

CABINET – 1st June 2016

RISK MANAGEMENT FRAMEWORK REVIEW

1. Purpose of Report

- 1.1 The purpose of this report is to provide assurances to Cabinet regarding the Risk Management Framework remaining fit for purpose.
- 1.2 It is important that the Risk Management Framework remains up to date in order to accurately reflect the effective and efficient management of risks to the achievement of objectives. This is of particular relevance given the Future Council programme.

2. Recommendations

2.1 It is recommended that the Cabinet:-

- (i) Considers and approves the Risk Management Framework as being fit for purpose for 2016 / 17.**

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 Framework includes the Risk Management Policy Objective Statement and Risk Management Strategy, which sets out how the Council 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 Framework, including 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 Review process.

4. Risk Management Framework

4.1 The Risk Management Framework contains the following documents:

- Risk Management Strategy;
- Risk Management Policy Objective Statement;
- Risk Champion Role Description;
- Risk Acceptance Model;
- Risk Challenge Process;
- Cabinet Report Writing Guidance;
- Project and Programme Risk Management Protocol;
- All Member Guidance Note; and,
- Risk Management Training Strategy.

4.2 These documents were all refreshed and updated in 2015, and reported to the Audit Committee at their meeting dated 22nd April 2015.

4.3 The Risk Management Framework was then referred to Cabinet for consideration and approval at their meeting dated 18th May 2015.

- 4.4 The most recent review of the Risk Management Framework in 2015 included consideration of any appropriate changes or amendments to the Risk Management Policy objectives. A review of this document has identified no new areas that require inclusion.
- 4.5 Some minor changes to the Risk Management Framework in terms of updating dates and other metrics will be undertaken to ensure the framework remains fit for purpose. Copies of the current signed Policy Objective Statement and Risk Management Strategy are appended to this report.
- 4.6 A recent report, prepared by the Council's external auditors, KPMG entitled 'Local Authority Corporate Risk Register Analysis' has been analysed to assist in ensuring the Councils'; Risk Management Framework is fit for purpose, and is capable of standing up to external scrutiny. A formal response to this report is to be presented to the Audit Committee at their meeting dated 8th June 2016. The main findings from the analysis of this report are positive, and provide assurances that the Council's arrangements are more than compliant.

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 in place to support the consideration 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 Council.

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. Background Papers

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

9. Appendices

Appendix One: Risk Management Policy Objective Statement

Appendix Two: Risk Management Strategy

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Date: 11th April 2016