

Cheltenham Borough Council

Audit, Compliance and Governance Committee – 19th April 2023

Review of Risk Management policy

Accountable member:

Councillor Rowena Hay, Leader

Accountable officer:

Gareth Edmundson, Chief Executive

Ward(s) affected:

N/A

Key Decision: No

Executive summary:

The Risk Policy has been amended to reflect some changes in the organisation structure and groups and some proposed changes to the reporting of risks.

Recommendations:

- **The Audit, Compliance & Governance Committee approves the updated Risk Management Policy.**
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1. Implications

1.1 Financial, Property and Asset implications

Poor risk management can lead to increased financial costs therefore it is important to have a robust policy and process in place.

Signed off by: Gemma Bell, Finance [gemma.bell@cheltenham.gov.uk]

1.2 Legal implications

There are no specific legal implications arising from the report and its recommendations. It is fundamental that the Council has an embedded risk management framework which considers the identification, recording, and management of risks to the Council in the delivery of its priorities and objectives. Failure to identify and manage risk can lead to inappropriate decision making, unnecessary liability and costly legal challenge.

Signed off by: One Legal

1.3 Environmental and climate change implications

Good risk management across projects, programmes and business activities will ensure climate implications are considered, relevant risks highlighted and controls put in place to mitigate.

Signed off by: laura.tapping@cheltenham.gov.uk

1.4 Corporate Plan Priorities

This report contributes to all Corporate Plan Priorities as effective risk management is essential to the achievement of CBC plan.

Signed off by: ann.wolstencroft@cheltenham.gov.uk

1.5 Equality, Diversity and Inclusion Implications

Good risk management across all aspects of our business should ensure Equality, Diversity and Inclusion implications are considered and any risks are highlighted and controls put in place to mitigate.

richard.gibson@cheltenham.gov.uk.

2 Background

2.1 Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives.

2.2 The Council's Risk Management Policy sets out the approach to risk management including the roles and responsibilities for Officers and elected Members. The policy also details the processes in place to manage risks at corporate, operational and project levels.

2.3 The Council's ICT services are managed by Publica; this includes the identification of risk and threats to our IT infrastructure and data, this is managed in accordance to the requirements of the Public Sector Network framework. They are therefore not covered by the CBC Risk Management Policy but there are mechanisms in place to transfer or share risks between partners.

2.4 The Risk Management Policy is made available to the Leadership Team, Corporate

Governance Group and to Project/Programme Managers. All policy, guidance and advice documents are made available to all officers and elected Members through the risk management page on the intranet.

- 2.5 The Council's Leadership Team considers and reviews strategic risks on a monthly basis and the register is made available to Cabinet. All reports to Council / Cabinet / Committees contain risk implications. All risk discussions / assessments include the development of risk mitigation actions designed to reduce the likelihood and / or consequences of adverse events occurring. By understanding and managing risks, the council can be more confident about undertaking ventures which produce larger gains.
- 2.6 The council's approach to risk management is overseen by the Audit Committee. This committee reviews the Risk Management Policy and considers internal audits reports on risk management.
- 2.7 The Risk Management Policy states the need for an annual formal review however following discussions with the Committee Chair it is proposed this is reduced to once every three years unless a significant change means a review is needed before this time.
- 2.8 The policy has been updated to reflect current team names and titles.
- 2.9 The main changes that have been made are in the reporting section which details a quarterly report to Audit, Compliance & Governance Committee as well as two reports to Cabinet.

3 Reasons for recommendations

- 3.1 Updated policy reflects best practice and maturity/learning within organisation.

4 Alternative options considered

- 4.1 None

5 Consultation and feedback

- 5.1 Leadership Team, Governance Group, Members of Audit, Compliance & Governance Committee.

6 Key risks

- 6.1 Risk of poor risk management.

Report author:

Ann Wolstencroft, Head of Performance Projects & Risks

Appendices:

- i. Risk Assessment
- ii. Risk Management Policy

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
387	If the council does not have a robust and effective approach to risk management then then it may result in financial losses, failure to achieve corporate priorities, litigation and reputational damage.	Ann Wolstencroft	3	3	9	Reduce	<p>Updated Policy</p> <p>Risk Management Training</p> <p>Leadership Team Risk Discussions</p> <p>Operational Risk Discussions</p> <p>Risk Maturity Audit</p> <p>Risk Reports to Audit, Compliance & Governance Committee</p>	Ann Wolstencroft	<p>April 2023</p> <p>June 2023</p> <p>In place</p> <p>In place</p> <p>Completed & 2024</p> <p>June 2023</p>