

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE
Tuesday 11th July 2023

REPORT AUTHOR: **County Councillor Cllr David Thomas**
Portfolio Holder for Cabinet Member for Finance and Corporate Transformation

REPORT TITLE: **Risk Management Policy and Guidance 2023**

REPORT FOR: **Approval**

1. Purpose

- 1.1 The purpose of this report is to present the Council's new **Risk Management Policy and Guidance 2023** for consideration, and to seek Cabinet's sign off for its adoption and publication. This document is the successor to the Risk Management Framework 2019.
- 1.2 The Council's **Risk Management Policy and Guidance 2023** (available in Appendix A) sets out our revised approach to managing risk. It provides clear guidance on the how to implement best practice management of risk across the Council. It is designed to provide all the information and supporting templates required to develop, implement, and maintain risk management within the Council. Services need to take more responsibility for risk management to ensure that risk is used alongside day-to-day practises.

2. Background

- 2.1 The document was developed following a review of its predecessor, the Risk Management Framework 2019, building on our learned experiences and good practice. Importantly, the roles and responsibilities associated with risk management are given greater emphasis to ensure that ownership and accountabilities are clear. As well as more detailed guidance to help safeguard the Council and building resilience into our services.
- 2.2 A risk-managed approach to decision making will help us to achieve the well-being objectives in Stronger, Fairer, Greener: Our Corporate plan, deliver services more efficiently, use innovative and cost-effective means, while operating within the bounds of the Councils willingness to take risk.
- 2.3 The information and guidance included in this paper will help both officers and services, as well as members and other stakeholders such as partners approach the practice of managing risk within the Council.

- 2.4 This policy and guidance is for everyone but in particular anyone working in the Council and partners working within the Councils framework who:
- Provides oversight to the management of risk process
 - Has the responsibility for managing risk or contributes to it
 - Has been tasked with implementing a management of risk approach across the Council and partnerships
 - Has been tasked with improving management of risk across the Council or a particular activity e.g. a programme or project
 - Would like to ensure the Council's current management of risk approach is aligned to best practice

2.5 There are no significant changes, but a strengthening of guidance as a whole, and in particular the risk escalation process and programme/projects and partnerships risk management, however the following improvement to JCAD should be noted:

- A decision was made to activate the functionality in JCAD to improve the management of controls (mitigation). By populating these new categories, it will enable senior management as well as Governance & Audit to gain greater insight to the progress of controls, accountability and offer assurance that the Council is successfully managing risk
- Since Cabinet approved the 'Risk Appetite' for the Council in March the previous field of 'source' has been changed to 'Organisational activity' to support the new appetite categories

And the Risk Assessment Matrix, Likelihood / Impact Guidance updated.

2.7 SWAP Internal Audit into Risk Management March 2023 found the Council 'reasonable' when investigating if the Council has a planned and systematic approach to the identification, evaluation and management risks to control the probability and/or impact of unfortunate events, or to maximise the realisation of opportunities.

In summary the Council has made progress in its risk maturity journey moving from assessment rating 2 to 3 in the criteria levels of leadership, risk strategy, people, partnership, risk handling and outcomes. Demonstrating clear improvement at the higher organisational levels of the Council **however improvement is needed at the lower levels to strengthen risk management ownership across the Council**. The full report can be found in appendix b alongside its action plan response.

3. Advice

- 3.1 It is proposed that the **Risk Management Policy and Guidance 2023** (provided in Appendix A) is approved for publication and is implemented immediately.
- 3.2 Regulators and risk management professionals recommend as good practice to continuously review and improve risk management methodologies. This

document and processes will be reviewed every 3 years or after the release of new risk management legislation, government guidance or an audit review, to ensure that the approach remains relevant and robust.

4. Resource Implications

- 4.1 There are no direct resource implications in relation to this report however all risk owners need to consider the resource implications of managing a risk and decide if the best course of action is to tolerate or treat.
- 4.2 The Head of Finance (Section 151 Officer) comments “A risk-managed approach to decision-making will help the Council achieve its objectives and deliver services more efficiently, while operating within the bounds of our willingness to take risk. This policy / guidance provides an approach to implementing best practice management of risk across Powys County Council.”

5. Legal implications

- 5.1 Legal: Comment sought
- 5.2 The Head of Legal Services and the Monitoring Officer has commented as follows: Comment sought

6. Data Protection

- 6.1 N/A

7. Comment from local member(s)

- 7.1 N/A. This proposal relates to the whole county.

8. Integrated Impact Assessment

- 8.1 N/A. The Risk Management Policy and Guidance 2023 is not setting out any changes or proposals to service delivery.

9. Recommendation

- 9.1 It is recommended that the Risk Management Policy and Guidance 2023 (as outlined in Appendix A) is approved.
- 9.2 The recommendation above will ensure:
- The Council has a clear approach to Risk Management
 - The relevant parties understand their roles, responsibilities, and accountabilities for Risk Management
 - A risk managed approach to decision making and good governance of the Council

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CABINET REPORT NEW TEMPLATE VERSION 3