Rochford District Council
Risk Management Policy and Framework

Contents

Appendix 1: Risk Register Template, Risk Scoring Matrix and Risk Map

Appendix 2: Risk Analysis Template

Risk Policy Statement

It is the policy of the Council to adopt a proactive approach to risk management consistent with the various conventions and best practice.

The Council acknowledges that risk cannot be totally eliminated; the Council is however committed to the management of "significant" risks in order to:

- Ensure compliance with statutory obligations

- Preserve and enhance service delivery

- Maintain cost effective control of public funds

- Preserve and promote the reputation of the Council

- Preserve and enhance the quality of our environment

These objectives will be attained by systematically identifying, analysing and evaluating, effectively controlling and monitoring risk, which may otherwise endanger people, property, or the reputation and financial stability of the Council.

Shaun Scrutton

Managing Director

Background and Introduction

Corporate Governance

Rochford District Council will employ the underlying principles of openness, integrity, and accountability to achieve its objectives, putting the customer and citizen at the heart of everything we do. It will also ensure that its business and strategy is managed in an open manner, with an emphasis on the sustainable use of resources.

The Council's constitution vests the overall responsibility for the management of risk with the Audit Committee.

Introduction

The Council recognises its responsibility to manage internal and external risks and is committed to ensuring the process and culture of risk management is embedded in all operational and service planning processes.

The Council maintains a Corporate Risk Register (CRR) and this Register will be regularly reviewed with updates reported to the Audit Committee on a bi-annual basis as a minimum.

The CRR is developed using the notion of residual risk. This notion assumes that controls put in place, will usually mitigate the inherent risk of an activity leading to a lower residual risk.

The CRR is underpinned by Service Area Risk Registers (SARRs) and individual Project and Contract Risks.

SARR's are owned by each Assistant Director and identify the risks and mitigation controls that apply to each of the Council's service areas. They form part of a continual review and are monitored as part of the CRR review at Leadership Team (LT) meetings.

Project Risks Registers (PRR's) are owned by each Project Lead and identify the risks and mitigation controls that apply to that particular project. They form part of a continual review and are monitored at LT meetings as well as within the function of the Programme Management Office (PMO).

Contract Risks Registers (CoRR's) for Medium to High risk contracts are owned by each Contract Monitoring Officer and identify the risks and mitigation controls that apply to that particular contract. They form part of a continual review and are monitored at LT meetings.

Aim

The Council aims to:

- Integrate and embed risk management into the culture of the Council

- Manage risk in accordance with best practice

- Anticipate and respond to changing social, environmental and legislative requirements

- Prevent injury, damage, losses and reduce the cost of risk

- Raise and maintain awareness of the need for risk management by all involved in the delivery of the Council's services

- Take the action necessary to minimise the likelihood of risks occurring and/or reducing the severity of consequences should risks occur

- Ensure that the identified key corporate risks are monitored on an ongoing basis and reported bi-annually to Members

- Compile an annual assurance statement on the effectiveness of the arrangements for risk management as part of the Council's Annual Governance Statement

- Achieve these actions by implementing this risk management policy and framework

Risk Management Framework

1. Process

The development and maintenance of a Risk Register requires a proactive approach in order to maintain its integrity and currency. To achieve this, the following actions are deemed necessary:

- The Leadership Team (LT) will review the Corporate Risk Register and any relevant action plans as a standing item on the LT agenda

- LT will identify and assess the risks appropriate to their areas of operation and maintain appropriate risk registers compliant with the corporate guidance

- Project Leads will identify and assess the risks appropriate to their projects and maintain appropriate risk registers compliant with the corporate guidance

- Action will be taken for all significant risks for which additional controls are required

The Risk Register template is to be found at **Appendix 1.**

2. Monitoring

In support of the Leadership Team, progress of the actions contained in the Corporate Risk Register will be monitored on a regular basis by the Principal Performance Business Support Officer who will provide reports to LT as necessary and make a bi-annual report to the Audit Committee showing the compliance with, and any changes to, the risk management framework.

Project Risk Registers will be reviewed within the PMO function and reflected in related Corporate Risk Registers.

3. Assurance of Controls

In addition to any line management oversight role, Internal Audit will, independently, review the adequacy of the Council's internal controls and the overall effectiveness of the risk management framework as part of the Annual Audit Plan.

4. Assistant Directors and Project Leads

Each Assistant Director will work with their service areas to review their Service Area Risk Registers (SARR's) and the impact on related Corporate Risks.

Project Leads will review their Project Risk Registers and the impact on related Corporate Risks.

5. Risk Analysis and Scoring

The risk rating of each of the risks identified in the Risk Register is based on the estimated likelihood and impact of each risk in accordance with the scoring matrix and risk map contained in **Appendix 1**. Risk Analysis is undertaken using the Risk Analysis template included as **Appendix 2**.

6. Options for Managing Risk

The Council has a number of options in how it manages each risk and these may be summarised as:

Embrace risk: taking authorised advantage of opportunity risks but applying safeguards to ensure risk is not unacceptable

Eliminate risk: terminating the activity causing the risks

Reduce risk: implementing appropriate controls

Transfer risk: insuring or outsourcing activity

Accept risk: taking no action but continually reviewing risk to ensure it remains acceptable

7. Risk Management: Roles and Responsibilities

In order to ensure the successful implementation of this strategy, clear roles and responsibilities for the risk management framework have been established. The key "players" and their roles are:

Elected Members

Elected Members will oversee the effective management of risk by officers. This includes:

- Agreeing structures for controlling and monitoring risks across the authority

- Approving the Risk Management Policy and Framework

- Note the content of the Corporate Risk Register

- Considering risks associated with decisions, arising from reports.

