

Risk Management Policy

Contents

- 1. Introduction.**
- 2. Approach to Managing Risks**
- 3. Risk Appetite**
- 4. Roles and Responsibilities**
- 5. Monitoring, reporting and reviewing risk**
- 6. Review of this Policy**

1. Introduction

- 1.1 Risk management is about managing threats and opportunities. By managing the Council's risks effectively, we will be in a stronger position to deliver the Council's objectives.
- 1.2 This policy commits to the application of risk management within the Council's planning and business processes and its organisation culture. It should be read in conjunction with the Risk Management Guide, which shows in practice how effective risk management will be achieved.
- 1.3 This Risk Management Policy and Guide together form a key part of the Council's Corporate Governance Assurance Framework. The Council developed a Council Plan for 2022/2025 and the Cabinet continues to work to ensure Council decisions reflect the concerns of local people and the needs of local communities. This policy supports the Council Plan, is closely linked to the Performance Management Framework and is important in supporting the delivery of effective performance and outcomes in the Council and for our citizens.

2. Approach to Managing Risks

- 2.1 Risk management is an integral part of good governance. Managing our risks effectively contributes to the delivery of the strategic and operational objectives of the authority. To do this:
 - We will incorporate the principles of effective risk management into existing planning and management processes, including major projects and partnerships, to achieve a degree of formality and consistency.
 - Risk management will be linked to and will inform decision making across the Council.
 - We will provide appropriate training and guidance for Council Members and staff so they can carry out their roles relating to risk management
 - We will promote a risk management culture throughout the organisation and with our partners.
 - The Council's Audit Committee will hold the organisation and its Members and managers to account for their management of risks by:
 - Monitoring the effective development and operation of risk management in the Authority.
 - Monitoring progress in addressing risk related issues reported to the Committee.
 - Considering the Council's framework of assurance and ensuring that it adequately addresses the risks and priorities of the Council.

3. Risk Appetite

- 3.1 Risk appetite is the degree to which the Council is willing to accept risk in the pursuit of its objectives. For the Council to achieve its objectives, some amount of risk

taking is inevitable. The awareness of risk and the appropriate management of it can lead to the realisation of opportunities and, in this respect, risk is not a negative concept.

- 32 Decisions will depend on the nature of the risk, the potential losses or gains, and the quality of information about the risk in question. The Council may choose to accept risks that cannot be mitigated or reduced, but it should always be able to justify its decisions based on the risk information available. The Risk Management Guide includes more detail on the Council's definition of risk appetite which is key to determining which risks should be accepted and which should be mitigated or reduced.

4. Roles and Responsibilities

4.1 Clear roles of responsibility have been established for the successful implementation of the Council's Risk Management Policy. These roles are outlined in the Risk Management Guide and are set out below:

4.2 The Cabinet will:

- Have overall responsibility for ensuring the Council has in place effective risk management arrangements and setting policy.
- Lead in promoting a risk management culture within the Council and, where appropriate, with partners and stakeholders.

4.3 The Audit Committee will:

- Approve the Council's Risk Management Guide.
- Approve an annual statement on the effectiveness of the Council's risk controls as part of the Annual Governance Statement.
- Monitor the effective development and operation of risk management in the authority.
- Monitor progress in addressing risk related issues reported to the committee.
- Consider the Council's framework of assurance and ensuring that it adequately addresses the risks and priorities of the Council.

4.4 All Council members will:

- Consider and challenge risk management implications as part of their roles and areas of responsibility.

4.5 Strategic Directors and the Strategic Leadership Team should:

- Champion risk management arrangements and issue direction.
- Lead and manage the identification of significant strategic risks and quarterly review of the Strategic Risk register.
- Ensure that there is a robust framework in place to identify, monitor and manage the Council's strategic risks and opportunities.
- Ensure that measures to mitigate these risks are identified, managed and completed within agreed time- scales, ensuring that they bring about a

successful outcome.

- Promote a risk management culture within the Council and, where appropriate, with partners and stakeholders.
- Ensure risk is considered as an integral part of service planning; performance management; financial planning; and the strategic policy-making process.
- Consider risk management implications in reports, business cases and major projects, including completion of risk assessments where required.
- Ensure that appropriate advice and training is available for all Members and staff.
- Ensure that resources needed to deliver effective risk management are in place.

4.6 Assistant Directors and Directorate Leadership Teams should:

- Lead and manage the identification of significant operational risks from all service areas through monthly review of Directorate Risk Registers.
- Ensure that the measures to mitigate these risks are identified, managed and completed within agreed timescales, ensuring that they bring about a successful outcome.
- Escalate risks/issues to the relevant Strategic Directors, where appropriate.
- Consider risk management implications in reports, business cases and major projects, including completion of risk assessments where required.
- Lead in promoting a risk management culture within the directorate and embed within service areas.
- Ensure compliance with corporate risk management standards and corporate risk management processes.
- Ensure that all employees, volunteers, contractors and partners are made aware of their responsibilities for risk management and are aware of the lines of escalation of risk related issues needed to deliver effective risk management are in place.

4.7 The Corporate Improvement and Risk Manager should:

- Provide facilitation and support to promote and embedded a proactive risk management culture throughout the Council, including clear guidance and processes and annual training programme.
- Assist SLT and Assistant Directors in identifying, mitigating and controlling risks.
- Maintain the Strategic Risk Register.
- Ensure that risk management records and procedures are properly maintained, decisions are recorded and an audit trail exists.
- Review external and internal audit recommendations relating to risk

management to ensure these dealt with by Services.

4.8 Risk Champions should:

- Raise awareness and promote the development of risk management.
- Support the development and monitoring of directorate risk register and any others within the directorate.
- Provide updates in line with the reporting timetable.
- Support the Corporate Risk Manager in the development of risk management across the Council.
- Promote consistency across directorates.

4.9 All Council employees should:

- Have an understanding of risk and role in managing risks in daily activities, including the identification and reporting of risks and opportunities.
- Support and undertake risk management activities as required.
- Attend relevant training courses focussing on risk and risk management.

5. Monitoring, Reviewing & Reporting Risks

5.1 Strategic risks are monitored at corporate level and operational risks are monitored and reviewed at directorate level through the strategic and directorate risk registers. Risks may be promoted and demoted as part of the review processes, enabling the Council to effectively react to changes in priorities and/or risks.

6. Review

6.1. The Risk Management Policy and Guide will be reviewed each financial year to incorporate lessons learned, to accurately reflect the Council's position and to continually improve its risk management arrangements.