

Sevenoaks District Council

Risk Management Strategy



Risk Management Strategy

This strategy sets out clear objectives for the management of risk at Sevenoaks District Council. It reflects the Council Vision and Promises as set out in the Corporate Plan and is supported by a robust risk management framework and guidance for officers.

The Strategy is reviewed annually by the Council's Officer Risk Management Group and updated as necessary to reflect developments in best practice risk management. Where updates are required the Risk Management Strategy is reported to Members for approval.

DRAFT

We are always interested in ways to improve our approach to Risk Management and welcome your suggestions.

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Publication details

Purpose of the Risk Management Strategy

To ensure that the Council adopts appropriate objectives for the management of risk that enables the Council to deliver on its Vision and Promises as set out in its Corporate Plan.

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	Page
1. Background & Introduction	1
■ Introduction	1
■ Council Vision & Promises	1
■ Risk Management at Sevenoaks District Council	2
■ Risk Management Process	2
2. Aims & Objectives	3
■ Aims & Objectives	3
■ Risk Appetite	3
3. Effective Practice & Outcomes	4
■ Effective practice	4
■ Outcomes	5
4. Additional Information	6
■ Links to plans and strategies	6
■ Guidance for officers	6

1. Background & Information

Introduction

Risk is defined as an uncertain event or set of events, which, should it occur, will have an effect on the Council's ability to achieve the Vision and Promises it has set out in its Corporate Plan.

The outcome of any such event occurring could have a positive effect on the Council delivering on its promises and would be considered an opportunity or could have a negative effect and be considered a threat.

Risk Management is the process that is applied to monitoring the Council's exposure to risk and the actions taken to identify, assess, evaluate and control that risk.

The purpose of risk management is not to eliminate risks, but to effectively manage the uncertainties that may apply in all areas of the Council's business. By managing risk, we are able to ensure that threats do not lead to negative consequences and opportunities are able to be realised.

This Risk Management Strategy sets out the Council's objectives to achieve this and provides a structured framework to be applied by all managers within the Council, and in doing so will:

- Provide the basis for a comprehensive, simplified and standardised framework which will integrate Risk Management into the culture of the Organisation;
- Raise awareness of the need for Risk Management by all those connected with the delivery of the Council's Vision and Promises, including Partners;
- Support the Council in anticipating and responding to changes in social, environmental and legislative conditions;

- Help to minimise injury, damage, loss and inconvenience to residents, staff, service users and assets arising from or connected with the delivery of services;
- Support the introduction of a robust framework and procedures for identification, analysis, assessment and management of risk, and the reporting and recording of events, based on best practice; and
- Support the Council in minimising the cost of risk and risk implementation plans.

Council Vision & Promises

All risk management activity is undertaken to help the Council achieve its vision and promises. The vision of the District Council can be summarised as:

"Pride in the District of Sevenoaks by working with the Community as a whole, to sustain and develop a fair, safe and thriving local economy."

The Council's promises are to:

- Provide value for money;
- Work in partnership to keep the District of Sevenoaks safe;
- Continue to collect rubbish efficiently and effectively;
- Protect the Green Belt; and
- Support and develop the local economy.

The principal aim of this Risk Management Strategy is to set a clear framework for best practice risk management that enables the Council to achieve its promises and deliver its vision for the District.

1. Background & Information

Risk Management at Sevenoaks District Council

It is recognised that risk is present in all the Council's activities. The Council's approach to risk management is to be proportionate and to ensure that risk to service delivery is adequately managed, without being unduly prescriptive.

The risks that the Council faces are becoming more complex and substantial. These are influenced by a number of factors, including:

- the rate of change in modern society;
- increasing complexity of regulations;
- changes in technology;
- increased level of expectations from customers and stakeholders,
- increasingly demanding austerity targets; and
- increased involvement with other organisations through partnerships, collaboration or shared services.

All of this means that the Council is faced with increased uncertainty and to be successful in delivering its promises requires a structured approach to managing risk.

