

**Report to:** Cabinet

**Date of meeting:** 22 September 2015

**By:** Chief Operating Officer

**Title:** Risk Management Framework

**Purpose:** To seek the committee's agreement of the updated risk management framework for the Council.

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## ***RECOMMENDATIONS***

**The Cabinet is recommended to agree the updated risk management framework.**

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### **1 Background**

1.1 Whilst various incremental improvements have been made to the council's risk management arrangements over the past two years, including the way in which risk information is collated, reported and monitored, these have not been reflected in an updated risk management policy or strategy. As a result, the current policy document, which was last updated in 2011, has become out of date and no longer reflects current practice.

### **2 Supporting information**

2.1 Attached to this report, as Appendix A, is a refreshed Risk Management Framework which Cabinet are asked to agree. In drafting this, a number of improvements have been made, the most important of which have been summarised below:

- The document has been simplified and now reflects current practice, including alignment with Council Plan monitoring;
- There is now a greater emphasis on proportionality and cost effectiveness in the management of risk, as well as on the opportunity aspects of risk;
- In an attempt to reduce the volumes of risk information, there is now a recognition that day to day / business as usual risks which are already managed through existing activities, such as performance management, do not need to be separately identified within risk registers, unless significant or requiring escalation;
- The framework acknowledges the need to take and accept more risk and also that some risks cannot always be controlled. Risk appetite is emphasised;
- Roles and responsibilities have been clarified, including groups such as the Statutory Officers Group and Risk Co-ordinators;
- In process terms, the document formalises the introduction of post mitigation scoring (already in place) to help assess the effectiveness of control measures.

### **3. Conclusion and reasons for recommendations**

3.1 Whilst the opportunity has been taken to make a number of improvements to the framework, the council's overall approach to risk management remains fundamentally the same. Members are asked to agree the updated risk management framework, which now reflects current practice, recognising that risk management should not be a scientific process and should complement, rather than duplicate, other management activities. The updated

risk management framework replaces the Risk Management Strategy 2011-2014 and was endorsed by the Audit, Best Value and Community Services Scrutiny Committee in July 2015.

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