Risk Management Strategy 2019

Updated: May 2019
Update Frequency   Annual
By: Director of Corporate Services

Customer Services

Telephone: 01768 817817

Fax: 01768 890470

Write To: Director of Corporate Services, Eden District Council, Town Hall, Penrith, Cumbria CA11 7QF

E-Mail: E-mail the Director of Corporate Services at: dof@eden.gov.uk

Internet: Information on all of our services is available on our website: www.eden.gov.uk

Accessible Information

ENGLISH:

A summary of the information contained in this document is available in different languages or formats upon request. Contact Eden District Council's Communication Officer, telephone: 01768 817817 or email: communication@eden.gov.uk

POLISH:

Streszczenie informacji zawartych w niniejszym dokumencie można uzyskać na życzenie w innym języku lub formacie. Prosimy o kontakt telefoniczny z Referentem Rady ds. Komunikacji Okręgu Eden pod numerem telefonu 01768 817817 lub pocztą e-mail na adres communication@eden.gov.uk.

TRADITIONAL CHINESE:

若閣下要求，本文件的摘要資訊可以其他版式和語言版本向您提供 請聯絡伊甸區地方政府傳訊主任 (Eden District Council's Communication Officer)，其電話為：01768 817817，或發電郵至：communication@eden.gov.uk

URDU

اس دستاویز میں شامل معلومات کا خلاصہ درخواست کیے جانے پر مختلف زبانوں اورفارمیٹوں (شکلوں) میں دستیاب ہے۔ ایڈن ڈسٹرکٹ کونسل کے افسرِ رابطہ سے موصلات سٹاف کو فون نمبر 01768817817 پر رابطہ کریں یا communication@eden.gov.uk پو ای میل کریں

1.   What is Risk Management?

Risk Management is a process whereby attempts are made to identify, actively control and reduce risk to protect the Council. This covers not only the traditional areas of insurable risk, but also the organisational risk that the Council faces in undertaking all its activities.

The Health and Safety Executive has published its principles of sensible risk management. These are:

1.   Sensible risk management **is** about:

    ✓ Ensuring that workers and the public are properly protected

    ✓ Providing overall benefit to society by balancing benefits and risks, with a focus on reducing real risks - both those which arise more often and those with serious consequences

    ✓ Enabling innovation and learning not stifling them

    ✓ Ensuring that those who create risks manage them responsibly and understand that failure to manage real risks responsibly is likely to lead to robust action

    ✓ Enabling individuals to understand that as well as the right to protection, they also have to exercise responsibility

2. Sensible risk management **is not** about:

    ✗ Creating a totally risk free society

    ✗ Generating useless paperwork mountains

    ✗ Scaring people by exaggerating or publicising trivial risks

    ✗ Stopping important recreational and learning activities for individuals where the risks are managed

    ✗ Reducing protection of people from risks that cause real harm and suffering

This Strategy aims to follow these principles.

2.   Key Aims

The key Risk Management aims are as follows:

- to provide members of the public and employees with a safe and secure environment
- to protect Council assets, including its image

3. Key Steps

The key Risk Management steps are as follows:

- to operate a Risk Management Group to ensure that the management of insurable risk is properly planned and focused across the whole Authority
- to produce a Risk Register to include key organisational risks and regularly review this by senior management and Members
- to gain the support of all staff, but in particular of senior management, for the Strategy
- to include a Risk Management Implications section in the committee report pro forma.

4. Roles and Responsibilities

a) Risk Management Group

The Council's Risk Management Group is an important driver of the Council's approach to Risk Management.

Its terms of reference are to look at all aspects of risk to which the Authority is exposed, so as to minimise both the cost of insurance and the cost of direct exposure and to further the well-being of employees and residents of Eden District Council.

The tasks of the Risk Management Group are to:

- recommend a Risk Management Strategy setting out the Council's approach to Risk Management to the Scrutiny Co-ordinating Board;
- consider reports undertaken by the Council's insurers on Risk Management issues within the Authority;
- review recent trends in claims and accidents;
- ensure commitment from senior management;
- publicise the workings of the Group and the concept of Risk Management; and
- consider any training requirements

The Group is comprised of the Director of Corporate Services as Chairman, the Insurance Officer as Secretary, the Human Resources Advisor and the Assistant Director Commissioning and Technical Services. There is also an open invitation to the risk management representative of the Council's insurers. The Group meets on a quarterly basis.

b) **Corporate Management Team**

Corporate Management Team will, on a monthly basis review the Risk Management Group, which will be updated quarterly.

c) **Members**

- the Risk Register is reviewed quarterly by the Executive and annually by the Scrutiny Co-ordinating Board.
- the Scrutiny Co-ordinating Board approves the annual Strategy.

d) **Staff**

After the annual review, the Risk Register is put on the Corporate Bulletin Board.

5. **The Role of Risk Management in Corporate Governance**

Effective Risk Management arrangements are a key element within the Council's governance framework. The governance framework is set out in the Annual Governance Statement (AGS). This is agreed annually by Corporate Management Team, the Executive and the Accounts and Governance Committee. The AGS seeks to meet the six principles of good governance (best practice as set down by the Chartered Institute of Public Finance and Accountancy). Principle 6 is 'managing risks and performance through robust internal control and strong public financial management'. The AGS refers to the key Risk Management controls in place, that is, those referred to in this Strategy.

