

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Chief Executive & Town Clerk
to
Audit Committee
on
23 June 2010

Report prepared by: Juliette Arnold,
Corporate Strategy & Performance Advisor

Risk Management Policy Statement, Strategy and Framework 2010/11
A Part 1

1. Purpose of Report

- 1.1 To present to Audit Committee the refreshed Risk Management Policy Statement, Strategy, and Framework 2010/11.

2. Recommendation

- 2.1 **That Audit Committee approve the Risk Management Policy Statement and Strategy 2010/11 (Appendix 1) and Framework 2010/11 (Appendix 2).**

3. Background

- 3.1 The revised Risk Management Policy Statement, Strategy and Framework set out the Council's approach to risk management. They have been developed from good practice guidance and form the core of the Council's revised Risk Management Framework for 2010/11. The Strategy and Framework clarify risk roles and responsibilities, set out risk reporting arrangements and allow the Council to track risk management performance. A draft Equalities Impact Assessment has been undertaken and is attached for information at Appendix 3.
- 3.2 In 2009/10 the Council signed up for the 2010/11 risk management benchmarking club. The benchmarking club is a collaboration between Alarm (Public Sector Risk Management Association) and CIPFA (Chartered Institute of Public Financial Accountants). It consists of a question set which is based on Alarm's National Performance Model for Risk Management in Public Services.
- 3.3 The Risk Management Policy Statement, Strategy and Framework have been changed to reflect the National Performance Model for Risk Management in Public Services. The Model was published by Alarm in 2009 and has been developed from the EFQM Excellence Model and influenced by the HM Treasury Self-Assessment Tool: Risk Management Framework (RMAF). This Model will enable the Council to benchmark its position against other Councils, undertake health checks and monitor and develop its risk maturity. This will be progressed and led by the Corporate Risk Group with regular reports to CMT and Audit Committee.

3.4 Changes have been made to the Policy Statement to reflect the aims of the National Performance Model and additions to the Strategy include updated roles and responsibilities particularly for:

- Directors;
- Member Champion;
- Members;
- Heads of Service;
- Corporate Risk Group;
- Directorate Risk Leads Group;
- Project Office;
- Strategy & Performance Team; and
- All employees including risk champions.

4. Other Options

4.1 Stay with existing Policy which reflects Use of Resources and Key Lines of Enquiry framework.

5. Corporate Implications

5.1 Contribution to Council's Vision & Corporate Priorities

The Corporate Assurance and Risk Framework underpins the operational effectiveness of the Council's Corporate Governance arrangements and specifically monitors progress of managing key risks associated with Corporate Priorities. Reporting of progress against the Corporate Assurance and Risk Register reinforces the effectiveness of these arrangements and further ensures that Corporate Priorities are delivered.

5.2 Financial Implications

The funding of risk management activities across the Council are generally contained within individual budgets and not detailed as a lump sum. This information will need to be identified and stated as part of the Risk Management Strategy.

5.3 Legal Implications

None but identified as part of the Corporate Assurance and Risk Register.

5.4 People Implications

Failure to manage the corporate risks may have a major and potentially catastrophic impact upon the resources available to the Council and the ability to deliver identified aims and priorities.

5.5 Property Implications

None but identified as part of the Corporate Assurance and Risk Register.

5.6 Consultation

Consultation with council officers and Equalities and Diversity Advisor.

5.7 Equalities and Diversity Implications

A draft Equality Impact Assessment has been produced for the Risk Management Policy Statement and Strategy. There were no significant equality and diversity implications after initial screening.

5.8 Risk Assessment

An Informal risk assessment was undertaken. The results culminating in the revised edition of the Policy Statement, Strategy and Framework attached to this report.

5.9 Value for Money

Effective forecasting and timely management of risk is a key factor in preventing waste, inefficiency and unnecessary or unplanned use of resource.

5.10 Community Safety Implications

None but identified as part of the Corporate Assurance and Risk Register.

5.11 Environmental Impact

None but identified as part of the Corporate Assurance and Risk Register.

6. Background Papers

6.1 CIPFA – Risk Management in the Public Services (2001)

6.2 Alarm National Performance Model for Risk Management (2010/11)

6.3 Corporate Risk Management Policy Statement (2009/10)

6.4 Risk Management Strategy (2009/10)

6.5 Risk Management Toolkit (2009/10)

7. Appendices

Appendix 1 – Risk Management Policy Statement and Strategy 2010/11.

Appendix 2 – Risk Management Framework 2010/11.