### 10.1    <u>RISK MANAGEMENT POLICY (A91941/WA)</u>

**Purpose of the report**

1.    This report asks Members to approve amendments to the Authority's Risk Policy and supporting documentation to more explicitly reflect the process we employ to allow for risks to be escalated onto the Corporate Risk Register during the year, an agreed action following the last internal audit on risk management (Audit, Resources and Performance Committee, 7 Nov 2014, ref:89/14).

**Key Issues**

2.    At inspection in 2014, Internal audit found that:
*'significant risks are not automatically promoted to the corporate register. Corporate risks are treated separately and new corporate risks are agreed at the monitoring meetings. It would be beneficial for risks over a certain threshold on the service risk registers to be automatically escalated. This would require a consistency of approach across the service areas to ensure that all relevant risks are being escalated'*

3.    The agreed actions were:
1.    Performance team to review updated service risk registers and prepare a list of all red risks
2.    All service red risks will be reviewed at the quarterly management meeting to determine whether they need to be escalated to the Corporate Risk Register
3.    The Risk Policy will be amended to reflect this approach for approval by Audit, Resources and Performance Committee on 20 March 2015.

4.    The supporting documentation to the Risk Policy was clear in terms of the process of escalating risks from service level to corporate level, but this was not explicit in the policy itself.

**Recommendation**

5.    **1.    That the updated Risk Management Policy in Appendix 1, and supporting documentation in Appendix 2, are approved**

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

6.    Risk Management contributes to Cornerstone C4: Our organisation – develop our organisation so we have a planned and sustained approach to performance at all levels (people, money, outputs).

**Background**

7.    The Authority approved and adopted a Code of Corporate Governance in May 2009 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*. A copy of the Authority's Code of Corporate Governance can be found on our website at [www.peakdistrict.gov.uk](http://www.peakdistrict.gov.uk) or can be obtained from the Director of Corporate Resources  at Aldern House, Baslow Road, Bakewell, DE45 1AE.

8.    One of the six core principles in the Code of Corporate Governance is 't*aking informed and transparent decisions which are subject to effective scrutiny and managing risk'*, which includes the supporting principle of 'e*nsuring that an effective risk management system is in place'.*

9.    The Risk Management Policy represents the Authority's underlying approach to risk management. The Authority's current Risk Management Policy was developed and approved in September 2013 (ref. 63/13).

10.   **Proposals**

      That the revised Corporate Risk Policy be approved incorporating clarity in the process to escalate risks during the year to the Corporate Risk Register.

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

11.   **Financial**:   All work covered by the Risk Management Policy is undertaken within existing service budgets.

12.   **Risk Management:**   The policy forms the foundation of the Authority's approach to risk management.

13.   **Sustainability:**   No issues have been identified.

14.   **Background papers** (not previously published) – None

      **Appendices**
      Appendix 1: Risk Management Policy
      Appendix 2: Supporting Documentation (Key Components of the Authority's Risk Management System, Risk Register, Risk Scoring)

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

      Wendy Amis, Senior Performance Officer, 29 October 2015