

RISK

Management Strategy

‘Achieving the balance’

2008 – 2011

Forward

This is Suffolk Coastal District Council's revised Risk Management Strategy. It builds on the previous strategy published in February 2004.

The original strategy was a sound and detailed document which described the Suffolk Coastal vision for risk management at that time and detailed the various processes through which it would be achieved.

That vision and its key objectives are still very valid today. However, significant progress has been made in the interim to further develop a comprehensive framework for the management of risk and an approach appropriate to the current and future needs of this council.

This approach can be summed up as

Keep it simple
Keep it effective
Keep it in mind!

This revised strategy describes how we will achieve this over the next three years.

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1. Introduction

Suffolk Coastal District Council, like any organisation, faces a variety of risks on a daily basis across all levels of the authority. These risks if not addressed can threaten our ability to meet our objectives and deliver a quality, value for money service.

On the other side of the coin we also face many opportunities which if embraced in a considered way can greatly enhance the quality and efficiency of our service delivery.

Good risk management essentially balances these two opposing forces.

As a council we should not avoid all risk as this would result in lost opportunities. What we must do however is ensure that we are risk aware and that any risk which has a realistic potential to threaten our success is robustly managed.

Effective risk management allows us to:

- enjoy increased confidence in achieving priorities
- constrain any threats to acceptable levels
- make informed decisions to maximise opportunities
- improve and safeguard our partnership working
- improve corporate governance, and ultimately;
- improve value for money and service delivery

2. Suffolk Coastal's Approach

We all manage risk instinctively in our everyday lives and this applies to our working lives as well. Managing risk as part of the way we work is not something new, it's not something additional to our daily workload, it's an integral part of it.

By implementing a risk management framework we are putting a formal and consistent structure around the process, which will enable us to monitor risk and evidence our good practices.

Our approach to managing risk is to keep the framework simple and effective, thereby encouraging staff and Members to engage with the process. Endorsement for this approach can be found in the Audit Commission management paper "Worth the Risk" which states that "Authorities should avoid unnecessary complexity and cost in their risk management procedures"

This said however there are very important standards to be upheld and any approach must conform to these. At all times in the development of our strategy we will ensure that we take heed of good practice guidelines laid down by the relevant advisory bodies such as SOLACE and the Audit Commission.

The basics of the approach are:

Keep it simple

- We will avoid focussing unnecessary effort on insignificant risks (as defined in the Risk Management guidance notes) which might result in the process becoming overwhelmed and prevent the identification of the real priorities for action.
- We will use efficient processes for the management of risk.

Keep it effective

- We will put the management of risks in the hands of those closest to them. At Suffolk Coastal we are all risk managers.
- We will encourage the focus for action on those risks which have a realistic potential to prevent our success.
- We will ensure alignment with best practice and the requirements of our Auditors.

Keep it in mind

- We will provide effective and timely communication of information and guidance on risk management.
- We will take every appropriate opportunity to reinforce the message of the importance of sound risk management to all Members and staff
- We will inform and report on risk management issues in line with requirements.

3. Our aim and objectives

The aim of Suffolk Coastal's risk management strategy is to safeguard our ability to deliver our strategic priorities by managing our threats, enhancing our opportunities, and creating a framework that adds value to our on-going operations.

The objectives of the Strategy are:

- to fully integrate risk management as a part of performance management into the culture of the organisation and the council's strategic planning processes.
- to ensure that the processes for identifying, evaluating, controlling, reporting and reviewing risk are fully understood and communicated to all staff and Members
- to communicate the council's approach to risk management both internally and to all its stakeholders
- to improve consistency and co-ordination of risk management across the council and its partners through effective leadership

4. The framework for managing and reporting risk

The framework is as follows:

