



Report of:	Meeting	Date
Clare James, Corporate Director Resources (Section 151 Officer)	Audit and Standards Committee	25 July 2023

UPDATE THE COUNCIL'S RISK MANAGEMENT POLICY

1. Purpose of report

- 1.1** To update the council's Risk Management Policy to reflect the ownership and responsibilities going forward for the council's risk management arrangements following Internal Audit's removal from this process.

2. Outcomes

- 2.1** Evidence that the council manages its significant business risks and recognises that effective risk management is integral to the council's corporate governance arrangements.
- 2.2** To allow Internal Audit's Annual opinion on the effectiveness of the council's risk management arrangements to be relied upon as a key source of assurance in the Annual Governance Statement.

3. Recommendation

- 3.1** That the Audit and Standards Committee reviews and approves the amended Risk Management Policy attached at Appendix 1.

4. Background

- 4.1** The Risk Management Policy is a key document, which identifies the council's approach to risk management and demonstrates how it's embedded across the council. The adoption of this amended policy will help the council to demonstrate the ownership and responsibilities for the embedding of risk management going forward.
- 4.2** In accordance with their terms of reference, the Audit and Standards Committee will review the risk profile of the organisation and consider the effectiveness of the council's risk management arrangements. This involves reviewing and approving any changes to policy, monitoring the progress of embedding risk management, reviewing the council's risk registers/reports and ensuring that actions are being taken where necessary to mitigate such risks.
- 4.3** The last annual review of the Risk Management Policy took place on 27 September 2022. However, it was considered appropriate to bring the next annual review forward to ensure the policy accurately reflects the current responsibilities and ownership arrangements for risk management.
- 4.4** The council's draft Annual Governance Statement for 2023/24, approved by the Committee on 20 June 2023, reported that the council's risk management and assurance framework appeared to be well embedded and supported across the organisation. It went on to state that following the purchase of a new risk management system (GRACE) in June 2021, the council's risk management process is now fully automated which has allowed Internal Audit to remove themselves from the management and administration of risk. This responsibility, which includes the annual review of the Policy, has now been transferred to the Head of Governance and Business Support (HOGBS).
- 4.5** This transfer of responsibility is seen as essential and the council has been working towards this since the removal of the Chief Internal Audit role from the HOGBS in 2021 to allow for greater independence. This will now allow the Internal Audit Team to carry out a review of the council's risk management arrangements going forward and give an 'independent opinion' on its effectiveness. However, given the Internal Audit Team report to the HOGBS, an external peer review with a neighbouring council is considered appropriate and will take place to validate the audit opinion later on in the year.

5. Key Issues and proposals

- 5.1** The amended Risk Management Policy is at Appendix 1. The key changes are reflected in section 8 which sets out individual roles and responsibilities across the organisation.

Financial and legal implications	
Finance	None arising directly from the report.
Legal	Effective risk management assist in good governance and probity of council actions.

Other risks / implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
ICT	x
data protection	x

Processing Personal Data

In addition to considering data protection along with the other risks/ implications, the report author will need to decide if a 'privacy impact assessment (PIA)' is also required. If the decision(s) recommended in this report will result in the collection and processing of personal data for the first time (i.e. purchase of a new system, a new working arrangement with a third party) a PIA will need to have been completed and signed off by Data Protection Officer before the decision is taken in compliance with the Data Protection Act 2018.

report author	telephone no.	email	date
Jo Billington	01253 8877372	Joanne.billington@wyre.gov.uk	5 July 2023

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

Appendix 1 – Risk Management Policy (amended July 2023)