



<b>Meeting:</b>	<b>Audit and Governance Committee</b>	<b>Date:</b>	<b>17<sup>th</sup> July 2023</b>
<b>Subject:</b>	<b>Risk Management Annual Report 2022/23</b>		
<b>Report Of:</b>	<b>Head of Audit Risk Assurance (ARA)</b>		
<b>Wards Affected:</b>	<b>Not applicable</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget or Policy Framework:</b>	<b>No</b>
<b>Contact Officer:</b>	<b>Piyush Fatania, Head of ARA</b>		
	<b>Email:</b>	<b>Tel: 01452 328883</b>	
	<a href="mailto:piyush.fatania@gloucestershire.gov.uk">piyush.fatania@gloucestershire.gov.uk</a>		
<b>Appendices:</b>	<b>Appendix 1 - Risk Management Annual Report 2022/23</b>		
	<b>Appendix 2 - Strategic Risk Register</b>		

## FOR GENERAL RELEASE

### 1.0 Purpose of Report

- 1.1 The Audit and Governance Committee's role (as per the Constitution) includes the function to 'monitor the adequacy and effectiveness of the Council's governance arrangements'. This includes 'monitoring the arrangements for the identification, monitoring and control of strategic and operational risk within the Council'.
- 1.2 This report is designed to assist the Committee in the exercise of this function. Providing Members with an update on the Council's risk management activities from 2021/22 and future planned actions.

### 2.0 Recommendations

- 2.1 Audit and Governance Committee is asked to **RESOLVE** to:
- i. Note and endorse:
    - o The risk management arrangements in place for the past year (2022/23); and
    - o The planned risk management arrangements for 2023/24.
  - ii. Agree that on the basis of the information set out in this report, it can be concluded that arrangements for managing risk within the Council are sound.

### 3.0 Background and Key Issues

- 3.1 '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' – ALARM, the public risk management association.

- 3.2 The Accounts and Audit Regulations 2015 (part 2 paragraph 3) state a relevant Council 'must ensure that it has a sound system of internal control which...includes effective arrangements for the management of risk'.
- 3.3 Risk management is a key part of the Council's corporate governance framework and internal control environment. It is one of the seven core principles within the Council's Code of Corporate Governance – 'managing risks and performance through robust internal control and strong public financial management'.
- 3.4 The Council recognises the importance of effective risk management. That it is essential for good governance and sound internal control within a public body. Also, its positive contribution to the delivery of successful strategic and service level outcomes.
- 3.5 The previous Risk Management Annual Report was presented to Audit and Governance Committee in March 2022.
- 3.6 The Risk Management Annual Report 2022/23 is attached at **Appendix 1**. It supports the risk management work, advice and support (provided by ARA), delivered during the year.

#### **4.0 Social Value Considerations**

- 4.1 There are no social value implications as a result of the recommendations made in this report.

#### **5.0 Environmental Implications**

- 5.1 There are no environmental implications as a result of the recommendations made in this report.

#### **6.0 Alternative Options Considered**

- 6.1 No other options have been considered.

#### **7.0 Reasons for Recommendations**

- 7.1 A Risk Management Annual Report and Action Plan are required to support the Audit and Governance Committee function to 'monitor the adequacy and effectiveness of the Council's governance arrangements'.

#### **8.0 Future Work and Conclusions**

- 8.1 A Risk Management Action Plan has been developed for 2023/24 with the goal to further embed risk management within the Council. The Action Plan is included, as an **Appendix 1**, to the Annual Risk Management Report 2022/23

#### **9.0 Financial Implications**

- 9.1 There are no direct financial implications arising from the report recommendations.

(Financial Services have been consulted in the preparation this report).

## **10.0 Legal Implications**

- 10.1 None specifically arising from the report recommendations.
- 10.2 It is fundamental that the Council has an embedded risk management framework (including a Risk Management Strategy). The framework should consider the identification, recording and management of risks to the Council in the delivery of its priorities and objectives.
- 10.3 The existence and application of an effective Risk Management Strategy assists prudent decision making. Failure to identify and manage strategic risks could lead to inappropriate decision making, unnecessary liability and costly legal challenge.

(One Legal have been consulted in the preparation this report).

## **11.0 Risk and Opportunity Management Implications**

- 11.1 Failure to deliver on effective risk management, particularly during periods of significant change, may have a negative effect. This may impact the achievement of potential opportunities and adversely affect the assets, reputation and objectives of the council, strategic decision making and the wellbeing of our stakeholders.

## **12.0 People Impact Assessment (PIA) and Safeguarding:**

- 12.1 A PIA is not required.

## **13.0 Community Safety Implications**

- 13.1 There are no Community Safety implications as a result of the recommendations made in this report.

## **14.0 Staffing and Trade Union Implications**

- 14.1 There are no Staffing and Trade Union implications as a result of the recommendations made in this report.

**Background Documents:** [Accounts and Audit Regulations 2015](#)  
CIPFA and Solace Delivering Good Governance in Local Government: Framework 2016 Edition  
[Council's Constitution](#)  
[Public Sector Internal Audit Standards 2017](#)