

Risk Management Procedures

Approved by the Regulation, Audit and
Accounts Committee at its meeting on 13
March 2017 and containing all
subsequent approved amendments up to
1 March 2022

Contents

Risk Management Procedures	1
1. Importance of risk management.....	1
2. Management arrangements	1
3. Responsibilities of members	1
4. Responsibilities of management	1
5. Responsibilities of all staff	5
6. Risk management in decision-making	5
7. Reporting/monitoring	5

Part 4 Section 2

Risk Management Procedures

1. Importance of risk management

Effective risk management is fundamental to the delivery of the objectives of the County Council. It is an integral part of both effective corporate governance and performance management. It allows the County Council to be active in avoiding problems, rather than reacting when problems arise. It helps the County Council to identify where it needs to focus its efforts and resources, to achieve more successes and fewer failures. Managing potential risks also allows the County Council to be more innovative in how it delivers its services.

2. Management arrangements

The Chief Executive is responsible for approving the County Council's Corporate Risk Management Strategy and for reviewing the effectiveness of risk management. The Leadership Group is responsible for implementing the Corporate Risk Management Strategy throughout the County Council, whilst the Director of Finance and Support Services, is responsible for the operation of the strategy and reporting all significant risks. Heads of Service throughout the County Council are responsible for managing specific areas of risk. The Regulation, Audit and Accounts Committee is responsible for monitoring the effectiveness of the arrangements and for ensuring that the Audit Plan is derived from an assessment of the County Council's risks (see Financial Procedures).

3. Responsibilities of members

Members are responsible for ensuring that there are appropriate processes in place for effective risk management. The Table 1 below sets out the allocation of responsibilities of members in specific roles. Members should ensure they have access to professional advice about any risks associated with their work and that, where they are involved in decision-making, they take proper account of any risks associated with those decisions.

4. Responsibilities of management

All managers should have processes for and evidence of:

- 4.1 Effective performance management in accordance with the Performance Management Procedure, which will include risk analysis.
- 4.2 Identification of risks that may impact on the ability of the service to achieve the targets set. Risk identification should be carried out with due reference to the categories of risk (Table 2).

- 4.3 Monitoring of risks and the identification and initiation of controls and other action designed to ensure failure to manage risks does not impair the ability of the service to achieve targets set.
- 4.4 Reporting to higher management, of risks identified as significant in terms of the wider management environment.

Table 1: Roles and Responsibilities for Corporate Risk Management

Role	Responsibility
Cabinet – Leader and individual Cabinet Members	<ul style="list-style-type: none"> Oversee the effective operation of risk management Ensure consideration of risk in setting the organisation’s direction of travel Be aware of and consider risk relating to their area of responsibility.
Chief Executive	<ul style="list-style-type: none"> Approve the Risk Management Strategy Accountable to the County Council for the effectiveness of corporate risk management
Regulation, Audit and Accounts Committee (RAAC)	<ul style="list-style-type: none"> Review the effectiveness of risk management arrangements on behalf of the County Council Provide comment and challenge on risk management activity
Members and Scrutiny Committees	<ul style="list-style-type: none"> Be aware of arrangements for and scrutinise the management of risk relating to their area of scrutiny responsibility
Director of Finance and Support Services	<ul style="list-style-type: none"> Overall management of all arrangements for an effective risk management function
Director of Law and Assurance	<ul style="list-style-type: none"> Ensure the proper governance of risk management
Executive Leadership Team (ELT)	<ul style="list-style-type: none"> Manage the Corporate Risk Register Ensure all Directorate risks and action plans are up to date Ensure compliance with the risk management strategy Determine the Council’s risk appetite
Leadership Group (LG)	<ul style="list-style-type: none"> Ensure the corporate risk register is a live and up-to-date record of the current risk exposure Promote the benefits of effective risk management Establish a control environment and culture where risk can be effectively assessed and managed Regularly discuss and review the corporate risk register and associated risk reports Determine actions to manage corporate and directorate risk Ensure adherence with the risk management strategy Take ownership of risks within their directorate and ensure risk registers are regularly discussed, reviewed, updated and escalated as appropriate Appoint a risk champion to drive the