6. **Following Best Practice**

The Checklist at Annex 1 shows how the Council's arrangements compare to good practice.

7. **Risk Management Processes**

There are two key processes that ensure the Council's Risk Management is soundly based. These are:

- the Corporate Risk Register - the quarterly review by Corporate Management Team is where the completeness and accuracy of the Register is reviewed. Each risk sets out:
  - ➢ the risk owner - this is a named officer;
  - ➢ the likelihood of the risk occurring, plus the impact of the risk. This gives the risk rating;

- ➢ an action plan if the risk rating is above an acceptable level;

- ➢ any action plan states the responsible officer, the action required and date by which action is required by;

- ➢ action plan implementation is the key focus of the review of the Register.

- • Risk Management implications in committee reports:

- ➢ every formal report to Members must include a Risk Management Implications section, completed by the report author. For major decisions, this will often be an extensive section

- ➢ the stated implications are reviewed at draft report stage as part of the governance checks process. The Director of Corporate Services and the Assistant Director Governance have to sign off all reports.

8. Review

This Strategy will be reviewed on an annual basis by the Risk Management Group and Corporate Management Team before final approval by the Scrutiny Co-ordinating Board. The Director of Corporate Services will be responsible for initiating the review.

9. Publication

This Strategy will be published on the Corporate Section of SharePoint. It will also be put on the Corporate Bulletin Board for a short time to publicise the annual review.

Updated May 2019

Best Practice – Risk Management Checklist

1. Risk Management Framework		
1.1	Does the organisation have an established risk management function, for example, a risk champion, risk manager, risk management department, risk committee?	Yes, the Director of Corporate Services and the Risk Management Group.
1.2	How is risk management sponsored by the Accounting Officer, and responsibility shared with the Board and the Senior Corporate Management Team?	The Director of Corporate Services is the lead officer. The Corporate Risk Register is collectively owned by the Corporate Management Team.
1.3	Is the organisation's approach to risk fully documented and widely distributed? (risk appetite)	Yes, set out in the Risk Register and the Risk Management Strategy.
1.4	Does the organisation have a Risk Management Strategy?	Yes.
1.5	Has the Risk Management Strategy been endorsed by the Accounting Officer/Board/Audit and Risk Committee?	Yes, it is drawn up by the Director of Corporate Services and is approved by Corporate Management Team and the Scrutiny Co-ordinating Board.
1.6	How has the Risk Management Strategy been promulgated to staff?	Reviewed and updated annually. This checklist is appended to the latest annual review.
1.7	How often is the risk management strategy reviewed? When was the strategy last reviewed/updated?	
2. Risk Management Process		
2.1	Are the responsibilities of all staff clearly defined and regularly reviewed?	Yes.
2.2	Do risk registers record the following information: – Identified risks – Inherent risk assessment (impact and likelihood) – Response to risk – Residual risk assessment (impact and likelihood) – Risk ownership – Timescale for actions required?	Yes.
2.3	Is there a Risk Register in place which has identified the risks to the organisation at a strategic (organisational) level?	Yes.

	2. Risk Management Process (continued)	
2.4	Are risk registers maintained at an operational (divisional) level?	No, given the relatively small size of the Council there is one Risk Register covering corporate and key operational risks.
2.5	Are risk registers maintained at a project level or does evidence exist that risks are assessed for projects individually?	Risk Registers are maintained as appropriate, for example, the shared IT service maintains a Risk Register which is reviewed at each Shared IT Board.
2.6	How often are risk registers reviewed?	Quarterly.
2.7	What techniques are used by the organisation in identifying risks?	By review of Corporate Management Team – given the relatively small size of the Council, Corporate Management Team can reasonably be expected to be aware of key risks.
2.8	How regularly are the responses to key risks monitored?	Quarterly, unless an individual action plan indicates more frequent monitoring is required.
2.9	Who is responsible for monitoring the risks?	Corporate Management Team.
2.10	Is there a policy in place for managing the risks associated with working with partners at project level?	A Protocol for Partnership Arrangements is in place.
	3. Accountability	
3.1	Have responsibilities for identifying, managing and reporting risk been established? How regularly are these responsibilities reviewed?	Included in the Risk Register. Quarterly.
3.2	Are responsibilities in relation to risk reflected in personal objectives and the performance appraisal system?	No, not considered appropriate.
3.3	Have any significant internal control issues relating to identified risks been highlighted in the Statement on Internal Control in recent years?	No.
3.4	Does the Internal Audit Service use the risk management framework when planning their work?	Yes.

3. Accountability (continued)		
3.5	How does the organisation gain independent assurance on the effectiveness of its risk management process?	A committee report on Internal Audit of risk management and its effectiveness will be presented to the Accounts and Governance Committee on 25 July 2019. External Audit review the Annual Governance Statement annually.

Source: Summarised version of Good Practice in Risk Management – Northern Ireland Audit Office