

BRECKLAND DISTRICT COUNCIL

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

To: Governance & Audit Committee, 1st December 2017

Author: Greg Pearson, Corporate Improvement & Performance Manager

Subject: Risk Management Policy

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

Recommendation:

- 1) That the Governance & Audit Committee review the proposed draft risk management policy and make recommendations on any amendment they would like to see.

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 and provide feedback. 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 Following feedback from Governance and Audit Committee a final draft of this policy will presented back to them at their next meeting (16th February 2018) seeking for them to make a recommendation to Cabinet to adopt the revised risk management policy.

2.0 OPTIONS

2.1 Governance and Audit Committee to provide feedback on the draft risk management policy and suggest any amendments that they wish to see.

2.2 Do nothing.

3.0 **REASONS FOR RECOMMENDATION**

3.1 This report is seeking feedback from the Governance and Audit Committee on the draft risk management policy. 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

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

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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