

WYRE FOREST DISTRICT COUNCIL

CABINET
20th DECEMBER 2007

RISK MANAGEMENT POLICY AND STRATEGY – UPDATE

COMMUNITY STRATEGY THEME	Internal Organisational theme
CORPORATE PLAN THEME:	Improving Corporacy and Improvement
KEY PRIORITY:	Risk Management
STRATEGY:	Risk Management
CABINET MEMBER:	Councillor John Holden
RESPONSIBLE OFFICER:	Head of Financial Services
CONTACT OFFICER:	Joan Hill Extension No. 2102 Joan.hill@wyreforestdc.gov.uk
APPENDIX 1 APPENDIX 2	Risk Management Policy - Update Risk Management Strategy <i>Appendix 2 to this report has been circulated electronically and a public inspection copy is available on request. (See front cover for details).</i>
AN OPEN ITEM	

1. PURPOSE OF REPORT

- 1.1 To propose an updated Risk Management policy and Risk Management strategy for adoption by the Council

2. RECOMMENDATION

RECOMMENDED TO COUNCIL:

The updated Risk Management Policy-December 2007, attached as Appendix 1 and the Risk Management Strategy-December 2007, attached as Appendix 2 be approved.

3. BACKGROUND

- 3.1 The Authority has a well established understanding of the principle of risk management dating back to 2004 and this is supported by policy provision and subsequent actions taken to develop this key function within the business processes of the Council. This is reflected in the current procedures and systems in place to manage risks.

- 3.2 Since that time however and as part of the most recent CPA process, it was identified that further work is required to raise the level of understanding and practical application of risk management across the Authority. As a consequence, risk management was included in the Council's CPA Improvement Plan.
- 3.3 Subsequently, part of the above work involved the appointment of external consultants to provide a range of risk management services including:-
- Production of an updated Risk Management policy and strategy
 - Preparation and delivery of risk management awareness training for Council members
 - Preparation and delivery of risk management awareness training for senior managers
 - Provision of Risk Identification workshops
 - Provision of Risk Mitigation workshops
- 3.4 The Council also agreed the need to put additional direct resources into risk management and a Corporate Risk Officer was appointed on 1 October 2007.
- 3.5 Progress has been made with the delivery of risk awareness training for Members and the Corporate Management Team. Further training for senior managers is programmed for January 2008.
- 3.6 The Council's corporate risks have been revisited, prioritised and currently, 'action plans' (where appropriate) are being developed to mitigate the impact of the key risks. Once this work is completed, the outcomes will be reported to Council
- 3.7 Risk identification/prioritisation workshops for individual Divisions within the Council are programmed for January 2008.
- 3.8 Once all of the risk identification and associated remedial actions (where appropriate) have been identified, the information will be collated and stored electronically using a module ('Covalent') of the existing performance management system. This approach should enable the ongoing and more effective management of the Council's key risks.
- 3.9 A rigorous monitoring and reporting procedure on the Authority's key risks, together with the identification of responsibility for risk management, are included in the updated strategy document. This approach is designed to demonstrate heightened transparency in the ownership of and responsibility for the Council's risks.
- 3.10 An updated Risk Management Policy and Strategy have been prepared and are attached as Appendix 1 and 2 respectively.

4. KEY ISSUE

- 4.1 The current Risk Management policy was approved by the Executive on the 8th January 2004. To ensure that the policy remains current, it is timely that an update is prepared. Similarly the purpose of this Risk Management Strategy is to establish a

framework for the effective and systematic management of risk.

- 4.2 This approach is designed to ensure that risk management is embedded across the Authority and make a real contribution to the achievement of the Council's vision and objectives.
- 4.3 This piece of work is also in accordance with the Council's CPA Improvement Plan.

5. FINANCIAL IMPLICATIONS

- 5.1 There are no financial implications associated with this report.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The Accounts and Audit Regulations 2003 (Amended 2006) Section 5 Accounting Records and Control Systems, paragraph 4 require that:-

“ The accounting control systems determined by the responsible finance officer shall include – (d) measures to ensure that risk is appropriately managed”

- 6.2 The Council's Corporate Governance Framework approved by Cabinet in April 2007 includes five dimensions of Council business and dimension four is in respect of Risk Management and Internal Control. A Risk Management policy and strategy are key to establishing the necessary framework to achieve these requirements.

7. RISK MANAGEMENT

- 7.1 Risk Management processes are required to effectively evidence the management of key risks in accordance with the Council's Corporate Governance Framework and also to aide the achievement of the Council's corporate objectives.

8. CONCLUSION

- 8.1 The Risk Management Policy has been revisited and updated to reflect the current needs of the organisation. Similarly the Risk Management Strategy has also been refreshed, strengthened and is designed to further develop and embed risk management across the Council. I is based upon current best practice principles and when fully implemented, will actively support the delivery of the Council's corporate objectives.

9. CONSULTEES

- 9.1 CMT

10. BACKGROUND PAPERS

Council Meeting 25th February 2004 - Policy And Budget Framework, Item.1 Risk Management.

Executive Report 8th January 2004 - Risk Management report and Policy.

RISK MANAGEMENT POLICY STATEMENT

Wyre Forest District Council

December 2007



WYRE FOREST DISTRICT COUNCIL

Risk Management Policy Statement

1. Introduction

- 1.1 The Council recognises that it has a responsibility to manage risks and opportunities in order to achieve its Corporate and individual Service objectives. This will enable the realisation of the Council's vision –

“We want Wyre Forest to be a District with healthy, safe and flourishing communities that are supported by a strong and diverse economy. The local environment will be clean, inspiring and valued, where people are proud to Live and work and are attracted to visit and invest”

2. Policy Objectives

- 2.1 The Council recognises that a structured and focused approach to managing both Corporate and operational risk is required. The objectives of this policy are to:

- Integrate risk management into the culture of the organisation in supporting the achievement of the Council's Corporate objectives
- Further develop within the Corporate Management framework understanding of and the tools to manage risk across the Council
- Embed risk management through ownership and management of risk as part of all decision making processes
- Manage risk and opportunities in line with best practice to provide where practicable, exposure free services and environments
- Minimise the possibility of any organisational failure
- Create effective processes that will allow the Council to comply with its statutory obligations and to make risk management assurance statements annually

3. Implementation

- 3.1 The Council will seek to embed risk management into its culture, processes and structure to ensure that opportunities are maximised. The Council will seek to encourage managers to identify, understand and manage risks, and learn how to accept the right risks. Adoption of this approach must result in a real difference in the Council's behaviour.

- 3.2 In implementing this policy the Council will:

- Develop a risk management strategy to implement the policy objectives and will periodically update the strategy to reflect changes required to it, to ensure the continuous improvement of risk management in the Council
- Identify training requirements necessary to further enhance ownership and awareness of risk across the organisation
- Ensure the principles of risk management are integral to Corporate and operational planning, partnership working and project management.
- Minimise the impact risk has upon Corporate & operational objectives, thus ensuring that business continuity is maintained

- 3.2 The risk management function cannot be undertaken in isolation from other Services and must involve the commitment of management and employees at all levels. The management of risk is a continuous process, which will be embedded within the business planning processes of the Council.