

## RISK MANAGEMENT STRATEGY

<b>Head of Service:</b>	Gillian McTaggart, Head of Corporate Assurance
<b>Wards affected:</b>	(All Wards);
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	N/A
<b>Appendices (attached):</b>	Appendix 1 – Risk Management Strategy

### Summary

Appendix 1 contains an updated Risk Management Strategy for the Council. It is being brought to this Committee for adoption to maintain and enhance the Council's corporate governance, and risk management in particular.

### Recommendation (s)

#### The Committee is asked to:

- (1) Approve the updated Risk Management Strategy.**

### 1 Reason for Recommendation

- 1.1 A risk management strategy forms a key pillar of corporate governance. Therefore, it is essential for the Council to review its risk management strategy and update as necessary.

### 2 Background

- 2.1 The Council's existing Risk Management Strategy was set for a period of four years, running from 2017 to 2021.<sup>1</sup> Therefore the Strategy is due for review.
- 2.2 The updated Risk Management Strategy proposed for adoption by this Committee is located at Appendix 1.

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<sup>1</sup> See Section 23 *Risk Management Framework Annual Report* in the Minutes of the Audit, Crime & Disorder and Scrutiny Committee, 15 November 2016. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=242&Ver=4> [Last accessed 13/04/2022].

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- 2.3 Risk can be defined as an uncertain event or set of events which may, should they occur, affect the Council's ability to achieve its' vision and objectives as set out in the Four Year Plan.
- 2.4 This Strategy focuses on providing risk management principles, tools and techniques as part of our wider governance arrangements.
- 2.5 In addition, the Strategy lays the groundwork for the structure and format for the Council's risk registers.<sup>2</sup> Once the Strategy has been adopted, the updated registers will be finalised and form part of a monthly business intelligence package that all committee Chairs will receive, which will include key performance indicators, outstanding audit findings and so forth.
- 2.6 There will be three levels of risk register. The first is the service level, which is entirely operational in nature and remains with the relevant heads of service / Director to monitor. In the Strategy this is referred to as the Divisional / Service level and the 'divisional risk registers'. The committee level is next, supported by committee risk registers for each policy committee. These registers will be shared with Members of each relevant committee, and will be developed in discussion with committee Chairs, as they impact on annual priorities, service delivery and so forth. The final level is the corporate level, supported by the corporate risk register. This register contains the Council's most significant and high-profile risks and will be fed from a committee registers. Further information on the three levels is available in Appendix 1.
- 2.7 The purpose of risk management is not to eliminate risks completely, but to effectively manage the uncertainties that may apply in all areas of the Council's business.
- 2.8 The Strategy includes:
- Our risk management objectives (Section 1).
  - Our approach to identifying, assessing and responding to risks (Section 2).
  - Our risk appetite and how we analyse and score risks (Section 3).
  - Monitoring and reporting arrangements (Section 4).
  - Example risk register (Annex 1), risk scoring guidance (Annex 2), information on risk categories (Annex 3) and training (Annex 4).
- 2.9 Although the new processes and protocols are still being developed and embedded, and further refinements are expected as the Strategy matures, it is timely to bring an updated Risk Management Strategy for adoption.

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<sup>2</sup> See Section 2.2, Section 3, Annexes 1-3 in Appendix 1.

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- 2.10 The Strategy, once adopted, will solidify the Council's work to date and reflect organisational changes since the last Strategy was produced. It will also help guide future improvements to our approach and aid decision-making at the Council.

### 3 Risk Assessment

Legal or other duties

#### 3.1 Equality Impact Assessment

- 3.1.1 This report contains no proposals that would disadvantage any particular groups.

#### 3.2 Crime & Disorder

- 3.2.1 No relevant implications.

#### 3.3 Safeguarding

- 3.3.1 No relevant implications.

#### 3.4 Dependencies

- 3.4.1 No key dependencies.

#### 3.5 Other

- 3.5.1 No other impacts.

### 4 Financial Implications

- 4.1 The risk management strategy is deliverable within the Council's existing budget envelope.

- 4.2 **Section 151 Officer's comments:** The risk management strategy provides an important framework to ensure that significant risks, both financial and operational, are identified, managed and mitigated as appropriate.

### 5 Legal Implications

- 5.1 The Accounts and Audit Regulations 2015 place various requirements on Local Authorities as regards risk management. Regulation 6 of the Accounts and Audit Regulations Act 2015 sets out the Council's responsibility for ensuring the Council has a sound system of internal control which:

- a. facilitates the effective exercise of its functions and the achievement of its aims and objectives;

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b. ensures that the financial and operational management of the authority is effective; and

c. includes effective arrangements for the management of risk

5.2 **Legal Officer's comments:** Management of risk is essential to the Council to mitigate the risk of legal challenge. The Risk Management Strategy provides an appropriate tool for the identification and management of risk.

## 6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council: Engaging, responsive and resilient Council.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** None for this report.

6.4 **Sustainability Policy & Community Safety Implications:** None for this report.

6.5 **Partnerships:** None for this report.

## 7 Background papers

7.1 The documents referred to in compiling this report are as follows:

### Previous reports:

- Risk Management Framework Annual Report, Audit, Crime & Disorder and Scrutiny Committee, 18 November 2021. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1107&Ver=4> [Last accessed 14/04/2022].
- Risk Management Framework Annual Report, Audit, Crime & Disorder and Scrutiny Committee, 15 November 2016. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=242&Ver=4> [Last accessed 14/04/2022].

### Other papers:

- As referenced within Appendix 1.