



# **TEIGNBRIDGE DISTRICT COUNCIL**

## **Risk Management Strategy**

**July 2018**



*Making a healthy and desirable place where people want to live, work and visit*

## 1.0 Policy

1.1 Risk Management (RM) may be defined as “the culture, processes and structure that are directed towards the effective management of potential opportunities and adverse effects”

1.2 The Council recognises that its success in managing risk and uncertainty has a direct impact on the achievement of its goals. It believes that successful organisations are not afraid to take risks; unsuccessful organisations take risks without understanding them.

1.3 High impact risks which the Council face include:

- J anything that poses a threat to the achievement of effective service delivery;
- J missing opportunities to improve services due to risk aversion;
- J inability to respond to, or manage, change;
- J anything that could damage the Council's reputation and undermine public confidence;
- J failure to guard against impropriety, malpractice, waste, or poor value for money;
- J failure to comply with legislation, such as that covering the environment, health and safety, employment practice, and human rights.

1.4 We believe that risk needs to be managed rather than avoided and consideration of risk should not stifle innovative decision making.

1.5 The Council recognises that it has to deliver services in an increasingly litigious and risk-averse society. However, we regard risk management as a tool for exploiting opportunities as well as a safeguard against potential threats. The Council will therefore use risk management to promote innovation as

well as to help achieve existing objectives.

1.6 A rigorous approach to all aspects of risk management will be an integral part of service planning, decision making, and project management, rather than a separate initiative and will be developed with the minimum of bureaucracy.

1.7 The Council is committed to establishing a systematic and consistent approach to risk identification, analysis, control and monitoring which:

- J embeds risk management as an integral part of corporate and service planning; decision making; and project management;
- J enables the Council to deliver its priorities and services effectively;
- J contributes towards the achievement of sustainable improvement in services;
- J contributes to the Council discharging its duty of care to the public and its employees;
- J contributes to developing and maintaining a safe and healthy environment for the public and its employees;
- J reduces the number and cost of claims arising;
- J minimises damage to the Council's reputation.

1.8 The following sections explain how we will implement this policy.

## 2.0 Organisation

- 2.1 The Managing Director has strategic responsibility for risk management. The Strategic Leadership Team (SLT) will act as the Council's strategic risk management group.
- 2.2 The SLT will approve this risk management strategy on a periodic basis and endorse action plans and monitoring reports arising from it. It is also responsible for the development of advice and guidance on risk management matters.
- 2.3 The SLT will be supported by Business Managers, Business Improvement & Development Officers, and other specialist qualified advisors as appropriate e.g. Insurance officer; Health, Safety and Welfare Officer, Internal Audit etc. The SLT will also be aware of the work of the Health, Safety and Welfare forum when discussing risk management issues to ensure a co-ordinated approach to this topic.
- 2.4 Business Managers will lead the risk management process within their services and ensure that service business plans are informed by a rigorous assessment of risks.
- 2.5 Business Managers have responsibility for managing strategic, corporate and service risks and implementing mitigating actions to control risks. They should ensure that their teams carry out risk assessments where appropriate as a routine part of service planning and management activities.
- 2.6 Business Managers will ensure that risks and their mitigating actions are reviewed on a regular basis.
- 2.7 Business Managers will ensure that new or developing partnerships between the Council and external bodies and shared services are subject to a rigorous risk assessment.

- 2.8 The Council will maintain a corporate Risk Register in the form of the SPAR.net system, in which it will record all risk information, including details of risk, risk scores, mitigating actions, responsible officers, and risk reviews.
- 2.9 Business Managers should notify the SLT of any significant changes in service provision in order to enable it to ensure that appropriate and adequate corrective measures are in place.
- 2.10 The Section 151 Officer is responsible, in conjunction with the Council's Insurers, for:-
  - )] minimising the overall cost of inevitable claims which do arise
  - )] supporting the risk management programme by supplying any advice and data to the SLT
- 2.11 The Audit Manager is responsible for monitoring the implementation and effectiveness of this risk management strategy and for reviewing compliance with mitigating actions introduced by Business Managers to manage risks.
- 2.12 Strategic and Corporate risks, monitoring reports and action plans will be reviewed by the Senior Leadership Team quarterly and by the Audit Scrutiny Committee twice a year

