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| <b>TITLE</b>                | <b>Risk Management Policies and Guidance</b>  |
| <b>FOR CONSIDERATION BY</b> | The Executive on 26 January 2017  |
| <b>WARD</b>                 | None Specific   |
| <b>LEAD OFFICER</b>         | Andrew Moulton, Head of Governance and Improvement Services                                 |
| <b>LEAD MEMBER</b>          | Keith Baker, Leader of Council<br>Pauline Jorgensen, Executive Member for Resident Services |

## **OUTCOME / BENEFITS TO THE COMMUNITY**

The Enterprise Risk Management (ERM) Policy and supporting guidance provide the framework for sustaining effective management of risk at the Council. A robust risk management process will enable officers and members to make better informed decisions and become less risk adverse through a focus on risk and return. Effective risk management will help to reduce uncertainty and make effective provision for adverse events. These in turn will enhance the value for money delivered to taxpayers.

## **RECOMMENDATION**

The Executive is asked to:

- 1) consider the Enterprise Risk Management Policy and Guidance; and
- 2) recommend to the Constitution Review Working Group that they consider amending the Terms of Reference for the Audit Committee as set out in the report.

## **SUMMARY OF REPORT**

Both the policy and guidance have been subject to a high level review which has resulted in no changes being proposed. They have been found to be sound and present a solid basis for the management of risk going forward.

The ERM Policy sets out the Council's approach to risk management. The policy aims to achieve a pragmatic and effective approach to risk management that adds value to decision makers and does not impose an excessive bureaucratic or administrative burden.

## Background

Both documents in their current form were last approved by the Executive in January 2016.

Having reviewed the documents no changes are being proposed to the policies, however because the Terms of Reference in the Constitution for the Audit Committee includes the following:

“To review, revise as necessary and recommend adoption of the Risk Management Policy and Strategy to Executive on an annual basis.”

the policies have to be considered by the Audit Committee and the Executive. It is suggested that the Constitution is amended as follows:

“To review, revise as necessary and recommend adoption of the Risk Management Policy and Strategy to Executive when changes occur.”

This will reduce the workload for both the Audit Committee and the Executive where there are no changes to review. The Audit Committee will continue to have the opportunity to review and comment on the Corporate Risk Register at each meeting.

The Executive is therefore asked to recommend this proposed wording to the Constitution Review Working Group for consideration and if accepted Council be asked to adopt the amendment.

## Analysis of Issues

The key issue for Executive is whether the policy and supporting guidance provide a sufficiently robust framework for the management of the Council’s key strategic risks. Executive may like to use this opportunity to consider the Council’s overall approach to risk management and whether this is aligned to the current level of risk the Council is taking.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

|                                   | How much will it Cost/ (Save) | Is there sufficient funding – if not quantify the Shortfall | Revenue or Capital? |
|-----------------------------------|-------------------------------|---|---------------------|
| Current Financial Year (Year 1)   | Nil                           | Yes   | Nil                 |
| Next Financial Year (Year 2)      | Nil                           | Yes   | Nil                 |
| Following Financial Year (Year 3) | Nil                           | Yes   | Nil                 |

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| <b>Other financial information relevant to the Recommendation/Decision</b> |
| N/A  |

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|-----------------------------------|
| <b>Cross-Council Implications</b> |
| N/A                               |

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|----------------------------------|
| <b>List of Background Papers</b> |
| None                             |

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| <b>Date</b> 12 January 2017       | <b>Version No.</b> 2                               |

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