

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	RISK MANAGEMENT POLICY AND DEVELOPMENT PLAN		
DATE OF DECISION:	13 th FEBRUARY 2017		
REPORT OF:	SERVICE DIRECTOR FINANCE & COMMERCIALISATION		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
<p>Effective management of risk should be seen as an ‘enabler’ in terms of achievement of the Council’s key priorities and outcomes and in responding positively to opportunities as they may arise. Conclusion of the Phases 1 and 2 of the organisational restructure has provided an opportune time to review and refresh the Council’s overall approach to risk management. The Risk Management Development Plan sets out the actions necessary for the Council to develop a more ‘risk aware’ approach and, in so doing, benefit from risk being embedded and integrated within the organisation and its key business processes.</p> <p>As part of the Plan, the Council’s Risk Management Policy has also been reviewed and updated to ensure that it remains aligned with good practice and reflects the ‘business need’. The Risk Management Policy provides an overview of the operating framework, arrangements and responsibilities for managing risk within the Council.</p>	
RECOMMENDATIONS:	
	(i) To note the content of the Risk Management Development Plan (Appendix 1).
	(ii) To note the content of the Risk Management Policy 2017/18 - 2020/21 (Appendix 2).
REASONS FOR REPORT RECOMMENDATIONS	
1.	The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement. In addition, the Committee needs to satisfy itself that appropriate action is being taken on risk and internal control related issues identified by

	the internal and external auditors and other review and inspection bodies.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	No alternative options have been considered.
DETAIL (Including consultation carried out)	
3.	Risk Management is the process of identifying significant threats to, and opportunities for, the achievement of the Council's key priorities and outcomes. It is also the process of evaluating the potential consequences of a risk event and implementing the most effective way of responding to, controlling and monitoring those risks.
4.	Effective management of risk can help to support the Council in achieving its priorities and outcomes and in responding positively to opportunities as they may arise, by ensuring that there is a single and consistent approach for the management of business risk. In turn, this will support informed decision taking that will enable opportunities to be exploited and action to be taken to mitigate or manage risk to an acceptable level.
5.	As the Council looks to explore opportunities in respect of alternative service delivery models and to operate on a more commercial basis, the need to understand the risks associated with these new activities becomes even more important in terms of understanding and choosing the 'right risks to take'. A 'risk aware' approach will support the Council in managing risk and uncertainty in a systematic, consistent and efficient way as well as aiding better decision making.
6.	The Risk Management Development Plan (Appendix 1) reflects a combination of best practice together with a consideration of those outcomes and proportional actions that will demonstrably 'add value'. The suggested actions are intended to support the Council in moving toward a more 'risk aware' approach. The aim is for risk management to be used in a proportional way to support informed decision taking (by both officers and managers) and be perceived by management teams as tool that can be used to support the delivery of key outcomes and priorities including consideration of business or commercial opportunities.
7.	The development and timing of the Plan was necessarily and consciously informed by the conclusion of the Phases 1 and 2 of the organisational restructure. Conclusion of this exercise provided the opportunity to ensure that the refreshed approach to risk management was aligned with both the new organisational structure and agreed organisational priorities and outcomes.
8.	The Plan was discussed and agreed by the Council Management Team on 17 th January.
9.	The agreed actions will be managed via an action plan with periodic progress reports to both the Council's Management Team and the Governance Committee.
10.	As part of the Plan, the Council's Risk Management Policy has been reviewed and updated to ensure that it remains aligned with good practice (Appendix 2). The Policy period is aligned with the Council's Medium Term

	Financial Strategy and will form a part of this document going forward, however it will be subject to annual review.
11.	The Risk Management Policy provides an overview of the operating framework, arrangements and responsibilities for managing risk within the Council. It is intended to raise awareness of the overarching principles of risk management and to assist officers, at all levels, in applying sound risk management principles and practices across their areas of responsibility. It is also relevant to Members in their capacity as 'decision makers' and the Governance Committee in respect of its responsibility for overseeing the Council's risk management arrangements.
12.	The Risk Management Policy forms part of the Council's Strategy and Policy Framework and will be hosted on the Policy Hub.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
10.	None
<u>Property/Other</u>	
11.	None
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
12.	The Accounts and Audit (England) Regulations 2015 Part 2 Section 3A(c) required the Council to have in place a 'sound system of internal control which includes effective arrangements for the management of risk'.
<u>Other Legal Implications:</u>	
13.	None
POLICY FRAMEWORK IMPLICATIONS	
14.	None

KEY DECISION?	No
WARDS/COMMUNITIES AFFECTED:	None
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Risk Management – Development Plan
2.	Risk Management Policy 2017/18 – 2020/21
Documents In Members' Rooms	
1.	N/A
Equality Impact Assessment	

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.		No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		No
Other Background Documents		
Equality Impact Assessment and Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.		
2.		