

# CHESHIRE EAST COUNCIL

## Cabinet

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**Date of Meeting:** 22<sup>nd</sup> July 2013  
**Report of:** Corporate Risk Management Group  
**Subject/Title:** Risk Management Policy Review  
**Portfolio Holder:** Councillor David Brown, Strategic Communities

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### 1.0 Report Summary

- 1.1 The Council's risk management policy forms part of the overall internal control framework and corporate governance arrangements. An internal control system with risk management at its core will facilitate the effective and efficient operation of the Council by enabling it to respond appropriately to risks. This increases the likelihood of the Council achieving its strategic priorities.
- 1.2 The present risk management policy was last amended and approved by Cabinet at its meeting on 20 August 2012, and it was agreed that the policy be reviewed annually. During the year, queries and suggestions about the risk management policy were received and considered as part of the policy review.
- 1.3 The outcome of the review was that although the risk management policy remained fit for purpose, a number of minor amendments could be made to strengthen the policy. The amendments are highlighted for ease of reference in the attached copy at **Annex A** to this report for consideration and approval. The updated policy has been reviewed by the Corporate Management Team and the Audit and Governance Committee.

### 2.0 Recommendation

- 2.1 Cabinet is requested to consider and formally approve the updated Risk Management Policy. The policy is to be reviewed annually.

### 3.0 Reasons for Recommendation

- 3.1 Risk management is central to good governance and effective strategic management. Cheshire East Council is publicly accountable and must be able to demonstrate effective management of the kinds of risks which threaten the achievement of its strategic objectives, the effectiveness of its operations, the reliability of its financial reporting, and the security and value of its assets. Risk Management provides a structured, consistent and continuous process across the whole of Cheshire East Council for identifying, assessing, deciding on responses to, and reporting on

opportunities and threats that affect the achievement of the Council's 3 Year Plan objectives and outcomes.

3.2 Being able to demonstrate effective systems for managing risks is a critical step in producing supportable statements of internal control for annual reporting purposes. The benefit of a strong risk management framework from a governance viewpoint is that it gives a greater level of confidence that management have properly and adequately fulfilled their responsibility in operating an effective system of internal control. This in turn gives confidence to both Members and staff to support a higher appetite for risk, at a time when major change is necessary and desirable. Cabinet needs to provide a consistent, coherent, sustained and visible leadership in terms of how we behave and respond when dealing with risk. Publishing a clear risk management policy covering risk management philosophy and responsibilities helps to set our desired risk culture.

#### **4.0 Wards Affected**

4.1 All

#### **5.0 Local Ward Members**

5.1 N/A

#### **6.0 Policy Implications**

6.1 Risk management is integral to the overall management of the authority and, therefore, considerations regarding key policy implications and their effective implementation are considered within departmental risk registers and as part of the risk management framework.

#### **7.0 Financial Implications**

7.1 None in relation to this report, a risk around financial control is included as a key corporate risk on the corporate risk register.

#### **8.0 Legal Implications**

8.1 As well as the need to protect the Council's ability to achieve its strategic priorities and to operate its business, general principles of good governance require that it should also identify risks which threaten its ability to be legally compliant and operate within the confines of the legislative framework, and this report is aimed at addressing that requirement.

#### **9.0 Risk Management**

9.1 This report relates to overall risk management; Cabinet should know about the most significant risks facing the Council and be assured

that the risk management framework (which includes the role and work of the Corporate Risk Management Group) is operating effectively. The content of this report aims to mitigate the following risk:

<b>Key Risk</b>
That Cheshire East Council fails to properly develop, implement and demonstrate an effective risk management framework

## **10.0 Background**

- 10.1 A copy of the updated Risk Management Policy is attached for comment at **Annex A** to this report; this includes a sub-section on Business Continuity.
- 10.2 The policy does not include details of the risk management process or the procedures and documentation. These are held separately and it is intended that these will be included in a risk management handbook or toolkit for staff and Members and will include information on risk management of partnerships and projects.

## **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Joanne Butler  
Designation: Performance and Risk Manager  
Tel No: 01270 685999  
Email: [joanne.butler@cheshireeast.gov.uk](mailto:joanne.butler@cheshireeast.gov.uk)