

## RISK MANAGEMENT UPDATE

### Audit Committee Meeting - 17 September 2019

Report of                      Audit Manager

Status                         For Decision

Key Decision                No

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**Executive Summary:** The Audit Committee provides those charged with governance with independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.<sup>1</sup>

This report (Appendix A) provides the Committee with an update on the Council's risk management arrangements. It includes the role and work of the Risk Management Group, and summarises the plans to update and enhance the risk management processes over the next year.

The Council continually monitors strategic risk issues through the strategic risk register. These risks are reviewed, monitored and reported on a regular basis. The most recent update to the register (Appendix B) was in June 2019 and shows how the Council is managing and responding to each of the identified strategic risk issues.

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**Portfolio Holder**        Cllr Matthew Dickins

**Contact Officer**         Russell Heppleston, Ext. 7053

                                      Adrian Rowbotham, Ext. 7153

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**Recommendation to Audit Committee:** That

- a) the risk management process is noted; and
  - b) the strategic risk register (Appendix A) is agreed.
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**Reason for recommendation:** The Audit Committee is charged with oversight of risk management and so it is important that they are aware of the processes and

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<sup>1</sup> CIPFA: Audit Committees Practical Guidance for Local Authorities 2018 Edition

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key risk issues facing the Council. By reviewing the risk management process and agreeing the strategic risk register the Committee is able to demonstrate that it is effectively discharging its duties in accordance with the agreed Terms of Reference.

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## **Introduction and Background**

- 1 We recognise that we will need to take risks, both in our ordinary business and to achieve the priorities set out in our Council Plan. Good risk management ensures we make well informed decisions and that we understand the associated risks. It is an important component to maintain effective governance and also provide control and a high level of due diligence consistent with our public responsibilities as a Local Authority.
- 2 Oversight of the Council's risk management arrangements falls with the Audit Committee, and consistent with its Terms of Reference, the Committee receives regular updates to gain assurance over the effectiveness of processes in place to manage risks.

## **Other Options Considered and/or Rejected**

- 3 The Audit Committee has received regular updates on the Council's risk management processes, and strategic risks. The Committee could decide that it no longer requires these updates, however, that would be contrary to the responsibilities outlined in the Terms of Reference.
- 4 To continue to receive risk management updates is therefore the only option considered.

## **Key Implications**

### Financial

Risk management support is provided by the Audit Partnership within existing budgets and resources. This decision therefore has no direct financial implications.

### Legal Implications and Risk Assessment Statement

There are no legal implications associated with this decision.

Risk management is the focus of this report.

### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## Conclusions

The Council operates a risk management process to enable risk issues to be captured, assessed and for actions to be taken to manage risks to an acceptable level. At the strategic level, risk management helps the Council to maintain awareness of key issues that could prevent the successful delivery of the Council Plan.

The report seeks to give assurance to the Audit Committee, that the risk management processes are effective and that there is an ongoing programme to enhance and improve the arrangements. In addition, to give Members assurance that strategic risk issues have been identified and are being managed.

## Appendices

Appendix A - Risk Management Update

Appendix B - Strategic Risk Register

## Background Papers

The **risk management strategy** was reported to and agreed by Audit Committee in [September 2017](#).

The **Strategic risk register** was last reported to and agreed by the Audit Committee in [October 2018](#).

**Russell Heppleston - Audit Manager**

**Adrian Rowbotham - Chief Finance Officer**