

## RISK MANAGEMENT POLICY

### Executive Summary

The annual Risk Management and Business Continuity Report was submitted to the Executive on 15 July 2021. The report highlighted that the current WBC Risk Management Policy, which covered the period from 2015 to 2020, was out-of-date and therefore due a detailed review to reflect current best practice.

Work has been underway to update the Risk Management Policy and the draft has been reviewed by the Corporate Leadership Team (CLT). The Risk Management Policy is now in a position to be submitted to the Executive for consideration and formal adoption.

In updating the Policy, the recent Mazars audit of risk management has also been taken into consideration. Further work around developing and agreeing the Council's 'Risk Appetite', as well as arranging risk management training for staff and Members, will follow over the autumn.

### Recommendations

The Executive is requested to:

#### **RESOLVE That**

the updated Risk Management Policy be adopted.

### Reasons for Decision

Reason: To ensure that the Council's approach to risk management reflects best practice, and remains an essential component of strong governance and robust business management.

The Executive has the authority to determine the recommendation(s) set out above.

<b>Background Papers:</b>	None.
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### 1.0 Introduction

- 1.1 Woking Borough Council (WBC) recognises that risk management is an integral component of good management and corporate governance and is therefore at the heart of what we do. It is important that the Council is proactive in the identification and control of risk to ensure there is continued financial and organisational well-being.
- 1.2 The purpose of the Risk Management Policy is to structure and formalise risk management arrangements across all functions within a comprehensive framework to ensure that risks are managed effectively, efficiently, and coherently across the organisation. By adding risk management to the business planning and performance management processes, the ability of the Council to achieve its objectives and enhance the value of the services provided will be strengthened.
- 1.3 The annual Risk Management and Business Continuity Report was submitted to the Executive on 15 July 2021. The report highlighted that the current WBC Risk Management Policy, which covered the period from 2015 to 2020, was out-of-date and therefore due a formal review to reflect current best practice. The report confirmed that an updated policy would be submitted to the Executive in September for review and adoption.
- 1.4 Work has been underway to update the Risk Management Policy and the draft has been reviewed by the Corporate Leadership Team (CLT). The Risk Management Policy is now in a position to be submitted to the Executive for considerations and formal adoption.

### 2.0 Updates to the Policy

- 2.1 Whilst the core structure/content of the Risk Management Policy has remained the same, key updates have been made in the following areas:
  - Strengthening the objectives of the policy and how the objectives will be achieved (1.1);
  - Aligning the policy with the WBC Corporate Plan (1.4);
  - Providing additional detail about the relationship between risk management, business continuity, emergency planning and disaster recovery (1.6);
  - Introducing risk registers at Directorate level, which replaces the historic Business Area structure previously used within the Council. Directorate Risk Registers will allow for a much more robust approach to the management of risk, and will bridge the gap between Service Plan Risks and Corporate Strategic Risks (1.9).
  - Strengthening the monitoring, escalation and reporting of risks (2.6), and;
  - Adding Audit to the roles and responsibilities section (3.0).
- 2.2 In updating the Policy, the recent Mazars audit of risk management has also been taken into consideration and all relevant recommendations (other than those highlighted below) have been incorporated into this draft.

### 3.0 Remaining items

- 3.1 Mazars highlighted the need for the Council to clearly state its 'Risk Appetite' within the Policy. Risk Appetite is defined as a target level of loss exposure that the organisation views as acceptable. It is important that the Council adopts a Risk Appetite statement, but it is recommended that this is progressed over the coming months alongside the developing Medium Term Financial Strategy and the Fit For Future work. The Policy will be updated to reflect the agreed Risk Appetite once this work has been undertaken.
- 3.2 Mazars also recommend that relevant staff and Members should have formal training in both the revised Risk Management Policy, and the basic principles of how to identify/manage risk. In response to this recommendation, discussions will commence with Human Resources and

Member Services colleagues to examine what training options are available. It is anticipated the relevant training will be provided by the end of the calendar year.

### **4.0 Corporate Strategy**

- 4.1 In order to successfully deliver the objectives in the Corporate Plan, it is recognised that the Council must embrace and embed risk management across the organisation. The desired outcome is that risks associated with these objectives can be managed and the potential impact limited, providing greater assurance that the Council's corporate goals will be achieved.

### **5.0 Implications**

#### Finance and Risk

- 5.1 None directly resulting from this report.

#### Equalities and Human Resources

- 5.2 None directly resulting from this report.

#### Legal

- 5.3 None directly resulting from this report.

### **6.0 Engagement and Consultation**

- 6.1 CLT and Mazars have been consulted on the content of the Risk Management Policy.

REPORT ENDS