RISK MANAGEMENT STRATEGY

1.0 POLICY STATEMENT

1.1 The Council is committed to good risk management. We recognise that by methodically addressing the risks attaching to our business activities that we increase the probability of success and reduce the probability of failure in terms of achieving our long-term objectives and our annual priorities.

1.2 We believe that risks need to be managed rather than avoided, and that risk management should be used as much as a tool for exploiting opportunities as well as a safeguard against potential threats.

1.3 We will therefore put in place arrangements and processes that will:

- ensure that risk management becomes an integral part of corporate and service planning, decision making and project management;
- enable the Council to deliver its priorities and services economically, efficiently and effectively;
- protect the Council’s position when entering into new partnerships and/or evaluating existing partnerships.
- align risk management and performance management to drive improvement and achieve better outcomes;
- guard against impropriety, malpractice, waste and poor value for money;
- ensure compliance with legislation, such as that covering the environment, health and safety, employment practice, equalities and human rights;
- minimise the prospects of any damage to the Council’s reputation and/or undermining of public confidence in the organisation.
2.0 **ORGANISATION**

2.1 The Council’s Policy Framework requires that the Risk Management Strategy be adopted at a full meeting of the Council. Following adoption, the full Council will receive and be invited to endorse an annual monitoring report setting out the key actions and projects implemented during the previous financial year and also details of key corporate and service risks that the Council faces in the financial year ahead.

2.2 The Lead Member for Customer and Corporate Services will be responsible for discharging the Council’s executive functions relating to risk management.

2.3 The Deputy Chief Executive (DCE) will provide support to the Lead Member, and will act as the Council’s Lead Officer on risk management. The DCE will chair the Council’s Risk Management Group (RMG), which will comprise relevant Heads of Service and other specialist advisors as appropriate, e.g. the Insurance Officer and Corporate Health and Safety Advisor (see Appendix 1 for further details of the present membership and also the RMG’s terms of reference).

2.4 The RMG will also need to be aware of the work of the Council’s Health and Safety Committee when discussing risk management issues to ensure a co-ordinated approach.

2.5 The Heads of Service will be primarily responsible for identifying and managing the Council’s significant corporate and operational risks.

2.6 The Heads of Service will lead the risk management process for their services and ensure that:

- annual service plans are informed by a rigorous assessment of risks.
- new and existing partnerships between the Council and external organisations are similarly subject to a rigorous assessment of risks.
- risk assessments are carried out as a routine part of service management.
the DCE and Head of Finance are immediately notified of any emerging risks to service provision.

2.7 The Head of Finance, in conjunction with the Council’s Insurance Officer and the Council’s insurers, will be responsible for putting in place appropriate and adequate insurance and finance measures and for minimising the overall cost of the inevitable claims that will arise from time to time.

2.8 The Standards and Audit Committee, informed and supported by the Head of the Internal Audit Consortium, will be responsible for:

- considering the effectiveness of the Council’s risk management arrangements.
- ensuring that the Council’s assurance statements properly reflect the risk environment.
- seeking assurances that action is being taken on risk-related issues identified by auditors and inspectors.

3.0 ARRANGEMENTS

3.1 The 3-year Corporate Plan and the annual Service Plans will all feature risk assessments and associated action plans. The RMG will review and update, where appropriate, the assessments and action plans and submit them for final approval to the Corporate Management Team (CMT) and to the Cabinet in accordance with the Council’s corporate and service planning procedures.

3.2 The RMG and CMT will also review, on an annual basis, the Risk Management Strategy and the Corporate Risk Register in good time to enable any suggested revisions to be considered as part of the annual Risk Management monitoring report to the Cabinet and to the full Council.

3.3 Risk Management training will be provided to CMT and service managers to ensure that they are equipped with the necessary knowledge and skills to identify, evaluate, control and monitor the risks associated with the services for which they are accountable. Councillors will also receive training on risk management appropriate to their individual needs.
3.4 All reports to the Cabinet and to the full Council will, in future, include an assessment of the risks associated with implementation of the recommendations being made, and also a commentary on any proposed mitigating actions.

3.5 As part of the initiation process for all projects, project teams will, in future, ensure that all corporate and operational risks associated with project design, commissioning and mobilisation are properly considered and appropriate mitigating actions included in project plans.

3.6 Measures will also be put in place to ensure that the content of this Strategy is appropriately communicated to all councillors and staff post adoption by the full Council.

4.0 **KEY REFERENCE DOCUMENTS**

- **Articles of the Constitution**


  Article 9 – The Standards and Audit Committee: The Committee to consider the Audit and Control Environment.


  Financial Regulation C: Risk Management and Control of Resources.

- **Audit Commission – Annual Audit and Inspection Letter (March 2008)**

- **Local Code of Corporate Governance (March 2008)**

- **Internal Audit Consortium Report – Chesterfield Borough Council: Risk Management (April 2008)**