

Name of meeting: Corporate Governance & Audit Committee
Date: 17th November 2017

Title of report: Risk Management Statement
Purpose of report; To consider the draft updated Risk Management Statement

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports) ?	Not applicable
The Decision - Is it eligible for "call in" by Scrutiny?	Not applicable
Date signed off by Director & name Is it also signed off by the Service Director for Finance, IT & Transactional Services	D Hogg Service Director for Finance, IT & Transactional Services (3.11.17)
Is it also signed off by the Service Director - Legal Governance and Monitoring?	Not applicable
Cabinet member portfolio	Not applicable

Electoral wards affected: All
Ward councillors consulted: Not applicable

Public

1. Summary

- 1.1 More than 10 years ago the Council developed a Risk Management Strategy. This was modified and updated from time to time, most recently in spring 2010.
- 1.2 Whilst many of the principles of the Strategy have continued to be followed, some of the particular processes described therein have fallen into an element of disuse.
- 1.3 There were always concerns about full and effective use and ownership / recognition of the strategy across the organisation.
- 1.4 Of late, the only formal document that has been produced is a schedule of corporate risks that accompany the annual financial documents. This is in a simpler format than that envisaged by the Strategy.
- 1.5 Work has been carried out to try to change the emphasis of the current arrangements from a process about reporting to one that actively promotes understanding of the risk that the Council faces, and then clearly drives management of risks, based on importance and threat.
- 1.6 The new approach to risk management is embodied in the draft document- Risk Management Statement.
- 1.7 The document is fully re-written, based on practices identified through research and debates amongst senior managers about an approach that would fit the culture and expectations of the Council.
- 1.8 Many of the words, terms and concepts and some of the scoring mechanisms carry forward from the previous arrangements, but the new approach is intended to be clearer in what approach and actions are expected.
- 1.9 Officers will develop supplementary notes to facilitate the effective working of the arrangements.
- 1.10 The intention is to generate reports mainly for management, but which provide Cabinet, as appropriate, with awareness of risk and an assessment of actions to address it.
- 1.11 This Committee has a role in the oversight of the action by management (& Cabinet) in making sure that the approach to risk follows the stated strategy, and appears broadly reasonable. The role is not about detailed assessment or direct responsibility.

2. Information required to take a decision

- 2.1 The detail is contained within the reports. Some issues that members may wish to consider are set out in Appendix A.

3. Implications for the Council

- 3.1 Early Intervention and Prevention (EIP) -None directly
- 3.2 Economic Resilience (ER) -None directly
- 3.3 Improving Outcomes for Children -None directly
- 3.4 Reducing demand of services -None directly
- 3.5 Although each of the sub categorisations above suggest no direct implications, achieving strong and effective risk management is a way of ensuring that the councils resources are controlled, and where risks are taken, this is done so in a way where the opportunities and potential dis-benefits are fully understood.

4. Consultees and their opinions

- 4.1 Strategic and Service Directors/Head of Service have been involved in the development of this Statement.

5. Next steps

- 5.1 Subject to the comments of this Committee the report will be modified, and then taken before Cabinet and Council for formal adoption. It is anticipated that this will take place in the next few months.

6. Officer recommendations and reasons

- 6.1 Members are asked to make observations and comments in relation to the principles and details of the Statement.

7. Cabinet portfolio holder recommendation

- 7.1 Not applicable.

8. Contact officer

Martin Dearnley, Head of Risk (01484 221000; x 73672)

9. Background Papers and History of Decisions

Current Risk Management Strategy

10. Director responsible

D Hogg Service Director for Finance, IT & Transactional Services

APPENDIX A

POTENTIAL QUESTIONS/ISSUES FOR CORPORATE GOVERNANCE & AUDIT COMMITTEE (CGAC) TO CONSIDER

1. Are CGAC happy that the objectives of risk management proposed are appropriate? (p3)
2. Does the Statement set out appropriate definitions, responsibilities and accountabilities? (p4)
3. Does CGAC feel that the definition of “Risk Appetite” is appropriate?(p5)
4. The Risk Scoring Matrix; The new approach, whilst retaining a 5 x 5 matrix, uses a slightly more complex attribution between red (to be avoided), yellow (active monitoring/action) and green (awareness). Are CGAC content with this approach (p5)
5. Are CGAC content with the 8 stage approach to risk identification and management (p5- p7) (Purpose, identify, gross risk, existing action, net risk, additional action, review and report)
6. Do CGAC have any comments on the attribution of roles and responsibilities?(p8-p10)
7. Do CGAC have any comment on the approach described to embedding risk management into the business process of the council (p10)
8. Do CGAC have any comment on the approach described to Culture and Training (p11)
9. Do CGAC have any comment on the approach to ;
 - (a) Risk Identification? (p11)
 - (b) Risk; Likelihood measures- scoring guidance? (p12)
 - (c) Risk; Impact measures- scoring guidance? (p12, p13)?
 - (d) Risk Appetite Response Categorisation? (p14)
 - (e) Reviewing and Reporting Framework? (p14)
 - (f) The descriptions of the purpose of the Corporate Strategic Risk Matrix, Significant Risk Matrix, and Service Risk Matrices?(p15)