



GOVERNANCE AND AUDIT COMMITTEE - 25TH JANUARY 2022

SUBJECT: REVISED RISK MANAGEMENT STRATEGY 2022

REPORT BY: CORPORATE DIRECTOR EDUCATION

1. PURPOSE OF REPORT

- 1.1 To present to the Audit and Governance Committee, the revised Risk Management Strategy 2022, and seek Committee's approval of the new Strategy, prior to presentation to Cabinet.

2. SUMMARY

- 2.1 The Risk Management Strategy was last updated in 2017. Since then there has been a range of changes such as the implementation of new legislation, the new Transformation programme, (TeamCaerphilly Better Together), the Pandemic, which required new ways of working to support the community, creating a 'strategic recovery framework' and implementing a revised Performance Management Framework. As risk management is part of day to day management, it is timely and important to update Risk Management Strategy 2022 accordingly, to ensure it remains current and fit for purpose.

3. RECOMMENDATIONS

- 3.1 The Committee is advised to note the contents of the Strategy, provide any additional input and if satisfied, endorse the Strategy.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 Members have a critical role to play in evaluating the council's risk management arrangements and in particular understanding how the council identifies, manages and, where possible mitigates or removes risk. Risk Management is crucial to the effective delivery of council services.

The Strategy provides information on the committee's role in the management of risk on page 12 of the Strategy (Appendix 1)

5. THE REPORT

- 5.1 The Risk Management Strategy was last updated in 2017. Since then there has been several changes such as The Well-being of Future Generations (Wales) Act which placed a statutory duty on public bodies to use the 'sustainable development' principle in all its decision making. These principles require and encourage us to change the way we view risk in the long-term and identify risks that could impact our citizens (as well as internal or operational risks). The Duty focuses on prevention, by identification of root causes to the risk. The legislation also asks that we improve seven organisational activities, one of which is risk management.
- 5.2 The Council's implemented its new transformation and operating model called 'TeamCaerphilly' 'Better together' which is designed to take the organisation forward on its improvement and transformation journey. The Covid19 pandemic in 2020 impacted all citizens and the organisation rapidly responded to these changes. In many ways the impacts are still being understood within our communities so we have implemented a '**strategic recovery framework**' to support recovery within the community and have introduced a **Well-being and Place shaping Plan** as an investment framework to support a range of large capital projects. There is also the inclusion of the new Commercial and Investment Strategy which at relevant times is important as part of risk management.
- 5.3 Other changes include the Local Government and Election (LG&E) Act which introduces a duty to carry out 'self-assessment' and our risk activity is part of our 'self-assessment' in meeting the Act which comes into place across 2021-2022.
- 5.4 We also introduced a new Performance Framework, endorsed by Cabinet February 2020 to support the Self-Assessment requirements of the LG&E Act and this includes our risk management processes. Particularly the embedding of risk into the day to day business considerations and to gain learning and knowledge. Changes have been made to reflect the changes to the Governance and Audit Committee and to give definition to our risk appetite, so we have a risk framework that is fit for the future. The Risk Management Strategy (Appendix 1) has appendices in the back of the Strategy which details the main changes since the 2017 version.
- 5.5 Since the previous Strategy, we have sought to strengthen 'lateral risks' within the process, where the cause or effect is in one directorate and impacts another (as opposed to top down or bottom up). The Directorate Performance Assessment (DPA) process helps emphasis this and all directors receive all DPA's and use CMT to review this so there is better understanding of risks that cut across into other directorates. The DPA's are now placed on the intranet so all staff can see them.
- 5.6 The Strategy has accompanying guidance. The Guidance tells the reader how to implement the strategy operationally, how to raise a risk, how to work out its rating and so forth. The methods have not overly changed in the intervening years although its more important to consider long term thinking and look outwards, so the guidance will be updated in line with the strategy and 'the set' will be available on the intranet when the Strategy is approved.
- 5.7 **Conclusion**
- The Risk Management Strategy has been revised for 2022 and is now current and in keeping with the range of changes noted in the paragraphs above. The Guidance (how to guide) will also be revised to accompany the Strategy, in readiness for publication, once approved.

6. **ASSUMPTIONS**

- 6.1 No assumptions were made in relation to the Risk Management Strategy 2022

7. **SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 An IIA has not been completed for the Risk Management Strategy, as it is not specific to a proposal or project, however the IIA itself will help identify any risks to inequalities or impacts on corporate objectives from potential proposals and these may become part of the risk register.

8. **FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications from the revised Risk Management Strategy although some identified risks are financial or do come with financial implications and these individual risks are analysed, assessed, and monitored as part of the risk register management process.

9. **PERSONNEL IMPLICATIONS**

- 9.1 There are no Personnel implications identified from the Risk Management Strategy

10. **CONSULTATIONS**

- 10.1 All consultations have been incorporated within the revised strategy, with the exception of a suggestion to add a 'Glossary of Terms' which will be added, prior to publication.

11. **STATUTORY POWER**

- 11.1 Well-being of Future Generations (Wales) Act 2016, Local Government and Elections Act 2020, Accounts and Audit (Wales) 2014 Regulations Part 3.

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Appendices:
Appendix 1 Risk Management Strategy 2022