

**REPORT TO:** **AUDIT AND STANDARDS COMMITTEE**

**DATE:** **23 NOVEMBER 2022**

**TITLE:** **RISK MANAGEMENT REPORT**

**LEAD OFFICER:** **STUART MOSELEY, INSURANCE AND RISK  
MANAGER (01279) 446215**

**RECOMMENDED that:**

- A** The Committee notes the Strategic Risks, risk scores and variation against risk appetite as at 30 September 2022.
- B** The Committee notes the revised Risk Matrix introduced at 1 April 2022.
- C** The Committee approves the revised Risk Appetite General Statement and risk appetite thresholds as set out by the Senior Management Board.

**BACKGROUND**

- 1. The Audit and Standards Committee's terms of reference includes the responsibility to monitor the effective development and operation of risk management within the Council.
- 2. The Council's Risk Management Strategy states that the responsibility of the Audit and Standards Committee is to:
  - a) Monitor the effective development and operation of risk management in the Council.
  - b) Understand, scrutinise and endorse the Council's risk management strategy and monitor the Council's risk appetite.

**ISSUES/PROPOSALS**

**Strategic Risks Update as at 30 September 2022**

- 3. The Senior Management Board has undertaken a comprehensive review of the strategic risk register in order to bring this in line with the current Corporate Strategy vision, priorities and themes. The strategic risks are set out in Appendix 1 to the report.
- 4. In addition to the listed strategic risks, the Senior Management Board have developed a draft strategic risk in respect of Commercialism. A Commercialism Strategy is currently due to go before Cabinet in the New Year. Once that has been agreed and respective commercial activity is due to be initiated, the draft strategic Commercialism risk can be finalized and will be added to the strategic risk register.

5. Risk scoring is now completed using a revised risk matrix, as set out in Appendix 2 to the report, which now adopts a more generally used 5x5 matrix scoring. This is in anticipation of risk being integrated with service planning using the council's performance management system Inphase.
6. The Senior Management Board have also reviewed and reassessed the council's Risk Appetite General Statement as set out in Appendix 3 to the report. The council's overall risk appetite is now defined as OPEN. This is defined as having a prudent approach to financial management but in pursuit of the council's wider aims and goals for the benefit of the town and its residents being prepared to consider higher risk delivery options when they have the highest probability of productive outcomes.
7. The Senior Management Board will continue to regularly monitor and review the strategic risks to ensure appropriate risk controls are maintained whilst ensuring optimum advantage is taken of opportunities.

### **Risk Strategy Update**

8. Following the revised council structure to include Assistant Director level, the Risk Strategy is undergoing a review. An external consultant is assisting in this process to ensure best practice is continued to be adopted
9. The revised Risk Strategy will be agreed with the Senior Management Board and presented to the next Audit and Standards committee for approval.
10. The consultant will also be assisting with storyboarding to enable the re-launch of Risk Management training via the council's e-learning training platform.

### **IMPLICATIONS**

#### **Strategic Growth and Regeneration**

None specific

**Author: Andrew Bramidge, Director of Strategic Growth and Regeneration**

#### **Finance**

None specific

**Author: Simon Freeman, Deputy Chief Executive and Director of Finance**

#### **Housing**

As outlined in the report.

**Author: Andrew Murray, Director of Housing**

#### **Communities and Environment**

None specific

**Author: Jane Greer, Director of Communities and Environment**

## **Governance and Corporate Services**

Defining risk appetite sets acceptable parameters for risk taking opportunities that is consistent throughout the Council, and reflects the Council' willingness to allow risk exposure in pursuit of core strategic objectives set out within its Corporate Strategy and the tone and direction for its governance.

**Author: Simon Hill, Director of Governance and Corporate Services**

## **Appendices**

Appendix 1 – Strategic Risks as at 30 September 2022

Appendix 2 – Risk Matrix

Appendix 3 – Risk Appetite General Statement