

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	11 April 2022		
TITLE:	Risk Management Policy and Strategy review		
TYPE OF REPORT:	Review		
PORTFOLIO(S):	Finance		
REPORT AUTHOR:	Ged Greaves, Corporate Performance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	Yes

REPORT SUMMARY/COVER PAGE

PURPOSE OF REPORT/SUMMARY:
<p>The council's risk management policy and strategy are due to be refreshed in March 2022. This report introduces a draft framework and seeks members' comments. A draft version was presented to the committee on 28 February 2022. The final version will be taken forward to Cabinet in June 2022.</p>
KEY ISSUES:
<p>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.</p> <p>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'.</p> <p>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 strategy sets out criteria to be used for deciding the potential impact of a risk and the appropriate levels of action to be taken for the different risk categories.</p> <p>The strategy has been updated to reflect changes in staffing and practice that have taken place since the review in 2019.</p>
OPTIONS CONSIDERED:
<p>These are detailed in the report.</p>
RECOMMENDATIONS:
<p>Members are requested to consider the endorse the policy and strategy and recommend it to Cabinet for approval.</p>
REASONS FOR RECOMMENDATIONS:
<p>In order to ensure the Council meets its statutory obligations to ensure that it has 'effective arrangements in place for the management of risk'.</p>

1. Background

- 1.1 The Risk Management Policy and Strategy are reviewed every three years and the current versions were approved by Cabinet in March 2016. The policy and strategy framework are therefore due to be reviewed by March 2019
- 1.2 Responsibility for coordinating the corporate risk register and the risk management framework rests with the council's Performance team.
- 1.3 The committee was consulted on the draft framework in February 2022. Final draft versions of the policy (Appendix A) and strategy (Appendix B) are attached to this report and reflect comments made by the committee.

2. Facts/Issues

- 2.1 There is no specific "standard" set for risk management in local government and the council's approach is based on sector best practice including the International Standard in Risk Management ISO: 31000 and guidance from organisations such as Alarm (Association of Local Authority Risk Managers), the Public Sector Risk Management Association, and the Institute of Risk Management.

3. Updates since Audit Committee on 28 February 2022

- 3.1 Content has been added at section 3.4 to add further detail to the categories for likelihood and impact. These changes help to define the likelihood of the risk materialising and an additional impact criteria has been added regarding climate change. Further detail has been added to explain how the impact criteria are used to evaluate the risk.
- 3.2 Reference is made at section 6 to major project risks. Further information has been added to this section to briefly explain what is meant by "major projects" and the oversight for this category of risk.
- 3.3 Once finalised, the refreshed policy and strategy will be deployed using a combination of training, briefings and internal communications to direct officers and members to key documents and guidance.

4.0 Corporate Priorities

- 4.1 The risk management process supports the delivery of corporate priorities.

5.0 Policy Implications

- 5.1 The report seeks to refresh existing policy and strategy.

6.0 Financial Implications

- 6.1 None.

7.0 Personnel Implications

- 7.1 None.

8.0 Statutory Considerations

8.1 Account and Audit Regulations 2015 - s3(c). The Council must ensure that it has 'effective arrangements for the management of risk'.

9.0 Equality Opportunity Considerations

9.1 None

10.0 Risk Management Implications

10.1 The Council has in place a Risk Management Policy (last adopted in March 2019) and an associated Risk Management Strategy.

10.2 The Corporate Risk Register records high level risks which pose a threat or opportunity to the Council's objectives. It is a tool used by the Chief Executive and the Executive Directors (Management Team) to help manage risk within the Authority and is a key document within the governance controls applied within the Council.

11.0 Recommendations

11.1 Members are requested to endorse the policy and strategy and recommend it to Cabinet for approval.

12.0 Declarations of Interest / Dispensations Granted

12.1 None

Background Papers

- Previous Corporate Risk Registers
- Risk Management Policy and Strategy – approved in March 2019
- Audit Committee Risk management policy and strategy review report, 28 February 2022