

Cheltenham Borough Council
Audit Committee – 24 July 2019
Annual Review of Risk Policy

Accountable member	Cabinet Member Corporate Services, Councillor Alex Hegenbarth
Accountable officer	Executive Director of People and Change, Darren Knight
Executive summary	<p>The Risk Policy has been amended to reflect the new management structure within the Authority.</p> <p>The Authority's Executive Director of People & Change and Governance Manager, are proposing to undertake a full review of the Authority's approach to Risk Management during 2019/20. The purpose of this review is to look to further improve our approach to risk management to coincide with the introduction of new software.</p>
Recommendations	<p>That Audit Committee;</p> <ul style="list-style-type: none"> • Consider and approve the Risk Management Policy for 2019-20 Appendix 2
Financial implications	<p><i>No direct financial implications arise from this report</i></p> <p>Contact officer: Paul Jones, Executive Director Finance & Assets</p> <p>Email: Paul.Jones@cheltenham.gov.uk Tel: 01242 775154</p>
Legal implications	<p><i>None specific arising from the report recommendations</i></p> <p>Contact officer: Sarah Farooq, One Legal</p> <p>Email; sarah.farooqi@tewkesbury.gov.uk Tel: 01684 272012</p>
HR implications (including learning and organisational development)	<p><i>None specific arising from the report recommendations</i></p> <p>Contact officer: Julie McCarthy, HR Manager – Operations Publica Group (Support) Ltd</p> <p>Email; julie.mccarthy@publicagroup.uk Tel: 01242 264355</p>
Property implications	None
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 Authority's aims and objectives at both a strategic and service level.
Corporate & community plan implications	None

Environmental and climate change implications	None
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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 Authority achieving its priorities and objectives.
- 1.2 The Authority's Risk Management Policy sets out the approach to risk management including the roles and responsibilities for Officers and elected Members. The policy also details the processes in place to manage risks at corporate, divisional and project levels.
- 1.3 The Authority's ICT services are managed by Publica; this includes the identification of risk and threats to our IT infrastructure and data, this is managed in accordance to the requirements of the Public Sector Network framework. They are therefore not covered by the CBC Risk Management Policy but there are mechanisms in place to transfer or share risks between partners.
- 1.4 The Risk Management Policy is made available to Executive Leadership Team, Corporate Management Team, Corporate Governance Group and to Project Managers. All policy, guidance and advice documents made available to all officers and elected Members through the risk management page on the intranet.
- 1.5 The identification and assessment of risk is part of the annual Corporate Strategy and Action Planning process. The Authority's Corporate Management considers and reviews strategic risks on a monthly basis. Both of these activities include the development of risk mitigation actions designed to reduce the likelihood and/or consequences of adverse events occurring. By understanding risks, the Authority can be more confident about undertaking ventures which produce larger gains, such as jointly providing services with other Authorities.
- 1.6 The Authority's approach to risk management is overseen by the Audit Committee. This committee annually reviews the Risk Management Policy, considers internal audits reports on risk management, and also receives reports from external audit on the budget, accounts, grants and Value for Money.
- 1.7 The Corporate Risk Register is reviewed monthly at Corporate Management Team and made available to Cabinet Members. It is then published within the transparency section of the Authority's website.

2. Review of Risk Management

- 2.1 The challenges and opportunities facing Cheltenham Borough Council continue to increase and our Corporate Plan 2019-2023 sets out our key priorities for the coming years. As part of planning process this year it was agreed, to ensure we adequately support corporate plan priorities and achieve our ambitions, we undertake a full review of our approach to risk management.
- 2.2 This review will incorporate our risk policy and strategies, consider if our risk management approaches support our risk appetite as well as introducing software to streamline our processes. At the present time our risk management relies on manual processes and word document. The software is being introduced to allow us to:
 - Populate a comprehensive risk database containing both strategic and operational risks.
 - Automate the production of risk matrices for each manager, department, project and the organisation as a whole.
 - Enhance transparency and our risk management framework.
 - Automate, streamline and embed risk management and monitoring.

- Decide how often we review risks and receive email alert reminders.

The outcome will mean we are able to analyse and report on our risks in different ways, monitor key risk performance indicators and enable effective decision making by providing up to date information to management to mitigate risk.

- 2.3 Members, the Executive Leadership Team, Corporate Management Team, Managers and SWAP will be involved in the review and full training will be provided to staff to support any changes prior to implementation.
- 2.4 The Audit Committee will be required to sign off any changes to our Risk Management Policy.

3. 2019 Policy Review

- 3.1 The Risk Management Policy states the need for an annual formal review.
- 3.2 The Risk Management Policy was last reviewed and approved by the Audit Committee in April 2018.
- 3.3. Due to the full review being undertaken during 2019/20 there are no substantive recommendations for change. The only changes made have been to reflect changes in groups e.g. from Senior Management Team to Corporate Management Team. The Corporate Governance Group is supportive of the proposed approach.
- 3.4 It is therefore recommended that Audit Committee consider the policy and make any recommendations that it feels necessary or re-approve it for the 2017-18 year
- 3.5 The Authority has also invested in its approach to risk management with the Authority's Governance Manager gaining the Management of Risk practitioner qualification. This is to ensure the Authority understands and approach to risk management is based on current best practice.
- 3.6 To further improve the management of risk within the Authority, some specialist risk management software has been procured, which will make the administration, management and oversight of risk more efficient. This software will be demonstrated to the Audit Committee later on in the year.

4. Consultation and feedback

- 4.1 The Corporate Management Team and The Corporate Governance Group are routinely consulted on the content of the risk registers.

5. Performance management – monitoring and review

- 5.1 The Corporate Management Team and The Corporate Governance Group routinely monitor risks in line with the Risk Management Policy.

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Appendices	1. Risk Assessment 2. Risk Management Policy

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	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the Authority 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 Authority's aims and objectives at both a strategic and service level.	Executive Director of People and Change	24/07/2019	4	2	8	Reduce	Undertake a Review of Authority's Risk Management approach and ensure Policy is kept up to date and that the processes supporting it are robust and delivered by the decision-makers.	31/03/2019	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