Risk Management Strategy

2023-25 (v1.3)

1   Introduction

What is the purpose of the Risk Management Strategy?

1.1   The purpose of the Risk Management (RM) Strategy is to effectively manage potential opportunities and threats to the Council achieving its objectives.

1.2   The Council's vision is to 'Protect, Care and Invest to create a better borough'. The vision is underpinned by 5 priorities, which are set out in the Council Plan:

Every child, young person and adult lives well in their community	All neighbourhoods are a great place to live	A community focussed, innovative council providing efficient, effective and quality services	Everyone benefits from a thriving economy	Our natural environment is protected and the Council has a leading role in addressing the climate emergency

1.3   There is also a legal requirement to manage risk. The Accounts and Audit Regulations 2015 state:

'*The Council [relevant body] is responsible for ensuring that the financial management of the Council [body] is adequate and effective and that the Council [body] has a sound system of internal control which facilitates the effective exercise of that Council's [body's] functions and which **includes effective arrangements for the management of risk**'*

2   What are the aims and objectives of the RM Strategy?

2.1   The aims and objectives of this strategy are to encourage the Council's members and officers to make risk-based decisions. In particular this strategy will look to:

- Ensure RM effectively supports the Council's overall governance arrangements
- Ensure the process for identifying, evaluating, controlling, reviewing, reporting and communicating risks is consistently applied and understood
- Encourage the Senior Management Team to be a strategic lead and champion RM
- Develop best practice in risk management enabling better outcomes

2.2   The strategy should give confidence that the Council's governance process will embrace innovative approaches to deliver services through an increased capacity to exploit opportunity risks.

2.3   The strategic vision will be overseen by the Audit & Governance Team working closely with key stakeholders across Council services. This will include working closely with key partners, service delivery areas and teams that lead on transformational programmes for the Council.

2.4   All Council members and employees are encouraged to:

- Be aware of the Council's governance arrangments which encompass and depend upon sound RM, in particular having a good knowledge of the RM Framework, Strategy, Policy and associated guidance notes.
- Understand their responsibilities in relation to risk
- Participate, where necessary, in the identification, assessment and control of threats and opportunities

3   What is the Council's RM appetite?

3.1   An organisation's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives.

3.2   The Council's appetite for risk is one that embraces a culture of informed risk-taking without blame. By considering risk in a positive, but managed, way, the Council is creating more opportunities and increasing the chances of achieving its objectives.

3.3   However in all circumstances the Council will:

- Manage its financial affairs such that it significantly reduces the likelihood that no action will be taken that would jeopardise its ability to continue to provide services within its available resource; and
- Secure the legal integrity of its actions at all times

3.4   The Council will look to optimise its risk appetite by managing risks so they sit in the green box on the table below.

		Unaware	Managing	Fixated
Performance	High		Managing risk to add value	
	Low	Exposed to risk and not taking opportunity		Over control stopping innovation

Approach to Risk

4   What is the Council's RM process?

4.1   RM is the process by which risks are identified, evaluated, responded to and monitored at regular intervals.

4.2   RM is also a business planning tool designed to provide a methodical way for addressing risk. It encompasses:

- Identifying the objectives and what can go wrong
- Acting to avoid it going wrong or to minimise the impact if it does
- Giving rise to opportunities and to reducing threats

4.3   There are 5 main steps in the Council's RM process.

Objective – Identify the objective you want to achieve

Identify – What will stop/help the objective being achieved?

