

## BRECKLAND DISTRICT COUNCIL

**Report of:** Maxine O'Mahony, Executive Director - Strategy & Governance

**To:** Governance and Audit Committee, 16<sup>th</sup> February 2018

**Author:** Greg Pearson, Corporate Improvement & Performance Manager

**Subject:** Risk Management Policy

**Purpose:** To present the revised draft of the Council's risk management policy to the Governance and Audit Committee for review.

### **Recommendation:**

- 1) That the Governance and Audit Committee review the proposed draft risk management policy and make recommendations on any amendment they would like to see.
- 2) That the Governance and Audit Committee recommend the adoption of the draft Risk Management Policy to Cabinet on 20<sup>th</sup> March 2018.

### **1.0 BACKGROUND**

- 1.1 Over the past two years Governance and Audit Committee has provide 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 prepare to work within. 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 iteratively 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 a draft Risk Management Policy for the Governance and Audit Committee to review following feedback provided in December 2017. 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.
- 1.4 Assuming that the Governance and Audit Committee is content with the further refinements made to the draft this report is seeking for them to make a recommendation to Cabinet to adopt the Risk Management Policy.

## 2.0 **OPTIONS**

2.1 Governance and Audit Committee to review the revised draft risk management policy and make a recommendation to Cabinet to adopt the new Policy.

2.2 Do nothing.

## 3.0 **REASONS FOR RECOMMENDATION**

3.1 This report is seeking for the Governance and Audit Committee to review the draft risk management policy and make a recommendation to Cabinet that it be adopted. The draft policy is seeking to formally adopt the working practices implemented over the last two years through the guidance of the Committee.

## 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.

## 6.0 WARDS/COMMUNITIES AFFECTED

6.1 NA

## 7.0 ACRONYMS

7.1 NA

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Background papers:- [See The Committee Report Guide for guidance on how to complete this section](#)

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### Lead Contact Officer

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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