

REPORT FOR: **CABINET**

Date of Meeting:	4 April 2012
Subject:	2012-13 Council Statement of Risk Appetite
Key Decision:	No
Responsible Officer:	Tom Whiting, Assistant Chief Executive
Portfolio Holder:	Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix – The 2012-13 Council Statement of Risk Appetite

Section 1 – Summary and Recommendations

The Cabinet recognises and fulfils its responsibilities for good corporate governance at the Council. This includes determining the nature and the extent of the significant risks it is willing to take to achieve its corporate priorities and also to ensure that these risks are properly and fully disclosed to Council stakeholders.

Recommendations:

Cabinet is requested to:

- 1). note the corporate governance framework; and
- 2). approve the 2012-13 Council Statement of Risk Appetite (enclosed at the Appendix)

Reason: (For recommendation)

To ensure the Council complies with the UK Corporate Governance Code [2010] as reviewed by the Financial Reporting Council (FRC) and specifically Section C: Accountability; wherein the Executive [the Cabinet] is responsible on an annual basis for “determining the nature and the extent of the significant risks it is willing to take in achieving its strategic objectives”. It is generally recognised that an annual statement of risk appetite fulfils this requirement.

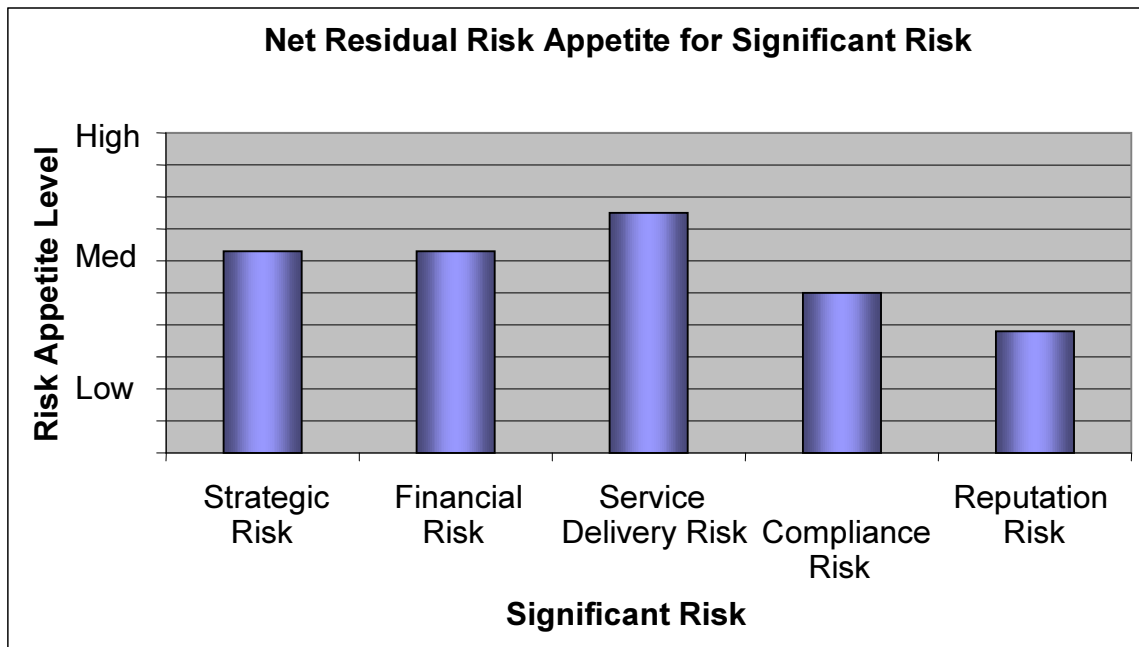
Section 2 – Report

Introduction

This report sets out the 2012-13 Statement of Risk Appetite for approval by the Cabinet on behalf of the Council. The Statement is new and significant in UK corporate governance terms and has largely been introduced by the FRC in response to the 2010 financial crisis. It seeks to ensure that organisations are fully aware of the level and quantity of risk exposure being carried by the organisation in pursuing its strategic objectives, and for this risk exposure to be fully communicated to stakeholders, eg by attachment to the corporate plan and the annual governance statement (AGS).

Current Situation

During 2012-13 the Council will have in the main an overall and informed cautious appetite for taking significant risks (these as outlined below) to achieve the corporate plan and for delivering council services in support of this. Where significant risks arises the Council and its officers will take effective control action to mitigate these risks to minimal and safe levels of net residual risk exposure for stakeholders. The Council’s appetite for these risks on a residual risk basis can be shown graphically in overall summary terms as follows:-



However it is to be noted that whilst the Council will maintain its overall informed cautious approach, it will have areas within this where a higher level of risk will be taken such as in, for example, in supporting innovation in service delivery. These will be offset by areas where it maintains a lower than cautious appetite, for example, in matters of compliance with law and public confidence in the Council, so leading to its overall and informed cautious position on risk.

Please see the Appendix for the full detailed Statement.

Implications of the Recommendation

Approval of the Statement ensures the Council continues to apply the principles of good corporate governance and relevant best professional practice in this area.

Financial Implications

The Risk Management function is undertaken within existing budgets.

Performance Issues

Performance management and risk management are closely linked and both have collaborated closely in the production of this Statement and do so generally in the support all services in the delivery of their services.

Environmental Impact

None

Risk Management Implications

Should the recommendation not be accepted, there is a risk that the Council will not clearly define for Members and officers respectively the Council's requirements for the management of its key and significant risks and the Council's Statement of Risk Appetite and related guidance (such as the Risk Management strategy) will not continue to align with best professional practice.

Equalities implications

An equalities impact assessment has been undertaken and is available upon request. No equalities implications have been identified.

Corporate Priorities

The Statement of Risk Appetite supports the achievement and delivery of all of the Council's corporate priorities and also the vision it set out in Working Together; Our Harrow, Our Community

Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 06.03.12		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 09.03.12		

Section 4 – Performance Officer Clearance

Name: David Harrington	<input checked="" type="checkbox"/>	on behalf of the Divisional Director Partnership, Development and Performance
Date: 13.03.12		

Section 5 – Environmental Impact Officer Clearance

Name: Andrew Baker	<input checked="" type="checkbox"/>	on behalf of the Divisional Director (Environmental Services)
Date: 07.03.12		

Section 6 - Contact Details and Background Papers

Contact: Neale Burns, Interim Risk Manager, Ext 8391

Background Papers: None

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in applies]</i>
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