The Audit Committee

The Audit Committee provides independent assurance on the effectiveness of risk management and internal control.

All staff

All staff, at whatever level, should maintain an awareness of risks, feeding information into the formal processes for risk management. This will include:

- Alerting management to risks which are inappropriately managed

- Reporting any incidents or near misses

Leadership Team – (LT)

- Approve and adopt the Risk Management Policy and Framework and allocate sufficient resources to ensure its achievement

- Play a lead role in identifying and managing, the strategic risks and opportunities facing the authority

- Review cross cutting risks that may be associated with new policies and service delivery methods

- Determine the Council's risk appetite and set priorities for action

- Support line managers in providing effective controls to mitigate risks within service areas

- Approve the bi-annual report for the Audit Committee on the status of the risk management framework and process

- The Assistant Director - Legal and Democratic is the Council's Monitoring Officer. The Monitoring Officer has a role to ensure lawfulness and fairness of Council decision-making and provide assurances regarding overall legal risk management of the Council for the Annual Governance Statement

- The Assistant Director – Legal and Democratic is the Council's Data Protection Officer (DPO). The DPO is responsible for advising on the Council's obligations to comply with General Data Protection Regulations and other data protection laws. They monitor compliance via data protection activities

- The Section 151 Officer is the Council's Senior Information Risk Owner (SIRO). The SIRO is responsible for information security and assurance

- The Section 151 Officer has a role to ensure proper administration of financial affairs and provide assurances regarding overall financial risk management of the Council for the Annual Governance Statement, signing the statement

- The Section 151 Officer acts as the Council's Risk Champion taking overall responsibility for ensuring progress against the agreed actions

Principal Performance Business Support Officer (PPBSO)

- Manages the implementation of the Risk Management Framework and process on behalf of the Council and its management team

- Supports the implemented processes and offers guidance and advice

- Reports to LT and co-ordinates risk management activity across the Council

- Supports staff across the Council to be adequately trained to undertake risk assessments as required

- Collates risk registers for consideration at LT

- Prepares the bi-annual report to Audit Committee on progress of the risk management framework, corporate issues, operational risk registers and areas for improvement

- Liaises with the Council's Emergency Planning and Business Continuity Officer to oversee Emergency and Business Continuity Plans

- Supports a coherent approach to risk management and business continuity planning

- Undertakes a review of the corporate and other risk registers as necessary

- Reviews and updates the risk management framework to take into account external and internal changes as well as experience

- Make recommendations to LT regarding the generic and cross-divisional risks/issues identified from the operational assessments of risks

Assistant Directors with Team Managers/Leaders

- Identify, and analyse directorate risks within a Service Area Risk Register

- Conduct reviews of Service Area Risk Registers

- Prioritise action on operational risks

- Monitor progress on managing operational risks

- Report the results of self-assessment of risk to LT/PPBSO as appropriate

- Ensure the effectiveness of controls in place to mitigate/reduce risks

- Ensure that operational risk management is linked to, and takes account of, business continuity planning

Service Area Risk Review Process (by Service Areas)

- Undertake an bi-annual review of the risks within their service area(s) together with additional reviews when necessary

- Update the risk registers for their service area(s) as necessary, taking into account external and internal changes as well as the risks experienced

- Make recommendations to their Assistant Director in respect of risks or allied issues identified within their service area(s)

- Ensure operational risk management is linked to, and takes account of, the relevant Business Continuity and Emergency plans for the Service Area(s)

Project Risk Review Process (by Project Leads)

- Undertake a review of the risks within their project(s) and consider their impact on the wider risk framework

- Update the risk registers for their project(s) as necessary, taking into account external and internal changes as well as the risks experienced

- Ensure project risk management is linked to, and takes account of, the relevant Business Continuity and Emergency plans for the Service Area(s)

- Work with the Programme Management Office to take account of wider corporate considerations relating to their Project Risk Registers

Contract Risk Review Process (by Contract Monitoring Officers)

- Undertake a review of the risks within their contract(s) and consider their impact on the wider risk framework

- Update the risk registers for their contract(s) as necessary, taking into account external and internal changes as well as the risks experienced

- Ensure contract risk management is linked to, and takes account of, the relevant Business Continuity and Emergency plans for the Service Area(s)

Specialist representatives (Senior Information Risk Owner (SIRO), Internal Audit, Insurance, Legal, IT)

- Provide relevant advice to the LT or PPBSO as necessary to consider implications of Corporate, Service Area Risks, Contracts and/or Project Risks

8. Addition or removal of risks from the Corporate Risk Register.

As risks identified at the corporate level change or develop, it is sometimes appropriate for a risk to be added or removed from the Corporate Risk Register. Addition and removal of such risks will be undertaken as part of the regular risk review processes and these will be notified to the Audit Committee within reports seeking their approval of the revisions.

Appendices follow:

Appendix 1   **Risk Register Template, Risk Scoring Matrix and Risk Map**

Appendix 2   **Risk Analysis Template**