CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	9th February 2016
Report of:	Chief Operating Officer
Subject/Title:	Draft Risk Management Policy Statement / Strategy and Outline Framework
Portfolio Holder:	Councillor David Brown

1. Report Summary

1.1. Cabinet has responsibility for approving the Council's Risk Management Policy Statement and Strategy, following reference to and recommendation from the Audit and Governance Committee. In order to support Cabinet 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. Recommendation

2.1. That Cabinet

(i) approve the new Risk Management Policy Statement and Strategy, as set out in Appendix A; and

(ii) note the Outline Framework in Appendix B.

3. Other Options Considered

3.1. The requirement for the Council to have a Risk Management Policy is long established with the the last version being approved by Cabinet at its meeting on 22 July 2014. At that meeting Cabinet agreed that the policy be reviewed annually. This report advises Cabinet of the outcome of the latest review.

4. Reasons for Recommendation

4.1. Risk management is important to the successful delivery of public services. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective. Risk management isn't just about dealing with problems effectively; it is also an aid to improvement.

4.2. The importance of risk management in supporting good governance is clearly set out in principle (4) of the Good Governance in Local Government Framework, 'Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.' The framework emphasises the importance of risk management for the successful delivery of services, challenging organisations to put themselves in a position where they can demonstrate that they have a formal framework in place for managing risk.

4.3. 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.

4.4. 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.

4.5. 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 by officers and the Highways Portfolio Holder, who in accordance with the Constitution, are responsible for developing the risk management framework in order to ensure that they meet the needs of the Council.

4.6. 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.

4.7. Cabinet has responsibility for approving the Council's Risk Management Policy Statement and Strategy, following endorsement from Management Group Board and recommendation from the Audit and Governance Committee. The support and approval of senior managers and Members will encourage those who work for the Council to take the Policy, Strategy and procedures seriously.

5. Background/Chronology

5.1. The Council's Risk Management Policy was last approved by Cabinet at its meeting on 22 July 2014. At that meeting Cabinet agreed that the policy be reviewed annually.

5.2. In accordance with a small number of actions to improve the Council's risk management arrangements that were reported to the Audit and Governance Committee[1] in January 2015, the review has been

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[1] The Audit and Governance Committee has responsibility for monitoring the effectiveness of

comprehensive. This has resulted in a new Risk Management Policy Statement and Strategy (Appendix A) which Cabinet is asked to approve.

5.3. The Policy and Strategy have been endorsed by Management Group Board and the Audit and Governance Committee recommended its adoption to Cabinet at its meeting on 10 December 2015.

5.4. The Corporate Assurance Group[2] and Risk Management Sub Group[3], 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 and explanation to staff, through training sessions, and during induction sessions. 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.

6. Wards Affected and Local Ward Members

6.1. All wards, not applicable to Local Ward Members.

7. Implications of Recommendation

7.1. Policy Implications

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

7.2. Legal Implications

7.2.1. 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.

7.3. Financial Implications

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the Council's risk management arrangements. This includes overseeing the Council's Risk Management Policy and Strategy, and their implementation in practice

[2] The Corporate Assurance Group provides a high level focus on risk management, control and governance in order to provide assurance that arrangements are in place and operating properly

[3] The Risk Management Sub Group monitors and supports the implementation of all elements of the risk management framework (from risk identification, risk assessment and response, to communication of risk-related information) covering all categories of risks (from the strategic to the operational level as necessary).

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

7.4. **Equality Implications**

7.4.1. The Council's equality impact assessment process has been used throughout the development of the Risk Management Policy Statement and Strategy documents. The process has concluded that there is no need to proceed to a full equality impact assessment.

7.5. **Rural Community Implications**

7.5.1. None.

7.6. **Human Resources Implications**

7.6.1. In order to ensure that the policy / strategy are implemented effectively, training will need to be delivered to Members, senior managers and staff to ensure that they are familiar with risk management principles and aware of their responsibilities in relation to risk.

7.6.2. Promotion / explanation at staff meetings through training sessions, and during induction sessions for new staff. The requirements of the policy strategy and procedures will also need to be reiterated and discussed regularly at staff meetings to ensure they remain relevant.

7.7. **Public Health Implications**

7.7.1. None.

7.8. **Other Implications (Please Specify)**

7.8.1. None.

8. Risk Management

8.1. The Council recognises that there are risks and opportunities involved in everything it does and that it has a duty to manage them in a balanced, structured and cost effective way. In doing this, the Council is better placed to achieve it's objectives and enhance the value of the services it provides.

8.2. Taken together the Risk Management Policy Statement, Strategy and procedures provide a framework by which managers and Members can view, manage and respond to risk (both threats and opportunities) in a robust and systematic way. An effective framework for managing risks helps ensure that every effort is made to manage risk appropriately to

maximise potential opportunities and minimise the adverse effects of risk.

9. Access to Information/Bibliography

9.1. The previous Risk Management Policy from 22 July 2014 was used as the basis of review for updating the current Risk Management Policy Statement, Strategy and Framework Outline. This document is available on the Council's intranet;

http://centranet.ourcheshire.cccusers.com/council/policies/Site%20Documents/Risk%20Management%20Policy.pdf

9.2. Update reports have been provided to the Audit and Governance Committees of January 2015 and March 2015. Additionally a link is provided to the December 2015 Committee which recommends the policy statement / strategy for approval by Cabinet.

http://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=486&MId=5239&Ver=4

http://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=486&MId=5240&Ver=4

http://moderngov.cheshireeast.gov.uk/ecminutes/ieListDocuments.aspx?CId=486&MId=5743&Ver=4

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