Area of risk	Procedure
<p>Strategic</p>	<p>High level strategic risks with the potential to threaten the council's corporate objectives are logged on the council's Corporate Risk register. The Corporate Risk Management Group (CRMG) meets regularly to review the register, discuss and record progress and consider appropriate action for any escalating or emerging risk. Progress on these risks and any significant emerging issues should be reported to the Senior Management Team and to Cabinet and Members in line with an agreed schedule.</p>
<p>Service Area</p>	<p>Risks with the potential to threaten the effective overall delivery of a particular service are logged on a service area scorecard risk register. This register is a live document and as such should be reviewed and revised by the Service Head as appropriate. Any risks identified as having the emerging potential to threaten the operation of the council at strategic level should be reported to the Corporate Risk Management Group to ensure effective controls are in place.</p>
<p>Operational</p>	<p>Risks with the potential to threaten the day to day operations of a team within a service are logged on a team scorecard risk register. This register is a live document and as such should be reviewed and revised by the team leader and their team as appropriate. Any risks identified as having the emerging potential to threaten the operation or delivery of the service as a whole should be reported to the Service Head to ensure effective controls are in place.</p> <p style="text-align: right;">cont.</p>

<p>Partnerships</p>	<p>Risks with the potential to threaten the effective running of a partnership are logged on a partnership scorecard risk register. This register is a live document and as such should be reviewed and revised jointly by the managers representing both/all partners as appropriate. Any risks identified as having the emerging potential to threaten the success of the partnership should be reported to the appropriate Senior Managers.</p>
<p>Business cases</p>	<p>Each business case put forward for appraisal should include an assessment detailing the risks associated with the proposal in order that an informed decision can be reached as to whether the initiative should be approved.</p>
<p>Projects</p>	<p>Risks with the potential to threaten the success of a project or initiative are logged on a project scorecard risks register. This register should be reviewed at regular intervals throughout the project to ensure the risks are being managed effectively and to identify any emerging risks in the lifetime of the project. Any risks identified as having the emerging potential to affect the success of the project should be reported to the appropriate Manager.</p>
<p>Health & Safety</p>	<p>The council's Health and Safety risk register is managed by the H&S Officer supported by a team of designated Officers across the authority. Any significant emerging H&S risks identified as having the emerging potential to affect well-being, or the safety of a process should be reported to the Health & Safety Officer or appropriate Manager.</p>

There is a series of **guidance notes** and information to support this framework. **These supporting documents and links to them are listed on the index at the end of this document.**

5. Communication

It is vital that the need to manage risk is kept to the fore in the conscience of the organisation. We will communicate this message in a systematic way across all levels of the organisation through:

- publishing all relevant information and guidance in an accessible format and making it readily available through the council's Intranet (DORA).
- announcing any news about such information/guidance to all staff and Members through DORA.
- providing appropriate training on risk management which is accessible to all.
- seeking innovative ways to reinforce the message about risk management through training and guidance.
- facilitating reviews of risk registers as part of scorecard reviews.
- delivering training modules on Risk Management as part of the staff and Member Induction processes, and at any other training sessions where appropriate.
- regular reporting of risk management in line with an agreed schedule.
- offering support and guidance on all performance and risk related issues across the council where needed.

6. Further embedding risk management

As Suffolk Coastal's commitment to shared services continues to grow there is a need to further develop our existing processes for the governance of partnerships to enable us to better demonstrate effective leadership.

Essential to this will be the enhancement of our existing risk management framework to ensure it can be effectively and consistently applied across all our shared services.

Current processes ensure that the risks are effectively identified and assessed when considering a partnership. This allows informed decisions to be made on whether the risk involved in an opportunity is an acceptable risk.

Once a partnership has been established there must be comprehensive assessment of all the risks involved in the operation of that partnership. These risks should form the on-going partnership's risk register which should be developed, agreed and managed jointly between the council and its partner. It should clearly define each risk, who will manage it and who has ultimate responsibility for it.

There must also be a register developed by the appropriate Suffolk Coastal partnership manager or team, detailing the on-going risks of sharing the service with a partner or partners.

The enhancement of the existing framework will ensure that best practice in the management of partnership risk is implemented.

In addition we will continue to further embed risk management into the culture of Suffolk Coastal and its partners by:

- continuing to raise awareness of the importance of considering risk and opportunity and balancing these two factions.
- acting as champions for risk management across the council and its partnerships.
- building effective relationships to encourage engagement at all levels.
- keeping abreast of any new developments in best practice and disseminating information where appropriate.
- monitoring the application of risk management, and reinforcing the need for good practice where appropriate if current practice is not sufficiently effective.

