RISK MANAGEMENT POLICY AND STRATEGY

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This document is held by Tamworth Borough Council, and the document owner is John Wheatley, Executive Director – Corporate Services.

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Revision History

Revision Date	Version Control	Summary of changes
April 2010	1.01.01	
18/09/12	1.01.02	Scheduled review
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Approvals

Name	Title	Approved
Audit & Governance Committee	Committee Approval	
CMT	Group Approval	
John Wheatley	Executive Director Corporate Services	
Angela Struthers	Head of Internal Audit Services	Yes

Document Review Plans

This document is subject to a scheduled annual review. Updates shall be made in accordance with business requirements and changes and will be with agreement with the document owner.

Distribution

The document will be available on the Intranet and the website.

Date March 2014

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Risk Management Policy Statement

Statement by the Council Leader and Chief Executive

The Council is committed to the culture of Risk Management ensuring that its reputation is not tarnished by an unforeseen event nor is it financially or operationally affected by the occurrence.
It recognises that: -

➢ Management has the responsibility to plan and systematically approach, the identification, evaluation, and control of risk;
➢ In order for the Council to improve, risks need to be taken, but they need to be understood and appropriately managed;
➢ All Managers and Team Leaders have responsibility for the effective control of risk utilising the support, training and resources provided by the Council;
➢ The responsibility for insurable losses is management's, not that of an insurance company. Insurance is not a substitute for the management of risk;
➢ The need to integrate Risk Management into the culture of the Council.

Risk Management objectives for the Councill are:

➢ To safeguard the public, members and employees and to protect the Authority's reputation and assets;

➢ To manage risks in accordance with best practice and ensure risk management is integrated into the culture of Tamworth Borough Council and all those connected with it.

➢ To identify and take advantage of available opportunities to improve service delivery and/or the Council's financial position;

➢ To ensure the Council delivers its commitments to stakeholders and to demonstrate transparency, accountability and equity in its efforts to do so;
➢ To anticipate and respond positively to changing social, environmental and legislative requirements; and To identify and manage partnership risks

The Cabinet will regularly review the Risk Management Policy and Strategy to ensure their continued relevance to the Council. They will also assess performance against the aims and objectives.

We attach great significance to Risk Management and it is essential that the Protocol is known and understood by all staff within the Council. It will form part of the induction training and performance reviews for all staff and members and monitored as part of the performance review process utilising the corporate performance system Covalent. We will make adequate resources available to ensure that the commitments made in this statement are achieved.
Risk Management has our total support – it needs yours too for us to succeed.

(Signed)   (Signed)
Designation   Designation
Date   Date   Date of review.

Protocol Objectives

In implementing this Protocol the Council will: -

➢ Identify those assets and exposures which have or may give rise to loss producing events;
➢ Maintain detailed 'Risk Registers' of the risks identified as threatening the Council's operation and document their control on the Authority's Corporate Performance system Covalent;
➢ Assess the impact of potential loss producing events;
➢ Take reasonable physical or financial steps to avoid or reduce the impact of potential losses;
➢ Endeavour to reduce all serious (RED) risks to an acceptable level either by controls or ceasing the activity;
➢ Ensure that all systems of work reflect the positive risk management culture of the Council;
➢ Establish a comprehensive information base of insurable and uninsurable losses;
➢ Maintain a detailed understanding of insurance;
➢ Purchase insurance for those risks which cannot be avoided or reduced further, always retaining risks where this is economically attractive.

Risk Management Strategy

The Purpose of this Risk Management Strategy is to effectively manage potential opportunities and threats to the organisation achieving its objectives. The main objectives of the Council's Risk Management Strategy are to: -

➢ Achieve continuous improvement in the management of risk;
➢ Develop a culture that integrates risk management into the day-to-day management process;
➢ Continue to develop robust systems to identity and evaluate risk;
➢ Develop reliable performance indicators for target-setting and for making appropriate comparisons;
➢ Develop systems for performance monitoring to bring about continuous improvements;
➢ Enabling the Organisation to anticipate and respond to changing social, environmental and legislative conditions;
➢ Reduce the total cost of risk and mitigate potential future increases in insurance premiums and self-insurance options.

