

<p>Non-Executive Report of the:</p> <p><b>Audit Committee</b></p> <p>Thursday, 20<sup>th</sup> July 2023</p>	 <p><b>TOWER HAMLETS</b></p>
<p><b>Report of: Caroline Holland</b> Corporate Director, Resources (S. 151 Officer)</p>	<p><b>Classification:</b> Open (Unrestricted)</p>
<p><b>Annual Risk Management Report 2022-23</b></p>	

<b>Originating Officer(s)</b>	David Dobbs – Head of Internal Audit, Fraud & Risk
<b>Wards affected</b>	(All Wards)

## Executive Summary

The following report summarises the Risk Management activity during the course of 2022-23 and provides an updated action plan designed to improve the Risk Management framework across the Council.

## Recommendations:

The Audit Committee is recommended to:

1. Note the annual Risk Management report and agree the proposed action plan.

## 1. REASONS FOR THE DECISIONS

- 1.1 The Accounts and Audit Regulations 2015 state that a relevant authority must ensure that it has a sound system of internal control which:
  - facilitates the effective exercise of its functions and the achievement of its aims and objectives;
  - ensures that the financial and operational management of the authority is effective; and
  - includes effective arrangements for the management of risk.
- 1.2 The terms of reference of the Audit Committee state the committee has responsibility for providing independent assurance for Members over the adequacy of the risk management framework and the internal control environment. It is responsible for monitoring the

effective development and operation of risk management in the Council and progress in addressing risk-related issues reported to the committee.

- 1.3 This report summarises the risk management activity undertaken during 2022-23 and supports the Audit Committee in discharging its responsibilities.

## **2. ALTERNATIVE OPTIONS**

- 2.1 None.

## **3. DETAILS OF THE REPORT**

- 3.1 The attached report and associated appendices summarise the risk management activity during the course of 2022-23, provides an update on progress made against the previously agreed actions and proposes an updated action plan.

## **4. EQUALITIES IMPLICATIONS**

- 4.1 There are no specific statutory implications.

## **5. OTHER STATUTORY IMPLICATIONS**

- 5.1 The Accounts and Audit Regulations 2015 require authorities to ensure they have a sound system of internal control which:
- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
  - ensures that the financial and operational management of the authority is effective; and
  - includes effective arrangements for the management of risk.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 There are no specific financial implications arising from the content of this report. General comments with regards the importance of effective risk management and the consequences of failure to monitor and manage organisational risks are contained within the body of the report and the appendices.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 The management of risk has a direct impact on the Council's ability to deliver its functions in a manner which promotes economy efficiency and effectiveness. Therefore, the consideration of this report demonstrates the Council's compliance with its Best Value Duty.
- 7.2 The Council is also legally required to ensure that it has a sound system of internal control facilitating the effective exercise of the Council's functions. This includes arrangements for the management of risk and an effective system of internal audit to evaluate the effectiveness of its risks management, control, and governance processes, taking into account the public sector internal auditing standards and guidance. This report also demonstrates compliance with these legal duties.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- NONE

#### **Appendices**

- Appendix – Annual Risk Report for 2022-23.

#### **Local Government Act, 1972 Section 100D (As amended)**

#### **List of "Background Papers" used in the preparation of this report**

- NONE

#### **Officer contact details for documents:**

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