

Annual Risk Report

To: Audit & Accounts Committee

Meeting Date: 30th July 2024

From: Mairead Claydon, Head of Internal Audit & Risk Management

Executive Summary: The purpose of the report is to provide an update to Audit & Accounts Committee on the main areas of risk management activity in 2023/4.

Recommendation: The Committee is recommended to:

1. Note and comment on the Annual Risk Management Report (Appendix 1) and Corporate Risk Register (Annex A);
2. Endorse the Risk Management Policy (Annex B), and updated Risk Strategy (Annex C).

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1. Creating a greener, fairer and more caring Cambridgeshire

1.1 Risk Management is the process by which the Council understands and proactively considers the principal uncertainties and overall risks facing the organisation. The objective is to ensure that risks which might impact upon the Council achieving its plans are identified and managed on a timely basis and in a proportionate manner. As such, effective risk management contributes to the achievement of all seven of the Council's ambitions.

2. Background

2.1 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 & Audit (England) Regulations 2015 require the authority to have a sound system of internal control which includes effective arrangements for the management of risk.

2.2 Under the Council's constitution, the Strategy & Resources Committee is responsible for the development and oversight of the Council's risk management and strategy. The Audit & Accounts Committee also has important functions in relation to risk, including considering the effectiveness of the risk management arrangements and associated control environment, and to seek assurances that appropriate action is being taken in response to risk.

2.3 Risk is inherent in our delivery of high-quality public services. The volatility, complexity and ambiguity of the Council's operating environment continues to increase, and taxpayers rightly expect transparency and accountability from the Council in managing the impacts of risk. We are committed to managing risk so that we enhance strategic planning and prioritisation and achieve our objectives with agility. The benefits of risk management include:

- Taking timely and proportionate action to prevent risks occurring or to manage effectively
- Development and delivery of robust and effective action plans and enhancements to the governance of the organisation
- Ensuring that decision makers are fully aware of any key risk issues associated with proposals being considered at the point of decision making
- Demonstrating openness and accountability

2.4 The Annual Risk Management Report summarises the risk management activity undertaken during 2023 - 2024 at Cambridgeshire County Council, and supports the Committees in discharging their respective responsibilities around risk management and control.

3. Main Issues

- 3.1 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.
- 3.2 The corporate Risk Management Policy is attached at Annex B, reflecting the Council's current framework for managing risk.
- 3.3 It is considered best practice to prepare a plan that outlines activity to continuously improve risk management. This plan is outlined in the updated Risk Strategy document attached at Annex C. This document also reflects the work undertaken in-year to improve the Council's risk management arrangements and culture.
- 3.4 The Strategy, Resources & Performance Committee previously requested a risk workshop be held for the Committee, which was originally scheduled to take place on 11th June. This date was cancelled due to low uptake and conflicting time pressures and will be rescheduled. The Committee are requested to consider whether there are any specific areas they would like to be covered as part of the workshop.

4. Significant Implications

4.1 Finance Implications

N/A

4.2 Legal Implications

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.

4.3 Risk Implications

This report gives an overview of the Council's risk management arrangements in 2023/24 and the forward plan for development of risk management systems and processes in 2043/25. 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.

4.4 Equality and Diversity Implications

N/A

5. Source Documents

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

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