Mitigation controls – What measures are in place to manage the risk? What more can we do and who will be involved?
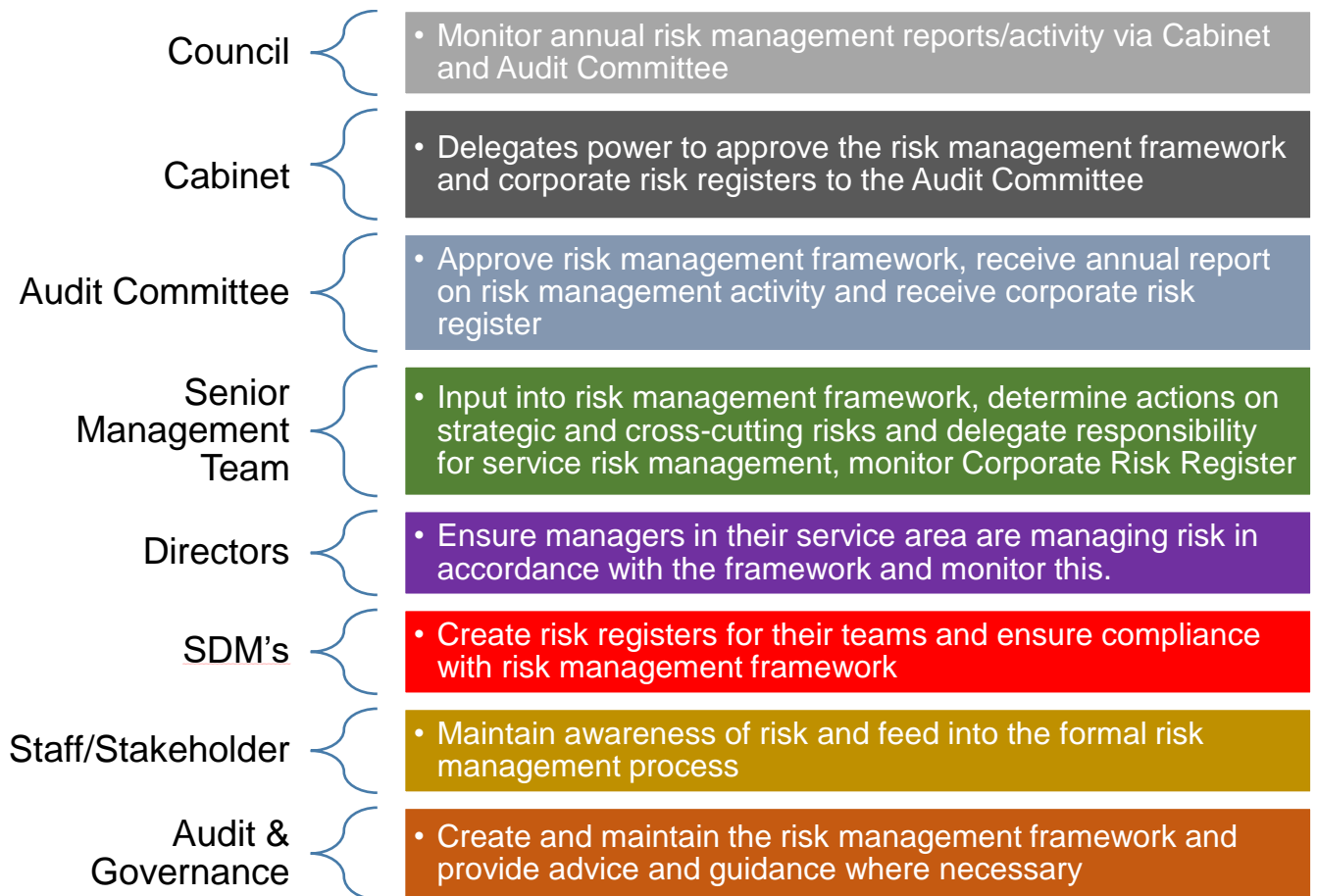
Monitor and review – How have we recorded the risk? How do we know if the risk has changed?

4.4   For more information on the RM process please access the RM Policy and associated guidance notes and templates.

5   RM roles and responsibilities

5.1   The following are roles and responsibilities relevant to risk management:

Council	• Monitor annual risk management reports/activity via Cabinet and Audit Committee
Cabinet	• Delegates power to approve the risk management framework and corporate risk registers to the Audit Committee
Audit Committee	• Approve risk management framework, receive annual report on risk management activity and receive corporate risk register
Senior Management Team	• Input into risk management framework, determine actions on strategic and cross-cutting risks and delegate responsibility for service risk management, monitor Corporate Risk Register
Directors	• Ensure managers in their service area are managing risk in accordance with the framework and monitor this.
SDM's	• Create risk registers for their teams and ensure compliance with risk management framework
Staff/Stakeholder	• Maintain awareness of risk and feed into the formal risk management process
Audit & Governance	• Create and maintain the risk management framework and provide advice and guidance where necessary

6   RM - Performance

6.1   The Council's RM arrangements require ongoing refinement and improvement to ensure they adapt to socio-economic changes and continue to be fit for purpose.

6.2   Audit & Governance will review RM governance on an ongoing basis and as a minimum when new legislation and/or government guidance is introduced. The Director: Policy & Governance and Director: Finance & Human Resources have delegated authority to approve changes to RM governance documents. In addition RM documents will be provided to the Audit Committee annually.

6.3   Key performance indicators will be introduced to monitor compliance with the RM framework and ensure risk performance is where the Council expects it to be in relation to its risk appetite. Initially 3 performance indicators related to RM will be monitored, these are:

- 70% of all non-casual staff have completed RM Ollie training
- All service area/team risk registers are updated every quarter
- 90% of actions detailed in risk registers have been completed by their target date

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Document Version Control

Version	Date	Author	Sent To	Comments
Draft 1.0	26/8/21	R Montgomery	Anthea Lowe	RM asking for comments on draft RM strategy
Draft 1.1	30/6/23	R Montgomery	Anthea Lowe/Ken Clarke	RM asking for comments on draft RM strategy
Draft 1.2	7/9/23	R Montgomery	Anthea Lowe/ Ken Clarke	AL/KC comments incorporated
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