

**ANNUAL REVIEW OF THE RISK MANAGEMENT STRATEGY****(Report by the Audit & Risk Manager)****1. REVIEW OF THE RISK MANAGEMENT STRATEGY**

- 1.1 The annual review of the Strategy has been undertaken by the Council's corporate Risk Management Group. Only minor additions are required to provide further clarity to managers on the options available to manage residual risks, these are shown underlined below:

**Option Appraisals & Risk Treatment**

Before a decision is made on the way the risk is to be treated, the Head of Service who owns the risk, shall carry out an option appraisal. The appraisal shall consider how to deal with the risk on the following basis:

- **Reduce or treat** the risk by controlling the likelihood of the risk occurring or controlling the impact of the consequences if the risk does occur.
- **Avoid or eliminate** the risk by not undertaking the activity that may trigger the risk.
- **Transfer** the risk either totally or in part **to others** e.g. through insurance.
- **Accept or tolerate** the risk. This option will only be accepted when the ability to take effective action against a risk is limited or the cost of taking action is disproportionate to the potential benefits gained.

The appraisal will consider cost, resources, time and the potential financial and non-financial benefits of each treatment option. Advice from specialist staff shall be taken where appropriate.

Ideally risk treatments should be self-funding. Where this is not the case there will need to be a prioritisation process to ensure that any funding is concentrated first on those items that will be most beneficial to the achievement of the Council's priorities.

**2. RECOMMENDATION**

- 2.1 It is recommended that the Panel approve the above changes.

**BACKGROUND INFORMATION**

Risk Management Strategy

**Contact Officer:** David Harwood, Audit & Risk Manager ☎ 01480 388115