

STROUD DISTRICT COUNCIL
AUDIT AND STANDARDS COMMITTEE

**AGENDA
ITEM NO**

11 APRIL 2017

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Report Title	RISK MANAGEMENT POLICY 2017 – 2020
Purpose of Report	To consider the proposed revision to risk management and to approve the new policy
Decision	To RESOLVE to adopt the Risk Management Policy set out in Appendix A
Consultation and Feedback	Corporate Team (including Acting Section 151 Officer), Principal Procurement Officer and Head of Audit Risk Assurance.
Financial Implications and Risk Assessment	The Acting Section 151 Officer had advised verbally that there are no significant financial implications to report beyond those addressed in the report. He will update the Committee at its meeting should he subsequently conclude otherwise.
Report Author	Karen Trickey, Legal Services Manager & Monitoring Officer Tel: 01453 754133 Email: karen.trickey@stroud.gov.uk
Options	To make alternative changes or none to the existing policy - see https://intranet.stroud.gov.uk/UMBS61/media/212063/RM%20Policy%20March%202014.pdf
Background Papers / Appendices	Appendix A – Risk Management Policy 2017 - 2020

1. BACKGROUND

- 1.1. The existing risk management policy was last updated in March 2014. The current procedures for managing risk have been in place since January 2013.
- 1.2. A thorough review of the Council's current policy and procedures has been undertaken by the Legal Services Manager, Principal Procurement Officer and Head of Audit Risk Assurance. As a consequence of their findings, it is recommended that the policy and strategy is significantly revised. This report outlines the changes proposed. The proposed policy and strategy is contained in Appendix A.

2. RISK MANAGEMENT REVIEW FINDINGS

- 2.1 The review has indicated that there is considerable room for the robustness of the register to be improved. For example, it is important that the register includes all key strategic or operational risks; all recorded risks are regularly reviewed and entries kept up to date; and all key risks include action plans to mitigate or remove the relevant risk. This type of approach is not apparent throughout the current register.

2.2 The approach to risk management to date has been to have a single risk appetite level for the whole Council (i.e. a risk score of eight or above). This does not recognise that the Council may need to have different levels of risk appetite for different areas of work. Given that the Council must make substantial savings over the coming three years, it would seem sensible to ensure the risk appetite for a particular service area reflects its contribution to the corporate priorities set by Council, enabling resources to be apportioned accordingly.

3. NEW POLICY

3.1 The proposed new risk management policy is high level, setting out a strategic approach. It provides an overall framework for risk management which should address the weaknesses within the current system. If approved, it will be complemented with a new toolkit which will provide a far more practical working guide for officers than the existing policy document to encourage a complete review of the current risk register. The toolkit will provide clearer guidance on how to identify, describe, assess risk and determine risk appetite for the particular risk. The toolkit will also promote the development of mitigation plans in appropriate cases and encourage them to be monitored. Internal Audit and Legal Services are working to produce the toolkit over the next few weeks. The toolkit will be regularly updated with reference to changes in good practice.

3.2 It is proposed to update the Committee on the progress with the toolkit over the coming two months. Pending the committee's next review of the effectiveness of risk management, the performance monitoring Member Champions for each committee should regularly report on the effectiveness of the revised approach to risk management within their respective service areas.