

BROMSGROVE DISTRICT COUNCIL

EXECUTIVE CABINET

7TH MARCH 2007

REVISED RISK MANAGEMENT STRATEGY

Responsible Portfolio Holder	Councillor Mrs. M. M. T. Taylor
Responsible Head of Service	Head of Financial Services

1. Summary

1.1 To present for approval the revised Risk Management Strategy.

2. Recommendation

2.1 The Executive Cabinet is recommended to consider and approve the revised Risk Management Strategy.

3. Background

3.1 On an annual basis, the Council is subject to an external audit assessment on its "Use of Resources". The assessment focuses on financial management and links to the strategic management of the Council. It looks at how financial management is integrated with strategy and corporate management, supports council priorities and delivers value for money. The assessment also informs decisions about possible CPA re-categorisation.

3.2 The specific area within the "Use of Resources" assessment for risk management is section 4.1, which states "The council manages its significant business risks".

3.3 At the 18th January 2006 Executive Cabinet meeting, a Risk Management Strategy, together with the terms of reference of the Risk Management Steering Group and for Risk Officers, was approved. Following approval of the strategy, work has been ongoing to embed a robust risk management culture and adopt a corporate approach to manage Council's business risks.

3.4 In January 2007, responsibility for facilitating the implementation of the Council's risk management approach was moved to the Internal Audit section. As part of this transfer, a full review of the Council's approach was completed, which included an assessment of the Council's current Risk Management Strategy. Following this review, the Council's approach to managing its business risks has been updated, and the Risk Management Strategy has been revised to reflect these changes.

4. Revised Risk Management Strategy

4.1 Risk management is not a concept that exists in isolation and must be viewed in terms of the way in which all decisions; policies, acts or omissions could impact on the Council and its ability to achieve its vision, values, objectives and priorities. In summary, risk management is the process of:

- Identifying risks that may prevent the Council achieving its strategic and operational objectives;
- Evaluating their potential consequences; and
- Avoiding or implementing the most effective way of controlling them.

It is also about considering business opportunities as well as threats.

4.2 The aim of this strategy is to ensure that Bromsgrove District Council adopts best practice in the identification, analysis and management of its risks. The real value of risk management lies in the benefits it will deliver. Those benefits will be varied in their nature and extent and some may be more measurable than others, but they will all be important to the Council's reputation and ability to deliver improved and value for money public services. Some of the benefits include:

- Effective performance and achievement of objectives;
- Improved financial performance;
- Enhanced reputation and public confidence;
- Improved corporate governance and controlled systems;
- Early warning of problems and prioritisation of resources; and
- Improved business planning by focussing on the outcome not the process.

4.3 The Council's corporate approach to identify and manage its business risks is:

- A clear understating of the Council's corporate and operational objectives;
- To identify and assess the risks that will prevent the Council and its services from achieving their objectives;
- Completion of the standard risk management documentation, including the Risk Register and Action / Improvement Plan;
- Implementation of the actions and improvements identified;
- Monthly and quarterly monitoring and reporting on the current position for each action and improvement by the Council's Risk Management Steering Group; and
- An ongoing review of the information included in the Risk Register and Action / Improvement Plan.

4.4 As part of the new strategy and process review, the Risk Management Steering Group will also be updating the Council's Corporate Risk Register, to ensure it is accurate and reflects the Council's current objectives and priorities.

5. Financial Implications

5.1 None outside existing budgets.

6. Legal Implications

6.1 None.

7. Corporate Objectives

7.1 Council Objective 04: Improvement

8. Risk Management

8.1 Implementing a Risk Management Strategy will ensure that all decisions are taken with due consideration for the relevant risks and will assist the Council to achieve its objectives, priorities, vision and values. The strategy complies with best practice, will maximise the benefits to the Council and ensure an improved corporate approach in embedding a risk management culture within the Authority.

9. Customer Implications

9.1 No customer implications.

10. Other Implications

10.1

Procurement Issues	None
Personnel Implications	None
Governance / Performance Management	Improved risk management approach.
Community Safety including Section 17 of the Crime and Disorder Act 1998	None
Policy	None
Environmental	None
Equalities and Diversity	None

11. Others Consulted on the Report

11.1

Portfolio Holder	No
Acting Chief Executive	Yes
Corporate Director (Services)	Yes
Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes

Head of Legal & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	No

12. Appendices

Appendix 1 - Risk Management Strategy.

Background Papers

Executive Cabinet 18th January 2006 - Agenda item 9.

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