

## OPTION APPRIASAL

### Option 1.

#### Proposal

The format of the current 'Committee Report Template' remains unchanged however the content of the 'Report Author Training' course and associated guidance is expanded and further developed to include specific reference to risk and how key risks should be reported with the main focus on 'key risks' in relation to 'key or strategic policy decisions'.

#### Pro's

- If risk management is truly embedded then risk should feature within the body of the committee report and be included as an integral part of the overall proposal;
- It will avoid report authors having to repeat the underlying facts of the proposal within a 'risk paragraph';
- The approach will help to emphasize that managing risk is part of good management and should not be seen as an 'add on';
- The training and associated guidance can be focussed on 'how to report the key risks in relation to key or strategic policy decisions';
- Report authors will be required to be trained and, in so doing, it will enhance their knowledge and understanding of risk management;
- The 'Key Line of Enquiry' within the Internal Control Section of the 'Comprehensive Performance Assessment' Use of Resources 2008 requires that '*Reports to support strategic policy decisions and initiation documents for all major projects include a risk assessment*';
- It provides an element of discretion to the report author recognising that not all of the subjects reported to committee will necessarily have any 'key risks';
- It will prevent 'standard or generic' risk paragraphs or responses from being developed by report authors;
- It will avoid the need for the report template to be amended or expanded (the current template, endorsed by the Members User Group, was only updated in early 2007).

#### Con's

- As the report template would be unchanged those officers who regularly produce committee reports may not refer to the revised guidance. It would therefore require the changes to be widely communicated;
- It may be difficult to evidence or monitor that the key risks (where appropriate) had been identified and considered but all reports require Legal and Finance clearance so these issues will continue to be identified and resolved before a report is cleared;
- It may be perceived by report authors as a 'light touch' approach and therefore not given appropriate focus.

#### Comment

It could be difficult to monitor whether a report author had followed the revised guidelines in terms considering risk however Members may request that a report author outlines the key risks if they do not feel that they are sufficiently clear within the body of the report.

This option favoured by Legal & Democratic Services based on their experience of managing the 'corporate report template' and providing the report author training. It is also the approach endorsed by the risk management consultancy division of the council's insurers.

Unlike other options, if this approach proves not to be as effective as anticipated then there is still the opportunity to the review and, if necessary, change the corporate report template.

## Option 2.

### Proposal

The 'Committee Report Template' is amended to include a specific 'risk' or 'risk implications' paragraph with a requirement that it is completed in respect of each and every committee report.

### Pro's

- The key risks will be readily and easily identified within the report;
- Report authors will be compelled to consider the risks in order to complete the 'risk' or 'risk implications' paragraph;
- Report authors will be required to be trained and, in so doing, it will enhance their knowledge and understanding of risk management;
- It recognises that all committee reports will contain at least some element of risk;
- The 'Key Line of Enquiry' within the Internal Control Section of the 'Comprehensive Performance Assessment' Use of Resources 2008 requires that *'Reports to support strategic policy decisions and initiation documents for all major projects include a risk assessment'*.

### Con's

- It may be seen by report authors as a further administrative burden and previous iterations of report templates requiring specific consideration of other statutory requirements have not resulted in considered and detailed narrative;
- Report authors may have to repeat the underlying facts of the proposal within a 'risk paragraph' thereby increasing the length of the report;
- It presupposes that all committee reports relate to subjects or issues where there are 'significant' or 'key risks';
- Report authors will feel compelled to insert risks even where the risk is low or negligible, alternatively;
- The 'risk' paragraph might be completed by routinely inserting 'n/a' or 'none' in a similar way that the current 'Financial/Resource Implications' paragraph is sometimes treated;
- A standard or generic risk paragraph may be developed by report authors to simply comply with the need to populate the paragraph;
- It will require the template to be revised and the associated guidance documents to be amended and communicated;

### Comment

The experience of those local authorities who adopted this approach and were prepared to share information on their approach is mixed.

In general it is difficult to obtain a clear picture of how many local authorities have adopted this approach and whether or not it has been effective in communicating risk information. From the limited response it was however clear that a range of approaches have been adopted from requiring that a detailed risk assessment is attached to each report, to the report author simply being required to confirm that the risks have been identified and managed in line with the corporate policy, to the Risk Manager seeing and commenting on 'risk paragraph' within each and every report.

There is no standard good practice approach to this issue. A key concern is however that risk will be treated as an 'add on' and that, if not closely monitored, 'standard risk paragraphs' may be developed by report authors that fail to adequately describe the key risks.

### Option 3.

#### Proposal

The 'Committee Report Template' is amended to include a specific 'risk' or 'risk implications' paragraph with a requirement that it is completed but only in respect of **Executive Key Decision** reports.

#### Pro's

- It may be seen as less of a burden than having to report risks in every committee report;
- The key risks will be readily and easily identified within the report;
- Report authors will be compelled to consider the risks in order to complete the 'risk' or 'risk implications' paragraph;
- Report authors will be required to be trained and, in so doing, it will enhance their knowledge and understanding of risk management;
- It recognises that all Executive Key Decision reports will contain at some element of risk
- The 'Key Line of Enquiry' within the Internal Control Section of the 'Comprehensive Performance Assessment' Use of Resources 2008 requires that '*Reports to support strategic policy decisions and initiation documents for all major projects include a risk assessment*'.

#### Con's

- There would need to be a separate corporate report template and associated guidance for Executive Key Decision reports;
- The current guidance would also need to reflect how risks in other committee reports should be considered/reported otherwise the approach may inadvertently imply that risks in other committee reports no longer need to be considered;
- Report authors may have to repeat the underlying facts of the proposal within a 'risk paragraph' thereby increasing the length of the report;
- It presupposes that only Executive Key Decision reports relate to subjects or issues where there are 'significant' or 'key risks';
- The 'risk' paragraph could be completed by routinely inserting 'n/a' or 'none' in a similar way that the current 'Financial/Resource Implications' paragraph is sometimes treated;
- A standard or generic risk paragraph may be developed by report authors to simply comply with the need to populate the paragraph;

#### Comment

This is a variation on Option 2 but focussed on Executive Key Decision reports only. The approach shares many of the concerns associated with Option 2 with the added complication of requiring another corporate report template and associated guidance to be developed. Any Key Decision currently taken should identify such risks in any event. The requirement to do so can be restated