

REPORT TITLE: Amendments to Risk Management Statement

Meeting:	Corporate Governance & Audit Committee
Date:	28 th June 2024
Cabinet Member (if applicable)	Councillor Scott
Key Decision Eligible for Call In	No
Purpose of Report To inform the committee of amendments to the Risk Management Statement	
Recommendations <ul style="list-style-type: none"> • That the changes to the Risk Management Statement are agreed. • To determine if further changes are to be considered at the next review point. 	
Reasons for Recommendations <ul style="list-style-type: none"> • The Risk Management Statement was last formally reviewed in 2018. • Internal Audit review of Risk Management in 2023 recommended that the document needed to be updated. • A full review has now taken place in conjunction with key stakeholders. • The revised documents were approved by ELT 9th April 2024. 	
Resource Implications: <ul style="list-style-type: none"> • None directly, however the revised documentation clarifies the expectations on senior officers to put in place robust risk management processes within their Directorate / Service. It should be noted that established processes exist in the majority of areas. 	
Date signed off by <u>Strategic Director</u> & name	14/6/2024 Rachel Spencer-Henshall
Is it also signed off by the Service Director for Finance?	Yes
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Yes

Electoral wards affected: All

Ward councillors consulted: None

Public or private: Public

Has GDPR been considered? Yes

1. **Executive Summary**

The Risk Management Framework (RMF) sets out the approach that the council takes in identifying, assessing, mitigating, monitoring, and reviewing risks throughout the organisation. The RMF comprises a number of linked documents:

- Risk Management Policy
- Risk Management Strategy & Guidance
- Risk Appetite Statement
- Risk Assessment Matrix
- Risk Register Template

The revised Risk Management Policy and the Risk Management Strategy & Guidance document provide the basis for the RMF.

2. **Information required to take a decision**

Risk Management Policy

The Risk Management Policy has been reviewed and updated, and replaces the existing Risk Management Statement, dated 2018. This document details the principles that the council adheres to, to ensure effective management of risk at all levels throughout the organisation. The Policy outlines the key roles and responsibilities for officers and members and sets out the governance routes that are followed for monitoring and reporting of risk.

Risk Management Strategy & Guidance

The Risk Management Strategy & Guidance document has been developed to provide additional guidance and support to individuals involved in the application of the Risk Management Policy. This includes sections on:

- What is (and what is not) a risk
- How to write a risk description (risk, cause, consequence)
- How to assess risks, including Inherent / Residual / Target definitions
- Types of controls and risk mitigations
- Minimum standards on Risk Register completion

Whilst this is an operational document, it is recommended that it is read alongside the Risk Management Policy and therefore should follow the same governance route.

Risk Appetite Statement

The Risk Management Policy refers to the existence of a Risk Appetite Statement, this is a separate document that is currently under development with target completion by the end of Q2 2024-25. This provides an opportunity for Cabinet and Council to consider, agree and document the organisations appetite for different types of risk, which will assist officers in establishing parameters for risk and inform options analysis and recommendations.

3. **Implications for the Council**

3.1 **Council Plan**

An embedded Risk Management Framework will provide support and challenge to delivery of our four key priorities. The current and desired risk profile of the council are used as inputs to the planning process.

3.2 Financial Implications

None directly. Strategic and operational risks can have significant financial implications therefore identifying the risks, assessing the materiality, and providing assurance on the controls that are in place is required.

3.3 Legal Implications

None directly. As above, both strategic and operational risks can have legal implications.

3.4 Other (eg Risk, Integrated Impact Assessment or Human Resources)

An effective risk management process is required to ensure that the council can demonstrate overall assurance and control over activities. External expectations and indications of best practice (e.g. from external auditors and the LGA) have continued to develop, the updates included within these documents will ensure that we continue to align with these expectations.

4. Consultation

Internal consultation has taken place with officers responsible for implementing risk management through the Risk Management Group, and Executive Leadership Team

5. Engagement

Not Applicable

6. Options

6.1 Options considered

Not Applicable

6.2 Reasons for recommended option

Not Applicable

7. Next steps and timelines

Following consideration by Corporate Governance & Audit Committee on the 28th June 2024, the report will progress to Cabinet for approval
Further development of the Risk Appetite Statement prior to consideration by Council.

8. Contact officer

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9. Background Papers and History of Decisions

Risk Management Annual Report presented to Corporate Governance & Audit Committee on 19th January 2024 referred to activity underway to update the Risk Management Statement.

10. Appendices

Appendix 1 Risk Management Policy
Appendix 2 Risk Management Strategy & Guidance

11. Service Director responsible

Samantha Lawton – Service Director for Legal, Governance & Monitoring
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