

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

18th December 2023

RISK MANAGEMENT STRATEGY

REPORT OF THE DEPUTY CHIEF EXECUTIVE AND GROUP DIRECTOR – FINANCE, DIGITAL AND FRONTLINE SERVICES IN DISCUSSION WITH THE RELEVANT PORTFOLIO HOLDER (CLLR LEYSHON)

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1.0 PURPOSE OF THE REPORT

1.1 The purpose of this report is to set out the Council's updated Risk Management Strategy.

2.0 RECOMMENDATION

It is recommended that the Cabinet:

2.1 Approve the Council's updated Risk Management Strategy, as endorsed by the Governance and Audit Committee at its meeting on 12th October 2023.

3.0 REASON FOR RECOMMENDATION

3.1 To ensure the Council's risk management arrangements continue to be fit for purpose to support the delivery of Corporate Plan and Service Priorities.

4.0 BACKGROUND

4.1 The Council's Risk Management Strategy is kept under regular review, with the latest update agreed by the Council's Cabinet in July 2022, as endorsed by the Governance and Audit Committee.

- 4.2 During 2022/23, the Council's Risk Management Strategy was reviewed as part of an audit assignment undertaken by Internal Audit in respect of Corporate Risk Management, with a recommendation reported by Internal Audit for the roles and responsibilities of risk owners to be set out within the Risk Management Strategy (this also being a recommendation within the 2022/23 Annual Governance Statement).
- 4.3 Section 5 of this report sets out the action taken to address the recommendation reported by Internal Audit.

5.0 RISK MANAGEMENT STRATEGY

- 5.1 In line with the recommendation reported by Internal Audit, key roles and responsibilities have been incorporated within Section 9 of the Risk Management Strategy, to in effect document the arrangements already in place within the Council.
- 5.2 Following this, the updated Risk Management Strategy was reported to and endorsed by the Governance and Audit Committee on 12th October 2023 and, for ease of reference, the specific updates have been replicated in Figure 1, with the updated Risk Management Strategy included as Appendix 1.

Figure 1 – Key roles and responsibilities

	Key Roles and Responsibilities
Cabinet	<ul style="list-style-type: none"> • To approve the Council's Risk Management Strategy (including risk appetite) and any material changes to the Strategy on an on-going basis. • To approve the Strategic Risk Register. • To monitor progress in the management of Strategic Risks. • Hold the Senior Leadership Team accountable for the effective management of risk.
Governance and Audit Committee	<ul style="list-style-type: none"> • To ensure the Council has effective risk management processes in place (including the review and challenge of arrangements and strategic risks). • Support and promote effective risk management.

	Key Roles and Responsibilities
Senior Leadership Team	<ul style="list-style-type: none"> • To determine the Council's Risk Management Strategy (including risk appetite) for consideration / approval by Cabinet, and to keep under on-going review. • Make arrangements to deliver the Council's Risk Management Strategy (including the identification of strategic risks, actions to manage strategic risks and monitoring / reporting arrangements). • Support and promote effective risk management.
Section 151 Officer	<ul style="list-style-type: none"> • Active involvement in all material business decisions to ensure short, medium and long-term implications, opportunities and risks are fully considered. • Support and promote effective risk management.
Risk Owners (Strategic and Operational Risks)	<ul style="list-style-type: none"> • Accountable for the management and control of all aspects of assigned risks, including determining, authorising, implementing, monitoring / updating and reporting of controls and actions to address the threats and maximise the opportunities.
Service Managers	<ul style="list-style-type: none"> • To support: <ul style="list-style-type: none"> ○ The Senior Leadership Team in the identification of Strategic Risks; and ○ Risk Owners in the management, monitoring and reporting arrangements of Strategic and Operational Risks. • Put in place effective risk management arrangements for their areas of responsibility to ensure the Council's exposure is at an acceptable level. • Promote and demonstrate the behaviours and values that support well-informed and considered risk taking, alongside clear lines of accountability.
Internal Audit	<ul style="list-style-type: none"> • Assess the effectiveness of the risk management strategy (and associated arrangements) and the control environment in mitigating risk. • Support and promote effective risk management.
All staff	<ul style="list-style-type: none"> • Support the identification of risks and contribute to their management, as appropriate.

5.3 Subject to Cabinet's consideration and approval of an updated Risk Management Strategy, the Strategy will be communicated to all service areas and made available on the Governance Section of the Council's website.

6.0 EQUALITY AND DIVERSITY IMPLICATIONS / SOCIO-ECONOMIC DUTY

6.1 There are no equality and diversity or socio-economic implications as a result of the recommendations set out in the report.

7.0 WELSH LANGUAGE IMPLICATIONS

7.1 There are no Welsh Language implications as a result of the recommendations set out in this report.

8.0 CONSULTATION / INVOLVEMENT

8.1 The updated Risk Management Strategy has been reviewed and endorsed by the Council's Governance and Audit Committee prior to being reported to Cabinet. No additional consultation requirements are deemed necessary in this regard.

9.0 FINANCIAL IMPLICATION(S)

9.1 There are no financial implications emanating from the recommendations set out in the report.

10.0 LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

10.1 There are no legal or legislative implications emanating from the recommendations set out in the report.

11.0 LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

11.1 Effective risk management arrangements are key to the Council's ability to deliver its service and the priorities set out within the Corporate Plan 2020 - 2024 'Making a Difference'.

11.2 The Well-being of Future Generations (Wales) Act 2015 identifies a core set of activities that are common to the corporate governance of public

bodies where change needs to happen: Corporate Planning; Financial Planning; Workforce Planning; Procurement; Assets; **Risk Management**; and Performance Management

12.0 CONCLUSION

12.1 The Council's updated Risk Management Strategy has been reviewed and endorsed by the Governance and Audit Committee at its meeting on 12th October 2023.

12.2 The updated Strategy is being reported to Cabinet for consideration, and if deemed appropriate, sign-off, following which the document will be communicated to all service areas and made available on the Governance Section of the Council's website.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

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Background Papers

None.

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