

Cheltenham Borough Council
Audit Committee – 23 March 2011
Revised risk management process and policy

Accountable member	Cabinet Member Corporate Services, Councillor Colin Hay
Accountable officer	Jane Griffiths, Assistant Chief Executive
Accountable scrutiny committee	Economy and business improvement
Ward(s) affected	None
Key Decision	No
Executive summary	<p>Audit Committee is responsible for overseeing the council's risk management process and policy, and at least annually, monitoring and reviewing the effectiveness of risk management systems and their contribution to corporate governance arrangements.</p> <p>This report reviews issues that affected risk management in the last 12 months and presents a revised draft risk management policy and process (Appendix 1).</p> <p>It is brought to Audit Committee so that elected members have the opportunity to comment on content and to make further suggestions.</p> <p>It is proposed that the final policy will go to Cabinet on 19th April 2011 for approval.</p>
Recommendation	Audit Committee is asked to provide feedback about the revised policy and process and consider if there are further amendments that would further improve the management of risk.

Financial implications	<p>None identified as a result of this report.</p> <p>Contact officer: Paul Jones, Head of Financial Services, paul.jones@cheltenham.gov.uk, 01242 775154</p>
Legal implications	<p>Adoption and implementation of a robust risk management policy and processes should assist in protecting the Council from unwelcome legal challenge and liabilities.</p> <p>Contact officer: Peter Lewis,</p> <p>Email: peter.lewis@tewkesbury.gov.uk,</p> <p>Tel.no. 01684 272012</p>

HR implications (including learning and organisational development)	<p>Managers and employees will need to be made aware of the refreshed risk policy and any significant changes. Amendments are being factored into the risk management e-learning material on the learning gateway for officers and members.</p> <p>Contact officer: Amanda Attfield ,</p> <p>Email; amanda.attfield @cheltenham.gov.uk,</p> <p>Tel. No. 01242 264186</p>
Key risks	<p>If a consistent approach to risk management is not adhered to across the organisation based upon a sound policy, then key risks maybe missed, assets lost, important information misinterpreted and ultimately, the continuous improvement and quality of service delivery will suffer.</p>
Corporate and community plan Implications	<p>Risk management is an essential and integral part of management and as such, the consistent and correct assessment, mitigation and monitoring of risks is imperative.</p>
Environmental and climate change implications	<p>None</p>

1. Background

- 1.1 The current Risk Management Policy was approved by Cabinet in January 2009
- 1.2 There have been three issues during 2010/11 that effect the way that risk is managed both at a divisional level and corporately which now need to be incorporated into the policy.
1. Recommendations made in the KPMG Public Interest report (PIR).
 2. The senior officer management structure has been revised and therefore the roles and responsibilities within the policy have been up dated to reflect these changes.
 3. Amendments made to the corporate risk register and the way that it is reported to Economy and Business Improvement Overview and Scrutiny Committee and Cabinet.

Issue 1.

1.3 The KPMG PIR recommendations R11, R15, R16 and R17 concerned Risk Management and resulted in the following actions;

- 1.4 *R11 - that the Council should, in all instances, take decisions based on a balanced range of success factors including service needs, legal issues, financial implications and risk. Decisions should be informed by appropriate risk scenarios or possible outcomes.*

This recommendation has resulted in a new report template which requires report owners to ensure that a balanced range of success factors, legal and financial implications and risks are fully considered within each report.

- 1.5 *R15 - Strategic Directors, Assistant Directors and Service Managers should immediately review all major service and corporate issues that they are individually dealing with, and check whether they are being managed properly and reported through the appropriate channels . There should be an on-going process to ensure that significant issues are escalated to the right people.*

All corporate risks are reviewed by the Senior Leadership Team (SLT) on a monthly basis.

Divisional risks are reviewed at least quarterly at divisional team meetings and any that score over 16 are escalated to SLT for inclusion on the Corporate Risk Register.

The project and programme management guidance has been updated to ensure that it is clear how project risks can be escalated to either programme or corporate level.

- 1.6** *R16 - the council consider the needs of Members and officers for risk management training and develop and introduce a training programme. That risk management training is a pre-requisite for Members who serve on the Audit Committee and the Treasury Management Panel.*

An on-line risk management training module has been developed and will be made available to staff and elected members from the beginning of April 2011. Members of the Audit Committee and Treasury Management panel will be contacted to ensure that they undertake the training.

- 1.7** *R17 - Immediately review all risks on the corporate and service risk registers to ensure that they are complete, appropriate and that the descriptions and risk assessments continue to reflect the current state. Any high scoring service risks should be transferred to the corporate risk register where appropriate. The updated corporate risk register should be presented to Members for consideration.*

- 1.8** **All of the risks on the Corporate Risk Register are reviewed on a monthly basis at SLT to ensure that they are up to date and relevant. Any divisional risks that score over 16 are escalated to the Corporate Risk Register. The Corporate Risk Register is reported to Economy and Business Improvement overview and scrutiny committee and Cabinet on a quarterly basis.**

Issue 2.

- 1.9** The senior management structure review resulted in changes to the job titles of those officers and their roles and responsibilities. The Risk Management Policy has been updated to reflect these changes.

Issue 3.

- 1.10** At the E&BI overview and scrutiny meeting on the 29th November it was requested that the corporate register should in future highlight exceptions and provide more focus on the risks where the mitigating actions are below target.
- 1.11** These changes were made and reported back to E&BI overview and scrutiny on the 7th March and Cabinet on the 14th March 2011.

2. Reasons for recommendations

- 2.1** The Risk Management Policy will be presented to Cabinet on the 19th April for formal approval and Audit Committee's opinion and suggestions for further improvement are sought to ensure that the policy is reflective of members' needs.

3. Alternative options considered

- 3.1** None

4. Consultation and feedback

- 4.1** The Senior Management Team and the Corporate Governance Group have been consulted on the revised Risk Management policy and E&BI have been consulted on the revisions to the Corporate Risk Register.

5. Performance management –monitoring and review

- 5.1** Cabinet leads discuss risks with their respective assistant directors at one to one meetings. The

senior leadership team consider the risk register on a monthly basis, and challenge how risks are being managed and monitored.

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Appendices	1. Revised risk management process and policy
Background information	1. None