

Cabinet

Date of Meeting: 9 June 2020

Report Title: Risk Management Framework

Portfolio Holder: Cllr Jill Rhodes, Public Health and Corporate Services

Senior Officer: Jane Burns, Executive Director of Corporate Services

1. Report Summary

- 1.1. Effective risk management is central to good governance and supports the efficient delivery of the Council's objectives. To ensure the continued effectiveness of the Council's risk management arrangements, the Risk Management Framework has been reviewed.
- 1.2. The Risk Management Framework (Appendix A) has been considered by the Audit and Governance Committee (March 2020) and is now recommended to Cabinet for approval and adoption.

2. Recommendation

- 2.1. That Cabinet approve the adoption of the Risk Management Framework.

3. Reasons for Recommendation

- 3.1. The Council is publicly accountable and must be able to demonstrate effective management of the kinds of risks which may threaten the achievement of its strategic objectives, the effectiveness of its operations, the its financial stability, the security and value of its assets and to protect the public. It ensures the Council discharges its statutory responsibilities for managing risk under the Accounts and Audit Regulations 2015.

- 3.2. Risk management provides a structured, consistent and continuous process across the whole of the Council for identifying, assessing, responding to, and reporting on opportunities and threats that affect the achievement of the Council's Corporate Plan objectives and outcomes.

4. Other Options Considered

- 4.1. Not applicable

5. Background

- 5.1. To ensure the continued effectiveness of the Council's risk management arrangements, the Risk Management Framework has been reviewed. The review identified a need to update and consolidate existing documentation which forms the Risk Management Framework, and to ensure that once updated, the updated Framework is communicated across the organisation.
- 5.2. The Council's arrangements for managing risk, known as the Risk Management Framework, comprise of the following:
- 1 Risk Management Policy Statement
 - 2 Risk Management Policy
 - 3 Risk Management Appetite Statement
 - 4 Risk Management Maturity
 - 5 Risk Management Strategy 2020-22
- 5.3. Detailed Practitioner Guidance is also available to ensure that the risk management principles established in the Framework can be applied in practice. The Council actively manages risk and the development of risk management within the organisation and its decision making. This will be made available on the Council's CEntranet.
- 5.4. The Risk Management Appetite Statement (Section 3) is consistent with the overall and individual appetite statements established previously in the initial appetite statement.
- 5.5. The aspiration established for risk maturity (Section 4) is for the organisation to become "Risk Managed". The last assessment result placed the organisation as between "Risk Managed" and "Risk Defined

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1. The Council has a statutory responsibility to have in place arrangements for managing risks, as stated in the Accounts and Audit Regulations 2015:

‘A relevant authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk’.

- 6.1.2. Regularly reviewing the Council’s arrangements for risk and updating them as needed ensures that the Council is managing its statutory responsibility.
- 6.1.3. Risk management can relate to legal aspects of the council’s business; however, the content of this report does not have any specific legal implications. Legal risks to the organisation are incorporated in the service level risk registers.
- 6.1.4. The adoption of a risk management framework supports the Council to achieves its strategic aims and operate under general principles of good governance and proactively identifying risks which threaten its ability to be legally compliant and ensuring the Council operates within the confines of the legislative framework.

6.2. Finance Implications

- 6.2.1. There are no adjustments required to the Medium-Term Financial Strategy as a result of this report.

6.3. Policy Implications

- 6.3.1. Risk management is integral to the overall management of the Council 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.

6.4. Equality Implications

- 6.4.1. There are no equality implications identified.

6.5. Human Resources Implications

- 6.5.1. Training for staff and members on the refreshed Risk Management Framework will be provided to ensure that all have the relevant skills to support the assessment of risk in decision making

6.6. Risk Management Implications

- 6.6.1. Failure to review the effectiveness of the Council's arrangements for the management of risk and update them where needed could result in non-compliance with the requirements of the Accounts and Audit Regulations 2015.

6.7. Rural Communities Implications

- 6.7.1. There are no direct implications for rural communities

6.8. Implications for Children & Young People/Cared for Children

- 6.8.1. There are no direct implications for children and young people.

6.9. Public Health Implications

- 6.9.1. There are no direct implications for public health.

6.10. Climate Change Implications

- 6.10.1. There are no direct implications for climate change.

7. Ward Members Affected

- 7.1. All wards

8. Consultation & Engagement

- 8.1. The Risk Management Framework was considered by the Audit and Governance Committee on 12th March 2020 and recommended for adoption by Cabinet.

9. Contact Information

- 9.1. Any questions relating to this report should be directed to the following officer:
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