

CHESHIRE EAST COUNCIL

REPORT TO: Audit and Governance Committee

Date of meeting: 10 December 2015
Report of: Corporate Manager Governance and Audit
Title: Draft Risk Management Policy Statement / Strategy and Outline Framework.
Portfolio Holder: Councillor David Brown

1.0 Report Summary

1.0 The Audit and Governance Committee has responsibility for monitoring the effectiveness of the Council's risk management arrangements. In order to support the Committee in fulfilling its role this report provides Members with;

- A new draft risk management policy statement and strategy set out in **Appendix A**; and
- An outline of the risk management framework that underpins the policy statement / strategy in **Appendix B**.

2.0 Recommendation

2.1 That the Committee:

- (i) be advised of, and recommend the new Risk Management Policy Statement and Strategy, as set out in Appendix A, to Cabinet for approval; and
- (ii) note the Outline Framework in Appendix B.

3.0 Reasons for Recommendations

3.1 The terms of reference for the Audit and Governance Committee include;

- monitoring the effectiveness of the Council's risk management arrangements; and
- advising the Council on the adequacy and effectiveness of these arrangements.

3.2 Overseeing the Council's Risk Management Policy and Strategy, and their implementation in practice helps the Committee to fulfil its role.

4.0 Wards Affected

4.1 All wards.

5.0 Local Ward Affected

5.1 Not applicable.

6.0 Policy Implications

6.1 Reports to support strategic policy decisions should include a risk assessment and the identification of mitigating action.

7.0 Financial Implications (Authorised by the Chief Operating Officer)

7.1 Effective risk management helps to maximise opportunities, achieve service objectives and minimise loss events including those with financial consequences.

8.0 Legal Implications (Authorised by the Head of Legal Services)

8.1 The Accounts and Audit Regulations 2015 require the Council to have a sound system of internal control which includes effective arrangements for the management of risk.

9.0 Risk Assessment

9.1 Effective organisational stewardship is based on strong corporate governance, which in turn relies on robust processes for corporate reporting, risk management and internal control. The existence of the Audit and Governance Committee does not remove responsibility from managers, members and leaders to manage the risks that the Council faces. It does, however, provide an opportunity and resource to focus on and improve the effectiveness of the Council's risk management arrangements.

10.0 Background and Options

10.1 Good governance requires risk management to be embedded into the culture of the Council, with members and officers at all levels recognising that risk management is part of their job. Furthermore, the Accounts and Audit Regulations 2015 state that the Council:

'must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk'.

10.2 As part of the actions to improve the Council's risk management arrangements that were reported to this Committee in January 2015, the Risk Management Policy (approved July 2014) has recently been comprehensively reviewed. This has resulted in a new Risk

Management Policy Statement and Strategy being drafted (Appendix A).

- 10.3 The Risk Management Policy Statement formally acknowledges the Council's commitment to the effective management of risks and opportunities. The aim of the Policy is not to have risk eliminated completely from Council activities, but rather to ensure that every effort is made to maximise potential opportunities and minimise the adverse effects of risk. Supporting the Policy Statement is the Strategy, which gives the scope, direction and priorities for risk management activity across the Council.
- 10.4 Underpinning the Strategy and Policy are risk management procedures that are articulated in the Framework document, an outline of which is included at Appendix B, for information. The procedures are currently being reviewed in detail in order to ensure that they meet the needs of the Council.
- 10.5 Taken together the documents provide practical guidance to assist officers and members in the identification, evaluation and control of risk that may impact upon the achievement of corporate and service level objectives and priorities.
- 10.6 The Risk Management Policy and Strategy have been endorsed by Management Group Board and Cabinet will be asked to approve the documents following reference to and recommendation from this Committee. The support by senior managers and Members will encourage those who work for the Council to take the Policy, Strategy and procedures seriously.
- 10.7 The Corporate Assurance Group and Risk Management Sub Group, which include Officer and Portfolio representation, have been involved in developing the Policy, Strategy and the procedures articulated in the framework document. The Groups will also, following approval, be involved in implementing them which will help to promote stronger awareness, understanding and ownership of the outcomes. This will include:
 - Promotion/explanation at staff meetings, through training sessions, at staff meetings and during induction sessions for new staff. The requirements of the Policy, Strategy and procedures will also be reiterated and discussed regularly at staff meetings to ensure they remain relevant.
 - Ensuring copies are easily accessible, encouraging inclusion in staff manuals and on the Council's intranet system.
- 10.8 In order to fulfil the Audit and Governance Committees responsibilities with regard to risk management at the Council, it is necessary that Members:

- have the opportunity to consider and comment on the new draft Risk Management Policy Statement and Strategy; and
- recommend its adoption to Cabinet.

11.0 Access to Information

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

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