Role	Responsibility
	implementation of the risk management strategy within their directorate
Managers	<ul style="list-style-type: none"> • Manage risks effectively in their service area, in accordance with the risk management framework • Where necessary escalate risks • Ensure their staff have appropriate understanding and training on risk management • Promote the benefits of risk management across their service and communicate the corporate approach to managing risk
Employees	<ul style="list-style-type: none"> • Manage risk as part of their job and report risks to their managers • Develop understanding of risk management across the council • Maintain awareness of risks, their impact, costs and feed these through the adopted risk management process
Risk Manager	<ul style="list-style-type: none"> • Manage the administration of risk management and review the strategy and process in accordance with best practice • Provide advice and support to the Executive Leadership Team, Leadership Group and Service Managers on the identification, analysis and prioritisation of risks • Report on the identification and progress of strategic risks to the Regulation, Audit and Accounts Committee • Co-ordinate and lead the Corporate Risk Management Group in liaison with the Resilience and Emergency Team, the Health and Safety Representative and IT Security Officer
Internal Audit	<ul style="list-style-type: none"> • Provide advice and guidance on the management of risk relating to the design and operation of systems of internal control
Corporate Risk Management Group	<ul style="list-style-type: none"> • Develop guidance, tools and training to support the business to manage risk effectively • Provide support and training on the risk register recording processes • Provide support and challenge to the business on risk management

Table 2: Risk Categories

Categories	Description
Political	What do we know about the political situation facing the Council that gives rise to uncertainty and risk?
Governance	What do we know about the corporate governance and

Categories	Description
	decision-making arrangements of the Council that give rise to uncertainty and risk?
Managerial/ Professional/ Personal	What do we know about the managerial and professional needs and situation of the Council and any risks to individuals acting for the Council that give rise to uncertainty and risk?
Legislative/ Regulatory	What do we know about the legislative and regulatory arrangements of the Council that give rise to uncertainty and risk?
Competitive	What do we know about the market situation and the Council's competitors that give rise to uncertainty and risk?
Reputation	What do we know about the Council's reputation with government, partners, the media and the public that give rise to uncertainty and risk?
Economic	What do we know about the economic situation facing the Council that gives rise to uncertainty and risk?
Social	What do we know about the social situation facing the Council that gives rise to uncertainty and risk?
Environmental	What do we know about the environmental situation facing the Council that gives rise to uncertainty and risk?
Customer/ Citizen	What do we know about the customer/citizen needs facing the Council that give rise to uncertainty and risk?
Partnership/ Contractual/ Supplier	What do we know about the Council's partnerships, contracts and supplies that give rise to uncertainty and risk?
Technological	What do we know about the technological situation and environment facing the Council that give rise to uncertainty and risk?
Financial	What do we know about the financial situation and systems facing the Council that give rise to uncertainty and risk?
Legal	What do we know about the legal situation facing the Council that gives rise to uncertainty and risk?

Categories	Description
Physical	What do we know about the physical and people assets of the Council that give rise to uncertainty and risk?

5. Responsibilities of all staff

All staff are responsible for being alert to risk to themselves, others, or the organisation. Any risks they identify that they are not able to deal with themselves should be communicated to their manager.

6. Risk management in decision-making

- (1) In making decisions, managers shall have regard to the achievement of service targets and the need to optimise service provision in the short, medium and long term.
- (2) In so doing managers shall have regard to each of the categories of risk identified in table 2 above.
- (3) Whilst unnecessary risk taking is likely to be a bad thing, 'balanced and informed' risk taking is encouraged.
- (4) Where decisions are significant, a formal record of the analysis of risk undertaken in order to reach the decision should be maintained.
- (5) Where decisions are significant in relation to the wider organisation, advice from higher management and/or the specialist risk adviser functions (Legal, HR, Financial, ICTS, Health and Safety, Property, Procurement etc) should be sought.

7. Reporting/monitoring

An annual assessment on the County Council's risk management arrangements supporting the production of the 'Statement on Internal Control' shall be made each financial year.