

AUDIT COMMITTEE

Updated Risk Management Policy

19 November 2025

Report of Chief Officer Resources

PURPOSE OF REPORT

To request the Audit Committee approve the council's refreshed Risk Management Policy.

This report is public.

RECOMMENDATIONS

- (1) The Audit Committee approve the refreshed Risk Management Policy, November 2025, shown as appendix A.

1.0 RISK MANAGEMENT POLICY

- 1.1 The Risk Management Policy has been re-drafted since the previous version was approved and published in March 2024 to include the following changes:
- Policy statement included
 - Risk management objectives section, replaced with key objectives of the policy section
 - Inclusion of section explaining what risk management is
 - Inclusion of section on the risk management framework
 - Inclusion of section on the identification of risk
 - Inclusion of section on the types of risk
 - Inclusion of section on the areas of risk management across the Council
 - Inclusion of section on how to describe a risk
 - Inclusion of section on how to report a risk
 - Revised risk scoring matrix, having moved from a 4x4 to a 5x5 impact vs likelihood matrix
 - Inclusion of a section on the types of risk registers we have in place and our 'three lines of defence' model.
 - Inclusion of a section providing guidance on the escalation and reporting of risk
 - Inclusion of a section on incidents
 - Updates to the roles and responsibilities section, aligning them with the constitution and committee terms of reference where needed
 - Removal of the culture and awareness sections, as these are now embedded elsewhere within the document.
 - Appendix 1 – definitions updated to bring us into line with the 5x5 risk scoring matrix, updating the criteria for impact and likelihood.
 - Appendix 3 – Risk appetite reviewed by cabinet on 21st October 2025.

2.0 DETAILS OF CONSULTATION

- 2.1 Leadership Team have been consulted on the changes.
- 2.2 The risk scoring for Impact vs Likelihood has changed from a 4x4 to a 5x5 matrix. This was approved by Leadership Team.
- 2.3 Risk appetite levels have been reviewed and agreed by Cabinet on 21st October 2025.

3.0 OPTIONS AND OPTIONS ANALYSIS

- 3.1 The options that Audit Committee Members might consider are:
- a) To approve the draft policy as submitted, or with any amendments suggested by the Committee
 - b) Not to approve the policy.
- 3.2 Options analysis, based on associated risks and opportunities are set out in the following table:

Risk / Opportunity	Option A – Approve Policy	Option B – Do not approve
Failure of the council to meet requirements in identifying and responding to risk management.	Adoption of the policy defines, in accordance with proper practice, the council's approach to risk management.	The policy from March 2024 remains in place showing the old risk scoring matrix, unclear risk escalation and former risk appetite levels, it therefore no longer fit for purpose.
Failure of services and individuals to meet expectations around risk management.	The policy and guidance provide the improved framework for ensuring that services and individuals are aware of their own responsibilities in regard to risk management.	The existing policy does not detail the new risk escalation process and risk revised risk scoring matrix, leading to confusion and incorrect escalation and scoring, it is therefore no longer fit for purpose.

- 3.3 The preferred option is option A at paragraph 3.2.

4.0 CONCLUSION

- 4.1 Recent changes to the council's way of managing risk are reflected in the new policy, further strengthening the council's approach to risk management.

APPENDICES

Appendix A – Risk Management Policy – DRAFT V3 2025

CONCLUSION OF IMPACT ASSESSMENT

(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing):

No direct impact arising from this report, which provides a copy of the council's refreshed Risk Management Policy.

LEGAL IMPLICATIONS

No direct legal implications arising from this report.

FINANCIAL IMPLICATIONS

No direct financial implications arising from this report.

OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces

No direct resource implications arising from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has contributed to this report in his role as Chief Officer Resources, including responsibility for Internal Audit.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

BACKGROUND PAPERS

[Risk Management Policy – March 2024](#)

[Cabinet Draft Minutes 21.10.2025](#)

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