

**14. RISK MANAGEMENT POLICY (A91941/HW)**

**1. Purpose of the report**

This report asks Members to approve the revised Risk Management Policy and supporting documents. The Risk Scoring System is included but remains unchanged.

**2. Key Issues**

- The Risk Management Policy and its supporting documents (Risk Register Template and Risk Scoring System) have been reviewed and revised following changes to the senior management structure and frequency of risk reporting.
- Substantial changes have been made to the Risk Management Policy in terms of roles and responsibilities and the process and frequency of reporting.
- Minor updates have been made to the Risk Register Template.
- The Risk Scoring System has been reviewed but no changes are proposed.

**Recommendations**

3. 1. That the updated Risk Management Policy in Appendix 1, Risk Register Template in Appendix 2, and Risk Scoring System in Appendix 3 are approved.

**How does this contribute to our policies and legal obligations?**

4. Risk management contributes to our Corporate Strategy outcome of being *an agile and efficient organisation*. Monitoring service level and corporate risks is part of our approach to overall risk management and enables mitigating action to be taken in consultation with staff and Members where needed.

**Background**

5. As a Best Value Authority under the Local Government Act 1999 we have a duty to seek continuous improvement in the way in which we exercise our functions and deliver our services, having regard to a combination of economy, efficiency and effectiveness.
6. In discharging this overall responsibility, the authority is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which include arrangements for the management of risk.
7. The Authority approved and adopted a Code of Corporate Governance in February 2017 which is consistent with the CIPFA/ SOLACE (Chartered Institute of Public Finance and Accountancy/ Society of Local Authority Chief Executives) Framework Delivering Good Governance in Local Government (minute reference 5/17).
8. One of the seven core principles in the Code of Corporate Governance is *Managing risks and performance through robust internal control and strong public financial management*, which includes a supporting principle of *Managing risk*.
9. The Risk Management Policy represents the Authority's underlying approach to risk management. The Authority's Risk Management Policy was originally developed and approved in December 2004 with updates previously reported annually to Audit, Resources and Performance Committee (ARP). It was last revised and approved by ARP in January 2018.

10. The last report from Internal Audit (Block 1 – 2017/18) found that the arrangements for managing risk were very good. The auditor’s overall opinion of the controls within the system at the time of the audit was that they provided **High Assurance**. High Assurance is the highest level of assurance and is described as: “Overall, very good management of risk. An effective control environment appears to be in operation.”
11. As part of the Internal Audit report, it was recommended that the Risk Management Policy be reviewed and updated, where necessary.
12. Only one other suggestion for improvement to our risk register and approach was made and this has already been actioned:
  - Ensure that all risks are assigned a responsible officer (two service level risks were missing a responsible officer).

### **Proposals**

13. Members are asked to review and agree the revised Risk Management Policy, Risk Register Template and Risk Scoring System as detailed in Appendices 1, 2 and 3.

### **Are there any corporate implications members should be concerned about?**

14. Financial: All work covered by the risk policy is undertaken within existing service budgets.
15. Risk Management: The policy forms the foundation of the Authority’s approach to risk management.
16. Sustainability: No issues have been identified.
17. **Background papers** (not previously published) – None

### **Appendices**

1. Appendix 1: Risk Management Policy
2. Appendix 2: Risk Register Template
3. Appendix 3: Risk Scoring Guide

### **Report Author, Job Title and Publication Date**

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