

**Open Report on behalf of Executive Director, Resources & Community Safety**

Report to:	<b>Audit Committee</b>
Date:	<b>23 April 2012</b>
Subject:	<b>Update of Risk Management Strategy</b>

**Summary:**

One of the key roles of the Audit Committee is to ensure that the Council has effective risk management arrangements in place.

The Risk Management Strategy is being updated and this reports sets out the proposed priorities for 2012 - 2015.

**Recommendation(s):**

The Committee consider and approve the proposed risk management priorities .

**Background**

1.1 The aim of this strategy is to provide an effective framework for the Council to manage the key risks facing our services and the successful delivery of our Business Plan 2012-2015.

1.2 It supports the Council's **Vision** of '*working better for you*' by...

- Building on our strengths
- Protecting your lifestyle
- Ambitious for the future

and the new **Purpose** of...

- Making the best the use of all our resources
- Investing in infrastructure and the provision of services
- Commissioning for outcomes based on our communities' needs
- Promoting community wellbeing and resilience
- Influencing, coordinating and supporting other organisations that contribute to the life of Lincolnshire

1.3 We recognise that the next few years will present unprecedented challenges for the Council in delivering its services and business plan priorities. Our

Risk Management Strategy needs to be updated to respond to this environment and seeks to encourage well measured risk taking where it is likely to lead to sustainable improvements in service delivery to the people of Lincolnshire.

- 1.4 To help us develop the new strategy we have set out some proposed Strategic Risk Management Priorities for consideration. This is 'where we want to be' by the end of the business plan cycle - 2015.

### **Strategic Risk Management Priorities**

- Strategic approach to risk management to make better informed decisions which is vital to successful transformational change
  - Setting the 'tone from the top' on the level of risk we are prepared to accept on our different service delivery activities and priorities – Understanding our 'Risk Appetite' and acknowledging that how we 'think about risk' will be different depending on the context of corporate impact and sensitivity. .
  - Developing leadership capacity and skills in having a clear understanding of the risks facing the Council in delivering our services and transformational change.
  - Supporting a culture of well measured risk taking throughout the Councils business, including strategic, tactical and operational levels. This includes setting risk ownership and accountabilities and responding to risk in a balanced way – thinking about the level of risk, reward, impact and cost of control measures.
  - Effective monitoring, Board intelligence and action on the key risks facing the Council.
  - Good practice tools to support management of risks which is applied consistently throughout the Council
- 1.5 Some question for consideration by the Committee where we would welcome feedback / your thoughts to help us develop the strategy:  
~ Is there anything obvious missing and / or that requires changing?  
~ What does success look like?
- 1.6 The next steps:
- ✓ Draft the updated Strategic Risk Management Strategy including how success will be measured.
  - ✓ Undertake consultation on the strategy – Risk & Safety Group, Management Board, Senior Managers, Scrutiny
  - ✓ Realign risk management work plan to deliver the strategy, including review of policy and toolkit – raising awareness.

## **Conclusion**

The Risk Management Strategy sets the 'tone from the top' on how we tackle the risks facing the Council. It plays a vital part in the overall governance framework of the Council and is particularly important in the current environment given the need to deliver our services in a different way.

## **Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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