

One County One Team, Risk Management Policy Statement

Introduction

The vision for risk management is to maximise opportunities and minimise exposure to ensure the residents of Surrey remain healthy, safe and confident about the future.

How successful the council is in dealing with the risks it faces can have a major impact on the achievement of our key priorities, goals and service delivery to the community. The Risk Management Strategy supports and underpins the council's Corporate Strategy: One County One Team, and the six key areas of focus - residents, value, partnerships, quality, people and stewardship.

The focus of good risk management is the identification and treatment of risks and opportunities. It increases the probability of success and reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process, which runs throughout the council's strategies and service delivery.

Learning lessons from past activities helps inform current and future decisions by reducing threats and optimising the uptake of opportunities. Celebrating and communicating successful risk management in turn encourages a more bold but calculated approach.

Risk Management principles

The council's approach to risk management is built on the following principles:

- **Alignment with objectives**
Enhancing opportunities for success and eliminating or minimising the threat of failure will enable the council to determine risk appetite and tolerance levels to support the achievement of objectives.
- **Clear guidance**
Effective management of risk is encouraged through an open and transparent approach that is suitably resourced and consistently applied.
- **Informs decision making**
Risk information is used to objectively inform decision-making and the achievability of desired outcomes.
- **Achieves measurable value**
Benchmarks and measures are used to monitor and report on how risk management contributes added value to the organisation.
- **Facilitates continuous improvement**
Significant events and incidents are reviewed to ensure lessons are learnt and actions for improvement are identified and implemented.

Benefits

The following benefits are realised through the above principles:

- Improved organisational resilience
- Proactive management
- Improved identification of threat and opportunity events
- Enhanced health and safety performance
- Improved governance
- Stakeholder confidence and trust

Realisation

The realisation of the principles and benefits will be achieved through the operation of the council's risk approach and arrangements.

The Risk Framework contains specific information on the council's risk arrangements and the risk process and procedures.

Compliance with these documents will ensure that the council achieves excellence in its approach to and management of risk.

Risk Management Strategy

1. Introduction

- 1.1 Risk management is an integral part of good management practice and a key part of corporate governance. This strategy outlines the arrangements put in place to ensure the council identifies and deals with the key risks it faces.
- 1.2 The council has adopted proactive risk management arrangements to enable decisions to be based on comprehensively assessed risks, ensuring the right actions are taken at the right time.
- 1.3 How successful the council is in dealing with the risks it faces can have a major impact on the achievement of its key strategies, priorities and service delivery to the community. The Risk Management Strategy helps to support and underpin the council's corporate strategy, One County One Team.

2. Objectives

- 2.1 The objectives of this strategy are to:
 - Fully integrate risk management into the culture of the Council and its strategic and service planning processes;
 - Ensure that the risk management framework is implemented and understood by all staff who have a direct operational responsibility for managing risk;
 - Communicate the Council's approach to risk management to stakeholders;
 - Ensure the benefits of risk management are realised through maximising opportunities and minimising threats;
 - Ensure consistency throughout the Council in the management of risk.

3. Risk Management

- 3.1 The focus of good risk management is the identification and treatment of risks. It increases the probability of success and reduces the likelihood of failure and the uncertainty of achieving objectives. Risk management should be a continuous and evolving process, which runs throughout the Council's strategies and service delivery.
- 3.2 Learning lessons from past activities helps inform current and future decisions by reducing threats and optimising the uptake of opportunities. Celebrating and communicating successful risk management in turn encourages a more daring but calculated approach.

4. Integrated Risk Management

- 4.1 In order to create an integrated risk management culture that is embedded into medium term planning, a collaborative approach to risk is undertaken. Service plans, financial budgets and risk registers are developed using a five-year business planning cycle and these are regularly reviewed using an iterative process.

4.2 There are a number of levels of risk register:

- Leadership risk register – owned by the Chief Executive
- Directorate risk registers – owned by individual Strategic Directors
- Service risk registers – owned by individual Heads of Service.

5. Roles and responsibilities

5.1 All employees and members involved in managing risk should be aware of their risk management responsibilities. However, the ultimate responsibility for risk management lies with the Leader of the Council and the Chief Executive.