## 3. Arrangements

- 3.1 Risks and their mitigating actions and risk scores will be recorded in the SPAR.net system and be assigned a Responsible Officer. They will be evaluated in terms of the likelihood that the risk will materialise and impact. They will then be reviewed in accordance with their unmitigated severity using a range of intervals from annually (lowest scoring risks) to monthly (highest scoring risks).
- 3.2 Service business plans will include details of risks to service delivery.
- 3.3 Risks will be discussed at meetings between Portfolio Holders and Business Managers.

3.4 Members will receive regular monitoring reports on risk through reports to the Audit Scrutiny Committee who have responsibility for monitoring the effectiveness of the Council's Risk Management arrangements.

3.5 Risk Management training will be provided to all relevant Members, and Business Managers with the aim of ensuring that they have the skills necessary to identify, evaluate, control and monitor the risks associated with the services they provide. Information will also be provided for all staff to ensure they understand the principles of good risk management.

3.6 As part of any project review process, project teams should assess strategic and operational risks associated with options considered. Mitigating actions should subsequently be included on project plans.

3.7 This strategy will be communicated to staff and the public and be subject to review on an ongoing basis by the SLT.

3.8 Appendix 1 sets out the measures that we will use to assess the effectiveness of our approach to Risk Management.

3.9 The strategy will be reviewed every two years by SLT and endorsed by the Audit Scrutiny Committee. The strategy will be made available on the website.

## **4. Key Documents**

1. Annual Governance Statement (published with year end accounts)
2. Financial Instructions, Section 4.1, Risk Management and Internal Control
3. Business Continuity Plan
4. SPAR.net Risk Register
5. Records of Portfolio Holders meetings with Business Leads / Managers
6. Service Business Plans
7. Council Strategy

## RISK MANAGEMENT PERFORMANCE MEASURES

Aim/Objective	Indicator	Comment
Integration of Risk Management (RM) into the culture of Council and raising awareness of RM.	<ul style="list-style-type: none"> <li data-bbox="520 443 962 506">J Staff recognise their role &amp; responsibility for RM in their area</li> <li data-bbox="520 517 962 580">J Number of reports for decisions that demonstrate risk assessment</li> <li data-bbox="520 591 962 654">J Audit and Inspection reports</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1015 443 1442 506">J By biannual survey of staff (use existing surveys if possible)</li> <li data-bbox="1015 517 1442 654">J By audit of reports &amp; documentary evidence of decisions</li> </ul>
Enabling change	<ul style="list-style-type: none"> <li data-bbox="520 678 962 786">J Post event assessment of how we managed individual major changes</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1015 678 1442 786">J RM considerations must be central to reviews</li> </ul>
Minimisation of losses, accidents, injury, inconvenience and absenteeism.	<ul style="list-style-type: none"> <li data-bbox="520 801 962 864">J Number and length of disruptions to services</li> <li data-bbox="520 875 962 907">J Levels of fraud</li> <li data-bbox="520 918 962 949">J Levels of complaints, claims etc.</li> <li data-bbox="520 960 962 992">J Levels of write offs</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1015 801 1442 909">J Measure response &amp; recovery performance as well as frequency</li> <li data-bbox="1015 920 1442 1043">J Informed by existing strategies and processes</li> </ul>
Minimising cost of risk	<ul style="list-style-type: none"> <li data-bbox="520 1059 962 1090">J Annual insurance premiums</li> <li data-bbox="520 1102 962 1133">J Level of reserves</li> <li data-bbox="520 1144 962 1176">J Uninsured losses</li> <li data-bbox="520 1187 962 1218">J Management and project costs</li> </ul>	<ul style="list-style-type: none"> <li data-bbox="1015 1059 1442 1285">J Will incorporate budget &amp; capital project overspends, fraud, write offs, claims, premiums, insurance excesses, plus any loss in external resources.</li> </ul>