Kennet District Council

Keeping Kennet Special

Risk Management Strategy

KENNET DISTRICT COUNCIL

RISK MANAGEMENT STRATEGY

1. Purpose

The primary purpose of Kennet District Council is the provision of high quality services meeting the needs of its consumers in the most effective, efficient and economical manner possible consistent with its statutory obligations and at a price that its stakeholders are willing to pay.

A vital aspect of that purpose is our obligation to diminish all of the various risks involved in delivering or enabling service delivery. Our aspiration to manage risk effectively goes hand in hand with our drive to enhance quality of service, and this Strategy formalises and makes explicit that commitment to diminish risks as part of the Council's corporate governance arrangements.

2. Objectives

The Council's overall objective in risk management is to eliminate or control significant risk to an acceptable level, by creating a culture of risk management founded upon assessment and prevention rather than reaction and remedy. Staff are empowered to use their professional judgement in deciding which risks are significant.

The Council's risk management strategy objectives are to:

- Integrate 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 and losses and reduce the cost of risk
- Raise awareness of the need for risk management by all those connected with the Council's delivery of services
- Enhance the Council's reputation and public image, and improve the delivery of Council services
- Enable the Council to exercise internal financial control to diminish losses and liabilities.

The complete elimination of risk will not always be a feasible goal for the Council, however, in certain circumstances, calculated risk-taking may be required to achieve innovative or creative solutions that will help to improve the service to customers.

Reckless or unplanned risk-taking would never be acceptable to the Council.

3. <u>Guiding Principles</u>

To fulfil the key risk management objectives, the Council will:

- Develop a partnership culture that secures the involvement and participation of all staff in risk assessment and occurrence reporting
- Ensure that routine and systematic identification, assessment and control of significant risk is an integral component of all work activities
- Ensure that an effective reporting system is in place to facilitate the systematic identification of adverse events and near misses
- Acknowledge that even though staff are accountable for their own actions and decisions, the greatest risk of loss is most likely due to failure in the system rather than individual error alone. This principle will determine how the Trust responds to adverse events.
- Secure the commitment of management at all levels to promote risk management and provide the necessary leadership and direction
- Adopt agreed standards of risk management throughout the organisation which are audited and monitored at corporate and operational level and ensure that corrective action is taken where necessary
- Have in place effective systems of communication to make sure everyone in the organisation is sufficiently informed about risk management
- Provide resources, facilities, information, training, instruction and supervision to meet these objectives.

4. <u>Organisational Arrangements</u>

The chart below summarises the Council's arrangements for risk management.

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│                    Committee Arrangements:                      │
│                                                                 │
│  Resources Executive Committee To agree Risk Management         │
│  Strategy, and receive audit reports on the effectiveness of    │
│  risk management. To be accountable to stakeholders for the     │
│  corporate governance of Council risks.                         │
│                                                                 │
│  Corporate Finance Scrutiny Sub-Committee To scrutinise the     │
│  Risk Management function within the Authority and to receive   │
│  regular update reports.                                        │
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                              │
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│  Service Managers Group (including Strategic Management Team)    │
│  To provide strategic direction and co-ordination, and to       │
│  resolve conflicts of prioritisation. Support Risk Management    │
│  corporate team. Monitoring of Council risk management          │
│  performance.                                                   │
└────────────────────────────────────────────────────────────────┘
                              │
┌────────────────────────────────────────────────────────────────┐
│  Corporate Risk Management Group The provision of advice,       │
│  guidance and policy. The provision of training. The            │
│  definition of standards. The prioritisation of identified      │
│  risks. The promotion and championing of the risk management    │
│  culture. Development of corporate risk management action plan  │
│  and monitoring of performance against plan, and reporting on   │
│  risk management performance. Communication of risk             │
│  management issues to staff.                                    │
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│  Line Managers To provide the day-to-day management of risk.    │
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The roles and responsibilities given in the organisation chart above for the Resources Executive Committee, the Corporate Finance Scrutiny Sub-Committee and Service Managers Group are self-explanatory. The organisational responsibilities detailed below give more detail in respect of other key participants in the risk management process.

<u>Staff</u>

The identification of risk is the chief component of risk management, and requires the involvement of all the staff at every level, since they are best placed to identify many of the risks faced by the Council. All staff have a responsibility to identify and minimise risk, including the reporting of adverse events and near misses, or indeed any other evident shortcoming in the working environment.

In addition, all staff have an obligation and responsibility to:

- Follow Council policies and procedures designed to manage risk
- Participate in risk management training and education
- Maintain a general level of risk awareness.

Line Managers

The prime responsibility and authority for managing risk lies with each line manager. These individuals are best placed to determine for themselves the optimal course of action to minimise risk to their customers, staff, service or budget.

Corporate Risk Management Group

This group will ensure that risk management is properly co-ordinated across the Council and will also keep the Council management team informed of any significant risks and any associated developments or issues. The Group will also deal with:

- The provision of advice, guidance and policy.
- The identification of training needs and through the HR team, the provision of training.
- The definition and promulgation of standards.
- The prioritisation of identified risks.
- The promotion and championing of the risk management culture.
- Development of corporate risk management action plan and monitoring of performance against plan, and reporting on risk management performance.
- Communication of risk management issues to staff.

The Group will keep abreast of the latest developments in risk management and current issues, and will issue advice and guidance where appropriate.

5. Approach to Risk Management

Top Down Approach

Every three years the Risk Management Group and Service Managers will carry out an assessment of key risks. This will identify the top ten risks identified by the Council from a corporate perspective. An action plan for managing the corporately identified risks will be developed and responsibility for each risk will be assigned to a relevant Service Manager. Each responsible Service Manager will be invited to provide progress reports to the Corporate Risk Management Group. This action plan will be reviewed annually.

Bottom Up Approach

Every year each Service Area will carry out an operational risk assessment, recorded locally within a Risk Register. Those risks will be prioritised, and an action plan for managing the identified risks will be developed. The main operational risks will be reported in the annual service plans for each service area

Audit Arrangements

An internal audit will be carried out as part of the Strategic Audit Plan to ensure that risks have been systematically considered, recorded, and acted upon. In addition, internal audit will adopt a risk based approach to planning the internal audit plan and internal audits.

Reporting Arrangements

Each Service Area will report its risk assessment outcomes and action plans to the Risk Management Group, through the annual service plans. They will also report progress against action plans every year.

The Risk Management Group will report on the work of the Service Areas, and on progress on managing the key corporate risks, with any appropriate recommendations. The Risk Management Group will report at least twice a year to Management Team.

The Corporate Finance Scrutiny Sub-Committee will receive Risk Management Update Reports at each of its meetings, to assist in its scrutiny role.

The Risk Management Group will report at least annually to the Resources Executive Committee, providing an update on the Council's Risk Management activities.

6. Conclusion

This strategy sets out the Council's objectives for risk management, and indicates how the Council intends to achieve those objectives. When adopted the Risk Management Strategy will be communicated widely, and form a key point of reference for all those who work for the Council and the community it serves.