To this effect, the Council's risk management framework is designed to be robust, consistent, transparent and easy to understand and is reflective of the size and nature of the Council's operations.

It empowers managers to make best use of their skills and abilities to deliver services more effectively, rather than inhibiting managers from taking practical, positive, steps to deliver the Council's vision and priorities.

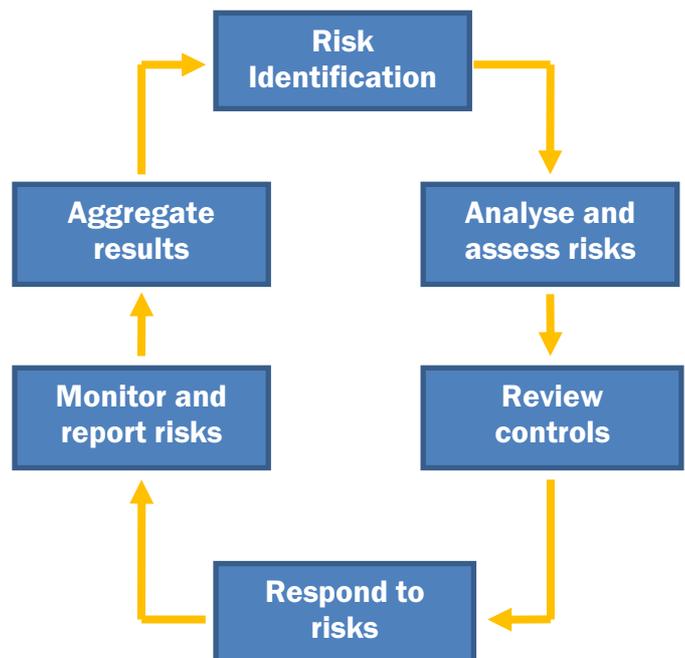
Risk Management process

It is the Council's strategic aim that risk management principles are applied at every level of its business or service delivery; at strategic, operational and project level.

Strategic Risks are identified by considering the threats and opportunities that impact the Council as a whole in delivering each of the promises it has set out within the Corporate Plan.

In delivering the Council's strategic aims through its vision and promises the details set out in the Corporate Plan are delegated to individual service areas and translated into operational service plans. It is the responsibility of each service manager to assess the opportunities and threats to the achievement of their service plan objectives and to provide the Council with a comprehensive view of the operational risks it faces.

The Council's approach to risk management will follow the best practice, six step approach set out in the following diagram.



2. Aims and Objectives

The Council's Risk Management Strategy is to enhance Members and Officers ability to deliver on the Council's Vision and Promises in the most effective way, by providing an enabling tool to anticipate, assess and manage the uncertainties, which might impact on the effective delivery of the Council's Vision and Promises.

To achieve this strategy the following aims and objectives will be delivered:

- Ensure a clear policy statement is in place which clearly communicates the Council's approach to risk management;
- Establish effective governance arrangements, clear accountability, roles and reporting lines across all services;
- Develop standardised toolkits, procedures and guidelines for use across the Council
- Provide for effective risk assessment in all decision making processes;
- Develop risk management skills and expertise to enable effective delivery of the Council's vision and promises;
- Ensure sufficient resources are allocated to ensure effective risk management;
- Ensure appropriate consideration of risk within all reviews of business strategy, the Corporate and Community Plans, service plans and subsequent improvement plans;
- To ensure all partners are aware of the Council's expectations on risk as set out in its Risk Management Policy Statement; and

- Assess the performance and effectiveness of risk management activities.

Risk Appetite

It is recognised that engaging in business activities necessitates risk; and that all risk cannot be eliminated.

To this effect, the Council accepts that risk would be present in everyday activity and the emphasis is on the effective management of risk to enable affective delivery of the Council's Vision and Promises.

The 'risk appetite' is the term used to express the level of risk that the Council accepts or tolerates to enable the achievement of its vision and promises.

How much risk is acceptable?

