

Wiltshire County Council
RISK MANAGEMENT STRATEGY

Why is Risk Management so Important?

1. All organisations, whether in public service or the private sector, face risks to people, property, equipment, vehicles, business continuity and effectiveness. Increasingly, reputation risk (the impact of adverse publicity), and regulatory risk (failure to achieve published objectives), are also being identified as key risk management issues.
2. Risk is the measure of likelihood of some uncertain action or event happening that might have an impact on the achievement of the County Council's objectives and affect service delivery to the community. Typical risks which the County Council will face, include:-
 - anything that poses a threat to maintaining service delivery, or to the achievement of corporate objectives and service plans;
 - anything that could damage the County Council's reputation and undermine public confidence;
 - failure to respond to or manage change in an increasingly dynamic environment;
 - impropriety, malpractice, waste or poor value for money;
 - failure to comply with regulations, such as those covering health and safety, employment practice, human rights and the environment.
3. To help achieve effective service delivery the County Council will develop a systematic approach to identifying, evaluating and managing the risks associated with its activities. This will be part of service planning and corporate decision making, rather than a separate initiative. At the operational level, risk management will also contribute towards reducing the number of claims arising against the County Council and improve its ability to defend them.
4. Risk management is a tool for exploiting opportunities as well as for guarding against threats. Risks may not only be related to losses, damage or injuries ("downside" risks), but may also relate to opportunities, benefits or increased income ("upside" risks). The County Council will therefore use risk management to promote innovation and ensure good service delivery as well as to help secure existing objectives.

Why the County Council needs a Risk Management Strategy

5. We need to recognise the importance of having an effective risk management framework as a vital component in the delivery of the County Council's services and the achievement of corporate objectives. We also need to demonstrate full commitment to the risk management process from Members and Chief Officers, and we must communicate this message effectively down through all levels of the County Council. An important first step in meeting these needs is to adopt a corporate Risk Management Strategy.

Vision

6. As a County Council we will identify, analyse and prioritise the risks we face. We will manage and control risks in order to maximize the quality of our service provision and to uphold our reputation. We believe if implemented in this way, risk management will make a powerful contribution to continuous service improvement and the achievement of best value.

Strategy and Culture

7. We believe that every service manager at every level throughout the authority should be responsible for identifying and managing significant risks to the delivery of their services. The purpose of this Risk Management Strategy is to establish the framework, the approach and structure which we will use to integrate risk management into our management arrangements, in order to help service managers meet their responsibilities for service delivery. This strategy will therefore:
 - provide the method of communicating the risk philosophy of the organisation
 - explain how risk management is to be implemented
 - outline the different responsibilities
 - highlight procedures that will be adopted in the risk management process.
8. The Cabinet will be asked to approve this Risk Management Strategy and review annually the effectiveness of the risk management processes.
9. The County Treasurer has overall responsibility for encouraging awareness of risk management issues throughout the County Council. The Corporate Management Board (CMB) will manage the process and be responsible for the management and notification of those risks likely to have a significant impact on the achievement of the County Council's objectives. The CMB will report to the Cabinet.
10. The Corporate Risk Management Group (CRMG) will be responsible for coordinating and ensuring consistency in risk management activity across the County Council. The CRMG will comprise senior representatives from each department, together with the Risk and Insurance Manager, County Emergency Planning Officer, Health and Safety Manager, and the Chief Auditor. The CRMG will report to the CMB.
11. The roles and responsibilities of individuals and groups in the implementation of the Risk Management Strategy are set out in the attached Appendix.

Implementation

Integration

12. Risk management is a continuous process. It is not a separate initiative, but will be an integral part of the County Council's core management processes. All staff have a responsibility to be alert to risks and to take appropriate action, including bringing them to the attention of management.

13. Risk assessment, analysis and management will be embedded in:
- operational, departmental and corporate service plans, which will also include action plans for controlling risk
 - project management
 - decision making.
14. Decisions at all levels within the County Council should be taken on the basis of adequate information, which will include an analysis of the risks and consideration of measures to manage those risks. For key decisions, this analysis will be recorded in the written report setting out recommendations for decision. For major projects, the project initiation document will address risks in line with the County Council's recommended methodology.
15. Regular corporate and departmental reviews of risk will be undertaken by the appropriate service managers to identify priorities for action based on the following:
- identifying the risk by reference to Service/Business objectives;
 - analysing the risk in terms of probability, severity, and magnitude;
 - ranking the risk in terms of probability, severity, and magnitude;
 - prioritising the action according to the existing control environment, tolerance, and the availability of resources;
 - determining the course of action e.g. eliminate risk, reduce risk or accept risk;
 - controlling the risk e.g. taking appropriate action;
 - monitoring the reporting on progress;

Raising awareness

16. Risk Management training will be provided to service managers to ensure that they have the skills necessary to identify, evaluate and control the risks associated with the services they provide and can identify how these will be embedded in existing processes. Within each service risk management "champions" will provide guidance and promote good practice. These will be the senior service representatives forming part of the Corporate Risk Management Group.

Monitoring and review

17. The Corporate Risk Management Group will put in place arrangements for ensuring that risk management is implemented consistently throughout the County Council so that it can report compliance and effectiveness to the CMB.
18. The CMB will provide an annual statement to the Cabinet, summarising significant risks arising and reviewing the effectiveness of risk management measures.

APPENDIX

RESPONSIBILITIES FOR RISK MANAGEMENT

Group/Individual	Responsibilities
Cabinet	To approve the Risk Management Strategy To approve an annual statement on risk management.
County Treasurer	Overall responsibility for encouraging awareness of risk management issues throughout the County Council.
Corporate Management Board	To identify and manage the risks likely to have a significant impact on the achievement of the County Council's objectives To report to Cabinet as part of performance management.
Corporate Risk Management Group (Departmental Risk Management Champions, together with nominated specialist officers, plus advice and support from our risk consultant, Willis)	To support Corporate Management Board To coordinate and ensure consistent approach to risk management To receive reports on risks and risk management from senior service representatives and specialist officers covering Insurances, Health & Safety, Emergency Planning and Internal Audit. To maintain the corporate Risk Register and notify key risks for action by Chief Officers.
Departmental Risk Management Champions	To act as risk co-ordinators within their department To provide information and support To keep their chief officer informed
Chief Officers	Responsibility for effective risk management in their departments, to ensure: <ul style="list-style-type: none"> regular departmental reviews of risk are carried out departmental training plans reflect risk management issues compliance with corporate Risk Management Strategy the Risk and Insurance Manager is advised of significant changes in service requirements/provision.
Internal Audit	In conjunction with the Corporate Risk Management Group, to prepare and agree an annual review programme for risk management in order to report compliance with the County Council's risk management processes.
Service Managers and Project Managers	To ensure that risks are identified, assessed and managed for all County Council services and projects as part of the overall risk management system.
Report authors	To ensure risk assessment results are incorporated into policy and resource implications for all Member reports.
All staff	To maintain an awareness of risk, and feed into the formal process, including alerting management when risks are inappropriately managed or the level of residual risk is unacceptably high.