7. Risk management roles and responsibilities

Role	Responsibilities
Cabinet	<ul style="list-style-type: none"> • Review the Council's Risk Management Strategy • Review the Risk Management implications of all the Council's decisions • Monitor and review risks
Corporate Management Team	<ul style="list-style-type: none"> • Ensure framework in place to monitor the Council's Strategic Risks • Monitor progress on managing strategic risks and review the implementation of the Risk Management framework, strategy and process • Review progress regarding risk identification and management • Advise Members and Cabinet on Risk Management implications • Agree overall funding for Risk Management • Ensure Risk Management is integrated into the Council's performance management systems
Corporate Risk Management Group	<ul style="list-style-type: none"> • Regularly review the register of Corporate risks • Provide advice and support on Risk Management to the Management Team, Cabinet, Heads of Service and Service Teams • Ensure framework is in place to monitor the Council's risks • Report to Management Team and Cabinet on all Risk Management issues • Review all Risk Management training
Heads of Service	<ul style="list-style-type: none"> • Identify and analyse all service risks • Profile and prioritise all service risks • Determine action on all service risks • Monitor Progress on managing service risks • Report progress to Senior/Corporate Management Team

Team leaders	<ul style="list-style-type: none"> • Identify and analyse all team's operational risks • Profile and prioritise all team's operational risks • Determine action on all team's operational risks • Monitor Progress on managing team's operational risks • Report progress to Service Head
Strategic Services Risk Management team	<ul style="list-style-type: none"> • Co-ordinate risk management and deliver progress reports to Management Team and Cabinet • Lead and promote Risk Management throughout the Council • Provide advice and support on all Risk Management issues • Provide and record all staff RM training • Liaise with the Council's Internal Audit team • Act as Risk Management Software owner
Internal Audit	<ul style="list-style-type: none"> • Carry out Independent Assessments on the Council's Risk Management Structure • Review all Corporate Risk Assessment arrangements • Review and advise on all Service and Team Risk Management arrangements • Provide general advice and guidance on all Risk Management issues
Corporate Services Scrutiny Committee	<ul style="list-style-type: none"> • Carry out independent reviews on Risk Management issues • Review and make recommendations on Risk Management issues
Members	<ul style="list-style-type: none"> • Have an understanding of risks and regard their management as part of their everyday activities • Undertake appropriate Risk Management training
Partners	<ul style="list-style-type: none"> • Co-operate in maintaining a consistent framework for the management of partnership risk.

8. Key Success Indicators

The effectiveness and benefits of good risk management can be monitored against a number of key indicators as follows:

The ultimate indicators of effective risk management are that the council:

- has resilience to deliver its services and core objectives
- is protected from unforeseen risks
- is able to take cost-effective measures to reduce or eliminate the negative effects of risk
- is able to identify and maximise the potential of opportunities

Outcome based indicators of effective risk management are:

- no major unforeseen disasters
- foreseen risks not having significantly more impact than predicted
- all staff and Members agree that they are sufficiently informed about risk management to apply it effectively

Process based indicators of effective risk management are:

- the percentage of service areas with effective risk registers
- the percentage of teams with effective risk registers
- minimised costs of risk e.g. uninsured losses, insurance premiums, and levels of reserves necessary
- all staff and Members receive appropriate risk awareness training and information

9. Summary

It is acknowledged that the successful implementation of this strategy will require the full commitment of Members and staff at all levels of the organisation if a culture of risk management is to be successfully embedded across the council.

The strategy is for a three year period, however any modifications within that period will be made accordingly. The strategy will be reviewed in 2011.

10. Index

The following index provides links to the guidance notes for all relevant risk management processes supporting the risk management framework, and other useful information.

1. Risk Management guidance notes [link](#)
2. Project Management (inc. business case) guidance notes [link](#)
3. Service Planning Partnership guidance notes [link](#)
4. Medium Term Financial Strategy [link](#)
5. Risk Management e-learning module [link](#)
6. Human Resources Strategy [link](#)
7. Report Writing guidance notes [link](#)
8. Health and Safety policy [link](#)