

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter Review of the Risk Management Strategy
Meeting/Date Cabinet – 16 July 2015
Executive Portfolio Cllr J A Gray
Report by: Internal Audit & Risk Manager
Ward(s) affected: All

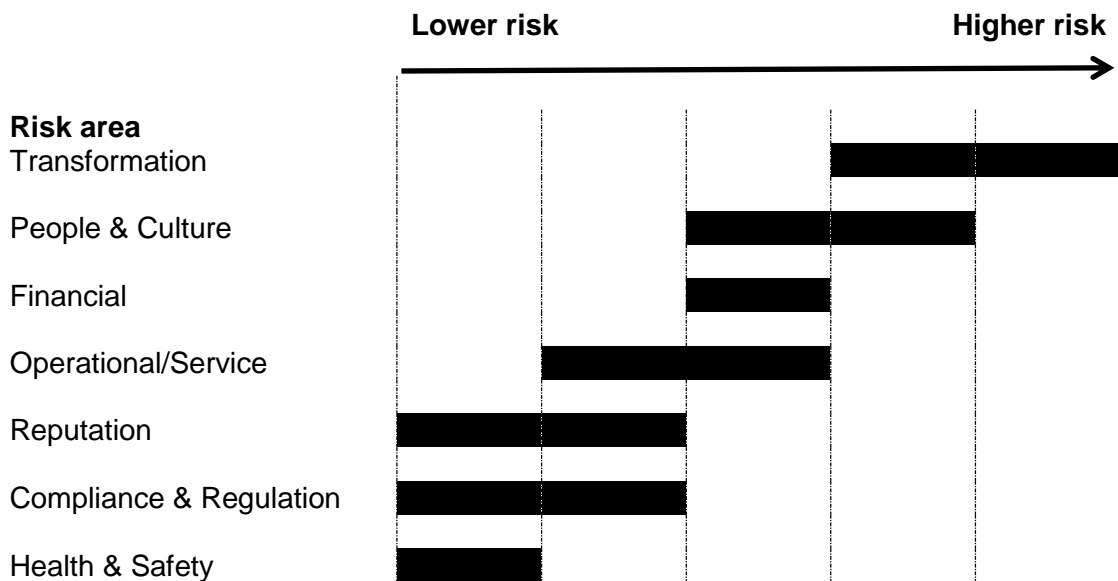
Executive Summary:

The Risk Management Strategy is reviewed annually and this report details the outcome of that review.

Corporate Management Team (CMT) are required to review and consider the Council’s risk appetite each year. The risk appetite is the amount and type of risk that the Council is prepared to seek, accept or tolerate.

The aim of the risk appetite statement is to provide an overarching framework for accepting and managing risk across the Council; it sets the boundaries for risk taking and defining controls in a manner that influences day-to-day decision making.

CMT are proposing that individual appetites are set across seven areas. The graphic below details the level of residual risk which CMT consider as reflecting the Council’s willingness (based around the delivery of its Corporate Plan and financial targets) to accept and manage risk.



The Strategy has been amended to reflect the revised risk appetite statements outlined above.

The other significant change is contained within the Roles and Responsibilities section of the Strategy. The risk management responsibilities of Management Team (formerly Activity Managers) members has been included for the first time.

Recommendation(s):

It is recommended that the Cabinet approve the Risk Management Strategy.

1. WHAT IS THIS REPORT ABOUT

- 1.1 This report details the outcome of the review of the Risk Management Strategy and requests Cabinet to approve a Strategy that incorporates that changes that have been identified from the review.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Risk Management Strategy is reviewed on an annual basis.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The previous Strategy included two risk appetite statements – one that referred to the appetite surrounding health and safety risks and a second ‘catch-all’ statement for all other areas.
- 3.2 On reflection, introducing a ‘catch-all’ statement that was set at a high level did not adequately set the parameters for the management of day-to-day risks. A more sophisticated risk appetite model is required.
- 3.3 After considering the requirements of the Corporate Plan it is proposed that the two current risk appetite statements are deleted from the Strategy and replaced by seven individual statements, each of which reflects the different types of risk which the Council could face and which could impact on its ability to meet both its statutory requirements and strategic outcomes.

The seven risk areas together with a board assessment of their risk appetite levels is shown below:

Transformation	high / very high appetite
People & Culture	medium / high appetite
Financial	medium appetite
Operational/Service	low / medium appetite
Reputation	low appetite
Compliance & Regulation	low appetite
Health & Safety	low appetite

The Strategy contains illustrative descriptors that articulate the risk appetite within each area.

- 3.4 The Strategy details the roles and responsibilities of Members, managers and employees. Whilst the previous strategy detailed Head of Service responsibilities it did not contain any information in respect of their direct reports – commonly known as the Management Team. Whilst the Management Team responsibilities are very similar to those of Heads of Service, for completeness, it was considered appropriate to identify their risk management responsibilities.

4. COMMENTS OF OVERVIEW & SCRUTINY PANEL

- 4.1 Not applicable. In December 2013 the Council delegated responsibility for the approval of the Risk Management Strategy to the Cabinet.

**5. KEY IMPACTS/RISKS?
HOW WILL THEY BE ADDRESSED**

- 5.1 Risk register entry 38 refers to the advantages to the Council of introducing robust risk management processes. One of the controls is to have in place an effective risk management strategy.

6. WHAT ACTIONS WILL BE TAKEN?

- 6.1 The risk register software will be amended following approval of the Strategy to reflect the differing appetite levels. Managers will be informed of the changes that have been made and during the quarterly reviews of the register entries be reminded of the target appetite levels.

- 6.2 The Strategy contains a table that explains how risks that exceed the risk appetite level are to be managed. This process will remain in place.

7. LINK TO CORPORATE PLAN

- 7.1 Effective risk management is integral to the delivery of the Corporate Plan. It supports sound decision making through a robust assessment of risks and opportunities.

8. CONSULTATION

- 8.1 The Strategy has been reviewed by the Risk Governance Group. There comments have been incorporated into the Strategy.

9. LEGAL IMPLICATIONS

- 9.1 There are no legal implications arising from this report.

10. RESOURCE IMPLICATIONS

- 10.1 There are no resource implications arising from this report.

11. OTHER IMPLICATIONS

- 11.1 None.

12. REASONS FOR THE RECOMMENDED DECISIONS

- 12.1 The Strategy has to be reviewed annually. CMT have recommended to Cabinet that it be amended to take account of revised risk appetite statements.

BACKGROUND PAPERS

None

CONTACT OFFICER

David Harwood. Internal Audit & Risk Manager
Tel No. 01480 388115

Jayne Wisely. Head of Leisure and Health
Tel No. 01480 388049