

Annual Risk Management Report

To: Audit & Accounts Committee

Meeting Date: 28th July 2023

From: Chief Executive

Electoral division(s): All

Key decision: No

Forward Plan ref: Not applicable

Outcome: Good risk management - including the identification of risks and triggers as well development of mitigating actions - should inform decision making and areas for improvement; lead to better overall management of the Council's business, and protect the Council's assets, workforce, finances and services.

Recommendation: The Committee is recommended to:

1. Note and comment on the Annual Risk Management Report (Appendix 1) and Corporate Risk Register (Annex A); and the updated Risk Management Policy (Annex B), and Risk Strategy (Annex C).
2. In line with its terms of reference, assess whether the Committee is satisfied with the effectiveness of arrangements for risk management.

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1. Background

- 1.1 Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. Through effective risk management, we aim to optimise success by minimising threats. The objective is to ensure that risks that might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. The Accounts and Audit (England) Regulations 2015 require the authority to have a sound system of internal control which includes effective arrangements for the management of risk.
- 1.2 Under the Council's constitution, the Strategy & Resources Committee and Audit & Accounts Committee have separate but complementary roles in the risk management process.
- Strategy and Resources Committee is responsible for “development and oversight” of the Council's Risk Management Strategy, as well as its operation.
 - Audit & Accounts Committee is responsible to “provide independent assurance of the adequacy of the risk management framework and the associated control environment” and to “monitor the effectiveness of the system of internal control, including arrangements for [...] risk management”. As part of this the Committee's function is to:
 - “understand the risk profile of the Council and consider the effectiveness of the Council's risk management arrangements”;
 - “seek assurances that action is being taken on risk-related issues, with the right to request reports and seek assurances from relevant officers”.
- 1.3 The Annual Risk Management Report summarises the risk management activity undertaken during 2022 - 2023 at Cambridgeshire County Council, and supports the committees in discharging their respective responsibilities around risk management and control.

2. Annual Risk Management Report

- 2.1 This covering report is provided to the Annual Risk Management Report attached at Appendix 1 and the Corporate Risk Register (CRR) attached at Annex A.
- 2.2 Please note that the Corporate Risk Register is up-to-date, with the exception of Risk 2, “the risk of failure of the Council's arrangements to safeguard children and young people”. Following the updates to the Children, Education & Families Directorate Risk Register which were presented to the Children & Young People Committee on 27th June, this corporate risk is currently being updated and will be subject to a deep-dive review by CLT which will take place on 5th July.
- 2.3 As such, Annex A presents the risk as at March 2023 when it was previously reviewed and presented to Committee. The Chief Executive will provide the Committee a verbal update on the indicative outcomes of the deep-dive risk review.

- 2.4 The Council maintains a Risk Management Policy, as a set of clear rules and regulations around risk management which guide staff in the day-to-day application of risk management activity at Cambridgeshire. An updated Risk Management Policy is attached at Annex B, reflecting the Council's current framework for managing risk.
- 2.5 It is also considered best practice to prepare a plan that outlines activity to continuously improve risk management. This is a strategy, which sets out a specific plan to meet an organisational aim; at Cambridgeshire our aim is to improve the risk maturity level of the organisation. This plan is outlined in the Risk Strategy document attached at Annex C, which was developed following the risk maturity assessment undertaken at the start of the current financial year (for more information on the risk maturity assessment, see Section 8 of the Annual Risk Report).

3. Alignment with ambitions

- 3.1 Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes
- 3.2 Travel across the county is safer and more environmentally sustainable
- 3.3 Health inequalities are reduced
- 3.4 People enjoy healthy, safe, and independent lives through timely support that is most suited to their needs
- 3.5 Helping people out of poverty and income inequality
- 3.6 Places and communities prosper because they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised
- 3.7 Children and young people have opportunities to thrive

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5. Significant Implications

5.1 Resource Implications

All of the risks listed in the corporate risk register could potentially lead to significant financial implications if realised. There are direct impacts on our resources in relation to the partnership/contractual risks and the risk about sufficiency of budget.

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

5.3 Statutory, Legal and Risk Implications

This report gives an overview of the Council's risk management arrangements in 2022/23 and the forward plan for development of risk management systems and processes in 2023/24. The objective is to ensure that risks that might impact upon the Council achieving

its plans are identified and managed on a timely basis and in a proportionate manner. The Accounts & Audit (England) Regulations 2015 require the authority to have a sound system of internal control, which includes effective arrangements for the management of risk.

5.4 Equality and Diversity Implications

There are no significant implications within this category

5.5 Engagement and Communications Implications

There are no significant implications within this category

5.6 Localism and Local Member Involvement

There are no significant implications within this category

5.7 Public Health Implications

There are no significant implications in this category

5.8 Environment and Climate Change Implications on Priority Areas

There are no significant implications in this category

Have the resource implications been cleared by Finance?
Not applicable

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement? Not applicable

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal Services? Yes
Name of Legal Officer: Emma Duncan

Have the equality and diversity implications been cleared by your EqIA Super User?
Not applicable

Have any engagement and communication implications been cleared by Communications?
Not applicable

Have any localism and Local Member involvement issues been cleared by your Service Contact? Not applicable

Have any Public Health implications been cleared by Public Health?
Not applicable

6. Source documents

6.1 Corporate Risk Register (copy provided as Annex A to this document)

6.2 Annual Governance Statement

[Statement of accounts - Cambridgeshire County Council](#)