

## **REVIEW OF THE RISK MANAGEMENT FRAMEWORK**

### **1. BACKGROUND**

- 1.1 The revised Risk Management Policy Statement and Strategy was adopted by the Audit & Standards Committee in April 2017. As the Committee will recall, there was considerable room for improving the robustness of the risk management framework in recording and monitoring risks.

### **2. IMPROVEMENTS TO THE RISK MANAGEMENT FRAMEWORK**

- 2.1 Further work has been undertaken over the last four months to implement the overriding policy objective to secure a more effective means to manage risks, both strategic and operational.

- 2.2 In respect to risk management generally:

- a. The risk management toolkit that provides guidance for staff to create, review and monitor their risks (whether strategic or operational) has been updated to reflect current best practice in relation to risk management. Advice is provided on how to identify and clearly define risks, their impacts, triggers and therefore meaningful controls to prevent and mitigate the risks; all of which should then enable teams to develop individual actions plans as part of their day to day work. The guidance on how to score risks has also been updated to ensure that the risk appetite for each risk is individually assessed and in a manner which reflects its implications for the Council particularly bearing in mind its priorities and corporate objectives. The new guidance to recording risks also enables the extent of the risks to be quickly viewed using the 'bow tie' report within Excelsis and provides a simple means for responsible officers to record actions taken.
- b. To supplement the toolkit, the Procurement Team are providing training to relevant staff. This follows on from its detailed discussions with members of Corporate Team in recent weeks on the development of the Strategic Risk Register. The training will ensure that the simplified process for managing risks is properly understood by officers. As noted in the policy, it is essential that all levels of the organisation fully understand their allotted role in securing effective risk management.
- c. The risk register has been divided into two sections (i) strategic and (ii) operation risks. The Procurement Team has updated the strategic risks in consultation with the Corporate Team and will continue to take the lead in administering and updating that part of the register following regular reviews of these risks by the responsible Corporate Team member(s). It is this part of the register which the Committee is encouraged to oversee and challenge if there are any concerns; as are Performance Champions in respect to their committee role. Strategic Heads, Heads of Service /

service managers will ensure that the operational risk register which sets out more routine risks specific to a particular service are updated and managed effectively; and again, as appropriate, can be reviewed by Member Performance Champions as part of their committee appointed role.

- 2.3 Turning to progress regarding the Strategic Risk Register, which is available via [Strategic Risk Register](#) :
- a. As indicated above, this register has been completely reviewed in consultation with Corporate Team. Many cross cutting risks have been identified as operational risks and, as such, with the agreement of Corporate Team have been transferred to service area operational risk registers.
  - b. The remainder of the strategic risks have been amalgamated, or had their descriptions rewritten; and using the 'bow tie' reports their triggers, impacts and controls have been reviewed and where needed rewritten to ensure they reflect the actual risk and can be easily monitored.
  - c. For ease of reference and to avoid duplication, all the strategic risks have been categorised into key issues currently affecting the Council, namely Budget Savings, Capital Programme, Service Continuity (including ICT), Workforce Planning, Business Rates Pooling, Grant Conditions, Local Government Pension Scheme and Waste Management.

### **3. CONCLUSION**

- 3.1 Consistent with the recently adopted policy, the changes made will enable the Council through the Audit and Standards Committee, the two Member performance monitoring champions for each committee as well as Corporate Team, to focus on and monitor progress in respect to managing the key (i.e. strategic) risks affecting the Council.
- 3.2 It is recommended that Members regularly review the strategic risk register on Excelsis, specifically the 'bow tie' reports and reviews for the latest actions relating to the management of each risk.
- 3.3 If there is any particular risk which Members consider should be examined in more detail, the relevant matter should be raised with the Audit and Standards Committee which will then be able to include any such matter in its work programme. A formal report / update may then be required from the responsible officer.
- 3.4 Similarly, the Member Performance Champions for each committee may wish to discuss how the strategic risks impact on their committee area within their quarterly meetings with the senior management team.
- 3.5 If any Committee Members would welcome a refresher on how to view the Risk Register on Excelsis it is suggested that the Audit and Standards Committee request an informal meeting to be arranged with the Principal Procurement Officer (e.g. just prior to the committee's meeting in November meeting).