

RISK MANAGEMENT POLICY

Report By: PRINCIPAL AUDIT MANAGER

Wards Affected

Countywide.

Purpose

To present to the Audit and Corporate Governance Committee the revised Risk Management Policy for Herefordshire Council (as attached) for comment and its submission to Cabinet for consideration and approval.

Financial Implications

None.

RECOMMENDATION

THAT subject to any comments by the Audit and Corporate Governance Committee the Risk Management Policy is submitted to Cabinet for consideration and approval.

Reason

1. The revised Risk Management Policy further develops the Council's approach to this important issue and ensures compliance with good practice.

Considerations

2. The CPA Use of Resources highlights the criteria for judgement in relation to Risk Management as:
 - The organisation has adopted a risk management strategy/policy that has been approved by members. (Level 2).
 - The risk management strategy/policy requires the Council to:
 - identify corporate and operational risks
 - assess the risks for likelihood and impact
 - identify mitigating controls
 - allocate responsibility for the mitigating controls (Level 2)
 - The Council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigning ownership for each risk. (Level 2).

Further information on the subject of this report is available from Tony Ford on 01432 260425

- Member responsibility for corporate risk management is identified in the terms of reference of one or more committees as appropriate. (Level 2).
 - Reports to support strategic policy decisions, and project initiation documents include a risk assessment (Level 2).
 - The risk management process is reviewed and updated at least annually. (Level 3).
 - The risk management process specifically considers risks in relation to significant partnership and provides for assurances to be obtained about the management of these risks (Level 3).
 - All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment (Level 3).
 - The members with specific responsibility for risk management have received risk management awareness training. (Level 3).
 - Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full Council as appropriate. (Level 3).
 - A senior officer and member jointly champion and take responsibility for embedding risk management throughout the Council. (Level 4).
 - The Council can demonstrate that it has embedded risk management in its corporate business process; (Level 4) including;
 - strategic planning
 - financial planning
 - policy making and review
 - performance management
 - All members receive risk management awareness training (Level 4).
 - The Council considers positive (opportunities) as well as negative risks (threats). (Level 4)
3. The risk management guidance has been developed by utilising the Risk Management protocols used by ICT on it major projects such as Herefordshire Connects.
 4. The Head of ICT and Customer Services has confirmed that ICT would be able to produce a standard template for the Risk Register and Action Log in excel that could be utilised corporately.
 5. As the next meeting of this Committee is in November the draft policy has been presented to the Audit and Corporate Governance Committee earlier in the consultation process than would be the norm. Subject to any comments from this

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Committee, arrangements will be made to present the draft policy to Corporate Management Board and Senior Management Team. Once cleared the final draft policy will be presented to Cabinet for comment and approval.

6. Once approved it is anticipated that the new procedures would be implemented corporately at the next monthly review carried out by Corporate Management Board and Directorate Management Teams.
7. It is envisaged that Risk Management Training for Key Managers will be completed by the end of October 2006.

Risk Management

8. Failure by the Council to consider and approve a revised Risk Management Policy could impact adversely on the Council's aspirations to improve its Use of Resources Score.

BACKGROUND PAPERS

- ICT's Project Risk Management Protocols.