

Audit Committee

Item No.

Report title:	Risk Management Policy Report
Date of meeting:	21st September 2017
Responsible Chief Officer:	Executive Director, Finance and Commercial Services
Strategic impact One of the Audit Committee's roles is to consider the Council's risk management. The Risk Management Policy details how Risk Management should be implemented throughout the Council in order to achieve the Council's priorities Caring For Our County , and is a central part of the overall Risk Management Framework.	

Executive summary

This report provides the Audit Committee with an update following the full review of the Well Managed Risk Norfolk County Council Management of Risk Policy (2014).

In accordance with the Accounts and Audit (England) Regulations 2015 and the Public Sector Internal Audit Standards, Norfolk County Council has a Risk Management Policy, setting out the County Council's commitment to the management of risk.

The current Risk Management Policy was last updated in 2014. Whilst still fit for purpose, there have been a number of changes within the Council and the Risk Management environment that merit inclusion in an updated Risk Management Policy.

A significant change since the last policy update is the introduction of new Council priorities from the May 2017 County Council election. The updated Risk Management Policy commits to contributing to successfully implementing the Council's priorities **Caring for our County**.

This report provides the Committee with the updated Risk Management Policy and list of accompanying Procedures which can be found in Appendix A.

Recommendations:

Committee Members are asked to:

- consider the content of the updated Risk Management Policy and the list of Risk Management Procedures
- approve the revised Policy
- recommend adoption of the revised Policy to the Policy and Resources Committee

1. Introduction

- 1.1. The policy document sets out the County Council's commitment to the management of risk. It states the principles that will be aspired to and outlines the main benefits that are envisaged to be realised by its use.
- 1.2. The documents set out the County Council's commitment to the management of risk to ensure that we meet the Accounts and Audit (England) Regulations 2015 and the Public Sector Internal Audit Standards and fulfils the Constitution's Financial Regulations (ref. here to follow). The Policy takes forward the recommendations set out in the Council's Performance Management Framework agreed in August 2015, aligned with best practice.
- 1.3. The Policy covers the purpose and principles of Risk Management, roles and responsibilities, approach taken, monitoring and audit, and the Policy's review. Additional detail is presented in the accompanying Procedures, which are specific to different areas of Risk Management.
- 1.4. As part of the ongoing Risk Management review process, the Policy and Procedures are to be fully reviewed and revised every two years. The policy documents were last revised and approved by Audit Committee in June 2014 and subsequently adopted by Full Council.
- 1.5. Appendix A to this report contains the updated Risk Management Policy, a list of the new Risk Management Procedures.

2. Risk Management – Policy and Procedures

- 2.1. The content of the documents is based on the ISO 31000 International Standard for Risk Management and Enterprise Risk Management core concepts. Effective Risk Management supports the Annual Governance Statement and is a key element of corporate governance within the CIPFA corporate governance framework.
- 2.2. The documents have been reviewed and revised, incorporating feedback from key stakeholders across the County Council, including Risk Coordinators, and the County Leadership Team.
- 2.3. Following the review, a number of changes have been made to the policy including;
 - The previous Risk Management Framework document has been amended to a suite of Risk Management Procedures.
 - Department based Risk Coordinators have been noted in the updated Policy, and their role has been outlined.
 - Movement to an Enterprise Risk Management approach whereby there is a holistic view of common cross-departmental risks, which require unified management at a corporate level.

- Adjusting the Risk Management Process to identify, prioritize, mitigate, and report risks, and measure how successfully they have been managed, using qualitative and quantitative measures.

- 2.4. Further clarification has been included on risk appetite and tolerance in the Risk Appetite and Tolerance Procedure to give a better understanding of the approach to risk management. These are the factors that determine the amount of risk that we are willing to take when balancing risk and reward. These factors must also be considered when seeking to create opportunities for the County Council to deliver its priorities and achieve necessary savings.
- 2.5. The revised Policy and Procedures will form part of the evidence used to inform the CIPFA / Alarm benchmarking club report. They also provide the guidance documents for external audits of the Council's risk management, and are considered in the Council's Annual Governance Statement each year.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, i.e. equality impact assessment, please get in touch with:

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