The Councils expects that as a minimum, wherever there is clear mandatory legal, statutory or regulatory requirement, that these should be met. This standard applies to all service areas and all the Council's activities.

Threats that are assessed as a high risk to the Council should result in action being taken to dis-continue the activity or immediate steps should be taken to mitigate the risk.

Medium risks are within the Council's risk appetite if evidence exists that the threats are being adequately controlled.

3. Effective Practice & Outcomes

Effective practice

■ Audit Committee

It is the responsibility of the Audit Committee to approve the Risk Management Policy Statement and advise on the adoption of the Risk Management Strategy for the Council.

To support the Council in ensuring the commitments in the Policy Statement and Strategy are carried out effectively the Audit Committee review the Strategic Risk Register on an annual basis.

■ Chief Executive

The Chief Executive assumes overall strategic responsibility for the Risk Management Framework, including regular review of the Risk Management Policy Statement and Strategy.

It is the responsibility of the Chief Executive to set the Council's risk appetite and ensure service areas have adequate resources to implement effective risk management.

Importantly the Chief Executive should support the Executive on risk management and risk related matters.

■ Chief Officers

Chief Officers assume the lead role for Strategic Risks affecting their own service areas.

It is the responsibility of Chief Officers to agree service plan objectives with Heads of Service and Service Managers for services within their remit and for ensuring risk management processes are fully enacted within service areas, and that key risks are monitored.

■ Audit, Risk & Anti-Fraud Manager

It is the responsibility of the Audit Manager to develop and maintain the Risk Management Policy Statement and Strategy, and the tools and techniques used to implement them in consultation with the Officers Risk Management Group and the Strategic Management Team.

The Audit Manager co-ordinates the implementation of the Risk Management Framework and reports on risk management to the Audit Committee, including the highlighting of significant existing or emerging risks.

In addition, the Internal Audit Team provide guidance, training and advice to Officers on the management of risk and help to promote and share best practice across the Council.

■ Risk Management Group

This group is made of Officers from various parts of the Council. The group meets quarterly, takes the lead in championing and co-ordinating the Council's approach to risk management, and ensures that effective risk management processes are fully embedded. This group also reviews and updates the Strategic Risk Register.

■ Heads of Service & Service Managers

Heads of Service and Service Managers conduct risk assessments for the objectives set out for their service areas, using the Council's framework as set out in this strategy.

They engage with the risk management process and reporting procedures and monitor the progress of risk action plans.

■ All Staff

All Staff must ensure they are familiar with the Risk Management strategy, process and procedures and with the support of their Manager ensure that controls and procedures in place for operational service delivery are implemented on a day-to-day basis.

3. Effective Practice & Outcomes

(continued)

Outcomes

By following the Strategy set out and ensuring that risk management is properly applied across the Council, will deliver the following outcomes:

- Increased focus on what needs to be done (or not done) to achieve service objectives and the Council's Promises;
- Help to remove surprises and minimise uncertainties;
- Assist in making Corporate Governance more effective;
- Enable things to be done right first time, by improving business intelligence;
- Help provide a basis for effective resource allocation;
- Enhance managers ability to justify action taken or proposed;
- Enables projects to be managed more effectively;
- Enables a better quality service – more satisfied customers;
- Enables the identification of and realisation of available opportunities;
- Helps protect the Council's reputation; and
- Assist in meeting legal and regulatory requirements.

4. Additional Information

Links to plans and strategies

The Council's Risk Management Strategy is aligned to the commitments made in a number of other Council plans and strategies. These include the:

- Corporate Plan;
- Financial Strategy;
- Procurement Strategy;
- IT Strategy; and
- Human Resources Strategy.

Guidance for officers

Further risk management guidance is available on the Council's Intranet. This information includes:

- Risk Management Policy Statement;
- Risk Management Framework;
- 'Risk on a page' guidance note and
- Best practice tools and advice.

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If you have any comments about this document or require further copies, please contact:

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Other formats:

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