

Eden District Council
Accounts & Governance Committee
9 June 2022

Risk Management Strategy

Portfolio:	All
Report from:	Assistant Director, Finance & HR
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 To seek approval for the Council's Risk Management Strategy for 2022-23.

2 Recommendation

It is recommended that the appended draft Risk Management Strategy be approved.

3 Report Details

- 3.1 The draft Risk Management Strategy (enclosed as an Appendix to this report) plays an important role in setting out the key steps in the Council's approach to risk management. Therefore, each annual update is brought to Members for approval. Such approval is a key element within the Council's Annual Governance Statement (AGS).
- 3.2 The draft Risk Management Strategy is unchanged from the 2021-22 Strategy, apart from a few minor updates. These are shown as Track Changes in the draft Risk Management Strategy. It was circulated to members of the Extended Leadership Team for any comments they might have. There were no proposals from the group to amend the Risk Management Strategy.
- 3.3 The Risk Management Action Plan is included at Appendix 2. This includes a list of actions completed since the last update and actions currently open. This has been reviewed by the Extended Leadership Team.

4 Policy Framework

- 4.1 The Council has four corporate priorities which are:
- Sustainable;
 - Healthy, safe and secure;
 - Connected; and
 - Creative
- 4.2 This report meets the Sustainable and Health, safe and secure corporate priorities

5 Consultation

- 5.1 There has been no consultation.

6 Implications

6.1 Financial and Resources

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 There are no proposals in this report that would reduce or increase resources

6.2 Legal

6.2.1 There are no legal implications.

6.3 Human Resources

6.3.1 There are no Human Resource Implications.

6.4 Environmental

6.4.1 There are no environmental implications.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	There are no implications
Health, Social Environmental and Economic Impact	There are no implications
Crime and Disorder	There are no implications
Children and Safeguarding	There are no implications

6.6 Risk Management

Risk	Consequence	Controls Required
That the Council does not manage its level of risk appropriately	Increased cost of insurance, uninsured losses and the risk of civil claims for damages and/or prosecution in extreme cases	A sound Risk Management Strategy. The proposals within this report seek to secure an effective Strategy

7 Other Options Considered

7.1 No other options have been considered.

8 Reasons for the Decision/Recommendation

8.1 Effective risk management is vital for a sound system of corporate governance. An up to date Risk Management Strategy is important in setting out clearly the main steps that the Council takes.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	N/A
Monitoring Officer (or Deputy)	N/A
Relevant Assistant Director	24 May 2022

Background Papers: Eden Corporate Risk Register

Appendices: Appendix 1 - Draft Risk Management Strategy
Appendix 2 - Risk Management Action Plan

Contact Officer: Marianne Bastille, Assistant Director, Finance & HR



Risk Management Strategy

DRAFT

Approved by: Overview & Scrutiny Accounts & Governance Committee

Date Approved: tbc

Review: Annually

Email:

Responsible Officer: Interim Director of Resources

Accessibility Information

A summary of the information contained in this document is available in different languages or formats upon request. Contact Eden District Council's Communication Officer, telephone: 01768 817817 or email: communication@eden.gov.uk

Document Control

Organisation	Eden District Council
Title	Risk Strategy
Policy updater	Assistant Director – Finance & HR
File name	
Owner	Interim Director of Resources
Subject	Risk management
Protective marking	Unclassified
Review date	June 2023 (subject to LGR)

Version Control

Revision	Revised by	Date of change	Description
V2	A.Yellowley	15/07/21	Change of roles & job titles. Change Risk management group to ELT. Definitions of types of risks
V3	M.Bastille	26/04/22	Minor updates

Approval

Version 1	May 2019
Version 2	July 2021
Version 3	June 2022

1. What is Risk Management?

Risk Management is a process whereby attempts are made to identify, actively control and reduce risk to protect the Council. This covers not only the traditional areas of insurable risk, but also the organisational risk that the Council faces in undertaking all its activities.

