

Committee(s): Audit and Risk Management Committee	Date(s): 19 November 2019
Subject: Review of Risk Management Strategy	Public
Report of: The Chamberlain	For Discussion
Report author: Paul Dudley, Corporate Risk Manager	

Summary

At the Audit and Risk Management Committee meeting held on 16 July 2019, Members requested that the City Corporation's Risk Management Strategy be reviewed and revised and that the draft be presented to the Committee at their November 2019 meeting.

The new Strategy is not a departure from the City Corporation's existing approach, which has worked well, but does bring the Strategy up to date with the developments over the last few years. The new document contains three sections – the policy, strategy and process guide.

Both the Chief Officer Risk Management Group (CORMG) (1 October 2019) and Summit Group (23 October 2019) were consulted on the revised draft Risk Management Policy and Strategy. This document is presented to the Committee for consideration and comment. Subject to any comments the Committee may make, the Policy and Strategy will be resubmitted in final form, for approval by Summit Group in December 2019 and the Committee meeting in January 2020.

Once approved by the Committee, the Risk Management Policy and Strategy will be reviewed on an annual basis.

Recommendation

The Committee is asked to consider and comment on the draft Risk Management Policy and Strategy document.

Main Report

Background

- 1 At the Audit and Risk Management Committee meeting held on 16 July 2019, Members requested that the City Corporation's Risk Management Strategy (which includes a policy statement) be reviewed and revised and that the draft be presented to the Committee at their November 2019 meeting for comment.
- 3 The new Strategy is not a departure from the City Corporation's existing approach, which has worked well, but does bring the Strategy up to date with the developments over the last few years.
- 4 The revised Risk Management Policy and Strategy consists of three sections – the policy statement, the strategy and the risk process guide. It is supported by a

range of tools and techniques located on the Risk Management intranet site. Some of these tools are already on this site although some more need to be added once approval has been given.

- a) **Risk Management Policy** - The Risk Management Policy is a (signed) statement of commitment by the Town Clerk and Chairman of the Audit and Risk Management Committee underlining the importance of risk management to the City's Corporation's corporate governance arrangements, to the delivery of corporate outcomes and departmental objectives. The document follows a similar format to the existing Policy and includes a brief statement on appetite for risk.
- b) **Risk Management Strategy** - The Risk Management Strategy builds on the previous risk management strategy setting out the formal process by which the City Corporation identifies, assesses, mitigates and reports risk. It includes a list of roles and responsibilities for those officers and groups which are integral to the effective operation of the risk management framework. In addition, the document provides guidance on the criteria to take into consideration when to escalate or de-escalate a risk from one organisational level to another as well as applying a risk appetite for risks at corporate level.
- c) **Risk Management Process guide** - This guide explains the five steps in the risk management process, suggesting various tools to use as well as highlighting the key outputs at each step. It is largely based upon the existing version of the process including the use of the 4 x 4 risk scoring matrix. The guidance aims to provide officers with a consistent approach to managing risks within the City Corporation.

Best practice documents

- 5 The revised City Corporation Risk Management Policy and Strategy takes into account the ISO Risk Management Standard:2018 and guidance from the HM Orange Book 2019, the HM Management of Risk Guide 2011 as well as other public sector risk management strategies.

Conclusion

- 6 The existing City Corporation Risk Management Strategy has been reviewed and revised. A draft City Corporation Risk Management Policy and Strategy was considered by CORMG on 1 October 2019 and the Summit Group on 23 October 2019). The Audit and Risk Management Committee are requested to consider and comment on the document. The final version of the Policy and Strategy will be presented to Summit Group in December 2019 and the Committee in January 2020 for approval. Once approved, the document will be reviewed on an annual basis.

Appendices:

APPENDIX 1 – City Corporation's Risk Management Policy and Strategy (draft)

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