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Mr D Williams,  
Chief Executive,  
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Dear Dilwyn,

## Risk Management

As you are aware within our 2016-17 audit programme we are undertaking a risk based assessment of the Council's corporate arrangements. As part of this work we have reviewed your risk management arrangements. The identification and effective mitigation of risks is an important aspect of corporate governance. Effective risk management arrangements are essential when undertaking service and corporate transformation projects. There are many such projects underway within the Council, not least its cultural change programme, Ffordd Gwynedd.

Our review of risk management took place at a time when the Council is refreshing and strengthening its arrangements for identifying, recording and managing risk. With the refresh being driven by senior management, the drivers for change include the Council's modernisation agenda reflecting the 'Ffordd Gwynedd' Cultural Change Programme and a desire to better integrate risk management with strategic planning.

As you know, the Senior Manager Revenues and Risk presented a report setting out the Council's arrangements for risk management to the Audit Committee in December 2015. This report together with a number of other papers sets out the means by which improvements will be secured and the arrangements within the Council strengthened. This will take place over the next 12 months. In particular the content of the Corporate

Risk Register will be refreshed and its alignment with the strategic plan and the work of the Audit Committee will be improved.

Rather than critique current arrangements our approach has been to understand the overall risk management framework and to focus on the steps the Council is taking to secure improvement. We considered how likely these are to be effective and have concluded that:

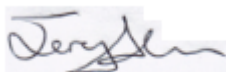
**The Council is making good progress in strengthening its risk management arrangements enabling them to better support robust and effective decision-making**

In addition, we have identified some improvement opportunities the Council may wish to consider as part of its current initiatives to further improve risk management. These are set out below and have been discussed with the Council's officers in the course of this review. The Council's risk management arrangements would benefit from:

- developing a a risk summary or risk tracking document as part of its Corporate Risk Register;
- introducing greater consistency about the identification and management of risk in papers and reports presented to Members;
- having more explicit regard to the concept of 'risk appetite' in its approach to risk management;
- introducing a Risk Strategy and Operations Manual to accompany the Council's refreshed arrangements; and
- training officers and Members on risk management as part of a wider awareness raising initiative.

I trust that you find this letter helpful and constructive in supporting your own work on strengthening the Councils risk management arrangements.

Yours sincerely



Jeremy Evans  
Performance Audit Manager

Cc Ian Hughes – Performance Audit Specialist  
Nigel Griffiths – Performance Audit Lead