To help achieve these objectives it will be necessary to: -

➢ Increase the profile of and commitment to Risk Management throughout the Authority;
➢ Ensure adequate resources (financial and time) are provided;

➢ To make all partners, providers and delivery agents aware of the Organisation's expectations on risk, both generally as set out in its Risk Management Policy, and where necessary in particular areas of service delivery;

- Develop arrangements to measure performance of RM activities against the aims and objectives;
- Establish clear accountabilities, roles and reporting lines across all services, departments, management and committees;
- Provide for risk assessment in all decision-making processes of the Organisation;
- Develop training to build awareness across all levels of Council activity;
- Performance manage risk management across the Authority

Risk Management Organisation

The Authority's Section 151 Officer is responsible for establishing and maintaining risk management procedures and for providing guidance on implementation of TBC's risk policy. To support this function the following risk management structure has been established:-

Council
- Receive a quarterly overview of the risk register as part of the performance management process.

Audit and Governance Committee

- Ensure TBC has in place adequate and effective arrangements for the management of risk;
- Annually review the risk register and risk management arrangements;
- Approve TBC's risk tolerance, and ensure the Corporate and strategic risks are being managed;
- Approve and review the processes for the management of risk to ensure they are effective, efficient and robust so as to help Officers and members meet existing and new challenges;
- Promote the culture that is essential for risk management to succeed;
- Report to Council on the effectiveness of the system of internal control, including risk management systems;
- Review the risk registers quarterly and progress against risk action plans;
- Review priorities for dealing with unacceptable risks and improvable risks.

The Corporate Management Team

The role of the Corporate Management Team is to ensure that the Council manages risk effectively through the development of an all-encompassing Corporate Strategy.

Corporate Management Team should:-

- Be the clear focus for the management and control of the significant risks in the Council's activities,

- ➤ Provide a clear explanation of why risk management is being implemented,
- ➤ Communicate overall strategy and objectives,
- ➤ Ensure the management of risk is monitored as part of the performance management process of the Authority through the Covalent performance management system.
- ➤ Create a visible success to show that positive returns are attainable,
- ➤ Make available an annual budget for risk management initiatives,
- ➤ Ensure the Corporate Risks of the Authority are identified and adequately managed
- ➤ Review the performance of Risk Management within the Authority as part of the monthly performance monitoring process.
- ➤ Ensure risks are being adequately managed across the Authority
- ➤ Share experiences on risk, risk management and strategy implications across the Council,
- ➤ Identify areas of overlapping risk,
- ➤ Share good practice found both internally within the Council and externally with other Councils or project partners,
- ➤ Review the ideas, Corporate Risks of the Authority,
- ➤ Build on success.

Heads of Service / Managers

Managers must support the Council in effective development and implementation of the Risk Management Strategy within each service area within the Corporate Strategy.

Managers **must** :

- ➤ Ensure that risk is identified, documented and effectively managed in their areas of responsibility
- ➤ Feed into the development of the Corporate Strategy from a service specific perspective;
- ➤ To identify any service specific issues relating to risk management which have not been explicitly addressed in Corporate Strategy;
- ➤ Liaise as appropriate with external agencies regarding the management of risk;
- ➤ Establish any training requirements of staff in respect of Risk Management;
- ➤ Identify within each Unit a Senior Officer to co-ordinate the Unit's overall approach to Risk Management.

All staff

All employees have a duty to co-operate so that risk is effectively managed in their areas, ensuring that all issues that they cannot resolve directly themselves are brought to the attention of their managers.

Head of Internal Audit Services

The Head of Internal Audit Services is the focal point for developing and implementing the strategy throughout the Council. the role is to advise others, as it is Service Management who will have overall responsibility.

The Head of Internal Audit Services overall responsibility will be to: -

➢ Develop the corporate risk management strategy in liaison with the Management Teams and Service Units;
➢ Promote, support and oversee its implementation across the Council;
➢ Monitor and review the effectiveness of the Risk Management Strategy;
➢ Assist with the identification and communicate risk management issues to Units;
➢ Work with the Insurance Officer on insurance issues;
➢ Advise Corporate and Unit management teams on strategic and operational implications of risk management decisions;
➢ Support Corporate and Unit management teams in their liaison with any external partners when identifying and managing risk in joint projects.

