



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

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|-------------------------|---|---|
| Title of Report: | Risk Management Policy 2023 | To be marked with an 'X' by Democratic Services after report has been presented |
| Meeting of: | Corporate Management Team - 16 th August 2023 | X |
| | Pre-Cabinet - 24 th August 2023 | X |
| | Leader's / Leader of the Opposition's Advisory Group – 31 st August / 6 th September 2023 | |
| | Audit Committee – 27 th September 2023 | |
| | Cabinet - 23 rd October 2023 | |



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|---------------------------------------|-------------------|---|---------------|
| Is this an Executive Decision: | NO | Is this a Key Decision: | NO |
| Is this in the Forward Plan: | [YES/ <u>NO</u>] | Is the Report Confidential: If so, please state relevant paragraph from Schedule 12A LGA 1972: | NO N/A |

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **John Teasdale**

Date Signature

Interim Chief Finance Officer: **Lisa Turner**

Date Signature

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Council

Date: 25th September 2023

REPORT TITLE: Risk Management Policy 2023

PORTFOLIO: Finance

HEAD OF SERVICE: Interim Chief Financial Officer

CONTACT OFFICER: Lisa Turner Ext. No. 1399

WARD(S) AFFECTED: N/A

1. Purpose of the Report

1.1 The purpose of this report is to provide an updated Risk Management Policy which supersedes the existing Risk Management Strategy.

2. Executive Summary

2.1. The report introduces a new Risk Management Policy which has updated the current practices and procedures in the Council.

2.2. Risk management involves active participation by all council employees to identify, control, report and, where possible, eliminate potential hazards that could affect:

- the workplace
- the council's business
- members of the public
- employees themselves

2.3. As with all strategies and policies there is a need to periodically review and update them. The approach to be adopted by the Council in its management of risks is proposed to be updated from the last formal approval requiring a refresh which also deems it to now be a Council policy.

2.4. The ultimate aim is to ensure that Risk Management continues to be embedded within the organisation.

3. **Background**

3.1. The achievement of corporate objectives, operational and financial performance is subject to risk. It is important for good governance that significant business risks are reported on and that actions are taken to mitigate those risks.

3.2. The aim of risk management within the authority is to provide a systematic control of risks, hazards and losses with a view to reduce the total cost impact of risk upon council operations in a manner than is proportionate.

4. **Contribution to Corporate Priorities**

4.1. Effective Risk Management is a requirement for good corporate governance and in order for the Council to meet its corporate and strategic objectives.

5. **Risk Management Policy**

5.1 The policy included as Appendix 1 details nine main sections which are as follows:

Section 1 – Purpose & Vision

Section 2 - Mission and Objectives

Section 3 – Identification and Categorisation of Risks

Section 4 – Quantification of Risks and Risk Matrix

Section 5 – Awareness and Financing

Section 6 – Reporting & Governance

Section 7– Responsibilities

Section 8 – Key Outcomes and Benefits

Appendices – Risk Analysis – Template Risk Registers

5.2 The refreshed policy will still utilise the previous approach to quantification of risks but has introduced a revised categorisation.

5.3 The policy will ensure the areas of highest risk are identified and that appropriate remedial action is considered. The Risk Management Process has been updated to include Internal Audit and External Audit suggestions and includes the following categories:

- Risk Cause / Event
- Risk Consequence
- Initial Risk Score
- Risk Treatment
- Revised Risk Score
- Identification of any follow-on activities.

The risk scoring and thresholds have been updated with a revised 5 x 5 Risk scoring Matrix (shown on page 12). This includes new minimal impact and remote likelihood scores as well as updated financial thresholds which differentiate between core financial risks against the budget and financial project risks.

5.3 The categories for risks will cover:

- Health and Safety Risks
- Project Risks
- Workforce & Staffing Risks
- Financial Risks
- Legal Risks
- Service Continuity Risks
- Reputation / Quality Risks

5.4 These categories will be considered under the headings of:

5.4.1 Service Risks – circumstances (within the risk categories) that may impact on the operation or budget of a given team or council service

5.4.2 Corporate Risks – liabilities and dangers that the Council faces (mainly external)

5.4.3 Strategic Risks – those that arise from decisions that are made regarding the Council's objectives and operations.

6. Financial Considerations

This section has been approved by the following member of the Financial Management Unit: Lisa Turner

6.1. There are no direct financial issues arising from this report, however effective risk management will reduce the Council's exposure to both insured and non-insured claims and losses.

7. Risk Assessment and Management

7.1. The main risks to this Report and the Council achieving its objectives are as follows:

7.2. **Positive** (Opportunities/Benefits):

7.2.1. By improving risk management and corporate governance arrangements it will enable corporate objectives to be achieved along with enhancing corporate and service level performance.

7.3. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

8. **Legal Considerations**

*This section has been approved by the following member of the Legal Team:
John Teasdale*

8.1. There are no direct legal issues arising from this Report.

9. **Equalities and Health**

9.1 **Equality impacts:** The subject of this Report is still covered adequately by the previous impact assessment therefore a new equality and health impact assessment is not required.

9.2 **Health impacts:** The outcome of the health screening question does not require a full Health Impact Assessment to be completed. An equality and health impact assessment is not required.

10. **Data Protection Implications – Data Protection Impact Assessment (DPIA)**

10.1. A DPIA must be completed where there are plans to:

- use systematic and extensive profiling with significant effects;
- process special category or criminal offence data on a large scale; or
- systematically monitor publicly accessible places on a large scale
- use new technologies;
- use profiling or special category data to decide on access to services;
- profile individuals on a large scale;
- process biometric data;
- process genetic data;
- match data or combine datasets from different sources;
- collect personal data from a source other than the individual without providing them with a privacy notice ('invisible processing');
- track individuals' location or behaviour;
- profile children or target marketing or online services at them; or
- process data that might endanger the individual's physical health or safety in the event of a security breach

10.2 Following consideration of the above, there are no Data Protection implications arising from this report which would require a DPIA.

11. **Human Rights**

11.1. There are no Human Rights issues arising from this Report.

12. **Sustainability** (including climate change and change adaptation measures)

12.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures)

12.2. N/A

13. **Recommendation(s)**

13.1. That Cabinet approves the new Risk Management Policy.

14. **Background Papers**

14.1. Risk Management Strategy 2007

14.2. Risk Management Strategy 2009

14.3. Risk Management Strategy 2013

15. **Appendices**

15.1. Draft Risk Management Policy 2023

15.2. Revised Methodology applied to Corporate and Strategic Risks June 2023

15.3. Revised Operational Risk Template