Risk Management - Revised Approach

Committee considering report:	Governance and Ethics Committee on the 23 November 2015
Date of Committee:	23 November 2015
Portfolio Member:	Councillor Roger Croft
Date Portfolio Member agreed report:	22 October 2015
Forward Plan Ref:	GE3046

1.   Recommendation(s)

1.1   Review and comment on the process for the management of risk that is outlined in this report.

2.   Purpose of the Report

2.1   To provide a refresh of the Council's Risk Management processes with the aim of:

   (1)   Ensuring risks associated with the delivery of the Council Strategy are identified and mitigated

   (2)   Clarifying the respective roles of the Risk Management Group, Corporate Board and Members. The RMG will oversee risk allowing CB and Members to focus on responding to critical / key issues. The aim being to delegate the bulk of the work on Risk Management to the RMG.

   (3)   Confirm the role of RMG in carrying out a rolling review of service and project risk registers.

   (4)   Review the Council's Risk Appetite to ensure it is still appropriate

2.2   Risk Management is a part of any activity undertaken by the Council. The process outlined in this report is not essential to the management of risk. All that this process seeks to do is to provide a framework that:

   (1)   Is applied consistently

   (2)   Provides clarity and transparency in relation to the risks the Council is managing

   (3)   Provides assurance to Members that risk management is effective in ensuring appropriate actions taken to minimise risk to the delivery of the Council's objectives.

3.   Implications

3.1   **Financial:**   None

3.2   **Policy:**   None

3.3   **Personnel:**   None

3.4   **Legal:**   None

3.5   **Risk Management:**   None

3.6   **Property:**   None

3.7   **Other:**   None

4.   Executive Summary

4.1   The proposed approach to risk management is outlined in the diagram at appendix C.

4.2   The role of Corporate Board (CB) is set out below:

    (1)   Overall approval of the risk management process

    (2)   Annual review and approval of the:

        (a)   Council Strategy risk register

        (b)   Corporate Risk Register

        (c)   Chief Executives key risks that will require monitoring through controls assurance testing.

        (d)   Projects that require a review of the associated risk register by the RMG in the coming year.

    (3)   Quarterly review of the Key Issues list to ensure that appropriate action, mitigation / monitoring, is being put in place by the lead officer.

4.3   The role of the Risk Management Group (RMG) is set out below:

    (1)   Review Key Issues list at each meeting and prior to submission to Corporate Board

    (2)   Annual review of the Council Strategy Risk Register and the Corporate Risk Register

    (3)   Rolling review of service risk registers with a focus on ensuring that risks associated with the delivery of the 108 manifesto pledges are covered and that consideration has been given to the risks of fraud and corruption.

    (4)   Rolling review of project risk registers identified by Corporate Board as a priority

      (5)   Quarterly review of the controls assurance relating to the key risks owned by the Chief Executive, and delegated to the RMG to review.

      (6)   Review of the Annual Governance Statement

      (7)   Review lessons learned, with a view to improving the control environment, from:

           (a)   Quarterly performance returns

           (b)   H&S incidents / accidents

           (c)   Insurance claims

           (d)   Civil contingencies incidents / exercises

           (e)   Business Continuity incidents / exercises

           (f)   Information security incidents

4.4   The role of Members is outlined below:

      (1)   The Operations Board will see the Key Issues List on a quarterly basis. This will be timed to run alongside the quarterly performance reporting. However, as the Key Issues List is designed to be an operational management tool, it will not be taken through into the public domain at Executive.

      (2)   The Governance and Ethics Committee will be asked to review the process outlined in this report.

4.5   More detail of the purpose / operation of the different elements of the risk management process that is outlined at Appendix C.

5.   Other options considered

5.1   The proposals contained in this report can be flexed. The process will be kept under review and will be amended in the light of experience.

6.   Measures of Success

6.1   The main measure of success will be the successful delivery of all of the Council's strategic and service objectives. The quarterly reporting against the delivery plan, managed by Strategic Support, will be used to help measure the effectiveness of the risk management framework.

7.   Appendices

7.1   Appendix A – Supporting Information

7.2   Appendix B – Equalities Impact Assessment

7.3   Appendix C – Overview of the proposed risk management processes

7.4   Appendix D – Risk Management Appetite