

Title of Report: Review of Corporate Risk Management Policy

Report of: Darren Collins, Strategic Director, Resources & Digital

Purpose of the Report

1. To consider and comment on a revised Risk Management Policy prior to reporting to Cabinet and Council for approval.

Background

2. At its meeting of 6 June 2013, the Council approved the existing Corporate Risk Management Policy, which underpins the Council's Corporate Risk Management Strategy. The Policy prescribed a robust risk management framework within which, the Council could identify, assess, mitigate and manage the many diverse risks that could inhibit the sustained provision of essential services and the delivery of the Council Plan.
3. Risk management is embedded in the Council through a Corporate Risk Management Policy which includes the requirement to identify strategic and operational risks, assess those risks for likelihood and impact, identify mitigating controls and allocate responsibility for those controls.
4. The Council maintains and reviews the registers of its business risks, linking them to strategic business objectives and assigning ownership for each risk.
5. Since 2013, the Policy has been subject to periodic reviews and minor amendments to reflect issues such as Council Structural changes, but it has not been fundamentally reviewed in that time.

Review of the Corporate Risk Management Policy

6. The current Policy has been reviewed by reference to the ALARM Risk Management Standard along with an analysis of the policies published by other NE Local Authorities
7. ALARM is a not-for-profit professional membership association that has supported the local government risk management profession for over 30 years. Its Risk Management Standard, which uses the terminology for risk as set out in ISO 31000:2018, was developed by a team drawn from major risk management organisations in the UK, including Airmic, ALARM, and the Institute of Risk Management (IRM), and. This Policy also references some principles from the UK Government Orange Book, applicable to all government departments and parts of the UK public sector, with responsibility for public funds. adopted by the Federation of European Risk Management Associations (FERMA). It was revised by ALARM in 2022.
8. The review confirmed the Policy was still broadly fit for purpose, but it has been amended to ensure it continues to reflect Industry best practice by reference to the most recent version of the ALARM Risk Management Standards, with additional narrative to strengthen references to:

- Definition of strategic risks
 - Definition of operational risks
 - Project risks
 - Compliance / legal risks
 - Risk assessment procedures
 - Risk ownership / accountability
 - Risk Appetite
9. These changes will assist in a clearer understanding of the nature of the relevant risks, facilitating more effective risk identification, assessment and management, embedding the risk management culture in decision making and delivery of Council objectives.
10. The Revised Policy with track changes is attached at Appendix 1, with a clean copy at Appendix 2.

Recommendation

11. It is recommended that the Committee consider the revised Corporate Risk Management Policy and provide any comments prior to reporting to Cabinet and Council for approval.