

Subject	Annual Review of the Risk Management Framework	Status	For Publication
Report to	Audit and Governance Committee	Date	05 December 2024
Report of	Head of Governance and Corporate Services		
Equality Impact Assessment	Not Required	Attached	No
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1 **Purpose of the Report**

- 1.1 To present the annual review of the Risk Management Framework for the Committee to consider.
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2 **Recommendations**

- 2.1 Members are recommended to:
- a. Consider whether any additions or changes are required to the Risk Management Framework presented at Appendix A; and
 - b. Approve the updated Risk Management Framework for publication.
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3 **Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objectives:
Effective and Transparent Governance

To uphold effective governance always showing prudence and propriety.

4 **Implications for the Corporate Risk Register**

- 4.1 The issues dealt with in this report concern the effectiveness of the risk management framework rather than any specific individual risk.

5 **Background and Options**

- 5.1 The terms of reference of the Audit and Governance Committee require that it review the Risk Management Framework on an annual basis. This report is intended to fulfil that requirement.
- 5.2 The Risk Management Framework is attached at Appendix A.

- 5.3 A copy of the strategic risk register is attached at Appendix B. This is the most recent version that was reviewed by the Authority in September. The latest review will be considered by the Authority at their forthcoming December meeting.
- 5.4 Members will recall that a comprehensive review and update of the framework was undertaken last year following a range of enhancements made as part of strengthening and continuing improvement to the risk management arrangements in place.
- 5.5 The framework has continued to operate effectively since the last annual review.
- 5.6 A quarterly review of the strategic risk register is undertaken by the Senior Management Team (SMT), involving each risk owner updating progress made on the planned risk mitigation actions as well as re-assessing the status, score and any changes to each risk, and considering the need to add any newly emerging risks to the register. The results of which are reported to meetings of the Authority for members to consider and is presented to each meeting of the Local Pension Board for further scrutiny.
- 5.7 The strategic risk register is also reviewed at each of the monthly SMT meetings so that risk is actively monitored on an on-going basis.
- 5.8 The use of risk management software (Pentana) is now embedded and has improved the efficiency and clarity with which risks are recorded, managed, and monitored.
- 5.9 Following successful introduction last year, external specialist training on risk management has again been delivered in November 2024 for new members of SMT and for a number of other officers for whom this is relevant, to equip them with knowledge and understanding of risk management principles and practices.
- 5.10 Progress continues on the introduction of an additional layer of operational risk management at team / service level, which will help to embed the culture of risk management throughout the organisation as well as to support and inform the strategic risk register.
- 5.11 The risk management framework has been reviewed as attached at Appendix A. The appendix shows any changes highlighted in yellow. There were no substantive changes required. The version control page has been updated accordingly and the only revision to the content in the document is a minor change to add reference to the fact that the strategic risk register is also presented to each quarterly meeting of the Local Pension Board.
- 5.12 Members are requested to review the risk management framework attached, comment on any changes required and approve the updated version for publication.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	None directly
Human Resources	None directly
ICT	None directly
Legal	None directly
Procurement	None directly

Jo Stone

Head of Governance and Corporate Services

Background Papers	
Document	Place of Inspection