

# FAREHAM

## BOROUGH COUNCIL

### **Report to Audit and Governance Committee**

**Date**                    **13 March 2017**

**Report of:**        **Director of Finance and Resources**

**Subject:**           **REVISED RISK MANAGEMENT POLICY**

#### **SUMMARY**

This report brings to the Committee a new Risk Management Policy for approval. The policy has been radically revised to reflect the changing culture of the organisation and the introduction of systems thinking into how services are delivered.

#### **RECOMMENDATION**

That the new Risk Management Policy be approved for adoption by the Council.

## INTRODUCTION

1. The Council recently adopted a new Local Code of Corporate Governance which adheres to the latest CIPFA/SOLACE guidance. This local code sets out the following responsibilities in relation to Risk Management:

<b>Managing risk</b>	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making. Implementing robust and integrated risk management arrangements and ensuring that they are working effectively. Ensuring that responsibilities for managing individual risks are clearly allocated.
----------------------	--

2. The Council has been challenging the exact nature of its risk management arrangements over the last 2 years to bring it in line with the changing culture of the organisation and the introduction of systems thinking into how services are delivered.
3. In the November meeting of the Audit and Governance Committee a presentation was provided to members on the proposed new approach for comment, particularly in relation to how the process can support the member role *“to provide to those charged with governance independent assurance on the adequacy of the risk management framework....”*
4. Further work on the policy has now been completed, following the feedback provided by members, and the new policy is now attached as Appendix 1 for approval.

## KEY FEATURES OF THE POLICY

5. The main features of the policy are:
  - (a) Recognition of the importance of risk management
  - (b) Recognition that risk management should be embedded into every day management and not set up as a separate rigid process which can divert resources away from the management of risk.
  - (c) The adoption of 7 principles which lead to a robust and integrated process.
  - (d) The monitoring, reporting and assurance processes we will be using to review the effectiveness of the arrangements.

## NEXT STEPS

6. A Heads of Service workshop is being arranged to roll out the principles in this policy and clarify expectations of services in the new arrangements.
7. The first monitoring report is then planned to be presented at the September Audit and Governance Committee.

## **RISK ASSESSMENT**

8. Risk Management is a fundamental part of the Councils' Corporate Governance framework which is covered in the Annual Governance Statement and reviewed by the external auditors. This policy sets out what the arrangements are that the Council will be using to meet this obligation.

### **Background Papers: None**

### **Reference Papers:**

CIPFA / SOLACE - Delivering Good Governance in Local Government Framework April 2016 Edition

Report to Audit and Governance Committee on Local Code of Corporate Governance 28 November 2016.

### **Appendices:**

**Appendix A – [Draft Risk Management Policy 2017](#)**

### **Enquiries:**

For further information on this report please contact Elaine Hammell. (Ext 4344)