5.2 Responsibilities for risk management are shown in the table below.

ROLE	RESPONSIBILITIES
The Cabinet	<ul style="list-style-type: none"> • Overseeing effective risk management across the council. • Ensuring that key risks are identified, effectively managed and monitored. • Appointing a member risk champion.
Portfolio Holders	<ul style="list-style-type: none"> • Ensuring that risks within their portfolio are identified and effectively managed through discussions with Strategic Directors and Heads of Service. • Facilitating a risk management culture across the council. • Contributing to the Cabinet review of risk and being proactive in raising risks from the wider Surrey area and community.
Members of Select Committees	<ul style="list-style-type: none"> • Monitoring and challenging key risk controls and actions. • Facilitating a risk management culture across the council.
Audit & Governance Committee	<ul style="list-style-type: none"> • Providing independent assurance to the council on the effectiveness of the risk management arrangements.
Corporate Leadership Team (CLT)	<ul style="list-style-type: none"> • Ensuring effective implementation, monitoring and review of the council's Risk Management Strategy. • Identifying and managing the key risks facing the council and owning risks and action on the Leadership risk register • Ensuring regular review of the Leadership risk register as part of wider council performance
Strategic Directors	<ul style="list-style-type: none"> • Ensuring that risk management within their directorate is implemented in line with the council's Risk Management Strategy. • Ensuring that risks within their directorate are identified and effectively managed by owning their Directorate risk registers • Ensuring regular review of directorate risk registers as part of wider council performance. • Challenging Heads of Service on relevant risks relating to their services. • Proactively raising risks issues at CLT and with Portfolio Holders
Heads of Service	<ul style="list-style-type: none"> • Ensuring that risk management within their service is implemented in line with the council's Risk Management Strategy. • Owning their Service risk register and identifying risks arising from their areas of responsibility and prioritising and initiating action on them. • Ensuring regular review of their Service risk register as part of wider Council performance. • Reporting to Strategic Directors on any perceived new risks or failures of existing control measures. • Supporting and having a regular dialogue with their dedicated risk champion. • Challenging risk owners and actions to ensure that controls are being put in place and monitored.

Managers	<ul style="list-style-type: none"> • Communicating the risk management arrangements to staff. • Co-operating and liaising with the risk champion. • Taking accountability for actions and reporting to their Head of Service. • Reporting any perceived new risks or failure of control measures to their manager.
Staff	<ul style="list-style-type: none"> • Assessing and managing risks effectively in their job and reporting risks to their manager.
Risk and Governance Manager	<ul style="list-style-type: none"> • Co-ordinating and facilitating the implementation of the risk management arrangements. • Moderating and challenging risks across the organisations. • Providing training and communication. • Centrally holding and publishing all council risk registers. • Facilitating the review and challenge of the Leadership risk register.
Strategic Risk Forum	<ul style="list-style-type: none"> • Reviews Directorate risk registers through challenge and moderation; • Makes recommendations to the Corporate Board on changes to the Leadership risk register and key Health & Safety considerations; • Identifies and escalates common themes and risk management issues across the council; • Promotes the sharing of learning and best practice on risk management; • Considers information and recommendations from the Council Risk and Resilience Forum.
Internal Audit Team	<ul style="list-style-type: none"> • Auditing the Council's risk management process. • Using risk information to inform the annual internal audit plan. • Ensuring that internal controls are robust.

5.3 Other officer groups deal with specific areas of risk management and these include the Health & Safety operations team and the Council Risk and Resilience forum. These groups are represented on the Strategic Risk Forum so that their work can be coordinated with the overall management of the risks facing the council.

6. Risk Management framework

6.1 Effective risk management requires an iterative process of identifying, measuring, managing and monitoring risks.

Risk Identification

6.2 Cabinet Members, the CLT, Heads of Service and managers continually undertake risk identification as part of strategic and service planning and delivery. Focus for risk identification should be at a level that is material to strategic / service objectives, targets and service sustainability.

Risk Assessment

6.3 Risk assessment ensures that risks are judged on a uniform scale across the organisation, enabling risks to be objectively scored and compared across services.

6.4 The outcome of service level risk assessment is the categorisation of risks according to their impact (financial, service level, reputation) and likelihood. It assesses the relative importance of the identified risks so as to allow risk owners, where necessary, to prioritise action to mitigate them.

6.5 The output from the risk assessment is a consolidated risk register. The total risk scores are assigned into bands (red, amber or green) according to the severity of the risk.

Risk Control and reporting

6.6 Actions to address significant risks need to be specified and regularly reviewed. These mitigating actions should be focused on reducing the impact or likelihood of risks.