Internal Audit

Audit has the responsibility for auditing the implementation of the risk management strategy.

Arrangements

➢ The Executive Director Corporate Services will ensure that all Managers are aware of their responsibility for Risk Management;
➢ The Head of Internal Audit Services will be responsible for ensuring that the risk strategy of the Council is achieved,
➢ The Operations Accountant will be responsible for the administration of insurance and co-ordination of advice and support.

Risk Management Tools

➢ **Risk Registers:** Risk registers record risks to the achievement of Council objectives, the controls in place to mitigate those risks, and the progress against the implementation of those mitigations. There are three risk registers in place.
➢ The Corporate Risk Register records risks to the achievement of the Council's strategic aims and objectives;
➢ Service Risk Registers record risks to the achievement of service business plans and the day to day activities of the Council;
➢ Project Risk Registers record the risks related to specific projects that are being carried out by the Authority;
➢ In addition, there is a library of Partnerships risks for managers to draw upon when they are completing any partnership risk registers.

Council Policy Procedure: Risks are considered as part of all decisions made by the Council. Report templates include a section to give consideration to risks, and the Risk Management Guidance gives direction on how to identify those risks.

Project Risk Assessments: All projects carry some risks. Once a project has been identified, risks are identified at the appraisal stage, and managed throughout the life of the project by the Project Manager and Project Board. See the Project Management Framework for more details.

Procurement Risk Assessments: Risk assessments will be conducted at the planning stage of a procurement exercise. They will be used to identify the risk and controls in the proposed exercise, and assess their impact and probability. They will be used to report on risk, to prioritise improvement action and to monitor results. See the Procurement Procedure for more details.

Risk Management Training: All employees at TBC will receive the relevant risk management training, to enable them to fulfil their risk management duties.

Risk Management Guidance Notes: Please refer to the risk management guidance notes for further information on risks, the risk management process from identification to management and reporting and appropriate templates to be used within TBC.

Risk Management System: The Authority documents its control of risk through the **Covalent Risk Management System.** The system is a tool for recording service risks identified, monitoring mitigations against those risks and actions required to further reduce risks. The system allows reports to be produced for Management review on a regular basis and links into the performance management of the Authority.

Review of Risk Management

Review of all aspects of this Risk Management Protocol is an on going process.

Notwithstanding this all aspects of Risk Assessments will be reviewed

> ➢ When there is a critical change
> ➢ Annually by line management as a minimum requirement.

Appropriate reports will be submitted to the Assistant Directors/Corporate Management group (CMT group)

The Head of Internal Audit Services will advise the CMT group whenever there is a need to review the System through a change of statutory duty.

An Annual report will be produced which will: -

> ➢ Review previous year's Risk Management performance
> ➢ Set Council Risk Management objectives for the forthcoming year.

Reporting Lines

Members
Hold CMT accountable for the effective management of risk by officers of the authority

Audit & Governance Committee
Review the management of Risk within the Authority

Departmental Management Teams (DMT's)

- Assess & prioritise risks (to Departmental Business Plan and Objectives)
- Review Departmental RM issues and appoint Senior Officer to ensure any RM issues are addressed
- Monitor progress of RM actions including Service Continuity Planning on Covalent and report to CMT when required
- Can seek assistance from the Head of Internal Audit Services
- Communicate & involve departmental employees in the RM Planning
- Facilitated workshops to assign risk responsibility in the department
- Identify and exchange information on emerging hazards with CMT
- Analyse information/trends
- Identify hazards to new projects/changes to service delivery

Corporate Management Team (CMT)

- Ensure that the authority manages risk effectively through the development of an all-encompassing corporate strategy
- Also consider strategic risks from DMT that may threaten objectives and other strategies
- Review performance monthly
- Quarterly review the risks recorded on the Covalent system
  - Consider trends, upcoming events, potential new risks.
  - Review the management of Strategic Risks of the Authority
  - Monitor Risk Management performance
- The Head of Internal Audit Services to form & Chair sub groups as required for common projects
- Disseminate information and discuss common issues as the need arises.
- Report by exception issues to the Audit & Governance Committee every six months

Service Managers
Manage risk in particular service areas, document on Covalent & report to DMT any issues.

Employees
Liaise with line manager to assess risks in their job. Undertake job within RM guidelines

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