

Arun District Council

REPORT TO:	Audit and Governance Committee 29 November 2022
SUBJECT:	Risk Management Framework
LEAD OFFICER:	James Hassett, Chief Executive Officer / Carolin Martlew, Interim Group Head of Finance and Section 151 Officer
LEAD MEMBER:	Councillor Mike Clayden
WARDS:	All
CORPORATE PRIORITY / POLICY CONTEXT / CORPORATE VISION: The adoption of a new Risk Management Framework to govern and guide the Council's risk management approach. This will replace the Council's existing Risk Management Policy Statement and Strategy. The launch and application of the framework instigates a full review of the risks faced by the Council in achieving the objectives outlined in the Council's Vision 2022- 2026.	
DIRECTORATE POLICY CONTEXT: The Risk Management Framework is an overriding document that will be applied by each directorate in the assessment of risks.	
FINANCIAL SUMMARY: There are no direct financial considerations in the adoption of the framework.	

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is to recommend the adoption of the Risk Management Framework to govern and guide the Council's approach to risk management.

2. RECOMMENDATIONS

- 1.2. It is recommended that the Audit and Governance Committee adopts the Risk Management Framework as set out in Appendix 1 of this report and to authorise the Interim Group Head of Finance & Section 151 Officer to make minor amendments.

2. EXECUTIVE SUMMARY

- 2.1. The Council's existing Risk Management Policy Statement and Strategy has been reviewed and as a result a new Risk Management Framework has been developed.
- 2.2. It is recommended that the Risk Management Framework is adopted by the Audit and Governance Committee to enable a full review of the risks faced by the Council in achieving the objectives outlined in the Council's Vision 2022-2026.

3. DETAIL

- 3.1. The Council have identified new priorities as part of the Council's Vision 2022-2026 and are embarking on a range of new projects, some of which are on an unprecedented scale for the Council. This creates an opportune time to review the Council's risk management approach at a strategic and operational level.
- 3.2. The Council's existing Risk Management Policy and Strategy was first established in August 2010 and last reviewed and updated in October 2021. A review of the Policy and Strategy and the approach to risk management at the Council has been undertaken.
- 3.3. The review identified that risk management at the Council needs to be revitalised. Risk management needs to be relaunched so that it is embedded throughout the organisation, central to decision making, and integrated into business processes.
- 3.4. A new Risk Management Framework included as Appendix 1 to this report has been developed to achieve this. The framework is a risk management tool to govern and guide the Council's approach to risk management.
- 3.5. The framework includes the Council's risk management objectives and how these will be achieved. It defines the Council's Risk Appetite which is an imperative starting point for effective risk management.
- 3.6. Ownership and accountability of risks is clearly defined within the framework. Corporate risks will be owned by members of the Corporate Management Team who will be responsible and accountable for the effective management of those risks.
- 3.7. Reviewing and reporting requirements are prescribed within the framework, and the frequency of review is driven by the risk level. The Audit and Governance Committee will now receive quarterly reports on the Corporate Risk Register to allow more frequent scrutiny of risk management.
- 3.8. A requirement for the assessment of Gross and Net Risk Levels enables the analysis of the effectiveness of existing controls and the identification of further actions to reduce risk levels further.

- 3.9. The framework provides a benchmark for risk scoring, this will enable consistency across the Council when risk assessments are undertaken at a corporate and operational level.
- 3.10. The framework is supported by new risk register templates for the Corporate and Operational Risk Registers that have been designed to capture the requirements of the framework.
- 3.11. The Corporate Management Team have trialled the framework and a revised Corporate Risk Register has been prepared. This has enabled the practical application of the framework to ensure it is fit for purpose and user friendly. The revised Corporate Risk Register is subject to a separate Audit and Governance Committee report on 29 November 2022.
- 3.12. Subject to the adoption of the Risk Management Framework, steps will be taken to fully embed the risk management approach. Training and awareness are a critical element of this.
- 3.13. Initial training will be provided to the Senior Management Team by the Institute of Risk Management on 21st and 22nd November. The training will be tailored to the Council's risk management approach and captures the requirements of the framework.
- 3.14. Risk management is an ongoing process and the principles detailed in the Risk Management Framework support this.

4. CONSULTATION

- 4.1. There is no requirement for public consultation in relation to the Risk Management Framework, this is an internal risk management tool to govern and guide the approach to risk management at the Council.

5. OPTIONS / ALTERNATIVES CONSIDERED

- 5.1. Not applicable.

6. COMMENTS BY THE INTERIM GROUP HEAD OF FINANCE/ S151 OFFICER

- 6.1. There are no direct financial implications. However, the adoption of the new Risk Management Framework will assist in the effective management of financial risk.

7. RISK ASSESSMENT CONSIDERATIONS

- 7.1. This report is about Risk Management and all the relevant considerations are contained in the report and Appendix 1.

8. COMMENTS OF THE GROUP HEAD OF LAW AND GOVERNANCE & MONITORING OFFICER

8.1. There are no direct legal implications. However the adoption of a systematic approach to risk will help to identify and manage relevant legal risks.

9. HUMAN RESOURCES IMPACT

9.1. There are no direct Human Resources implications.

10. HEALTH & SAFETY IMPACT

10.1. There are no direct health and safety implications but the systematic approach to risk management will assist in identifying health and safety implications.

11. PROPERTY & ESTATES IMPACT

11.1. There are no direct Property and Estates implications.

12. EQUALITIES IMPACT ASSESSMENT (EIA) / SOCIAL VALUE

12.1. There are no direct Equality implications but a systematic approach to risk will help identify equality impacts.

13. CLIMATE CHANGE & ENVIRONMENTAL IMPACT/SOCIAL VALUE

13.1. There are no direct Climate Change and Environmental implications. However a Systematic approach to risk management will help identify and manage regulatory risks.

14. CRIME AND DISORDER REDUCTION IMPACT

14.1. There are no direct crime and disorder implications. However a systematic approach to risk management will help identify and manage regulatory risks.

15. HUMAN RIGHTS IMPACT

15.1. There are no direct human rights implications. However a systematic approach to risk management will help identify and manage regulatory risks.

16. FREEDOM OF INFORMATION / DATA PROTECTION CONSIDERATIONS

16.1. There are no direct crime and disorder implications. However a systematic approach to risk management will help identify and manage regulatory risks.

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BACKGROUND DOCUMENTS:

Existing Risk Management Policy Statement and Strategy

[Microsoft Word - Risk Management Policy Statement- V7 \(arun.gov.uk\)](#)