The Health and Safety Executive has published its principles of sensible risk management. These are:

1. Sensible risk management **is** about:

- ✓ Ensuring that workers and the public are properly protected
- ✓ Providing overall benefit to society by balancing benefits and risks, with a focus on reducing real risks - both those which arise more often and those with serious consequences
- ✓ Enabling innovation and learning not stifling them
- ✓ Ensuring that those who create risks manage them responsibly and understand that failure to manage real risks responsibly is likely to lead to robust action
- ✓ Enabling individuals to understand that as well as the right to protection, they also have to exercise responsibility

2. Sensible risk management **is not** about:

- ✗ Creating a totally risk free society
- ✗ Generating useless paperwork mountains
- ✗ Scaring people by exaggerating or publicising trivial risks
- ✗ Stopping important recreational and learning activities for individuals where the risks are managed
- ✗ Reducing protection of people from risks that cause real harm and suffering

This Strategy aims to follow these principles.

2. Key Aims

The key Risk Management aims are as follows:

- to provide members of the public and employees with a safe and secure environment

- to protect Council assets, including its image

3. Types of risk

- Strategic risks are risks that affect or are created by an organization's business strategy and strategic objectives.
- Operational risks are major risks that affect an organization's ability to execute its strategic plan.
- Financial risks include areas such as financial reporting, valuation, market, liquidity, and credit risks.
- Compliance risks relate to legal and regulatory compliance

4. Key Steps

The key Risk Management steps are as follows:

- the extended leadership team (ELT) to ensure that the management of insurable risk is properly planned and focused across the whole Authority
- to produce a Strategic Risk Register to include key organisational risks and regularly review this by senior management and Members
- to gain the support of all staff, but in particular of senior management, for the Strategy
- to include a Risk Management Implications section in the committee report pro forma.
- to ensure operational risk are managed and monitored through quarterly Performance Clinics Departmental Management Team Meetings
- to report on the strategic risk map, as part of the performance monitoring report, to Overview and Scrutiny Committee on a quarterly basis

5. Roles and Responsibilities

a) The Director of Resources

The Director of Resources will recommend a Risk Management Strategy setting out the Council's approach to Risk Management to the Scrutiny Co-ordinating Board Accounts & Governance Committee;

b) Extended Leadership Team

The Council's Extended Leadership Team (ELT) is an important driver of the Council's approach to Risk Management.

They are responsible for managing all aspects of risk to which the Authority is exposed, so as to minimise both the cost of insurance and

the cost of direct exposure and to further the well-being of employees and residents of Eden District Council. They will also:-

- on a monthly basis review Strategic Risk Register
- consider reports undertaken by the Council's insurers on Risk Management issues within the Authority;
- review recent trends in claims and accidents;
- ensure commitment from all staff ensuring the concept of risk management is embedded across the organisation
- consider any training requirements

The Extended Leadership Team is comprised of:-

Deputy Chief Executive

Director of Resources

Assistant Director – Legal & Democratic Service (Monitoring Officer)

Assistant Director – Finance & Human Resources

Assistant Director – Customers & Performance

Assistant Director – Delivery

Assistant Director – Communities

Assistant Director – Development

Head of Shared ICT

c) **Members**

The Strategic Risk Register is reviewed quarterly by Overview and Scrutiny Committee. The Accounts and Governance committee, and also approves the annual Strategy.

d) **Staff**

After the annual review, the Risk Register is put on the Corporate Bulletin Board.

6. The Role of Risk Management in Corporate Governance

Effective Risk Management arrangements are a key element within the Council's governance framework. The governance framework is set out in the Annual Governance Statement (AGS). This is agreed annually by Corporate

Leadership Team, the Executive and the Accounts and Governance Committee. The AGS seeks to meet the six principles of good governance (best practice as set down by the Chartered Institute of Public Finance and Accountancy). Principle 6 is 'managing risks and performance through robust internal control and strong public financial management'. The AGS refers to the key Risk Management controls in place, that is, those referred to in this Strategy.

7. Risk Management Processes

There are two key processes that ensure the Council's Risk Management is soundly based. These are:

The Strategic Risk Register - the monthly review by ELT is where the completeness and accuracy of the Register is reviewed. Each risk sets out:

- the risk owner - this is a named officer;
- the likelihood of the risk occurring, plus the impact of the risk. This gives the risk rating;
- an action plan if the risk rating is above an acceptable level;
- any action plan states the responsible officer, the action required and date by which action is required by;
- action plan implementation is the key focus of the review of the Register.
- Risk Management implications in committee reports:
- every formal report to Members must include a Risk Management Implications section, completed by the report author. For major decisions, this will often be an extensive section
- the stated implications are reviewed at draft report stage as part of the governance checks process. The Director of Corporate Services and the Assistant Director Governance have to sign off all reports.

