



**Audit Committee – 27th March 2013**

**RISK MANAGEMENT POLICY OBJECTIVE STATEMENT**

**1. Purpose of Report**

- 1.1 The purpose of this report is to submit the draft revised Risk Management Policy Objective Statement for consideration and comment, before consideration and approval by Cabinet.
- 1.2 It is important that the Risk Management Policy objectives and the Risk Management Strategy remain up to date in order to accurately reflect the need to effectively and efficiently manage risks to the achievement of objectives.

**2. Recommendations**

**2.1 It is recommended that the Audit Committee:-**

- (i) Considers the draft Risk Management Policy Objective Statement; and,**
- (ii) Subject to changes emanating from the comments of the Committee, that the full draft revised Risk Management Policy and Strategy is referred to Cabinet for further consideration and approval.**

**3. Introduction**

- 3.1 Risk Management is not about eliminating risk or being risk averse, it is about being aware of and managing acceptable risk in the pursuit of agreed objectives. The Risk Management Policy Objective Statement and Risk Management Strategy sets out how the Authority will seek to embed this approach to risk into its normal activities through the ongoing development of a risk management culture.
- 3.2 The Risk Management Policy Objective Statement and Risk Management Strategy are also key elements in the implementation of good governance arrangements and form key elements of the Council's Annual Governance Statement process.
- 3.3 The Policy Objective Statement and Risk Management Strategy were last thoroughly reviewed in 2012 and is now in need of revision to reflect the rapidly changing national and local context and the Authority's own situation with regard to the medium term financial position and the ongoing arrangements relating to the Future Council Programme.

#### **4. Risk Management Policy Objective Statement – Key Issues**

- 4.1 The delivery of the Risk Management Policy Objective Statement is crucial to the successful embedding of a culture where Risk Management is considered a part of normal business processes.
- 4.2 The development of the revised Risk Management Policy objectives have been influenced by the ongoing, significant fiscal pressure the Authority is currently under, and the considerable efforts that are being made to ensure the Authority is a sustainable organisation, as reflected in the Future Council Programme
- 4.3 The Risk Management Policy Objective Statement sets out the overall vision and purpose of risk management across the Authority. The revised Policy Objective Statement is set out at Appendix One. The key changes to the Policy Objective Statement include:
- A revised objective regarding the Future Council Programme of activity; and,
  - Inclusion of a new objective regarding supporting and developing Ward Alliances, as part of the broader Area Council initiative.
- 4.4 The Risk Management Strategy document sets out the essential elements for the successful delivery of the Policy Objectives, and also sets out how assurance will be provided that risks are understood and are being managed appropriately. This iteration of the Strategy sets out the means of measuring the successful delivery of components of the Strategy and comparisons against these indicators will be included in the annual and periodic reports on risk management. The Strategy document contains the following elements, all of which were fundamentally reviewed in 2012, and have since been revised again, to reflect Future Council activity. All of these documents are available for inspection on request:
- Risk Management Policy (see 4.3);
  - Risk Champion Role Description;
  - Risk Tolerance and Escalation Model;
  - Risk Challenge Process;
  - Cabinet Report Writing Guidance;
  - Project and Programme Risk Management Protocol;
  - All Member Guidance Note;
  - Risk Management Training Strategy;
- 4.5 Whilst all of the above documents have been reviewed, the only significant changes relate to the Risk Management Policy Objective Statement itself, detailed in 4.3, and the Risk Management Strategy, which now includes reference to the Future Council Programme, and the need to consider the Authority's risk appetite in light of recent publications and guidance notes on this subject.
- 4.6 It is envisaged that following discussion and subsequent approval by the Audit Committee, the Chief Executive and the Cabinet Spokesperson for Corporate Services will sign and endorse the revised Risk Management Policy Object Statement.

