

## BRECKLAND DISTRICT COUNCIL

### Report of Adrian Stasiak, Executive Member for Performance & Business Development

To: Cabinet - 14 February 2012

(Author: Chris Brooks, Governance and Performance Accountant)

#### Subject: Risk Management Policy and Risk Management Process Guide

**Purpose:** Presentation of the new Risk Management Policy and Risk Management Process Guide for information and comment.

#### Recommendation(s):

That the Risk Management Policy and Risk Management Process Guide be adopted.

## 1. INTRODUCTION

### 1.1. Background

1.1.1. The implementation of a shared management structure between Breckland and South Holland District Councils has highlighted the need to streamline and improve the efficiency of a number of processes between the two authorities. As a result, a review of Breckland Council's Risk Management Strategy (2010- 12) and Methodology for Assessing Risk have been carried out alongside a review of South Holland District Council's Risk Management Policy and Strategy (February 2011 Version 4). Following this review a new Risk Management Policy and Process Guide have been produced to provide a standard approach to risk management across both authorities.

1.1.2. Risk management is becoming a key element of public management, due to the need to realise efficiencies and through the development of new ways of working, such as the development of partnerships between local authorities. Effective risk management should focus on the attainment of objectives and the optimisation of resources. Having a strong policy for managing risk will help to establish, embed and improve risk within our governance structures.

1.1.3. The new Risk Management Policy and Risk Management Process Guide reflect current best practice in risk management and are based on the principles of ISO 31000 and OGC's Management of Risk (M\_o\_R) guidelines and will introduce a standardised approach to risk management for both authorities.

1.1.4. The last internal audit inspection of risk management at Breckland Council provided the existing approach to risk management with full audit assurance. South Holland District Council have undertaken a significant amount of work in order to develop their current risk management processes. It is now proposed that risk management will be further embedded across both organisations. The new Policy and Process Guide will be supported with a full implementation plan and training for members and officers. Given the financial pressures faced by both Councils in the forthcoming years, risk management will be a key management tool in ensuring we deal with threats and don't miss any opportunities due to being too risk averse. It will be important to have a considered approach to risk as part of our day to day business.

1.1.5. The following factors will be key in ensuring that risk management is effective:

- An engaged management team focuses the organisation on managing the things that matter.

- The response to risk is most proportionate when the tolerance of risk is clearly defined and articulated.
- Risk management is most effective when ownership of and accountability for risk is clear
- Effective decision making is underpinned by good quality information
- Decision making is informed by a considered and rigorous evaluation and costing of risk
- Future outcomes are improved by implementing lessons learnt.

## **1.2 Issues**

- 1.3 The Anglia Revenues Partnership use the same processes and approach to risk management for managing and reporting risk – however, they currently use a 5 x 5 scoring matrix for risk assessment, as agreed by the Joint Committee. These differences are set out in Appendix A of the Risk Policy.

## **1.4 Options**

### **1.5 Option 1**

That the Risk Management Policy and Risk Management Process Guide be recommended to Cabinet for adoption.

### **Option 2**

Continue to operate with two separate Risk Management Strategies

## **2.0 Recommendation**

- 2.1 That the Risk Management Policy and Risk Management Process Guide be recommended to Cabinet for adoption.

## **3.0 IMPLICATIONS**

### **3.1 Risk**

Please refer to main report.

### **3.2 Financial**

Please refer to main report

### **3.3 Legal**

Please refer to main report

### **3.4 Equality and Diversity**

N/A

## **3. Alignment to Council Priorities**

- 3.1 These risks apply to all of the Council's priorities.

## **4. Wards/Communities Affected**

- 4.1 N/A

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**Appendices attached to this report:**

[Risk Management Policy]

[Appendix A – ARP Risk Management]

[Risk Management Process Guide]