# STROUD DISTRICT COUNCIL

# AUDIT AND STANDARDS COMMITTEE

# TUESDAY, 18 APRIL 2023

| Report Title | Review of the Risk Management Policy Statement & Strategy |
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| **Purpose of Report** | To consider the updated Risk Management Policy Statement and Strategy. |
| **Decision(s)** | **The Committee RESOLVES to:**<br><br>(i) **Approve the revised Risk Management Policy Statement and Strategy.**<br><br>(ii) **Give delegated authority to the Strategic Director of Resources to make minor amendments to the Risk Management Policy Statement and Strategy as necessary.** |
| **Consultation and Feedback** | Monitoring Officer<br><br>Audit Risk Assurance (ARA) |
| **Report Author** | Sarah Turner, Senior Policy and Governance Officer<br><br>Email: sarah.turner@stroud.gov.uk |
| **Options** | This is a strategic policy document which is presented to members, the last document was approved in 2017. No alternative options have been considered. |
| **Background Papers** | CIPFA and LGA best practice guidance. |
| **Appendices** | Appendix 1 – Risk Management Policy Statement and Strategy – 2023 - 2027 |

| Implications (further details at the end of the report) | Financial | Legal | Equality | Environmental |
|---|---|---|---|---|
| | Yes | Yes | Yes | Yes |

## 1. BACKGROUND

1.1 Risk Management is the process used to identify, evaluate and manage the whole range of risks facing an organisation. It is vital to ensure the effective operation of the Council and delivery of its Council Plan.

1.2 A risk can be defined as the potential of something happening which may have a negative impact on the Council's ability to deliver services, projects and achieve its objectives. By being alert to this and putting in place mechanisms to manage risks effectively, the Council will be in a better position to continue to deliver services, remain viable, continue to innovate and use resources more efficiently.

1.3 Risk management is not necessarily about being 'risk averse', it is about being 'risk aware'. Risk is ever present and some element of risk taking is inevitable if the Council is to achieve its priorities and objectives.

1.4 The lack of a robust approach to the management of risks could result in ill-informed decision making and non-achievement of the Council's aims and objectives at both a strategic and service level.

1.5 The existing Risk Management Policy Statement and Strategy was last updated in April 2017.

1.6 A review the policy and strategy has been undertaken as this was due in 2020 and was one of the recommendations in the ARA review of risk management. The policy statement and strategy has been updated in line with current best practice and guidance.

1.7 The revised policy and strategy document is detailed at Appendix 1.

## 2. MAIN POINTS

2.1 The Councils Risk Management Policy Statement and Strategy (RMPSS) sets out the approach to risk management including the roles and responsibilities for officers and members. The policy also details the processes in place to manage risks at corporate and service levels.

2.2 The RMPSS is supported by guidance and additional information on the staff hub in the form of a risk management toolkit, support is also provided by the Policy & Governance Team, with individuals from the team allocated as Risk Champions for each directorate. The toolkit will be updated to reflect the updated RMPSS.

2.3 The identification and assessment of risk is part of the Council Plan update and Service planning process, as detailed in the Council's Performance Management Framework.

2.4 SLT reviews strategic risks on a quarterly basis through the SLT dashboard, and LMT review operational service risks through the quarterly LMT dashboards. The newly created Corporate Governance Group will also have oversight of the risk management framework and risk registers. These activities include the development of risk mitigation actions designed to reduce the likelihood and/or consequences of adverse events occurring.

2.5 The Council has procured a new performance management system (PMS) called Pentana Risk, this will replace the current the current PMS Excelsis. The new PMS is a great improvement on our current PMS; some of the benefits of the new system are that it is customisable to our requirements, and it provides real-time data with the ability to drill down into the self-service dashboards, self-service reporting of the Council Plan, service plans and associated risks.

2.6 The current PMS cannot be accessed by Members and a significant benefit of Pentana is that it is a cloud-based system so Members will have access to data that can be customised for them, giving potential for Members to have easy access to the information.

2.7 Training will be provided for staff and members on the new PMS, this will also include creating, reviewing, monitoring and reporting of both strategic and operational risks. This training requirement was highlighted by LMT members in a recent survey undertaken about risks and support required for LMT and their staff in relation to risk management.

## 3. CONCLUSION

3.1 The following are crucial to the continued embedding of risk management across the authority:

- The implementation of this strategy must be endorsed by the SLT, LMT and all members and staff.

- Risk management needs to be part of the annual business planning process.

- Risks should be incorporated within items for discussion as part of:

  · Strategy review

  · Budget approval meetings

  · Performance reviews

  · Project planning and review meetings

- There should be a regular update of the risk register by the managers who are accountable and responsible for their mitigation.

- Training will be provided to all staff and members as required.

## 4.   IMPLICATIONS

### 4.1  Financial Implications

There are no financial implications to this decision.

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### 4.2  Legal Implications

There are no specific legal implications arising from the report and its recommendations.

More generally, have strong risk management policies and practice can reduce the legal risk of challenge against the Authority.

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### 4.3  Equality Implications

There are not any specific changes to service delivery proposed within this decision.

### 4.4  Environmental Implications

There are no significant implications within this category.