

Report to Audit Committee

Risk Management Strategy & Framework

Portfolio Holder: Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Corporate Services

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Reason for Decision

The purpose of this report is to propose a refreshed Risk Management Strategy and Framework.

Executive Summary

The Council produces a Corporate Risk Management Strategy and Framework, which is subject to regular review.

It is proposed that the existing Risk Management Policy is replaced with two separate documents i.e. Risk Management Strategy and a Risk Management Framework. The proposed Risk Management Strategy is a high level document that sets out the Council's strategic approach to risk management (Appendix 1), the proposed Risk Management Framework provides the detailed approach to risk management including the risk matrix and risk appetite tables for measuring the level of risk and ensuring that risks are managed within the Council's risk appetite (Appendix 2).

The refreshed Risk Management Strategy and Framework is presented for review.

Recommendations

The Committee notes and commends to Cabinet for approval:

- The refreshed Risk Management Strategy and Framework

Governance Matters

1 Risk Management Strategy and Framework

- 1.1 The Risk Management Strategy and Framework has been reviewed and a revised risk management framework and strategy produced. The format of the Strategic Risk Register was also considered and revised as part of this review. This document will be presented to the Audit Committee at a future meeting.
- 1.2 It is proposed that the existing Risk Management Policy is replaced with two separate documents i.e. Risk Management Strategy and a Risk Management Framework.
- 1.3 The proposed Risk Management Strategy is a high level document that sets out the Council's strategic approach to risk management (Appendix 1)
- 1.4 The proposed Risk Management Framework provides the detailed approach to risk management including the risk matrix and risk appetite tables for measuring the level of risk and ensuring that risks are managed within the Councils risk appetite (Appendix 2)
- 1.5 There are two levels of risks: strategic risks and operational risks. The Council's working definition of risk, to be applied to both strategic and operational risks is:

"Risk is something that may have an impact on the achievement of our objectives. This could be an opportunity as well as a threat".

- 1.6 It is proposed to change the risk matrix from a current 7x5 matrix to a 4x4 matrix as set out in the Risk Management Framework. Risks will continue to be measured based upon likelihood and impact. It is understood various services are working on different matrices, and as long as a risk register is in place these may continue but any risks that are fed into the Strategic Risk Register will be reviewed on the 4x4 matrix.

2 Corporate Risk Register

- 2.1 The maintaining and monitoring of the Corporate Risk Register will support the delivery of the Council's corporate goals in ensuring that the identified risks are appropriately managed. The format of the Corporate Register has been reviewed and an updated document will be presented for the consideration of the Committee at its next meeting.

3 Conclusions

- 3.1 The changes in the Risk Management Strategy and Framework should be considered by the Audit Committee and if accepted, commended to Cabinet for approval.

4 Options/Alternatives

- 4.1 The Audit Committee can either:
 - a) Consider and accept the revised Risk Management Strategy and Framework.
 - b) Consider but not accept the revised Risk Management Strategy and Framework and suggest an alternative approval.

5 Preferred Option

5.1 The preferred option is that the Audit Committee accepts and notes this report in accordance with the recommendations made and therefore commends the Risk Management Strategy and Framework to Cabinet for approval.

6 Consultation

6.1 N/A.

7 Financial Implications

7.1 N/A.

8 Legal Services Comments

8.1 N/A.

9 Cooperative Agenda

9.1 N/A.

10 Human Resources Comments

10.1 N/A.

11 Risk Assessments

11.1 N/A.

12 IT Implications

12.1 N/A.

13 Property Implications

13.1 N/A.

14 Procurement Implications

14.1 N/A.

15 Environmental and Health & Safety Implications

15.1 N/A.

16 Equality, community cohesion and crime implications

16.1 N/A.

17 Equality Impact Assessment Completed?

17.1 N/A.

18 **Key Decision**

18.1 N/A.

19 **Forward Plan Reference**

19.1 N/A.

20 **Background Papers**

20.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: Background papers are included at Appendix 1 & 2

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21 **Appendices**

21.1 Appendix 1 Risk Management Strategy
Appendix 2 Risk Management Framework