Cheltenham Borough Council
Audit Committee – 20 March 2013

Annual Risk Management Report

Accountable member	Cabinet Member Corporate Services, Councillor Jon Walklett
Accountable officer	Director Resources, Mark Sheldon
Ward(s) affected	None
Key Decision	Yes/No
Executive summary	The Audit Committee approved the current Risk Management Policy March 2012 and requested an annual report to provide Members with an update on the Council's risk management activities
Recommendations	1. **To endorse the risk management work undertaken during 2012/13 and for the 2013/14 planned developments.** 2. **To approve the amendment to the Risk Management Policy and to consider if there is a need for any further improvements from April 2013.**

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. The policy and risk management process is well embedded which helps to ensure robust management of financial risk. Contact officer: Mark Sheldon, Email; *mark.sheldon@cheltenham.gov.uk*, Tel; 01242 264123
Legal implications	None arising directly from the report. Sound risk management is essential to reduce/and or rebut legal challenges to decisions taken by the Council. Contact officer: Rose Gemmell, Email; *rose.gemmell@tewkesbury.gov.uk*, Tel; 01684 272014

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 In the past year, work has been completed to support the risk management process and help embed good practice across the Council.

1.4 The Risk Management Policy was updated and approved by Audit Committee in March 2012. The policy confirmed the Council's risk management appetite and objectives; links to the Council's Corporate Plan; and provides guidance on risk management approach and scoring.

1.5 The approach was rolled out to officers at Senior Leadership Team, Corporate Governance Group and at Divisional Management Team meetings. All policy, guidance and advice documents are available through the risk management page on the intranet.

1.6 The Senior Leadership approved the introduction of an on-line web based risk management module which became operational in June. This records all Corporate and Divisional risk which can be viewed by all employees and Members helping to make risk management more transparent.

Strategic risk management

1.7 The Risk Management Policy states the need for a formal review of the strategic risk register to identify risks associated with the achievement of the Council's aims and objectives within the Corporate Strategy. The Corporate Strategy sets out our intended milestones, performance indicators and risks associated with the 11 outcomes.

1.8 The register has a high-level dashboard that provides information on the risk scores, trends and profile.

1.9 The corporate risk register monthly review is led by the Senior Leadership Team with a report to Cabinet each quarter. A copy is also provided following SLT to Cabinet members to aide their discussions with Directors. A copy of the corporate risk register is attached at appendix 2 as approved by SLT.

1.10 The new risk management module records all of the council's corporate risks and divisional risks which are managed by Directors and their Service Managers. Divisional risks with a score of 16 or above are referred to the Senior Leadership to consider if they should be escalated to the Corporate Risk Register.

1.11 As at 01/03/2013 there were 22 risks on the Corporate Risk Register and 102 on the Divisional registers. During the period from June 2012 to March 2013, fourteen corporate risks were deemed to have been managed to the point where they had become acceptable and closed or transferred by the Senior Management Team.

Training

1.12 As part of awareness training for officers, risk management presentations have been completed at Senior Leadership Team and Divisional Management Team meetings to promote the Risk Management Policy and approach.

1.13 The risk awareness training was updated to reflect the new policy and scorecard and this is available to all employees and Members.

1.14 Regular communiqués are issued to managers to promote risk management good practice.

Planned Improvements

1.15 The on-line risk management module can be developed further to include risks associated with key projects. These risks are currently managed by the project manager and reported to the programme board, it is hoped that sufficient resources can be found to include these within the same reporting process for Corporate and Divisional risk.

Policy review

1.16 The Risk Management Policy (appendix 3) was reviewed and approved by the Audit Committee in March 2012 further consideration has been given for the need to make amendments and it is suggested that one amendment is required at paragraph 2.5 in relation to risks that are identified by commissioned or shared services providers. Members are asked if they have any further suggestions for amendments that they wish to include.

2. Alternative options considered

2.1 None

3. Consultation and feedback

3.1 The Senior Leadership Team and The Corporate Governance Group routinely consulted on the content of the risk registers.

4. Performance management – monitoring and review

4.1 The Senior Leadership Team and The Corporate Governance Group routinely monitor risks in line with the Risk Management Policy.

Report author	Contact officer: Bryan Parsons
	Email; bryan.parsons@cheltenham.gov.uk
	Tel; 01242 264189
Appendices	1. Risk Assessment
	2. Corporate Risk Register
	3. Risk Management Policy

Risk Assessment   **Appendix 1**

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
The risk				**Original risk score (impact x likelihood)**			**Managing risk**				
	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 Resources	20/03/2013	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 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