

Corporate Committee – 14 November 2019

Report title: Risk Management Strategy and Policy 2017-20 – Annual Review

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andrew Wilson

Report Authorised by: Fiona McDermott: Strategic Director for Finance and Investment

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Report summary

The attached risk management strategy sets out the Council's risk management aims, objectives, processes and benefits. By actively adhering to this strategy the Council will be better placed to deliver its strategic, community and programme outcomes in an efficient and effective manner.

Finance summary

No new funds are being sought, with the preparation of the risk management strategy and policy met from existing resources within the Finance and Investment directorate.

Recommendation

1. To complete the annual review of the risk management strategy and policy 2017-20.

1. CONTEXT

- 1.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.2 The Corporate Committee, in discharging its 'audit committee' role, is responsible for oversight of the Council's corporate governance arrangements, including the management of risk.
- 1.3 Given the complex and varied nature of the services and functions the council provides, and the changing environment in which it operates, the Council's approach to risk management has to be agile and able to evolve in line with the Council.
- 1.4 Every three years the Council undertakes a full refresh of its Risk Management Strategy and Policy - this was last completed in September 2017. As the current strategy and policy cover the period September 2017 to September 2020 and the strategy remains fit for purpose, no significant changes have been applied to the strategy this year. The only minor change for this year is a slight rewording of the risk escalation process on page 18 of the strategy. As a reminder, the following updates were applied to the strategy in September 2018:
 - Risk Management objectives were updated (page 3 of this report and page 8 of the strategy);
 - Risk maturity assessment was added (page 15 of the strategy); and,
 - Guidance, education and training section was added (page 19 of the strategy).

2. PROPOSALS AND REASONS

Risk Management Strategy

Lambeth's risk management strategy is designed to encourage all Lambeth citizens (staff, residents, local businesses, and Members) to make risk-based decisions when working for and with the council.

Furthermore, this strategy should give confidence that the Council's governance process will embrace innovative approaches to service delivery through an increased capacity to exploit opportunity risks.

The strategic vision will be coordinated by the risk management team working closely with key stakeholders.

- 2.1 There is three overarching risk management objectives within the strategy. The following table summarises the objectives and provides brief comments outlining how they will be achieved:

Risk Management Objectives 2017-20

Objective	How this is achieved
Improve engagement, utilisation and ownership of risk and risk management across the Council.	Embed a risk management culture to create an environment where risk management becomes an integral part of day to day council operations.
	Enabling better quality decision making by keeping risk management as a core part of governance processes.

	Minimising failures and maximizing opportunities and supporting the governance framework.
To provide a strategic lead and champion risk management across the organisation and borough, whilst maintaining our statutory accountabilities.	Increasing our partnership models to deliver better services to the community.
	Co-producing joint risk management solutions to help minimise threats and maximize opportunities.
	Being bold and taking calculated risks to encourage innovation and drive an entrepreneurial community.
To take a lead on developing and replicating best practice in risk management, providing value for money services and allowing better outcomes for the Council.	Leading on innovative projects and enhancing risk management awareness and practices, including the reduction of insurance claims.
	Active participation externally to help shape the future of risk management.
	Regular benchmarking , adapting best practice to improve risk management.

Risk Policy

- 2.2 A risk policy sets out how the risks which have been identified (by the risk assessment procedure) will be managed, responded to and controlled.
- 2.3 The Council's risk management policy, (located at Appendix B), sets out the Council's risk management objectives and responses, but it is primarily a statement of intent committing the organisation to a culture where risk management is embedded, communicated and used across the Council for the benefits of the community.

3. FINANCE

- 3.1 Whilst there are no particular capital or revenue financial implications arising as a result of this report, the Council has a number of significant corporate risks that it is managing. Should any of these threats materialise there would be an associated financial burden for the Council, therefore there is an onus for all council staff and Members to ensure that risk management becomes a proactive tool and that mitigating actions are identified, managed, monitored and delivered to ensure that risks do not materialise. The risks are detailed in the *Corporate and Strategic Risk Report* that is reviewed by Corporate Committee.

4. LEGAL AND DEMOCRACY

- 4.1 Regulation 6 of the Accounts and Audit Regulations 2015 sets out the Council's responsibility for ensuring that it has a sound system of internal control which:
- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - ensures that the financial and operational management of the authority is effective; and,
 - includes effective arrangements for the management of risk.

4.2 The Council has delegated the discharge of this function to Corporate Committee. Following the review, the Committee must approve the Risk Management Strategy prepared in accordance with proper practices in relation to internal control.

4.3 There were no additional comments from Democratic Services

5. CONSULTATION AND CO-PRODUCTION

5.1 A full list of consultees is shown at end of this report.

6. RISK MANAGEMENT

6.1 The preparation of the risk management strategy is explicitly linked to the risk management framework within the authority. One of the key principles of good governance is “taking informed, transparent decisions and managing risk”. Strong governance should minimise officer distraction from key corporate objectives and community outcomes as a result of governance failure(s).

7. EQUALITIES IMPACT ASSESSMENT

7.1 No formal Equality Impact Assessment has been undertaken, as the report does not have a significant impact in relation to the general duties under the Equalities Act 2010.

8. COMMUNITY SAFETY

8.1 Risk management plays a key role in the Civil Contingencies Act 2004. The Council has a responsibility to ensure that it manages its risks effectively to reduce the risk of incidents affecting the safety of the community.

9. ORGANISATIONAL IMPLICATIONS

9.1 Environmental

None.

9.2 Staffing and accommodation

None.

9.3 Procurement

None.

9.4 Health

None.

10. TIMETABLE FOR IMPLEMENTATION

10.1 Not applicable.

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Andrew Wilson	Cabinet Member for Finance and Performance	07/10/19	08/10/19	Throughout
Christina Thompson, Director Finance and Property	Finance and Investment	07/10/19	09/10/19	Throughout
Fiona McDermott, Strategic Director	Finance and Investment	09/10/19	10/10/19	Throughout
Hamant Bharadia, Assistant Director	Finance and Property	07/10/19	09/10/19	Throughout
Nisar Visram, Assistant Director	Finance and Investment	11/10/19	14/10/19	3
Alison McKane, Director	Legal and Governance	11/10/19	29/10/19	4
David Rose, Democratic Services	Legal and Governance	11/10/19	14/10/19	4
Mark Nicolson, Head of Risk and Insurance	Finance and Investment	11/10/19	For info	Throughout
Christine Webster, Head of Internal Audit and Counter Fraud	Finance and Investment	11/10/19	For info	Throughout

Report History	
Original discussion with Cabinet Member	N/A
Report deadline	15/10/19
Date final report sent	11/10/19
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	Previous year's RM strategies
Appendices	Appendix A: RM Strategy 2017-20 Appendix B: RM Policy 2017-20 Appendix C: RM Roles and Responsibilities 2017-20 Appendix D: RM strategy summary 2017-20