Cheltenham Borough Council
Audit Committee – 15 January 2014
Risk Management Policy - review process for 2014

Accountable member	Cabinet Member Corporate Services, Councillor Jon Walklett
Accountable officer	Director of Resources, Mark Sheldon
Ward(s) affected	None
Key Decision	Yes/No
Executive summary	The Audit Committee approved the current Risk Management Policy in March 2013 this will be due for a further review in April 2014. At the full Council meeting on the 7 October 2013 during the debate on the ICT PSN issue, there was a request that the Risk Management Policy and Risk scorecard should be reviewed. The ICT Scrutiny working group considered this request on the 18 December and supports a wider approach to the 2014 review.
Recommendations	1. To agree a wider approach to the review of the Risk Management Policy for 2014 2. To make any additional recommendations to strengthen the review process.

Financial implications	The identification and assessment of financial risk is a key element in the process of managing the Council's financial exposure. The scorecard ensures a consistent approach and transparent methodology for assessing financial risk. Contact officer: Mark Sheldon Email: mark.sheldon@cheltenham.gov.uk Tel: 01242 264123
Legal implications	None directly arising from this report **Contact officer: Sara Freckleton, Borough Solicitor** **Tel; 01684 272011** **sara.freckleton@tewkesbury.gov.uk,**

HR implications (including learning and organisational development)	No direct HR implications in this report. Contact officer: Donna Sheffield Email: donna.sheffield@cheltenham.gov.uk Tel: 01242 774972
Key risks	The lack of a robust approach to the management of risks and opportunities could result in ill-informed decision-making and non-achievement of the Council's aims and objectives, at both a strategic and service level.
Corporate and community plan Implications	None
Environmental and climate change implications	None

1.   Background

1.1   Risk management is the culture, process and structures that are directed towards effective management of potential opportunities and threats to the Council achieving its priorities and objectives.

1.2   Risk management is a key element of the Council's corporate governance framework. It is one of the six core principles of the Council's Code of Governance - 'taking informed transparent decisions which are subject to effective scrutiny and risk management'.

1.3   The issues arising from the ICT PSN accreditation process were reported to full Council on the 7 October 2013, this report was supported by the Corporate Risk Template which had been scored using the agreed methodology. There was a discussion by Members about the scoring methodology and they requested that the policy and method of scoring risks be reviewed.

1.4   This risk score for the Council report was considered by the ICT Scrutiny Working Group on the 18 December, officers suggested that because of the wide Member interest on the methodology that a different approach to the 2014 review be undertaken to consider whether the policy and its supporting scorecard could be improved. The Working Group agreed that proposals for this review should be discussed at Audit Committee.

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1.5   Audit Committee members are asked to consider whether during January 2014 an email should be sent to either all the elected Members or to a more defined group with links to the current Risk Management Policy, the scorecard and to a questionnaire with a series of suggested "Challenge Questions" (Appendix 2). An alternative to this email approach is for a workshop to be arranged.

1.6   Elected Members will be asked to consider the scorecard to make any suggestions they feel necessary in relation to each criteria (or for any new criteria) for:-

> ➢   Financial
> ➢   Employee
> ➢   Capacity

- ➢ VFM
- ➢ H&S and wellbeing
- ➢ Business continuity
- ➢ Contractual Governance
- ➢ Reputation
- ➢ Customer satisfaction
- ➢ Governance
- ➢ Performance forecasting
- ➢ Corporate Strategy.

1.7 They will also be asked to consider the 'Challenge Questions' against the current Risk Management Policy and to make any suggestions that they consider would improve the application of the policy.

1.8 This information will be collated and reported back to the Audit Committee in March 2014 to determine any amendments to be implemented from April 2014.

2. Alternative options considered

2.1 None

3. Consultation and feedback

3.1 The Senior Leadership Team and The Corporate Governance Group routinely have been consulted and support the suggested approach to the review.

4. Performance management – monitoring and review

4.1 The Senior Leadership Team and The Corporate Governance Group will be briefed on the outcome of the review.

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Appendices	1. Risk Assessment 2. Risk Management Policy - Challenge questionnaire

Risk Assessment   **Appendix 1**

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likeli-hood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the Council does not have a robust and effective risk management approach to the management of risks and opportunities then it could result in ill-informed decision-making and non-achievement of the Council's aims and objectives at both a strategic and service level.	Director of Resources	15/01/2014	4	2	8	Reduce	Ensure that the Councils Risk Management Policy is kept up to date and that the processes supporting it are robust and delivered by the decision-makers.	31/3/2014	Corporate Governance, Risk and Compliance Officer	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6

(1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close