



Derby City Council

AUDIT & ACCOUNTS COMMITTEE
20 March 2018

Report of the Interim Strategic Director of
Corporate Resources

ITEM 10

Risk Management Strategy and Handbook

SUMMARY

- 1.1 This report seeks approval of the revised Risk Management Strategy and Risk Management Handbook.
- 1.2 The revised Strategy and handbook are key documents of the Council's risk management framework and processes.
- 1.3 As reported to Committee on 31 October 2017, the Council is using the Risk Management Fund with its Insurer's Zurich Municipal to purchase the time of a risk consultant to assist with the required improvements to the Council's Risk Management Framework as detailed in the Corporate Improvement Plan.

RECOMMENDATIONS

- 2.1 To approve the revised Risk Management Strategy.
- 2.2 To approve the revised Risk Management Handbook.

REASONS FOR RECOMMENDATIONS

- 3.1 The Audit and Accounts Committee is responsible for providing assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment.

SUPPORTING INFORMATION

Background

- 4.1 The Council commissioned Zurich Risk Engineering Strategic Consultancy in November 2017 to fulfil the role of the authorities Risk Management function on a secondment basis until March 2018. The main aspects of the role were to review and update the existing Risk Management Strategy and Risk Management Handbook; Review the existing identified Strategic risks; review and identified solutions to existing risk management process to ensure greater emphasis and embedding of risk reporting takes places across the authority and provide training to senior offices, members and directorate leads.
- 4.2 The revised Risk Management Strategy (Appendix 2) has been reduced by 400 words. This has been achieved by removing some of the theoretical knowledge which supports the Risk Management approach. Whilst this was considered factually correct it was likely to be insignificant for most officers in the Council. The new Strategy document includes some diagrammatic representations with the main themes being:
 - Define risk and risk management
 - Risk Management Process for Derby City Council
 - Role and Responsibilities
- 4.3. The Risk Management Handbook (Appendix 3) contains the supporting information on how to apply the Risk Management Strategy. This document works through each stage of the risk management process providing methodology and definitions for each stage as well as information and examples on how to apply the risk process which officers are likely to encounter across the delivery of the organisations objectives.
- 4.4 The revised handbook has reduced by nearly 3000 words and 11 pages. As with the strategy document, this has been achieved by removing theoretical information on Risk Management which can confuse officers involved in the process.
- 4.5 At the Council's request, ZM have created a quick reference guide for the Risk Management process (Appendix 4). This "policy on a page" is a short double sided guide which focusses on the Risk Management process 5 key steps with some brief guidance for each which officers can use to support themselves.
- 4.6 The new Strategy; Handbook and quick reference guide outline how risks should be reported and recorded across the authority as well as define the reporting structure and associated timescales. Roles and Responsibilities identify those responsible for ensuring the process continues to be adopted and becomes embedded into Derby's working practices.

- 4.7 The documents were all presented in draft form to the Risk Management working group drawn from members of the Audit and Accounts Committee at a workshop on 13 February 2018. Feedback from the group has been incorporated in the documents.

OTHER OPTIONS CONSIDERED

5.1 N/A

This report has been approved by the following officers:

Legal officer	N/A
Financial officer	N/A
Human Resources officer	N/A
Estates/Property officer	N/A
Service Director(s)	N/A
Other(s)	N/A

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Risk Management Strategy Appendix 3 – Risk Management Handbook Appendix 4 – Risk on a Page

IMPLICATIONS

Financial and Value for Money

- 1.1 The cost of the work being procured from Zurich Municipal will be funded directly from a risk management fund that ZM holds for providing risk management services to Derby City Council. As part of the insurance contract that the Council has with ZM, £20,000 of the annual insurance premium payments that the Council makes to ZM are put into a “risk management fund”. ZM holds this fund and the Council can then procure risk management services directly from ZM using this fund.

Legal

- 2.1 None directly arising

Personnel

- 3.1 None directly arising

IT

- 4.1 None directly arising

Equalities Impact

- 5.1 None directly arising

Health and Safety

- 6.1 None directly arising

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 None directly arising

Risk Management

- 9.1 A robust risk culture needs to exist within the Council, supported by a risk management framework that is embedded into all processes.

Corporate objectives and priorities for change

- 10.1 Risk management is fundamental in supporting the successful delivery of corporate

objectives by underpinning all aspects of the Council's governance arrangements.