increased expectation on reporting on governance related matters to satisfy their need / expectations to ensure that the Council is managed appropriately.

3. TIMESCALES

Is this a Major Policy Item/Statutory Plan?	NO	If yes, date for Cabinet meeting	N/A
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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.

The Framework document provided in Appendix A supersedes the previous iteration to Committee in August 2023. Based on the Terms of Reference, the first agenda for Audit Committee in the new municipal year (**July 2024**) will be expecting annual reports covering Risk Management Appendix B.

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 Risk Management Framework includes the following, (Appendix A)

- Purpose of the document
- Principles of Risk Management
- Revised responsibilities for Members and officers
- How risks are evaluated, recorded, and reported
- Risk appetite statement.
- Updated Risk Management Process
- Introduction of Risk Management Toolkit / Guidance

The Annual risk report (Appendix B) has been produced in line with the recently agreed Terms of Reference changes. It covers briefly the approach taken, the process and supporting tools used in risk identification, quantification and mitigation, and Reporting. An extract from the Strategic Risk Register is included which shows the current evaluation of the Council's strategic risks, also listed are the risks that have been removed from the register which are now being managed via Business as usual.

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 council's 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 Risk Management framework, potential inclusions to the toolkit and the Annual Risk Report.

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 There are 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: Risk Management Framework

12.2 Appendix B: Annual Risk Report