Operational Risk – this will be managed and monitored by the relevant Assistant Directors s and managers through Departmental Management Meetings

- ~~○ As part of the quarterly performance monitoring process, the operational risks will be reported to CLT as part of the Performance clinics.~~

89. Review

This Strategy will be reviewed on an annual basis by the Extended Leadership Team and Corporate Leadership Team before final approval by the Overview and Scrutiny Accounts and Governance Committee. The Director of Resources will be responsible for initiating the review.

10. Publication

This Strategy will be published on the Corporate Section of SharePoint. It will also be put on the Corporate Bulletin Board for a short time to publicise the annual review.

DRAFT

Risk Management Action Plan - Actions Completed

Reference	Date Added	Title	Identified by:	Description of risk	Action to be taken	Owner	Deadline	Progress	Status	Completed Date
1a	31/10/2020	Risk Management Strategy	TIAA - Internal Audit of Risk Management	The risk management strategy needs to be updated annually and approved by Overview & Scrutiny annually	Risk Management Strategy to be updated annually and approved.	AY	31/03/2021	Strategy updated and approved by Council July 2021.	Complete	15/07/2021
1b	31/10/2020	Risk Management Strategy	TIAA - Internal Audit of Risk Management	The risk management strategy needs to be updated annually and approved by Overview & Scrutiny annually	Responsibility for this to be allocated to a named AD.	MB		Allocated to MB as new AD: Finance and HR	Complete	20/09/2021
2a	31/10/2020	Annual Governance Statement	TIAA - Internal Audit of Risk Management	Up to date AGS (Annual Governance Statement) not published on website	AGS to be published annually by publishing deadline	PS		19-20 Statement published on website	Complete	31/08/2021
2b	31/10/2020	Annual Governance Statement	TIAA - Internal Audit of Risk Management	AGS not published by deadline of first working day of September following year end	AGS for 20/21 to be prepared, approved by AGC and published by 1 September 2021	PS	01/09/2021	to AGC on Thursday 10th February for publication with the	Complete	10/02/2022
3	31/10/2020	Performance Management Report	TIAA - Internal Audit of Risk Management	From a review of minutes from meetings of the Executive since 1st April 2019, it was confirmed that a Corporate Performance Report, as outlined in the new Corporate Performance Management Framework, has been presented each quarter, with the Report for Quarter Two of 2020/21 being presented at the meeting on 21st July 2020. A summary of the Strategic Risks Register, however, which the Framework states should be appended to the Council Plan Dashboard, has not been included to date.	In line with the provisions of the new Corporate Performance Management Framework, a Strategic Risk Register be reviewed quarterly by CLT at the Performance Clinics. A summary Strategic Risk Dashboard be added to the Council Plan Dashboard and reported quarterly to the Executive. Action Agreed: The Strategic Risk Register will be included in future Performance Management report starting from Q3 in January 2021	PS	01/01/2021	Now being included in the performance management report and reviews of Strategic Risk Register being performed monthly at ELT.	Complete	01/01/2022
4	31/10/2020	Risk Management Group	TIAA - Internal Audit of Risk Management	Minutes of the Risk Management Group were reviewed for all meetings since 1st April 2019. The Risk Management Strategy states that the Group is to meet quarterly. There was a meeting in July 2019 and one in October 2019. The Strategy notes that the Group "is an important driver of the Council's approach to Risk Management". It further states that one of the tasks of the Group is to ensure commitment from Senior Management. Apologies were received from the Director of Corporate Services during the October meeting. There have been no meetings of the Group since October 2019.	Recommendation: Meetings of the Risk Management Group be held quarterly, in accordance with the frequency stated in the Risk Management Strategy. Full attendance be achieved as far as possible. However the new Risk Strategy mentions instead ELT meeting to review the Risk Strategy (monthly) and other areas of risk (not time dependant)	MB	pending	Replaced by a risk report being presented to ELT quarterly. the next full report due 23 February 2022.	Complete	23/02/2022

