

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Maxine O'Mahony – Executive Director of Strategy and Governance

To: Governance and Audit Committee – 18 October 2018

Author: Ross Bangs - Corporate Improvement Manager

Subject: Risk Management Policy

Purpose: To seek formal adoption of the revised Risk Management policy into working practice.

Recommendation:

- 1) That the Governance and Audit Committee approves and adopts the Risk Management Policy

1.0 BACKGROUND

- 1.1 Over the past two years the Governance and Audit Committee has provided guidance on a number of changes to the way that the Council manages and monitors risk. These changes have included: -
 - i. The adoption of a 5x5 risk matrix scoring grid for measuring the impact and likelihood of risks.
 - ii. The adoption of the use of risk targets or risk appetite to help identify the level of acceptable risk that the Council is prepared to work within and tolerate. This is an important measure to ensure that the Council is not inhibiting innovation by being excessively risk adverse.
 - iii. Amendments to the format of the Council's Corporate Risk Register to make the ongoing management of risk clear. This has included the direction of travel compared to previous reporting periods and the original unmitigated risk score.
- 1.2 These changes have been developed over the past two years and adopted into the working practices of how the Council manages risk. As a result of this approach it would now be prudent to revise the Council's formal risk management policy to ensure that it reflects these good practice amendments.
- 1.3 Appendix A of this document sets out the draft Risk Management Policy for the joint committee to discuss and recommend to The Governance and Audit Committee, and
- 1.4 This policy does not make any change from how the Council is currently approaching risk management, it is simply seeking to formally adopt the current working practices of the Council into the policy.
- 1.5 The Policy was approved at a meeting of the joint scrutiny committees on the 4th October 2018.

2.0 OPTIONS

- 2.1 To approve and adopt the revised Risk Management Policy into working practices.

2.2 Do nothing.

3.0 **REASONS FOR RECOMMENDATION**

3.1 This report is seeking the committee's approval for the policy to be formally adopted into working practise.

4.0 **EXPECTED BENEFITS**

4.1 By formal adopting the current working practices relating to how the Council approaches risk management it will ensure that there is a robust framework to work within. This framework will provide assurance that risks are appropriately managed but do not inhibit innovation.

5.0 **IMPLICATIONS**

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 **Constitution & Legal**

5.1.1 The constitution sets out the legal requirement for the Council to have a formal approach to how it manages risk. The constitution delegates power to the Governance and Audit Committee to monitor strategic risks.

5.2 **Corporate Priorities**

5.2.1 A robust yet flexible approach to risk management is fundamental to enabling the Council achieving its corporate priorities as set out in the Council's corporate plan

5.3 **Financial**

5.3.1 The risk management policy will influence how the Council manages its financial requirements in an appropriate way.

5.4 **Reputation**

5.4.1 The risk management policy helps identify potential impacts on the Council's reputation and helps to mitigate these by the adoption of controls to reduce or prevent their impact.

5.5 **Risk Management**

5.5.1 The risk management policy sets out the approach to how the Council manages risk throughout all aspects of its business.

5.6 **Consultation**

5.6.1 This is the first committee stage of consultation prior to submission to the Governance and Audit Committee

6.0 **WARDS/COMMUNITIES AFFECTED**

6.1 NA

7.0 **ACRONYMS**

7.1 NA

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A Draft Risk Management Policy