

<b>Report title:</b> Risk Management Strategy	
<b>Report to:</b> Audit, Governance and Standards Committee	
<b>Report author:</b> Paula Clowes, Head of Assurance	
<b>Date:</b> 25 January 2024	<b>For:</b> Approval
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<b>County Divisions affected:</b> All Essex	

## **1. Executive Summary**

- 1.1 The Audit Governance and Standards Committee has a role to maintain oversight and to monitor the effectiveness of the council's risk management arrangements.
- 1.2 Effective risk management is a key component of good Corporate Governance and as such the Council is required to have effective arrangements in place for the management of Risk. The foundation of our arrangements for risk management is the Risk Management Strategy.
- 1.3 The Risk Management Strategy is considered and approved annually by Audit Governance and Standards Committee. It has now been reviewed and updated in line with the annual review process.
- 1.4 The refreshed Risk Management Strategy is attached at appendix 1 and the key changes outlined below.

## **2. Recommendations**

- 2.1 The Risk Management Strategy 2023/24 be approved in the form appended to the report.

## **3. Summary of Key Changes**

- 3.1 The following changes have been made as part of the annual review for 2023. These won't change how we manage risks but they include some things in the strategy which were previously in guidance. The Committee does not need to approve the guidance but there are some things in the guidance which have been elevated to the status of policy. These can affect how risk is managed and we wanted to give greater visibility of this to the Committee.
- 3.2 The changes are:
  - Date change (front page)

- Section 3 (risk appetite)
  - Revised wording of second paragraph to clarify that ECC does not have impossible to have a single 'risk appetite' applying to every purpose or every service – this is currently in the guidance..
- Section 4 [Our Expectations]
  - Revised wording of PLT section ('oversee delivery of risk management strategy' moved to AGS section)
  - Additional section added - Operational Leadership Team – this is a new internal body in the council which has a role in managing risk.
  - AGS Committee section - added additional detail to cover enhanced reporting arrangements.
- Section 5 [Strategic Risks] table of definitions added.
- Section 6 [Risk Matrix] guidance tables for determining the probability and impact of risks added.
- Section 9 [Risk Maturity]
  - Revised second paragraph to reflect 2023 risk maturity assessment.
  - date changed (at end of section) to 2026 for when risk maturity next assessed.

#### **4. Financial implications**

- 5.1 There are no financial implications as the risk management activity will be met within existing resources.

#### **5. Legal implications**

- 6.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes a requirement to have adequate arrangements for the management of risk. The strategy sets out our arrangements and is thus a key way of complying with those regulations.

#### **6. Equality and Diversity Considerations**

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that this strategy will not have a disproportionately adverse impact on any people with a particular characteristic.

## **8 List of Appendices**

**Appendix A** - Risk Management Strategy 2023

## **9 List of Background papers**

None