Risk Management Action Plan - Actions Completed

Reference	Date Added	Title	Identified by:	Description of risk	Action to be taken	Owner	Deadline	Progress	Status	Completed Date
5	31/10/2020	Risk Management Group	TIAA - Internal Audit of Risk Management	The Risk Management Strategy lists the roles and responsibilities of CLT as being to review on a monthly basis the Risk Management Group, which will be updated quarterly. From a review of notes from 20 CLT meetings from 11th April 2019 to 7th October 2020, there were no matters noted relating to the Risk Management Group.	Recommendation: In accordance with the roles and responsibilities of the CLT, as indicated in the Risk Management Strategy, the Risk Management Group be reviewed on a monthly basis by CLT. However the new Risk Strategy mentions instead ELT meeting to review the Risk Strategy (monthly) and other areas of risk (not time dependant)	MB		Replaced with ELT reviewing risk register monthly and full risk report quarterly. Monthly review has started with the next full report due 23 February 2022.	Complete	23/02/2022
8	15/07/2021	Risk Management section in Committee Reports	Risk Management Strategy Update	Ensure that risk is considered by all staff across all activities	Every formal report to Members must include a Risk Management Implications section, completed by the report author. For major decisions, this will often be an extensive section. o the stated implications are reviewed at draft report stage as part of the governance checks process. The Director of Corporate Services and the Assistant Director Governance have to sign off all reports	LT		Risk management implications included in template. All reports to Council or Cabinet must be signed off by s151 and MO.	Complete	31/12/2021
6	31/10/2020	Review of Strategic Risk Register	TIAA - Internal Audit of Risk Management	Risk Register reviewed regularly	In accordance with the provisions of the Risk Management Strategy, the Risk Register be reviewed quarterly by the Executive and annually by the Overview and Scrutiny Committee. However per the new Risk Strategy, the review is mentioned as quarterly by Overview and Scrutiny and no mention of Exec	MB		ELT reviewing the risk register monthly. The corporate performance report includes the risk register and is presented quarterly to cabinet and to O&S.	Complete	26/04/2022
9	15/07/2021	Strategic Risk Map	Risk Management Strategy Update	Member awareness of Risk	to report on the strategic risk map, as part of the performance monitoring report, to Overview and Scrutiny Committee on a quarterly basis. (Is this the Strategic Risk Register?)	MB		ELT reviewing the risk register monthly. The corporate performance report includes the risk register and is presented quarterly to cabinet.	Complete	31/01/2022

Risk Management Action Plan - Actions Completed

Reference	Date Added	Title	Identified by:	Description of risk	Action to be taken	Owner	Deadline	Progress	Status	Completed Date
11	15/07/2021	Risk Management Strategy	Risk Management Strategy Update	The risk management strategy needs to be updated annually and approved by Overview & Scrutiny annually	The Director of Resources will recommend a Risk Management Strategy setting out the Council's approach to Risk Management to the Scrutiny Co-ordinating Board (<i>Scrutiny Co-ordinating board - does this exist? Should we change this to Overview and Scrutiny - do we need approval?</i>)	MB		Strategy should be approved by A&G and will be added to workplan	Complete	26/04/2022
12	15/07/2021	Risk Review by management	Risk Management Strategy Update	Organisation is not aware of/does not respond to new risks, changes to risks or changes to controls	ELT to review Strategic Risk Register monthly			Now being done.	Complete	31/12/2021
13	15/07/2021	Risk Review by management	Risk Management Strategy Update		ELT to review regularly insurance guidance, claims and accidents data, training requirements, staff awareness	MB		To be included in next meeting at 23/2/22	Complete	23/02/2022
14	15/07/2021	Staff Awareness	Risk Management Strategy Update	Staff are not aware of corporate risks	After approval, Strategic Risk Register to be published on corporate bulletin board. <i>How often? Quarterly?</i>	MB		Requested 9/2/22	Complete	09/02/2022
16	06/04/2022	Capacity and Resource Planning	Strategic Risk Register	Not having sufficient internal capacity to deliver core business and projects considering pressures from LGR	TIAA to perform internal audit in this area.	IF	30/06/2022	Included in internal audit plan	Complete	