REPORT TO CABINET

<table>
<thead>
<tr>
<th>Open</th>
<th>Would any decisions proposed:</th>
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<tr>
<td>Any especially affected Wards</td>
<td>Discretionary</td>
</tr>
<tr>
<td>No</td>
<td>Be entirely within Cabinet’s powers to decide NO</td>
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<td></td>
<td>Need to be recommendations to Council YES</td>
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<td>Is it a Key Decision NO</td>
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Other Cabinet Members consulted:  
Other Members consulted: Audit Committee  
Other Officers consulted:  
Lorraine Gore, Deputy Chief Executive (S151 Officer)  
Emma Duncan, Monitoring Officer  
Management Team

Date of meeting: 26 March 2019

RISK MANAGEMENT POLICY AND STRATEGY REVIEW

Summary  
The Council’s Risk Management Policy and Strategy was last reviewed and approved by Council on 1 March 2016. That review split the existing document into two documents, policy and strategy, and linked risk management more closely to the achievement of the council’s objectives. The risk appetite is formally recognised within the policy, and the strategy provides a means of escalating risks from service and project level to the corporate risk register where necessary.

The policy has reached its scheduled review point and a refreshed version has been considered by Audit Committee in November 2018 and January 2019.

Recommendation  
That Cabinet recommend that Council approve the Risk Management Policy and Strategy.

Reason for Decision  
To ensure there is a comprehensive and up to date framework for the Council’s management of risk.
1. **Background**

   1.1 The Council’s current risk management system was reviewed in March 2016 and a clearer commitment to risk management was expressed by having a separate policy and strategy. The policy outlines the Council’s approach to risk management and the strategy describes how it will be implemented.

   1.2 An Internal Audit review of risk management has been used to inform the policy and strategy review.

2. **Risk Management Policy**

   2.1 The Council’s environment continues to be challenging with pressures arising from financial issues, responsibilities arising from new legislation, commercialism, external forces affecting the economy and translating into service demands and new technology creating opportunities and threats.

   2.2 The policy (Appendix A) states the Council’s commitment to managing risk in a positive manner. It is recognised that in order to achieve the Council’s objectives it is necessary to take risks and that these need to be identified, understood and managed accordingly.

   2.3 The risk appetite is defined in the policy as 'open' which means that the Council is *‘prepared to consider all delivery options and select those with the highest probability of productive outcomes, even when there are elevated levels of associated risk’.*

3. **Risk Management Strategy**

   3.1 The strategy (Appendix B) describes the approach to be carried out in practice. It explains how risks will be identified, analysed, managed and monitored. The criteria to be used for deciding the potential impact of a risk are shown and the appropriate levels of action to be taken for the different risk categories.

4. **Changes to the 2016 policy and strategy**

   4.1 The Risk Management Policy has been revised as follows:

   - Improved objectives for the policy to provide a more robust framework for the strategy.
   - Addition of references to legislation relevant to risk management.
   - Enhanced explanation of the risk appetite.
   - Reference to training and development on risk management.

   4.2 The Risk Management Strategy has been refreshed as follows:

   - References to the Audit and Risk Committee have been updated to Audit Committee.
   - Addition of references to legislation relevant to risk management.
   - Addition of the risk appetite.
• Addition of information on the escalation of risks.
• Further detail on the content of the risk register including target risk scores.
• A section has been included to reference related and linked policies.
• Reference to the responsibilities of the directors of council owned companies to consider risk management.
• Responsibility for coordinating risk management was transferred to Policy, Performance and Personnel from Internal Audit.
• Explanation that occupational health and safety risk is dealt with by the Health, Safety and Welfare General Policy.
• Reference to training and development on risk management.

5. Comments from Audit Committee
5.1 The Audit Committee considered draft versions of the risk management policy and strategy in November 2018 and a revised version in January 2019.

5.2 The Committee are supportive of the documents and, at its meeting on 28 January 2019, suggested a final addition regarding the future scheduled date of review:

Original text: This policy/strategy will be reviewed every three years to ensure it remains relevant to the needs of the Council. The next review date is March 2022.

Revised text: This policy/strategy will be reviewed every three years, or earlier in the light of new guidance, to ensure it remains relevant to the needs of the Council. The next review will take place no later than March 2022.

6. Policy Implications
6.1 The Risk Management Policy and Strategy represents a refresh of the Council’s existing policy and approach to risk which encourages a positive culture with respect to risk and its effective management.

6.2 The register lists risks that have been identified to the delivery of the corporate business plan.

6.3 Following the borough elections, the corporate business plan will be updated in 2019/20. Associated risks will be linked with the new priorities and objectives and reflected in the register.

7. Financial Implications
7.1 There are no direct financial implications, however failure to manage risk effectively may have a financial impact. It is therefore essential that the Risk Management Policy and Strategy are fit for purpose.
8. Personnel Implications
8.1 There are no personnel implications.

9. Statutory Considerations
9.1 Accounts and Audit Regulations 2015 regulation 3(c) – A relevant authority must ensure it has a sound system of internal control which includes effective arrangements for the management of risk.

10. Equality Impact Assessment (EIA)
10.1 There are no EIA considerations.

11. Risk Management Implications
11.1 This report is designed to take forward and enhance the Council’s effective management of risk throughout the organisation.

12. Declarations of Interest / Dispensations Granted
12.1 None

Background Papers
- Audit Committee; Risk Management Policy and Strategy review, 12 November 2018 and 28 January 2019