## **5. Delivering Corporate Plan Priorities and Future Council Themes**

- 5.1 The Risk Management Policy Objective Statement and Strategy seeks to ensure that those significant risks which could impact upon the delivery of the Authority's objectives, as set out in the Corporate Plan are appropriately managed in order to minimise the significant potential obstacles to the achievement of corporate objectives. Likewise, the Policy Objective Statement and Strategy is positioned to support the investigation of innovative solutions relating to the Future Council Programme.

## **6. Risk Management Issues**

- 6.1 The report focuses upon the development of the Risk Management Policy Objective Statement and Strategy and the contribution this will make to the embedding of a risk management culture throughout the Authority.

## **7. Financial Implications**

- 7.1 There are no specific financial implications arising directly from this report although there is often a cost in taking (or not taking) specific action identified through the risk management process. Most individual Cabinet reports have financial implications and so the application of good risk management principles as set out in the Policy and Strategy are vital to ensure the most effective use of resources.

## **8. Appendix**

- 8.1 Appendix 1 – Risk Management Policy Objective Statement

## **9 Background Papers**

- 9.1 Various paper and electronic files which are available for inspection at the Westgate Plaza One offices of the Authority.

**Contact Officers: Acting ED Finance / AD Finance (Audit & Risk Management)**

**Telephone: 01226 773101 / 01226 773241**

**Date: 27<sup>th</sup> March 2013**

## **Barnsley Metropolitan Borough Council Risk Management Policy Objective Statement**

The Council and its employees are committed to the embedding into Corporate business processes and operations Risk Management policies and procedures which maximise opportunity and minimise uncertainty, through the identification and appropriate control of all significant risks which may affect the achievement of Corporate Objectives.

### Policy Objectives:

The Council and its employees will seek to achieve the statement above through the following Risk Management Policy Objectives:

- To manage risks (and benefits or opportunities arising) in accordance with best practice through a culture where responsible, informed and controlled risk taking is encouraged, within agreed Risk Tolerance parameters;
- To respond to new and emerging risks, including risks arising from changes in economic, financial, social, legislative, compliance, sustainability and environmental requirements;
- To consider and monitor all aspects of risk arising from Programmes, Projects and significant Partnerships or Relationships;
- To have in place plans for dealing with risks which may occur, including the development, maintenance, exercising and testing of comprehensive Authority wide and service based emergency resilience and business continuity plans in order to help mitigate the effects of a major incident or significant service disruption;
- To contribute to the effective Corporate Governance arrangements within the Authority, through the embedding of Risk Management policies and procedures into the Authority's processes and operations;
- To contribute to the achievement of budget savings by advising on the Future Council Programme and assisting in the assessment of Key Lines of Enquiry (KLoEs) related risk areas to provide assurances to the Senior Management Team that risks are being effectively managed and mitigated, that Leadership are making informed, risk based decisions and to assist in the provision of assurance that the Authority remains 'safe';
- To support and where possible enable partners and community groups to become more actively involved in the provision of services that may be delivered on behalf of the Authority, by improving their capacity and competency in terms of risk awareness and controlled risk taking; and,
- Supporting the developing Ward Alliances to ensure they are well governed and 'risk enabled' in their own decision making and operational activities.

The Objectives will be supported through:

- The continued development and implementation of a Risk Management Framework which facilitates the effective and efficient management of Risk;
- The integration of Risk Management into the Corporate business processes of the Authority;
- The support and encouragement of Risk Management activity throughout the Authority and the recognition of the roles and responsibilities of all stakeholders;
- The provision of practical guidance for management in developing best practice and core competencies and skills for Risk Management;
- The development and delivery of training schemes in risk awareness for all appropriate employees, Elected Members and other relevant parties;
- The regular review of Risk Registers including the escalation of risks falling outside of agreed tolerance levels; and,
- The provision of assurance through timely and regular reports that the significant risks relating to the achievement of Corporate Objectives are appropriately managed.

Signed:

Date:  
Chief Executive  
Barnsley Metropolitan Borough Council

Signed:

Date:  
Cabinet Spokesperson (Corporate Services)  
Barnsley Metropolitan Borough Council