

# CHESHIRE EAST COUNCIL

## Cabinet

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**Date of Meeting:** 20<sup>th</sup> August 2012  
**Report of:** Corporate Risk Management Group  
**Subject/Title:** Risk Management Policy Review  
**Portfolio Holder:** Councillor David Brown

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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 5 September 2011, 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. The Corporate Risk Management Group also considered whether the inclusion of the Business Continuity Strategy as a sub section of the risk management policy was appropriate or if this needed to be a separate policy. It was agreed that this should remain as a sub section of the Policy but that this be reviewed and updated for the next annual review by the Emergency Planning Team.
- 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 Decision Requested

- 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 Recommendations

- 3.1 The recession, economic environment and ongoing changes in the public sector bring about a heightened expectation in relation to the Council's risk management and corporate governance framework. 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. It is important that Cabinet is aware of and has sufficient understanding of the key risks facing Cheshire East Council so that it may operate as effectively as possible and takes account of key risks when making decisions.

In order to form an opinion on the effectiveness of the Council's risk management arrangements, Cabinet needs to be assured that the Council publishes a clear risk management policy covering risk management philosophy and responsibilities.

#### **4.0 Wards Affected**

4.1 All

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

5.1 N/A

#### **6.0 Policy Implications including climate reduction and health**

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. A risk around carbon management and climate change has been included on the Council's significant risk register as a cross-cutting risk. A specific risk around health partnerships is included as a key corporate risk on the Council's corporate risk register.

#### **7.0 Financial Implications (Authorised by the Director of Finance and Business Services)**

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 (Authorised by the Borough Solicitor)**

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:-

Key Risk
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

- 11.1 Background papers relating to this report can be inspected by contacting the report writer:

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